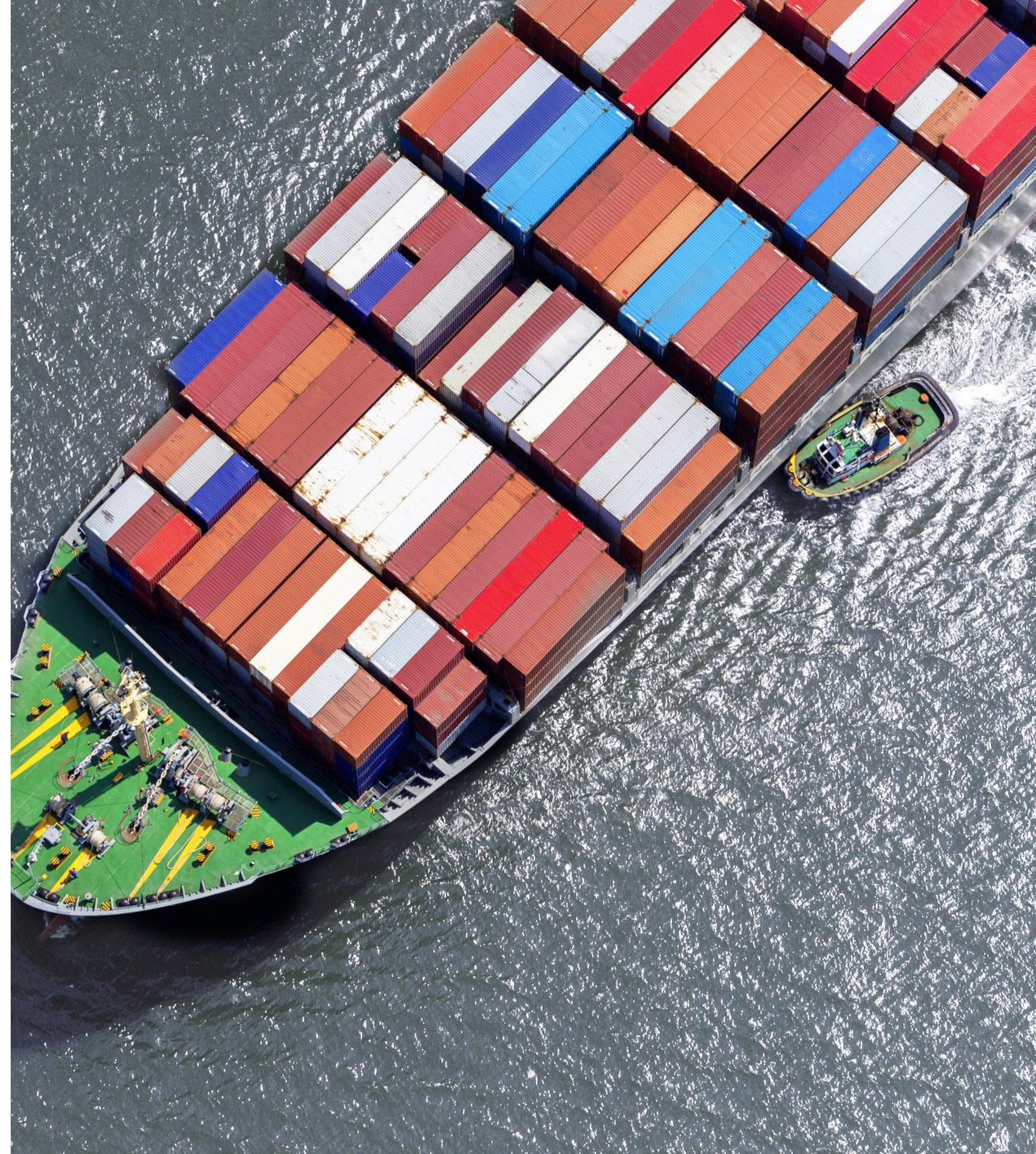




IUMI webinar

24 September 2025

# Proactive Loss Prevention in Charterers' Liability







# Charterers' Liability: **Proactive Loss Prevention**

*Understanding Risks, Contracts and Due Diligence*





# Today's Focus

1. *Know the Risks*
2. *Get the Contracts right*
3. *Do the Due Diligence*

# 1. *Know the Risks*

- ▶ **Awareness is key:**  
You cannot mitigate what you do not recognise.
- ▶ **Focus areas:**  
Unsafe ports & berths, cargo handling, stowage and bunkers.





