

Overview

Location

Singapore

Challenge

Investigate cause of fire, extent of damage and repair needed of generator

Solution

Expert assessment by Crawford team supported by external consultants and surveyors

Results

Thorough assessment of the damage and application of policy conditions resulted in US\$700,000 savings for all insuring parties involved

“This claim showed why a surveyor’s report and in-house marine expertise is important in determining the cause of the incident.”

Tony Yeo

Manager, Marine Singapore

Effective claim resolution following vessel fire

The challenge

The Crawford Singapore Marine team was instructed by cargo insurers to investigate an incident where one case generator set (value at USD15M CIF) was damaged by fire while on board a vessel. The damaged case was sent to Singapore for the necessary investigation and repairs.

The initial claim submission amounted to USD2M for labour costs, replacement of parts, logistics, shipping and survey costs amongst others.

Identify the cause

An initial inspection revealed that:

- The exterior of the case was not badly burnt and that the left side of the case was more damaged compared to the right side
- The case’s internal section of the top and side planks was badly charred

A detailed inspection revealed:

- The inside of the case was lined with plastic sheets and kraft paper
- At the extreme left side of the case, several cartons of spare parts and instruction manual were stowed and were severely burnt
- The left side generator set (gearbox) was badly affected by the fire as all external components and wires were burnt while the alternator section was only partly affected

Based on the above observation, it was established that the fire started at the left section where the cartons were stowed. Prior to the discharge of the case, the vessel crew used hot works to remove the i-beams. The heat from the torch had burnt the plastic and kraft paper lining which led to the burning of the cartons within the case. As a result, fire was noted from inside the case. The fire was eventually put out by the crew using seawater fire hoses.

These findings were confirmed by an external surveyor’s report.

The solution

The left side (gearbox section) of the generator was severely burnt, while the alternator section was less affected. Heat from the fire also caused exposed components including wires and cables in the alternator section to melt to varying degrees.

Crawford adjusters advised that the generator set was repairable, a finding which was accepted by the Insured and their engineers.

The results

The repair took about three months to complete and was conducted by engineers from the original manufacturer, local repairers, and technicians. All exposed components, wires and cables were replaced. The gearbox was dismantled and checked for distortion with critical parts being replaced and others being serviced. Similarly, the alternator that came into contact with seawater and soot, was cleaned, serviced and rebuilt.

A protracted negotiation followed up further application. The final adjustment was agreed at US\$1.3M based on Crawford's inspections, causality assessments and policy application. This represented a total of US\$700,000 in savings for insuring parties including the insured, the vessel's P&I, the forwarder's liability, and the cargo insurers.

Furthermore, we confidently expect to obtain a full recovery in this case in light of some critical operational oversights, including hot works being conducted without the use of fire retardant blankets or fire preventative materials, and fire extinguishers not being employed to cool the heated steel deck or sparks from hot works.