

THE IMPORTANCE OF SURVEYS

Load, stow and discharge surveys
a necessary cost

As a cargo insurance underwriter specializing in breakbulk cargo, it is quite common to require load, stow and discharge surveys as a stipulation of covering high-value or oversized shipments.

Forwarders, importers and exporters often lament the notion because they say it increases costs and is unnecessary.

Surveys do add to transportation costs, but it is important to understand why these requirements are in place and what can be done to minimize costs without jeopardizing the safety of the voyage.

Breakbulk cargo is a unique transportation niche requiring a great deal of expertise, as each piece of cargo varies in dimension, weight, lifting procedure and other factors. With such a customized approach, it is important to have an expert on hand to oversee the handling of the cargo.

If you are shipping a high-value, over-

sized piece of equipment, your team has likely designed a load plan on exactly how your cargo should be handled. Did you know the load plan you painstakingly devised might not be followed?

Load surveys take place at the port of origin and involve the surveyor working with stevedores to ensure the cargo is safely loaded on board the vessel. Surveyors will ensure the goods are loaded in accordance with the load plan your company has drafted, or they can draw up an appropriate one for you. They also ensure the proper equipment is employed for the size and weight of your particular piece of cargo.

The stow survey generally accompanies a load survey, and ensures the goods are secured well enough in place on the vessel to withstand the various movements, such as pitch and roll, that the vessel will make during the course of the journey.



By Joe Chillino

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Placement on board the vessel is a key factor when determining the strength of the chains required to properly secure the cargo. Goods stowed toward the front or rear of a vessel will move a great deal more during the voyage than goods stowed at the center of a vessel. Therefore, the strength of lashing varies by stowage position.

Finally, the discharge survey occurs at the port of destination and is the opposite of a load survey, in which the surveyor ensures the equipment and method of discharge employed are appropriate for the cargo.

The most important thing to consider when selecting a surveying firm is that your insurance company approves it. Many insurance companies have a global network of surveyors, and they mandate this network is used whenever possible. For instance, Lloyd's of London traditionally requires a Lloyd's Approved Surveyor to conduct its surveys.

If a pre-approved surveyor is not available in your area or you have a long-established relationship with a local surveyor, you can request to use a company outside the approved network. If the surveyor is experienced in the field, has a good track record and carries errors and omissions professional liability insurance, your insurance company will likely consider them for approval.

Mitigating the cost of surveys is a valid concern of the shipper, and there may be options to consider.

Surveyors may be open to negotiating their hourly rate for particularly large projects. Of course, the success of these negotiations may depend on how often you place business with them or if other sur-

veyors are competing for your business. Fewer surveys result in lower costs, but one must ensure that proper precautions are in place to maintain the integrity of the moves.

It is also important to work with an insurance broker who will place your policy with an underwriter that specializes in breakbulk cargo. Underwriters not accustomed to breakbulk cargo may unnecessarily require load, stow and discharge surveys simply because it is a company-underwriting requirement for breakbulk cargo.

For instance, an experienced breakbulk underwriter may consider eliminating the load and discharge surveys on a roll-on, roll-off move because the goods are driven on and off the vessel. There is little a surveyor will be able to do to prevent a stevedore from crashing while operating the cargo. However, ro-ro cargo must be properly lashed in place, so a stow survey is still imperative.

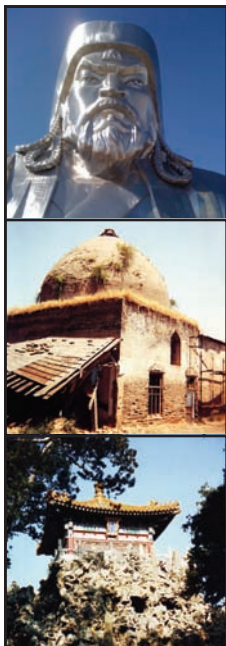
Cargo insurance underwriters familiar and well-versed in breakbulk cargo approach each shipment uniquely, and they are always looking for solutions to keep client costs in check but still make sense. **BB**

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veyors are competing for your business.

You can also work with an experienced insurance broker to find unique solutions to reduce survey costs. For instance, if you are handling a project to ship 30 large pieces of the same machinery, the broker may be able to secure an agreement from the insurance company to survey the first three or four shipments and handle the remaining moves employing the same instructions the surveyor



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