

Circular From SWEDISH

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Carriage of Containers On Non-cellular Ships

Under normal circumstances, carriage of containers on non-cellular ships, such as general cargo ships and bulk carriers, should be restricted to a limited number of containers only.

If a member intends to load containers as the main cargo on a non-cellular vessel, or a vessel originally not designed for containerized cargo, The Swedish Club should be informed as this may be deemed as an alteration of risk. This applies to both H&M and P&I insurance policies.

Unfortunately, there is no straight answer or checklist available covering all aspects and activities to complete before the vessel can engage in a *new* trade. As a first step, the Flag State Administration and the Classification Society should be contacted to clarify any documentary changes to the vessel's statutory and classification certificates. If the intention is to carry containers to a larger extent or on multiple voyages, statutory certificates may need to be re-issued.

Managers should be aware that The Safety Management System (SMS), International Safety Management system (ISM) and Document of Compliance (DOC) may need amending to align with the new employment of the vessel.

To comply with Regulation 5 of Chapter VI of SOLAS, an approved and up-to-date Cargo Securing Manual (CSM) is essential. The CSM shall describe the lashing pattern for containers below and above deck. A list of lashing devices, as well as the estimated number of lashing devices that should be on board the vessel, must be included in the CSM.

To maintain stability and structural integrity, a current stowage plan must be maintained and aligned with the vessel's loading computer. The loading computer may need updating to handle container stowage. It is good practice and usually a requirement from the Club that a Marine Warranty Surveyor is engaged when a vessel is loading a cargo which the vessel was not originally designed for.

IMO Hazardous cargo and reefer cargo shall not be accepted unless the vessel is properly equipped for such carriage. Consider the possibility to efficiently detect and extinguish a fire inside a container stowed on deck or inside a cargo hold. Is the vessel equipped with suitable firefighting equipment, and is the crew trained?

Bills of lading

For carriage of cargo on deck – including carriage of containers on deck – it is important for the preservation of P&I cover that a) the bills of lading terms contain a liberty clause allowing the vessel to carry cargo on deck and b) that the bills of lading are claused to state that the cargo is being carried on deck.

In terms of liberty clauses for carriage of cargo on deck, most bills of lading used in the dry bulk trade do not cater for the carriage of cargo on deck. For instance, the standard Congen 1994 bill of lading does not contain any liberty clause, so it will not be appropriate to use unless the wording is amended to include a liberty clause.

In relation to clausing the bills of lading, the prudent approach is to issue separate bills of lading for cargo carried on-deck and cargo carried under-deck. If this is not possible – and deck cargo is carried - members must still ensure that the bills of lading state on the front that the cargo is carried on deck.

In terms of wording to insert on front of the bills of lading for carriage of deck cargo, members may wish to consider using:

"Carried on deck without liability for loss or damage howsoever caused".

If the carriage is to or from the United States, separate wording must be used. Wording that may be used is:

"Carried on deck, any warranty of seaworthiness of the vessel being hereby expressly waived by the shipper, and the risk of loss or damage relating to on deck carriage being born by the shipper/consignee, such carriage shall in all other respects be governed by the terms of this bill of lading and the provisions of the Carriage of Goods by Sea Act of the United States, approved 16 April 1936, notwithstanding Section 1 (C) thereof."

Charterparty

For members with existing time charterparties who are ordered by charterers to carry containers in a non-cellular ship, the starting point is to check if container carriage is excluded under the terms of the charterparty or if carrying containers would endanger the safety of the vessel. If this is the case, owners may likely be within their right to reject such an order.

For members that are considering entering into a charterparty for the carriage of containers on a non-cellular ship, it is worth bearing in mind that standard container charterparties contain specific provisions related to the carriage of containers, which are likely to be relevant to incorporate into the charterparty. Standard-form dry bulk charterparties (such as the NYPE form) are unlikely to be suitable for engagement in such trades without substantial amendment to deal with the many different issues that carriage of containers gives rise to. Careful consideration will need to be given to the negotiation of appropriate terms when fixing so as to reduce the risk of disputes arising later on.

Finally, the safe operation of a container vessel, whether cellular or otherwise, is a difficult task requiring

well-trained and competent personnel supported by high-quality management. Make sure the organisation onboard and onshore have sufficient training and experience to carry out the job in a safe and efficient manner.

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Source of Information: The Swedish P&I Club

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