



Making the Most of Project Cargo Surveys

Aren't all surveyors equally qualified to survey project cargo?

When you are hiring a surveyor, you are hiring a person—and no two people are exactly alike. One should hire a surveyor based on their experience. One little known fact is that to be a marine surveyor, one only has to have business cards printed with 'Marine Surveyor'. While there are associations that test members and provides more assurance the surveyor is competent, there is no guarantee.

Example: A surveyor was requested to conduct a loss control survey on a dredging operation underwriters wished to look into more fully. The operation had been insured based upon a condition and valuation survey, which took place for the dredging operation's account. According to the survey reports, the vessels were all in top shape, and the operation appeared to be a sound risk for the insurance company. When the loss control survey took place, it was quite clear the information used to bind coverage was at best poorly considered, and at worst flat-out fraud. None of the vessels were suitable for service, with one of the tug boats not even having a working bilge pump. One of the barges was being kept afloat by a dewatering pump running 24 hours a day, while another barge was grounded due to holes in its hull. Without this loss control survey, the operation would have had insurance at a price not reflecting the actual amount of risk the underwriters were covering.

The original condition and valuation survey was done by a certified marine surveyor. The best way to determine if a surveyor is up to the task is to review his/her resume, and give him/her a call. Ask about his/her background. How long have they been surveying? Have they ever surveyed what you are asking them to look at? What did they do before they were in surveying? Did they attend a maritime academy? Have they sailed themselves? While one does not have to have sailed or gone to a maritime academy in order to be a good surveyor, it definitely helps. Basically, get a feeling for their background, and then make a judgment call. If the surveyor was a golf caddy six months ago and has never had any maritime experience, you may want to keep looking.

Once a shipper has found a surveyor he trusts, can he engage that surveyor to vet other surveyors?

Absolutely. Especially if you have a strong relationship with the surveyor, you will want to keep that relationship strong, and thus will do their best to ensure that you are getting the talent you need. Some companies get very comfortable with a surveyor and simply send them wherever they need a survey performed. When you have millions of dollars at stake, the travel costs become insignificant.

What can a shipper do to make the most of your time and the survey you are performing?

The agent's cell phone number is very important, as ships are almost never on schedule. Any information the surveyor can get on the load helps. For example, engineering drawings showing how the engineers have planned the cargo to be lashed and where the center of gravity is extremely helpful. In addition, having large and accurate marks on the exterior packaging with the correct weight is critical for both the surveyor and the loading crew.

In the post-9/11 era, ports have become very restrictive and in some cases do not allow surveyors on site.

What suggestions do you have when that scenario comes up?

Honestly, the best time to deal with this is long before the survey is to take place. Keep an open dialogue with the vessel's representative and ask what is needed in order to access the ship at the dock. Unfortunately, every port has different requirements, even though the Transportation Worker Identification Credential (TWIC) program was meant to change that in the US. The requirements in Miami are different than ones in Tampa, but the ship's agent should have knowledge of what needs to be done beforehand so everything will run smoothly.

What certifications should a surveyor have?

This is very subjective as some think that certifications are meaningless, while others think they mean the certified person can do anything. No certification should replace talking to a surveyor and getting a gut feeling about him or her. The National Association of Marine Surveyors (NAMS) has a rigorous vetting process.

Does the surveyor have the authority to correct deficiencies in packaging or loading operations?

It depends on who the principal is. Generally, if a surveyor is working for the company insuring the shipment, and if the insurance company extends the authority, insurance coverage can be cancelled if a bad situation is seen and no corrective action is taken after being brought to the attention of the chief mate or port captain. The best idea is to hire a surveyor who can work with the stevedores and pose suggestions instead of giving orders.

What are some of the most common problems seen during a load or discharge survey?

Often the biggest problem is one of complacency. The crews often want to do the minimum possible and may overlook proper handling procedures. While one would like to think that the carriers will always use the utmost care with any cargo entrusted to them, this is simply not always the case. For example: A large shipment of construction equipment consisting of mega dump trucks, bulldozers and graders was being exported to a mining operation in South America. Generally, the chief mate of the vessel is tasked with ensuring that all the cargo is handled appropriately by the stevedores, and all cargo on the vessel is secured properly. In this case, the stevedores reported the cargo was secured and the vessel was ready to get under way – despite the fact many of the chains and binders were not tight and that some machinery did not have any means of securing whatsoever. One piece of equipment, weighing over 22,680 tons and located in an area difficult to access, did not have a single chain on it. Had this not been addressed, the cargo could have destroyed itself once the vessel got under way, moving freely within the hold and striking the hull of the vessel, as well as other cargo. Additionally, this condition could possibly have led to a breaching of the hull and eventual sinking if this was not corrected. The marine surveyor advised the ship's crew the vessel should not move until this situation was corrected. The vessel ended up remaining in port for two more days while the securing was done properly.

How does a good survey vary from a bad survey, and what are the resulting consequences based on your experiences?

Good surveys may be dull and boring while bad ones are very exciting. On a bad survey, someone misses something and, as a result, the cargo is damaged and/or someone is injured.

What can the surveyor contribute to the process before the cargo begins to move?

If a surveyor is involved from the beginning, suggestions can be offered in packaging and logistics from the perspective of the person loading the ship. Often, items can be packed well for one mode of transit, generally the first one, and not be suitable for the second. The surveyor can also assist with determining what methods of transport make the most sense, and if the intended conveyance is up to the task.

A good marine surveyor is one a client can entrust with millions of dollars worth of freight, the protection of the vessel, and, above all, the safety and security of the crew. As with any business partnership, such trust can only be earned through an open dialogue and a good working relationship with a dedicated marine surveyor.

This information is provided by Roanoke Trade Services, Inc. as a public service and for discussion of the subject in general. It is not to be construed as legal advice. Readers are urged to seek professional guidance from appropriate parties on all matters mentioned above. Insurance and surety risk management solutions for supply chains and transportation have been Roanoke Trade's focus since 1935. Roanoke Trade is a member of Munich Re and an affiliate of Watkins Underwriters at Lloyd's of London. Roanoke Trade closely follows the ever-changing government policies that affect the movement of goods, and works only with insurance companies financially rated as "A-" (Excellent) or better.

For more information, please contact us at 1-800-ROANOKE, ext. 1252 or info@roanoketrade.com