

## Overview

### Location

Singapore

### Challenge

Investigate cause of machinery damage

### Solution

Crawford team supported by the shipping company

### Results

Crawford's investigation confirmed that the damage was pre-existing, and a fraudulent claim was made. Underwriters were able to decline the claim.

*"Crawford adjusters are able to find and check on different sources for evidence to support claims investigation."*

### Mazreen Montalib

Assistant Manager, Marine  
Singapore

## Crawford sniffs out a fraudulent claim

### The challenge

Crawford Singapore was appointed by the Underwriters to investigate machinery damage stowed in an FCL container. It is reported to have been damaged during transit and before un-stuffing by the Insured. The Insured was also the Consignee and had imported the cargo from overseas on FOB (Incoterms).

The machinery was declared as new on the Insured's marine cargo policy for the shipment.

During the survey and inspection of the damaged machinery, Crawford noted that:

- machinery parts were rusted
- glass surface was broken
- colour of the machine had worn off
- various parts of the machinery were dented
- lack of adequate packing materials such as lashing belt and chocking within the container
- Invoice was not issued by the OEM

It was suspected that the machinery was a used unit. Nevertheless, the Insured was adamant and insisted that the machinery was new and that the damage had been sustained during transit and that they should be compensated for the loss.

### The solution

A request was made for pre-shipment photographs from the Insured which was denied. The Insured insisted their claim was valid. Crawford adjuster appointed then discreetly contacted the shipper to obtain more information, including pre-shipment photographs, on the condition of the machinery before their sale to the consignee. It was clear from the pre-shipment photographs that the parts were rusted, and the glass surface was broken along with other damages noted during survey.

Consequently, Crawford concluded that the items were used and had been in a damaged condition pre-shipment. The shipper confirmed Crawford's findings that the machinery was used and was sold in "as-is" condition.

The Consignee / Insured had falsely declared that the machinery was new and in sound condition at the time the marine cargo policy was taken out.

### **The result**

The Consignee/Insured intentionally declared the items as new and would not provide the pre-shipment photographs.

Crawford confirmed that the damage was pre-existing upon receipt and careful examination of the photographs from the Shipper.

As the machinery was used and in “as-is” condition, the Shipper deemed that packing, such as lashing and chocking, was not necessary.

This information was provided to the Insurers who then issued instructions to seek the Insured’s comment. The Insured refused to respond despite repeated requests.

The tell-tale signs were clear. The case was deemed to be fraudulent, and Underwriters managed to save the claim.