

April 2020

# Marsh Risk Consulting

Logistic Risk Management during Lockdown: A Checklist for Marine Cargo



As the government implements various measures like lockdown to combat the spread of COVID-19 Pandemic, it is important for companies to manage their logistic risks during this period.

This information sheet applies to temporary shutdowns, such as company holidays, production-related shutdowns, planned shutdowns for longer term, temporary closures or reduced operational activities. The possible measures listed below could be helpful and supportive for the employees who are responsible in minimizing the marine cargo loss.

## I. Measures before the shutdown

### Warehouse / Storage area - Closed

	Yes	No
<b>Cleanliness of the storage area</b>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"><li>• Ensure the warehouse is clean and free from dust / dirt</li><li>• Check for spillage of cargo / foreign particles in the storage area</li></ul>		
<b>Condition of the flooring</b>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"><li>• Check for damage / holes on the flooring</li><li>• Do not stack cargo on the damaged surface</li></ul>		
<b>Condition of pallets</b>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"><li>• Check for broken planks in wooden pallets / other damages in other pallets</li><li>• Check for protruding nails if any</li><li>• Check for fungus / mold growth if any</li></ul>		
<b>Condition of racking system</b>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"><li>• Check for the condition of racking system</li><li>• Ensure the pallets are placed on horizontal bars between the beams</li><li>• Ensure the base protection and fasteners of racks are in place</li></ul>		
<b>Avoidance of water entry</b>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"><li>• Check the roof for any holes</li><li>• Check the water drains, pipes if any inside the warehouse for leakage</li><li>• Check the ventilators, windows to avoid water seepage</li></ul>		

## Stacking of Cargo for Prolonged Period

	Yes	No
<b>Packing preparation</b>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <li>• Ensure packing strength is sufficient for long storage</li> <li>• Vacuum packing for machineries etc.,</li> <li>• Cold storage for temperature controlled cargo</li> </ul>		
<b>Stacking – General Cargo</b>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <li>• Ensure the stacks are stable and rigid</li> <li>• Ensure the cargo is placed within the pallet / racks</li> <li>• Check damaged and bulged cartons and replace</li> <li>• For unstable cargo / smaller packages introduce plywood separator</li> <li>• Ensure stacking height norms for individual product is followed</li> <li>• Check the stacked cargo for upright mark</li> <li>• Ensure no materials stored near electrical fittings</li> <li>• Ensure cargo is stacked on pallet or metal racks to avoid any water contact due to seepage</li> <li>• Cover the stacks with necessary materials to prevent from rain water and dust- applicable for open storage</li> <li>• Cover the stacks with necessary materials to prevent from dust and bird droppings</li> <li>• Check the aisle space between the stacks is sufficient</li> <li>• Ensure the space between the wall and the stacking is uniformly maintained.</li> <li>• Check the inventory of the goods stored remotely</li> </ul>		
<b>Stacking – Sensitive Cargo ( wherever applicable)</b>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <li>• Ensure the temperature controlled devices are working properly</li> <li>• Ensure air handling and ventilation system are in place for hazardous cargo</li> <li>• Ensure sufficient moisture absorbent bags</li> <li>• Ensure fumigation is completed in advance</li> <li>• Ensure rodent control system is active and functioning</li> <li>• Vacuum packing for machineries</li> <li>• Oil spray for cargo, which can rust.</li> <li>• Make a note on the shelf expiry of the product and accordingly store</li> </ul>		
<b>Handling equipment's</b>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <li>• Ensure that no equipment like BOPT is in charging</li> <li>• Oil spray / grease the movable parts in forklift etc.,</li> <li>• Wire ropes, lifting belts, shackles etc., should be placed separately and should not be hanging in the crane hooks.</li> <li>• OEM instructions should be followed for equipment's battery</li> </ul>		
<b>Other General</b>	<input type="checkbox"/>	<input type="checkbox"/>