## 1.1. Unsafe Ports & Berths

- ▶ **Obligation:**

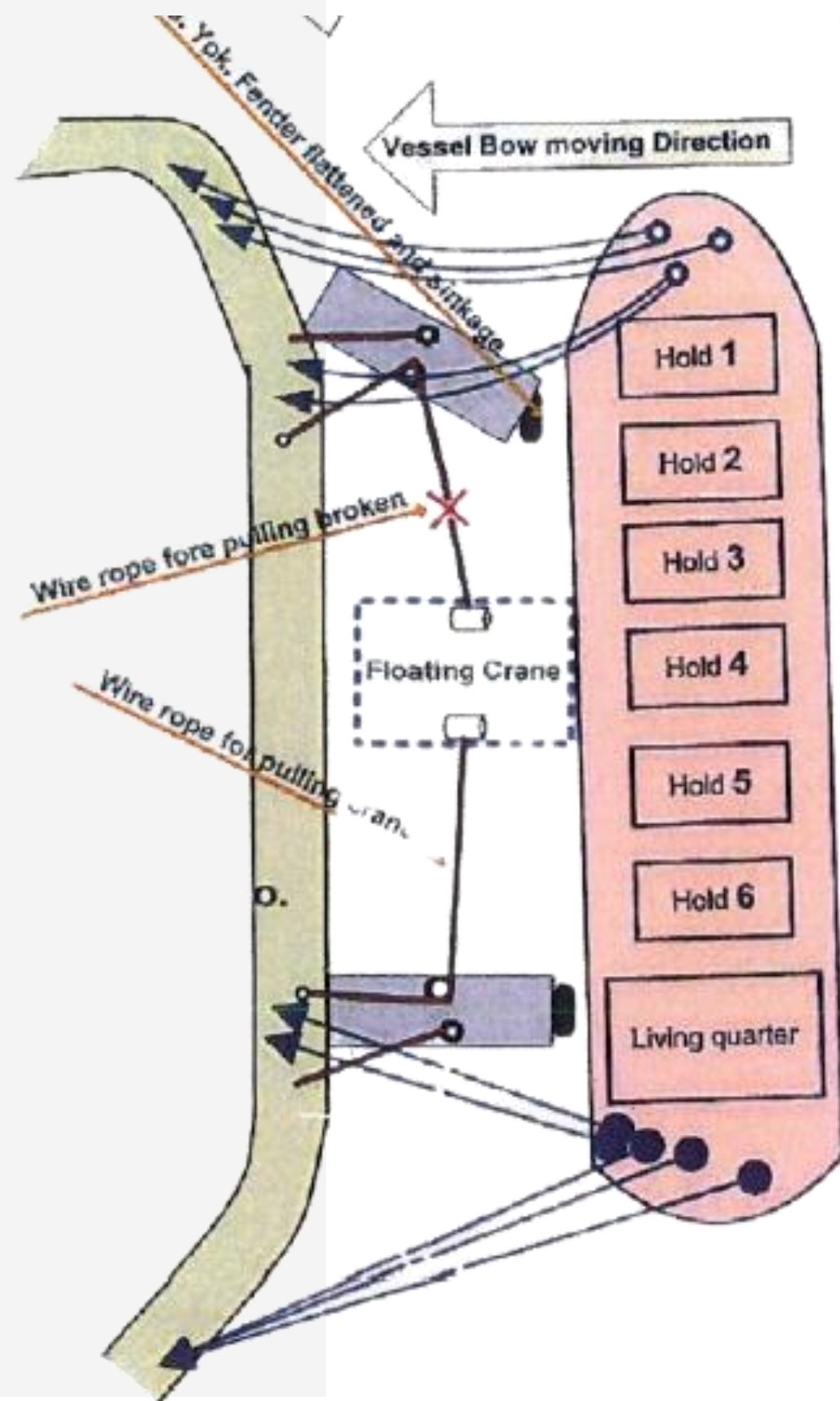
The vessel shall be employed in such lawful trades between safe ports and safe places.

