

MMIA STEEL PRELOADING SURVEYS: GUIDANCE TO MEMBERS

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| Introduction | <p>Finished steel cargos are highly sensitive and susceptible to physical (mechanical) damage and rusting, much of which can occur due to mishandling and external storage before the cargo is loaded on board. As a consequence, the MMIA Rules of Entry require that all steel product cargoes undergo a steel cargo preloading survey. The survey also includes other loss prevention assessments designed to protect members from cargo claims.</p> <p>This MMIA Steel Preloading Surveys: Guidance to Members is intended to explain the above process and raise awareness of the member's loss prevention obligations. It should be read in conjunction with the recommendations contained in the associated MMIA Steel Preloading Surveys: Guidance to Surveyors document.</p> |
| Applicable MMIA Rule of Entry and Warranty | <p>Rule 4.19. (xii) provides that:</p> <p><i>"...the Association will not be liable for claims arising out of the carriage of <u>steel products</u> unless a preloading survey has been carried out at the Member's expense by a surveyor approved by the Association, the bills of lading claused in accordance with surveyor's findings and any recommendations of the surveyor complied with."</i></p> <p>In addition to the above, the P&I entry confirmation advice for general cargo vessels will also contain a specific Warranty which is stated using precisely the same words as Rule 4.19. (xii).</p> <p>NOTE: The words <u>steel products</u> include every type of steel cargo. However, upon e-mail application by the member to enquiry@fepandi.com MMIA will consider the issue of a written waiver of both the aforesaid Rule 4.19 (xii) and the specific Warranty for certain types of steel products. An example of a product not requiring survey could be steel scrap.</p> |
| Surveyor Appointment | <ul style="list-style-type: none"> • The primary function of the surveyor is to protect the member's interests and avoid cargo damage liability. • MMIA maintain a list of approved steel preloading surveyors and contact details will be provided on e-mail request to enquiry@fepandi.com. • Members should ensure that surveyor appointment is made early so as to allow sufficient time for surveyor attendance preparation. • The surveyor's fee and expenses must be paid directly by the instructing MMIA member. |
| Scope of Survey | <p>The survey required by the MMIA Rules of Entry consists of 6 elements.</p> <p>ELEMENT 1 - Pre-Attendance Arrangements</p> |

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| | <p>ELEMENT 2 - Steel Preloading Survey ELEMENT 3 - Cargoworthiness Assessment ELEMENT 4 - Steel Loading Survey ELEMENT 5 - Post Load Securing Check ELEMENT 6 - Bill of Lading Clausing and Signature</p> <p>The manner in which each Element is to be accomplished and reported is set out in detail in MMIA Steel Preloading Surveys: Guidance to Surveyors.</p> |
| <p>Master and Surveyor Liaison</p> | <p>It is strongly recommended that the member provide a copy of the MMIA Steel Preloading Surveys: Guidance to Surveyors document to their ship managers and the master of the designated vessel well in advance of the vessel's arrival at the loading berth. The master should also be instructed to provide his/her full cooperation and assistance to the appointed surveyor and to follow and act on his/her professional advice.</p> |
| <p>Bill of Lading Clausing and Signature</p> | <p>Members are referred to the MMIA Steel Preloading Surveys: Guidance to Surveyors document at Element 6. This section sets out the process for any necessary clausing of the Bills of Lading (B/Ls) as a consequence of the observation of apparent damage.</p> <p>As explained by the text of Element 6 & by MMIA Risk Bulletin No. 6 CLEAN BILLS, DIRTY BILLS AND LOI'S – BE VERY CAREFUL! members must understand that if 'Clean on Board' B/Ls are signed in circumstances where the cargo has been observed to be damaged, then their MMIA P&I entry will not cover any resulting claims. Further, the issue of any related Letter of Indemnity (LOI) by shippers/charterers will not reinstate P&I cover.</p> |