- The doors are closed and sealed
- Ensure CCTV is installed and monitored remotely

## II. Measures during shutdown – Cargo in transit

	Yes	No
<b>Cargo in transit</b>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <li>• Provide guidelines to your transporter, CHA, Airlines etc., towards safeguarding your cargo</li> <li>• Follow the rules and guidelines of local authorities towards movement restrictions, border restrictions</li> <li>• Provide guidelines to necessary parties towards handling and storage</li> <li>• Ensure temperature controlled cargo is stored in controlled environment</li> <li>• Extract regular updates on the condition of the cargo in transit</li> <li>• Avoid open storage or use suitable materials to withstand rain , dust and other damages</li> <li>• Ensure the safety of the cargo</li> <li>• Check the cargo for its condition before every transit and storage</li> <li>• Terminate the transit and order return in case of expiry of the product or any damages observed.</li> </ul>		

## III. Measures for start of operation

	Yes	No
<b>Operations</b>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <li>• Open the warehouse / storage area and wait for some time before going inside</li> <li>• Check for any vermin infestation. If needed, necessary treatment should be provided</li> <li>• Check the condition of packing and replace in case of bulging and damages</li> <li>• Inspect each and every package for its strength before handling</li> <li>• Check the condition of stacking and rearrange wherever possible</li> <li>• Depending on the idle period repacking can be exercised</li> <li>• Check the quality of the product</li> <li>• Inspect the material handling equipment's and service, if required before they are put to use</li> <li>• Inspect for any roof/skylights/wall/wall bands/window/doors/shutter damages</li> </ul>		

### NOTE:

1. For property related advisory please refer document Marsh Risk Consulting – Checklist with title “Important Measures for Companies in case of temporary business interruption, minimal operation”
2. Always follow the government, local and health authority's instructions in event of epidemic / pandemic and other local issues.



## About Marsh

A global leader in insurance broking and innovative risk management solutions, Marsh's 35,000 colleagues advise individual and commercial clients of all sizes in over 130 countries. Marsh is a wholly owned subsidiary of Marsh & McLennan Companies (NYSE: MMC), the leading global professional services firm in the areas of risk, strategy and people. With annual revenue over US\$15 billion and nearly 75,000 colleagues worldwide, MMC helps clients navigate an increasingly dynamic and complex environment through four market-leading firms. In addition to Marsh, MMC is the parent company of Guy Carpenter, Mercer, and Oliver Wyman. Follow Marsh on Twitter @MarshGlobal; LinkedIn; Facebook; and YouTube, or subscribe to *BRINK*

**Disclaimer:** Marsh India Insurance Brokers Pvt Ltd is a joint venture between Marsh International Holdings Inc. and its Indian partners. Marsh is one of the Marsh & McLennan Companies, together with Guy Carpenter, Mercer and Oliver Wyman. This document is not intended to be taken as advice regarding any individual situation and should not be relied upon as such. The information contained herein is based on sources we believe reliable, but we make no representation or warranty as to its accuracy. Marsh shall have no obligation to update this publication and shall have no liability to you or any other party arising out of this publication or any matter contained herein. Any modeling, analytics, or projections are subject to inherent uncertainty, and the Marsh Analysis could be materially affected if any underlying assumptions, conditions, information, or factors are inaccurate or incomplete or should change.

Marsh India Insurance Brokers Pvt. Ltd's corporate and the registered office is at 1201-02, Tower 2, One Indiabulls Centre, Jupiter Mills Compound, Senapati Bapat Marg, Elphinstone Road (W), Mumbai 400013. Marsh India Insurance Brokers Pvt. Ltd is registered as composite broker with Insurance and Regulatory Development Authority of India (IRDAI). Its license no. is 120 and is valid from 03/03/2018 to 02/03/2021. CIN: U66010MH2002PTC138276. Compliance IND-20200427A

Copyright 2020 Marsh India Insurance Brokers Pvt Ltd. All rights reserved.