- ▶ **Risks:**

Poor dredging, inadequate moorings, weather, swell, geopolitical instability.





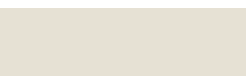




## 1.1. Unsafe Ports & Berths

► **Prevention:**

Independent vetting, mooring & weather checks,  
check geopolitical risks & port accessibility,  
document the due diligence.



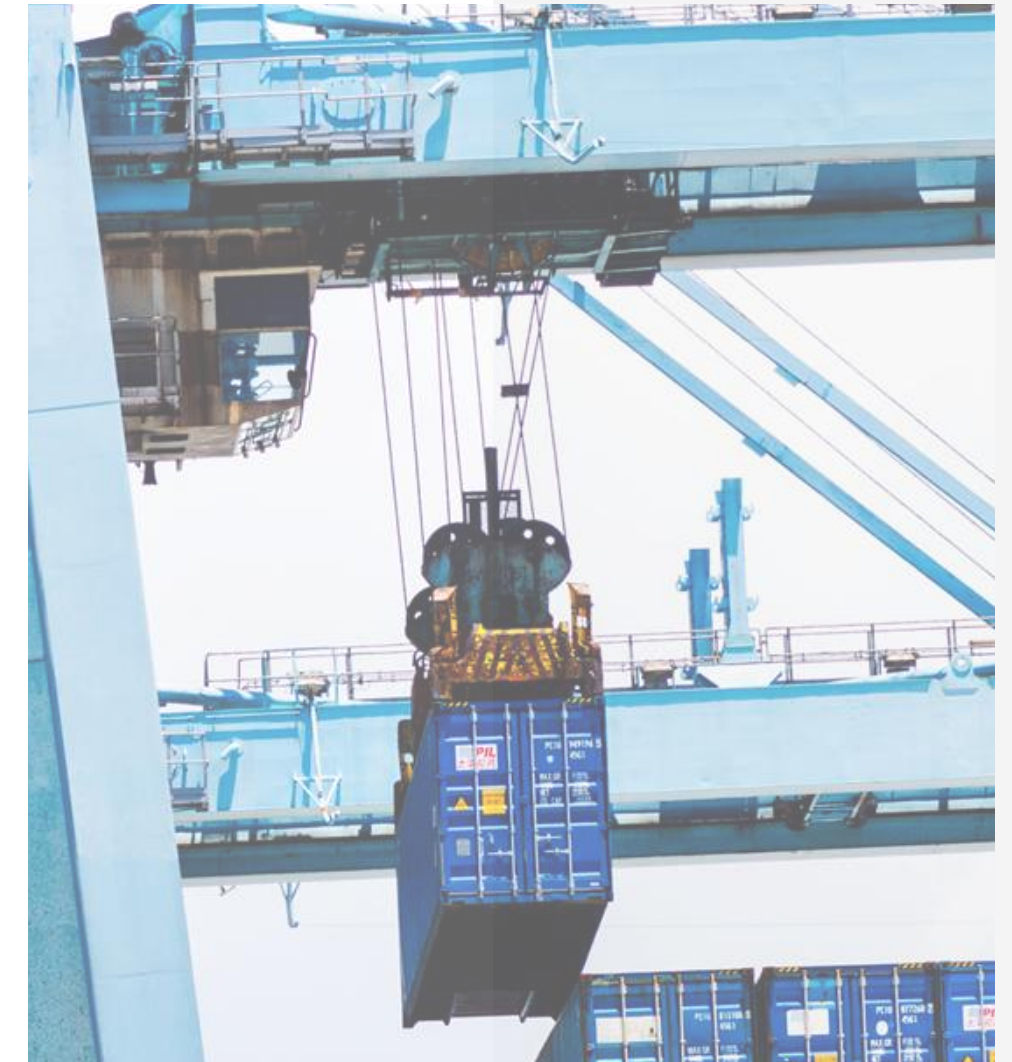
## 1.2. Cargo Handling – Stevedore Damage

- ▶ **Obligation:** Cargo shall be loaded, stowed, trimmed, lashed, secured and discharged at the expense and risk of the Charterer.
- ▶ **Risks:** Dented hatch coamings, tank coating damage, tanktop punctures, crane damage.
- ▶ **Prevention:** Rigorous selection of stevedores, contractual protections, independent supervision, clear instructions and documentation.



