

Guidelines for the settlement of claims

relating to Articles of Transport carried under the Carriers' Standard Conditions of Carriage.

Articles of Transport ("AoT") includes, unless otherwise indicated, any vehicle, container, flat, pallet, trailer, transportable tank and similar items used for the consolidation of goods, as well as mobile plant and timber packages.

The fifth edition of these guidelines is issued to indicate to the trade the parameters that have been agreed between Carriers and Protection & Indemnity ("P & I") Clubs, over the years, for the settlement of claims for damage to AoT and similar carried under the Carriers' Standard Conditions of Carriage.

Normal Wear and Tear and Handling Damage

Alleged damage to AoT is frequently found, on inspection, to be fair wear and tear.

AoT are susceptible to damage despite due care being taken during loading, handling, stowing, storing and discharge, and terminal operations. Carriers shall not accept such "handling damage" as a valid claim; for example; where units are damaged but their use is not curtailed, and their Certificate for Safe Containers ("CSC") is not invalidated as detailed in current International Institute of Container Lessors ("IICL") guidelines.

Claims Settlement

Simplified procedures have been adopted for settlement of valid claims for AoT.

Carriers shall not accept liability for the following:

A. Trailers and similar items

1. Any damage caused by the shifting of cargo within, or on, the AoT.

(Reference: NSOCC Yellow Card, 4th Edition dated 29 October 1999)

2. Tilts & Curtains

Except holes and tears in tilts and curtains where they are of some importance and were caused as a result of tear or chafe against external objects whilst the AoT was in the custody of the carrier.

Examples of such situations, where liability shall not be accepted, are holes and tears as a result of:

- a. tearing or chafing against the framework of, or objects within, the AoT:
- b. tearing or chafing against cargo within the AoT, excessive tension in the canopy due to side boards, stanchions or cargo extending beyond the cargo loading platform.

3. Bumpers, Sideguards & Cargo Lifts

Bumpers, sideguards and cargo lifts touch ramps, bollards and other objects; any related minor damage shall be treated as fair wear and tear unless they are fully retracted and secured prior to presentation for shipment.

4. Buffer blocks

Buffer blocks fitted to protect AoT and AoT equipment from damage are subject to fair wear and tear due to frequent contact with hard objects.

5. TIR Wires, Eyelets & Side Curtain Buckles

TIR wires, eyelets and side curtain buckles are in excess of the width of the AoT and are subject to damage in normal use. All damage to these and other such items shall be considered fair wear and tear.

6. Tyres

Damage to tyres, or punctures, caused to the sidewalls by contact with loose equipment on board ship. Where accepted, the claim will be apportioned at a maximum of:

- a. in respect of new tyres (not less than 13mm of tread still remaining) - 75% of the established claim;
- b. in respect of all other tyres - 50% of the established claim.

However, no liability shall be accepted for any tyre with a tread area below 4mm or where the tread peels away from the tyres.

7. Spare wheel Carriers

Spare wheel carriers are often positioned close to the ground and damage shall be considered as inherently occurring due to the location of the spare wheel carrier.

8. Wheel rims

Any damage to wheel rims.

9. Air Suspension Bags

Except where it can be clearly established that the damage occurred whilst in the custody of the carrier.

10. Mudguards and Anti-spray Equipment

Mudguards and anti-spray equipment are vulnerable to contact with external objects and damage shall be considered fair wear and tear.

11. Side Board & Door Hinges and Locks

Side board and door hinges and locks wear out due to normal handling and corrosion.

12. Lamps, Lenses and Reflectors

Lamps, lenses and reflectors are items that can be detached and interchanged between AoT

13. Landing Legs

Except where landing legs are bent to such an extent that their correct operation is prohibited. Where damage is accepted, claim settlement shall be on the basis of 25% depreciation.

14. Landing Leg Stays

Except where bent by external impact to such an extent that they are no longer able to serve their intended purpose.

15. Landing Leg Wheels and Feet

Any damage to these items in view of their function, and the heavy stress to which they are regularly subjected.

16. Side Boards and AoT Superstructures

Chafing, denting, splitting of side boards or AoT superstructures is specifically excluded. Other claims in respect of these items may be accepted

17. Sliding Door & Roof Systems

Except where damage occurs by external impact and causes the system to malfunction. Where damage is accepted, claim settlement will be on the basis of depreciated value.

18. Aluminium and other light weight constructions

Except frame and sub-frame damage caused by external impact occurring whilst the AoT was in the custody of the carrier.

B. Tank Containers

1. Dents, scratches, etc in outer casing, panels, framework, corner posts and castings where the normal operation of the unit is not impeded;
2. Malfunction of temperatures gauges, valve covers, box lids etc.;
3. Damage to ladders and walkways which does not affect their ability to be used safely;
4. Temperature settings or the malfunction of thermostats, heating and/or refrigeration units;
5. Any damage to overlength or overwidth parts of units that are outside the standard dimensions of the ISO frame.

All claims in relation to tank containers shall be subject to the right of inspection of the damage and sight of paid repair bills and shall be related to the age depreciation basis.

C. Refrigerated and Temperature Controlled Units

Frame, sub-frame and outer cladding damage is excluded except where the damage is caused by impact occurring whilst the unit was in the custody of the carrier.

D. Decals and Logos

Except for the replacement of decals and logos in the immediate damage area.

E. Loose Equipment

Loss of or damage to loose equipment, such as but not limited to, spare tyres, winding handles, brake couplings, tools etc.

Valid Claim

Where any of the above items A2 – D form part of a larger valid claim for damage, then exception from the limitations specified above may be given due consideration.

Liability Apportionment

In the event of loss of or damage to material that is beyond economical repair, the claim for loss or damage shall be apportioned accordingly.

Attention is drawn to the Carriers' Standard Conditions of Carriage and nothing contained in these guidelines shall be construed as a waiver or surrender of any of the Carriers' rights and/or defences.

The Carriers shall not undertake any greater liability or responsibility than exists under those Standard Conditions.