



# Marine Loss Control Engineering (MLCE)

At AIG, we believe in going beyond the traditional risk assessment by working in partnership with our clients and brokers to produce a bespoke added-value service to meet our mutual needs on business and asset protection. Global Marine offers comprehensive marine loss control engineering (MLCE) services tailored for specific clientele ranging from manufacturers, marine terminals, ports and shipyards to logistics service providers, infrastructure projects and mega-yacht owners. Our global footprint provides an excellent fit for multinationals seeking tailored coverage and services that can be location specific or part of a multinational controlled master program.



The MLCE mission is to measure, identify and list customer requirements and provide efficient integrated solutions towards risk minimization. Our services are characterized by proactive loss prevention and loss analysis, effective communication and serving as a thought-leading knowledge center for our marine clients.

## Proactive Loss Prevention

MLCE endeavors to help clients avoid losses by analyzing potential exposures and presenting tailored recommendations to minimize the risk. We provide clients with an outline of potential problems and their solutions based upon our loss control capabilities, local knowledge, and global strengths. Treating our clients as partners in the process, we are diligent in our efforts to develop and implement strategies for reducing loss exposures to mutual benefit.

## Data & Loss Analysis

Analytics plays a key role in monitoring risk exposure and optimizing risk management. MLCE is committed to helping to reduce future losses through frequent loss trend analysis and implementing practical, feasible recommendations in accordance with the needs and requirements of each insured. Furthermore, MLCE can assist an insured in how to identify exposure accumulation in ports and understanding seasonality of a port's peak exposure times. More specifically, we can help clients in identifying vulnerable concentrations of static cargo and measuring port accumulations using detailed insights into cargo fragility and exposure accumulation. Insurers are now starting to collect and



effectively analyze marine cargo and specie data that cannot be implemented in standard property Cat models. Further analysis can provide valuable insights (e.g., dwell time of specific product types and cargo seasonality of a port to understand the average and peak exposure at risk).

## Effective Communication

MLCE strives to ensure open lines of communication, to act as a “knowledge center” and exchange essential information that will assist the client, underwriter and MLCE team in carrying out loss prevention initiatives during the policy period.

## Knowledge Center

The Marine Loss Control Engineering Team consists of a global network of strategically placed, full-time, loss control managers, made up of seasoned professionals with more than 20 years of experience in the industry on average, most with sea-going experience and licensed as Master Mariners. The team also has wide-ranging complimentary expertise as former cargo surveyors, port captains and claims specialists as well as specialized skills and experience in areas such as cargo crime prevention, logistics, and packaging.

To take advantage of the team’s skills and expertise as well as maintain a worldwide consistent approach and maximize our effectiveness in delivering the full range of loss control services to our clients on a local level, the team has developed a “Knowledge Center” that covers our services related to general cargo, bulk cargo, project cargo, hull and machinery, marine liabilities, logistics and security as well as recreational marine. Each MLCE manager possesses the necessary expertise to ensure that our services remain on the cutting edge in the related disciplines and that all local loss control operations remain fully supported on a global level.

## MLCE Capabilities

### Cargo

Theft in logistics is a significant problem, as are cargo mishandling, damage due to unsuitable packaging standards, and the potential for container stack failure. MLCE issues timely bulletins and publications to help our clients keep current on the requirements that can help to reduce the potential for loss. These publications are available through your Marine Loss Control Engineer:

- High-Value Targeted Theft Security Series
- Cold Chain Management for Medicinal Products
- Container Stack Failures on High Seas Overview
- Northern Sea Route Potential

Specific services relating to cargo policies include but are not limited to the following:



