Cargo Care Guide

Whether shipping by land, sea or air, all means of transportation are subject to varying degrees of risk that call for different types of solutions. To safeguard your property and business, you need knowledgeable advice and protection you can count on. Our Cargo Care Guide series is designed to identify the numerous challenges facing importers and exporters today, and to provide a general overview of recommendations to help safeguard your goods against loss.

FM Global Cargo recommends you take additional precautions to protect your stored products against the hazards caused by high winds and flooding.

Natural hazard event timeline

In order to prepare your cargo storage facility for a natural hazard event that includes high winds and flooding, appropriate precautions are vital to minimizing any associated loss. To protect your facility to the fullest extent possible, it is important to plan prior to an impending event and be able to readily execute that plan when a natural catastrophe is imminent. Consider the following information when preparing for natural hazards at your facility.

Preplanning

- Monitor weather information (noaa.gov) on a regular basis and plan for the worst-case scenario, i.e., direct impact.
- Establish a communication protocol, with third-party logistics service providers and supply chain partners, to be implemented in the event of an impending storm.
- Identify and develop a scope of responsibility for an "emergency response team" within your organization that will liaise with logistics partners and/or building management to ensure that they are adequately prepared for any hazards that may impact their facility and your stored cargo.
- Develop and maintain appropriate internal and external property loss prevention inspections for storage facilities, including perimeter security and roof maintenance inspections. All external loose items should be secured, and tree branches should be cleared away from fences and the building.

- Consider what security protocols should be established during the natural catastrophe event. Secure exterior closed-circuit TV (CCTV) or internet protocol (IP) cameras from movement in high winds and damage by debris. Will it be possible to remotely monitor the IP or CCTV images? Ensure the central station alarm is supported by at least two power sources and will continue to detect intrusion into the facility if the main power source is down.
- FM Global Cargo does not recommend leaving loaded trailers in the container yard at any time, this is particularly important during a natural hazard event in which the loaded containers can leave your product exposed to severe moisture ingress and an increased risk of theft due to the limited available resources to supervise and protect the shipment.



Impending event

In advance of an impending natural catastrophe, management should execute steps outlined during the preplanning stage. Be sure to contact third-party logistics providers to determine the location of any of your shipments currently in transit, as well as:

- Reschedule or redirect inbound shipments to stay out of the expected path of any high winds or flooding.
- Delay or move forward scheduled outbound shipments to minimize the amount of stock exposed to the elements.
- Ensure that doorways and windows are adequately secured to withstand high winds, water, and moisture ingress. This will also prevent theft and/or vandalism in the event a window or door is broken during the event.
- Ensure that emergency generators are fully fueled and vital equipment (refrigeration systems, heating, etc.) is operational prior to the storm's impact.
- Consider establishing temporary barriers around the facility to reduce the risk of floodwaters entering the building.

- Cargo on pallets should be raised to the second-tier rack or above, with higher-valued stock getting preference to higher levels. If no racks are available, utilize spare empty pallets and raise palletized cargo above the potential flood waterline.
- Wrap higher-valued pallets in a waterproof material such as shrinkwrap or tarpaulins.
- All external loose items must be secured.

During the event

- Once the event begins in the area of your facility, try to maintain normal frequent communication protocols to get as much information as possible on your storage facility as well as on any cargo in transit within the impacted area.
- Continue to monitor the event and the impact it is having on the local area around your storage facility. This will give an early indicator of what type of services may be needed once your team is cleared to go back into the facility.
- Remotely monitor facility security cameras to determine conditions at the site.

Post-event

- Once your facility is deemed safe, contact essential personnel to return and assess impact of the event. Take steps to document and mitigate any potential damages to your products.
- Contact any essential services that may be needed to restore your operation and make any repairs necessary (e.g., plumber, electrician, roofer).
- If it appears any damage has occurred to the stored cargo, contact FM Global Cargo claims for further assistance.

To learn more about how your organization can benefit from FM Global Cargo's risk engineering services, please contact your cargo specialists at +1 (1)973 402 2200 or cargoengineering@fmglobal.com.

fmglobalcargo.com



P16062g © 2016 FM Global. (04/2016) All rights reserved. fmglobal.com

FM Insurance Company Limited, 1 Windsor Dials, Windsor, Berkshire, SL4 1RS. Authorized by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

This care guide is made available for informational purposes only in support of the insurance relationship between FM Global and its clients. This information does not change or supplement policy terms or conditions. The liability of FM Global is limited to that contained in its insurance policies.