## 1.3. Cargo Handling – Bad Stowage

- ▶ **Obligation:** Cargo shall be loaded, stowed, trimmed, lashed, secured and discharged at the expense and risk of the Charterer.
- ▶ **Risks:** Damage to hull structure, damage to holds and hatch covers, stability issues.





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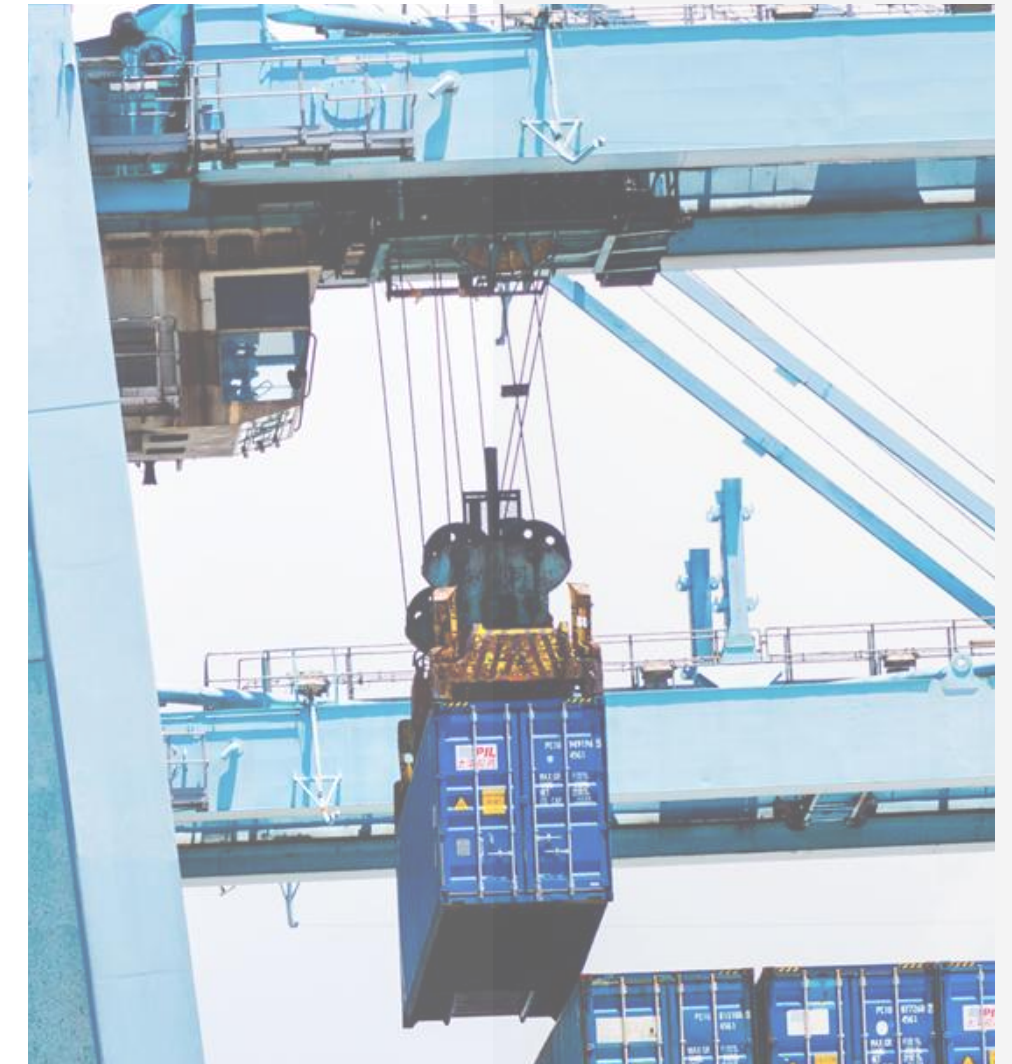
# **MODERN EXPRESS**

