



SEMAPHORE

Newsletter of the Maritime Law

Association of Australia and New Zealand



Pandemic Brings Spike in Reefer Claims

A peak in refrigerated (reefer) container claims has been identified due to pandemic-related disruptions in the supply chain, with a high number of boxes being delayed either in port or during transportation to and from port via road or rail.

Such are among findings of the new “[Container focus – Refrigerated cargo analysis](#)” report published by mutual marine insurance company, The Swedish Club.

Key facts highlighted in the insurer’s recent claims experience include:

- reefer container claims increased 270% between 2021 and 2022
- 11.4% of all container vessels [with a cargo claim] had a reefer claim in 2021 compared with 4.1% in 2020
- 30% of total container claims over the past five years were due to refrigerated cargo damage (the main cause of all container claims)

Report author, The Swedish Club senior loss prevention officer Joakim Enström, explained that the findings emphasised reefer containers are “very sensitive to fluctuations in temperature”.

“During the pandemic, we saw disruptions during the many regional lockdowns – the majority of the claims were from China, but the situation was widespread,” he said.

“This emphasises the importance of monitoring cargoes properly and keeping correct records. If goods have already been damaged down the supply chain, then the onus is on the crew to demonstrate they have taken proper care of the container – from the moment it is onboard until it leaves the vessel.”

Added The Swedish Club strategic business development director Lars Malm: “A single reefer container may carry a cargo value of several hundred thousand United States Dollars or more. Pharmaceuticals are the most expensive cargoes, but as food prices continue to rise then the cost of spoiled meats, fish and speciality fruits and vegetables cannot be underestimated.”

The reported noted that over the last five years temperature variation (18%), poor monitoring of the reefer unit (7%) and reefer mechanical failure (5%) in total contributed to 30% of the insurer’s total container claims. This compared with wet damage at 27% and physical damage at 19%.

December 2022

