

Case Study: Fire Damage



Primary Delay Insurance for H&M Perils Case Study

A bulk carrier arrived at a port during the evening hours of the day to discharge a cargo of wood chips destined for a paper mill. Upon opening of the cargo holds, cargo light clusters were lowered into the hold for adequate lighting to assist with cargo operations.

In the meantime, cargo documentation and arrival formalities continued in the ship's cargo control room. Crew on deck that were assisting with the mooring operations were on indoors for dinner. On deck, there remained a crew member at the gangway and another crew member doing safety rounds of the vessel including cargo holds.

An hour into the cargo light clusters being lowered into the cargo holds, smoke was observed from hold no 2 port side. The crew members on deck doing safety rounds alerted the ships staff who subsequently carried out a fire fighting operations.

The fire which by then had engulfed the upper port side of the hold was slowly put out. Several hours of boundary cooling followed.

Needless to say, cargo operations did not commence and the vessel was instructed to leave the port and wait at the anchorage for investigations and safety of other vessels in the vicinity of the jetty.

This resulted in several days of delay during which time the vessel was placed off hire.

The vessel was subsequently permitted to re-enter the port after a period of 10 days to complete cargo operations. The repair costs to the vessel, loss of cargo following the fire were both covered by the vessel's hull and P&I insurers.

The loss of earnings during this period was however recoverable. This loss of earnings was covered in full by the delay insurance provided by Nordic.



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