

# Claims Corner

## March 2005



### Clean Up



Lately a couple of incidents have highlighted the importance of the clean up and disposal costs included under the Vero National Marine Carriers Combined policy and Combined Cargo policy.

The first incident occurred on Magnetic Island where 200 litres of diesel fuel was spilt whilst a carrier was loading a tanker onto a conveying vehicle. Whilst the claim for the loss of fuel was only minor the clean up costs exceeded AUD\$20,000. This was primarily due to authorities not giving permission for the testing of any possibly contaminated soil to take place on the island due to the volume of soil to be tested and a general lack of space. As a result the effected soil had to be excavated and transported from the island by barge to Townsville which naturally resulted in significant extra costs.

The second claim involved a load of sump oil that spilled into a small creek as a result of a truck rollover. The claim for the loss of sump oil was less than AUD\$10,000 but the carrier involved was provided with an invoice for \$58,000 being the costs to remove the oil from the creek and the subsequent testing of the creek water and surrounding terrain.

It's a timely reminder to ensure clients are adequately covered in this area and that the limit is sufficient to cover some worse case scenarios.



### Taint From Paint !!??

Technical Claims have experienced a number of taint/contamination losses to edible products. Investigations into the cause of the taint/contamination are still continuing however indications are that petrochemicals used in the production of paint products and applied to new containers may be the culprit. Paint also includes tar paint and there is a tendency to use this product to waterproof the underside of container floors.

The taint is similar in smell to naphthalene more commonly known as mothballs. The fumes are able to permeate through most packaging or seals rendering the product, in the majority of cases, a total loss.

VNM strongly recommends that shippers, as part of their routine container inspection, perform thorough examinations on all shipping containers, particularly those that are new or reconditioned, prior to stuffing with foodstuffs or other sensitive product.



### Fast Track

The latest figures show that 25% of claims received were put through our Fast Track stream.

Fast Track is designed to handle straightforward cargo claims where we receive all the necessary information at the time the claim is submitted. The service standard is to agree the claim within 48 hours of being lodged and over 90% of claims qualifying for Fast Track are agreed on the day of receipt.

Fast Track not only ensures a speedy settlement to the client but also benefits you through a reduction in administration time & handling costs. Further information on Fast Track can be obtained from [michael\\_millott@vero.com.au](mailto:michael_millott@vero.com.au)

### Did you know?

Distance remains a key trade barrier for Australia relative to other countries. From the 1950's - 1990s, the proportion of world GDP within a 10,000km circle from Sydney increased from some 16% to 20%. For London the same sized circle enclosed 94% of world GDP in both 1950s and 1990s. By this measure, the only OECD country in the world more remote from the bulk of global GDP than Australia is New Zealand

**The Team at VNM  
Marine Claims**