

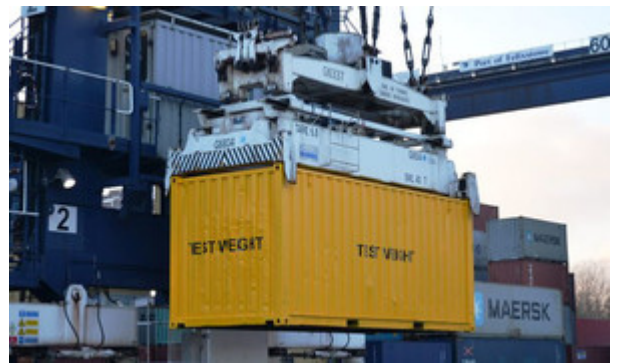
IUMI welcomes new container weighing directive but cautions short-term pain before long-term gain



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The International Union of Marine Insurance (IUMI) strongly supports the new mandatory requirement and adoption of the amendment to SOLAS regulation V1/2 for the verification of the gross mass of packed containers (resolution MSC.380(94)), which comes into force on 1 July 2016.

However, IUMI believes not all shipping and logistics companies, nor shippers, will be ready for this new resolution and this is likely to affect the cargo insurance sector in the short term. Issues include increases in risk exposure due to disturbances in the supply chain; un-weighed containers being refused on board with delays for perishables or time-sensitive cargoes; and the consequent accumulation risk associated with more containers languishing in ports. Additionally, liability underwriters will have short term issues with clients in the logistics sector as their exposure increases.



But once this new regulation is fully implemented and practiced, IUMI is confident that it will contribute significantly to the safety of seafarers, ships and their cargoes. A number of recent maritime catastrophes can be attributed to mis-declared cargo and it is hoped that the new regulation will help save lives and reduce hull and cargo losses in the future.

IUMI's Political Forum Chairperson, Helle Hammer, said:

"The issue of container weighing was originally brought to the attention of the International Maritime Organization (IMO) by the World Shipping Council and ICS. At IUMI, we applaud and strongly support their efforts. We urge all stakeholders to prepare as best they can for this regulation as it is likely to cause short-term upheaval. More importantly, all stakeholders must be aware of the insurance implications – which can change from region to region - if they find themselves in breach of the new regulation, particularly ship's masters who are likely to come under pressure to accept containers without the approved weight verification."

The new amendments require a packed container's gross mass to be verified prior to stowage on board a vessel. The shipper is responsible for providing the verified weight and ensuring it is

communicated in the shipping documents to the ship's master or representative, and the terminal representative, sufficiently in advance in order to be used in the ship stowage preparation plan.

In the instance of the shipper not providing the verified gross mass then the container cannot be loaded until the master or representative and terminal representative have obtained this information by other means. If the verified gross mass is not obtained then the container cannot be loaded on board. If an unverified container is loaded on board the ship, the shipper and the carrier might find their insurance cover invalid. Shippers and cargo interests should check their insurance conditions on delay and/or in the event of unsuitable packing/conditioning.

All concerned in the logistics chain should be aware of this new SOLAS amendment and verify their operational processes, contracts and liability issues.

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