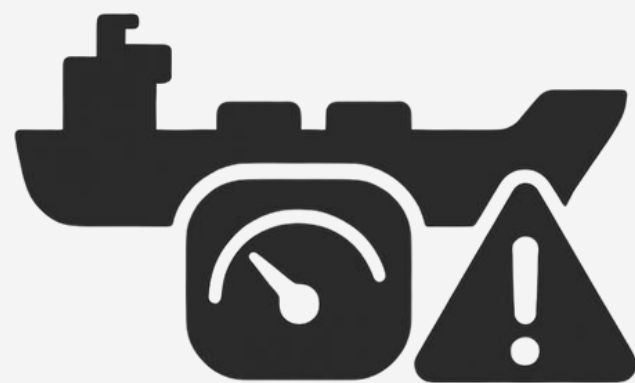
TEAMWORK DURING SPECTACULAR  
SALVAGE OPERATION PREVENTS  
ENVIRONMENTAL DISASTER



## 1.3. Cargo Handling – Bad Stowage

- ▶ **Prevention:** Verify cargo declarations, clarify stowage responsibilities, coordinate & supervise loading operations.





## 1.4. Off-Spec Bunkers

- ▶ **Obligation:** The charterers, while the vessel is on hire, shall provide and pay for all the bunkers.
- ▶ **Risks:** Engine damage, de-bunkering operations and delays.
- ▶ **Prevention:** Draft clear bunker specs, retain and seal fuel samples, use reliable suppliers, monitor regulatory changes.



## 1.5. Cargo Damage

- ▶ **Risks:** Stem from operational, technical and informational gaps.
- ▶ **Prevention:** Selection of stevedores, independent supervision, clear instructions, pre-loading inspections and documentation.