- Desktop vetting and/or physical inspection for vessel suitability
- Packaging consultation or detailed cargo condition assessment
- Handling, stowage, and securing guidelines for general cargo, specific bulk commodities, dangerous goods, and heavy lift shipments
- Guidance on adherence to applicable regulations, such as the International Maritime Dangerous Goods (IMDG) Code, the Code of Safe Practice for Cargo Stowage and Securing (CSS Code), the International Maritime Solid Bulk Cargoes Code (IMSBC Code), and the International Bulk Chemical Code (IBC Code)
- Analysis and guidance on route assessments, tug and barge suitability, bollard pull requirements, towing arrangements, transport method statements, lifting gear and rigging assessments as well as “cradle to grave” monitoring of critical project cargo shipments
- Warehouse risk assessments for fire, theft, and natural hazard exposures as well as potential maximum loss based on relevant exposures and mitigation factors
- Cargo security consultation on exposures and vulnerabilities, including auditing existing policies, procedures, and service providers and assisting with the implementation of industry best practices

## **Hull**

Specific services relating to hull policies include but are not limited to the following:

- Condition and valuation assessments for tugboats, barges, small passenger vessels, ferries, fishing vessels, “brown water” oilfield support (crew boats, OSVs), and all classes of “blue water” vessels
- Guidance on adherence to applicable standards, rules, and regulations (e.g., Class, Flag State, International Maritime Organization (IMO), International Ship and Port Facility Security Code (ISPS))
- Piracy mitigation planning

## **Marine Liabilities**

Specific services relating to Marine Liability include but are not limited to the following:

- Risk assessments for port, marine terminal, stevedoring, passenger vessel, shipyard, marine construction, or motor truck operations.
- Depending on the required scope, assessments may incorporate inspection of facilities, contractor’s equipment, piers, docks, wharves, dry-docks, and cranes as well as review of cargo (or other) operations, contract and work orders, safety and loss control programs, pollution and environmental policies, fire protection, security, maintenance and repair programs, care, custody and control policies and/or tenant, contractors, temporary workers, and employee policies.
- Marine safety training



## **Inland Marine**

The MLCE team provides superior expertise in all facets of Inland Marine lines, including Transportation, Ports/Terminals, Warehousing, and Contractor's Equipment, applying best practices/industry standards to reduce risk. Specific services relating to Inland Marine include but are not limited to the following:

- Risk assessments for ports, marine terminals, transportation, warehousing, motor truck operations, and contractor's equipment.
- Depending on the required scope, assessments may incorporate inspection of facilities, contractor's equipment, piers, docks, wharves, transportation, warehousing, incorporating a review of operations, hiring/training, contract and work orders, safety and loss control programs, fire protection, security, maintenance and repair programs, care, custody and control policies and contractors, temporary workers, and employee policies.

## **Trade Association Membership**

AIG marine loss control engineers have leadership roles and memberships in trade associations, where they work with global manufacturers, logistics providers, freight carriers, law enforcement agencies, and other stakeholders with the common aim of reducing losses from international supply chains.

Currently, MLCE is actively involved in various trade association committees that find solutions to complex problems such as:

- Facility Security Requirements
- Trucking Security Requirements, and
- Safe Parking Requirements for Truckers

## **Guidance and Training**

In addition to the risk assessment program, AIG MLCE has developed a depository with a wide range of training material covering a wide range of marine-related technical subjects that are available to support the overall group risk management philosophy and provide guidance on operational best practices.

Also available is the "Insight" series, an ever-expanding suite of 'Best Practice' documents produced by AIG Property Risk Engineers. These insights cover a range of property-related technical subjects giving guidance to assist you in mitigating and controlling hazards across your 'cargo-in-warehouses' portfolio.

## **Summary**

The core elements that AIG MLCE can bring to an account-managed risk engineering program are:

- Appointment of an Account MLCE Manager
- Development of a mutually agreed protocol to create a partnership approach and, if



required, to target specific areas of the business

- Assistance by experienced local MLCEs, operating to internationally recognized technical standards, in the adoption or integration of these standards into in-house guidelines
- Regular review meetings to ensure delivery of the program and react to changing situations and requirements
- Provision of guidance documents and training to underpin risk management strategies and help to reduce the incidence and severity of losses
- A proven track record of assisting clients to reduce the frequency and severity of losses
- A stronger, more impactful partnership

For More Information, contact your Marine Loss Control Engineer.

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