



From Fish to Cargo

Risks in Preservation, Transshipment, and Insurance Considerations

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#IUMI2024 X

1. Fishing Vessels in the Global Supply Chain

- Fishing vessels are integral to global trade
- Risks involved in fishing operations
- Cargo as a crucial aspect of the fishing industry's revenue



2. Key Risk Factors

1. **Vessel Age and Condition.**
2. **Crew Experience**
3. **Operating Environment**
4. **Fishing Method:** Certain methods are more prone to accidents
5. **Claims History**

3. Types of Cargo on Fishing Vessels

- **Fresh Fish:** Transported directly to markets or processing plants.
- **Processed Fish:** Frozen, or otherwise processed products.
- **Live Fish:** Aquaculture operations or specific market demands.
- **Fish By-products:** Fish oil, fishmeal, or other valuable derivatives.



4. Distribution involves

- **Fresh fish landings from vessels**
- **Frozen fish from fishing vessels to nearby canneries**
- **Transshipment of frozen fish from fishing vessels to reefer vessels**
- **Others**

5. Challenges in Refrigerated Transport

- 1. Prolonged Transit Times:**
Increases the risk of spoilage due to potential machinery breakdowns
- 2. Harsh Marine Environments:**
Weather conditions at sea can damage vessels and compromise refrigerated holds
- 3. Frequent Transfers:** Multiple handlings during transport raise the likelihood of temperature abuses or physical damage to cargo

6. Challenges in Refrigerated Transport: Quality Considerations

Fish Quality in Refrigerated Transport:

- Depending on the type of fish and market, it must be frozen and stored at -18°C or lower to maintain freshness and prevent spoilage.
- Temperature control is critical; even small fluctuations can result in:
 1. **Dehydration:** Cold storage may lead to moisture loss.
 2. **Oxidative Rancidity:** Prolonged exposure to slightly higher temperatures can cause fat oxidation, leading to quality deterioration.

Common Causes of Quality Loss:

- **High loading temperature**
- **Refrigeration breakdown:** can result in significant temperature increases, leading to spoilage.
- **Inefficient air circulation** Poor circulation of cold air in cargo holds may cause uneven cooling, with some fish warming and spoiling faster than others.

7. Frequent vessel failures leading to cargo loss

- **Refrigeration Systems:** A failure in compressors, coils, or insulation can cause the hold to warm above acceptable limits
- **Mechanical Failures:** Engines or auxiliary machinery issues may indirectly impact refrigeration systems
- **Structural Failure**
 - **Hull Damage:** Can expose the cargo to water ingress, impacting the insulation and refrigeration systems
 - **Hatch Seal Failures:** Allowing warm air or seawater into the cargo hold, impacting temperatures

8. Delayed Repairs Due to Non-Apparent Malfunctions

- **Operational Challenges:** non-apparent malfunctions may not be immediately detected during operations
- **These issues may become evident only later, but immediate repair may not be possible until the end of the trip due to:**
 - Remote locations
 - Lack of repair facilities at sea
 - Time-sensitive fishing operations

9. Consequences of Delaying Repairs

- **Increased Risk to Cargo and Vessel:** As the malfunction goes undetected or unaddressed, cargo may begin to deteriorate
- **Challenges in Identifying the Cause of Loss:** Determining the root cause of cargo loss becomes more difficult after transshipment to a reefer vessel or container, complicating the investigation and resolution process

10. Key factors that could affect the Adjustment of the claim

1. **Insured Expertise: operationally and as a trader**
2. **Claim location**
3. **Pressure on local surveyor**
4. **External influences on Stakeholders**
5. **Lack of Transparency**
6. **Combined Insured Interest: As the vessel's and cargo's interest.**

11. Takeaways as (re)insurers

- **Identify and thoroughly understand the specific risks you are managing**
- **Ensure your claims manager/team has the expertise to handle these types of risks**
- **Develop customized strategies to effectively mitigate identified risks**
- **Implement proactive incident response procedures to minimize delays**
- **Ensure a significant percentage of the fishing fleet has successfully passed a condition survey**
- **Identify claims occurring frequently in remote or high-risk areas**

12. Takeaways in case of a claim

- **Act quickly and ensure prompt coordination with your insured and claims service provider in order to address the claim no matter the location**
- **Thorough Investigation of Delayed Repair Claims**
- **Scrutinize Documentation**
- **Evaluate Mitigation Efforts and be proactive**
- **Partner with us for streamlined risk and claims management.**

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2024
15.-18. SEPTEMBER



Thank you

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