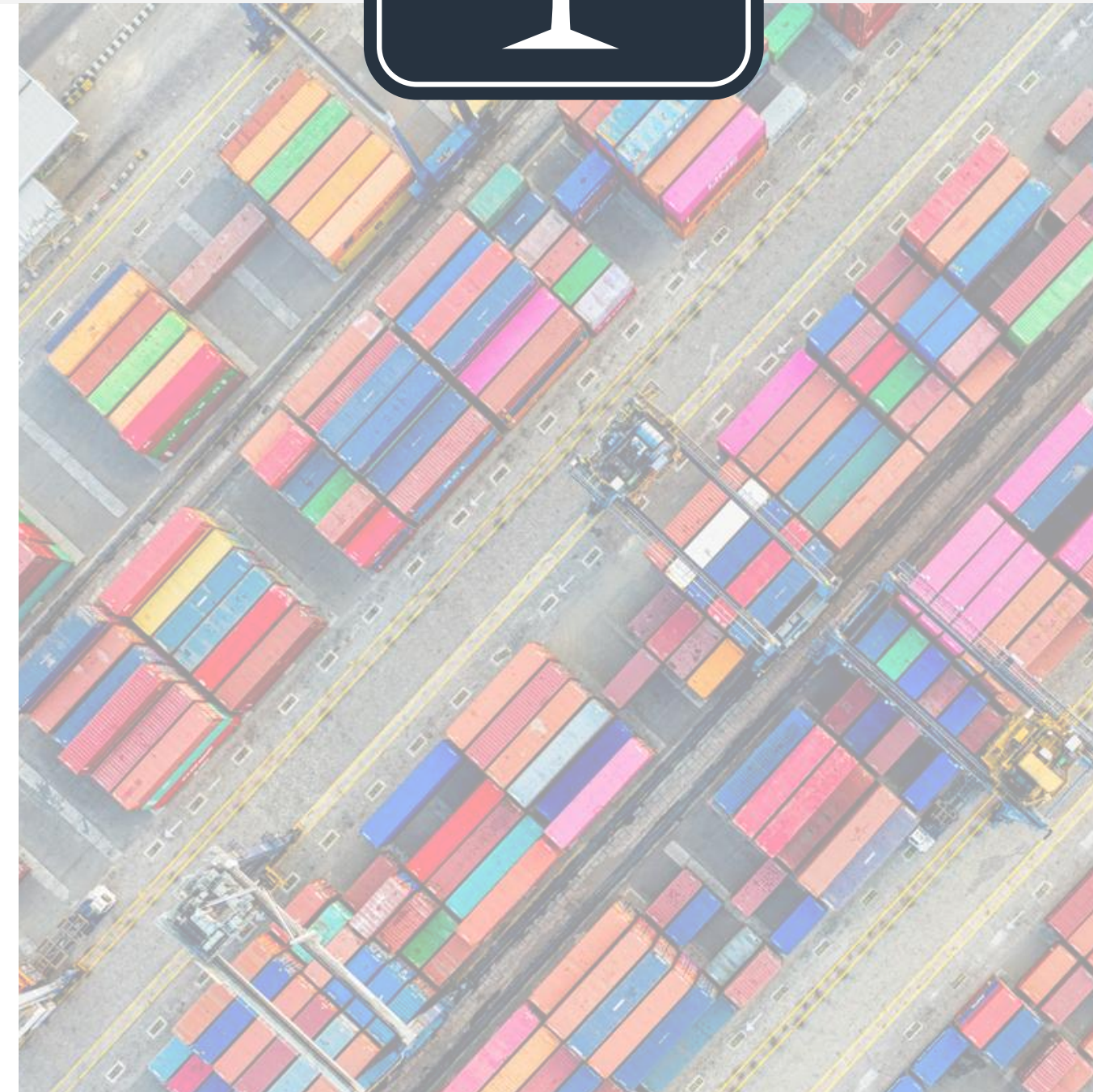




## 1.6. Cargo Damage – Cargo Suitability & Misdescription



- ▶ **Risks:** Contamination, damage or even rejection upon discharge.
- ▶ **Prevention:** Precise cargo clauses, vessel suitability check, terminal & stevedores coordination, careful cargo management.







## 1.7. Cargo Damage – Shortage Claims

- ▶ **Risks:** Theft, spillage, discrepancies between shore, vessel and bill of lading figures.
- ▶ **Prevention:** Agree governing measurement figures, independent surveys, careful documentation.



# Summary – 1. Know the risks

- ▶ Identify key exposures
- ▶ Implement proactive operational and technical controls
- ▶ Document everything to strengthen defensibility



## 2. *Get the Contracts Right*

- ▶ **The Charterparty:** Clauses that shape liability and coverage.
- ▶ Poor drafting causes uncertainty and leads to disputes.
- ▶ **Common issues:** Rushed agreements, ambiguous clauses, broad indemnities, contract misalignment & hidden exposures.



## 2.1. Sealing & Performance Clauses:

- ▶ **Sealing clauses:** Can unfairly push shortages to charterers.
- ▶ **Performance warranties:** Often conditional, difficult to claim.







## 2.2. Misalignment & Law and Jurisdiction Clauses

- ▶ Gap between charterparty and sales/purchase contracts can create losses.
- ▶ Law & jurisdiction choices can complicate dispute resolution.

## Summary – 2. Get the Contracts Right

- ▶ Review key clauses thoroughly
- ▶ Align charterparty obligations with insurance coverage
- ▶ Ensure contracts reflect commercial and operational realities



### ***3. Do the Due Diligence***

- ▶ **Due diligence:** Vetting and compliance as core loss prevention.
- ▶ **Three areas:** Vessel, counterparty and regulations.





## 3.1. Vessel Vetting

- ▶ Go beyond age, class and flag.
- ▶ Check PSC history, detentions, cargo claims, adequacy of tank coatings, crew competence, fuel efficiency, regulatory readiness.





## 3.2. Counterparty Vetting

- ▶ Financial strength and corporate structure.
- ▶ Continuous sanctions and regulatory screening.
- ▶ Includes sub-charterers, shippers and sellers.

## 3.3. Evolving Regulations

- ▶ Environmental and operational compliance is critical.
- ▶ Proactive assessment reduces risk of fines, delays and charterparty disputes.





## Summary – 3. Do the Due Diligence

- ▶ Choose the right vessel
- ▶ Know your partners
- ▶ Stay ahead of rules
- ▶ Prevent losses upfront



**Thank you  
for listening!**

*Any questions?*





# Thank you!

- ✓ Feedback survey
- ✓ Masterclass Cargo & Hull Insurance October 2025
  - last seats available!
- ✓ First Masterclass Cargo Asia in Singapore, April 2026
  - registration now open!

