



## TECHNICAL LOSS ADJUSTING IN THE MARITIME INDUSTRY

The maritime industry underpins global trade, with ships transporting the vast majority of goods across international waters. In addition, the maritime industry plays a significant role in the construction and maintenance of infrastructure, such as offshore wind farms.

However, every voyage or maritime operation carries risks: machinery breakdowns, cargo damage, collisions, and environmental incidents are all part of the operational landscape. When losses occur, they must be investigated and resolved fairly for shipowners, charterers, cargo stakeholders, and insurers. This is the role of technical loss adjusting.

### WHAT IS TECHNICAL LOSS ADJUSTING?

Technical loss adjusting is the process of independently assessing and resolving insurance claims involving complex technical issues. In the maritime sector, this requires expertise that goes well beyond general claims handling. The role combines a technical understanding of ships, shipbuilding, damage mechanisms, and cargo, along with knowledge of insurance principles

and international regulations. Often, technical loss adjusters hold a degree in marine engineering or naval architecture, and/or have sailed as Master or Chief Engineer. Some also have a background as a technical manager for a shipowner, shipyard, or technical equipment supplier.

In the English insurance market, a technical loss adjuster investigates the cause of an incident, determines whether it is covered by insurance, quantifies the financial loss, and provides recommendations for settlement. In the Dutch insurance market, however, a technical loss adjuster—often called a Marine Surveyor—focuses more on the circumstances, the involvement of other parties, and any applicable contracts. Often, the survey report is

*This RMSC Expert Overview is made by Jan van Esch, Director and Marine Surveyor at independent loss adjusting firm and RMSC member Artium Experts. Next to possessing knowledge about the insurance business, their loss adjusters have gained a wealth of experience within the specific discipline in which they work. This combination of experience, knowledge about the insurance business and loss adjustment enables them to accurately assess the technical aspects of complex losses under the various policies. For more information or feedback, please contact Jan via: [jan@artiumexperts.nl](mailto:jan@artiumexperts.nl).*



sent to the insurance broker, whose task is to negotiate a settlement with the insurers based on the applicable insurance policy. Certain elements of the damage-related costs may also be assessed by an Average Adjuster.

## WHY IT MATTERS

The importance of technical loss adjusting lies in its ability to provide clarity and fairness in complex claims. The benefits extend to insurers, shipowners, and the industry as a whole.

### *Accurate Claims Settlement*

Marine incidents are rarely straightforward. For example, an engine breakdown might result from poor maintenance, defective parts, or operational error. Without technical expertise, it is difficult to distinguish between insured and non-insured causes. Loss adjusters provide the evidence needed for accurate settlements, reducing disputes and ensuring fairness.

### *Protection of Financial Interests*

Both overpaying and underpaying claims create problems. Insurers risk financial loss if claims are overestimated, while underpayment can damage relationships and lead to litigation. Technical loss adjusting protects the financial interests of all parties by ensuring settlement decisions are based on fact, not assumption.

### *Improved Risk Management*

Every claim is also an opportunity to learn. By identifying common issues—such as design issues of

equipment, improper cargo operations or navigational mistakes—loss adjusters help insurers and operators take preventative action. This strengthens safety, reduces future claims, and contributes to more reliable shipping operations.

### *Compliance with Regulations*

Marine casualties often involve regulatory and legal scrutiny. Oil spills, cargo losses, or crew injuries can trigger inquiries by authorities and international bodies. Technical loss adjusters ensure that claims investigations align with applicable conventions, minimising exposure to fines and liability.



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### *Efficiency in Claims Handling*

Delays in settling claims can disrupt trade and put ships or cargo out of circulation. Technical loss adjusters provide timely, fact-based assessments that enable insurers to reach decisions quickly.

This efficiency benefits both insurers and insured parties, supporting smoother business continuity.





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### AREAS OF APPLICATION

Technical loss adjusting supports many aspects of maritime insurance, including:

- Hull and machinery: evaluating collision damage, fires, grounding, or mechanical failures.
- Building Risk: evaluating damage incidents which occurred during the ship building process.
- Cargo: assessing spoilage, contamination, and handling-related losses.
- General average: calculating costs that must be shared when sacrifices are made for a voyage's safety.
- Environmental claims: such as oil spills or pollution liabilities.
- Ports and terminals: handling losses related to infrastructure or equipment.

Each case demands a technical investigation to assess all the facts that contributed to the loss, as well as strong communication and reporting skills. Based on the findings, adjusters must balance the interests of insurers, shipowners, and cargo owners, while ensuring compliance with international standards.

### CONCLUSION

Technical loss adjusting is a cornerstone of effective risk management in the maritime industry. By combining engineering knowledge, regulatory awareness, and financial analysis, loss adjusters ensure that claims are settled accurately, efficiently, and fairly.

For insurers, this builds trust with clients and strengthens financial stability. For shipowners and operators, it provides assurance that valid claims will be recognised without unnecessary delay. And for the industry as a whole, it contributes to safer, more resilient operations.

As global shipping grows in complexity, the need for technical expertise in claims handling will continue to increase. Technical loss adjusting not only resolves today's claims but also helps shape a safer, more sustainable maritime industry for the future.

### GLOSSARY

#### Marine Insurance Act

The British legislation regarding marine insurance, especially for loss adjusters working with British insurers. The Act governs matters such as claims, fraud, and the obligations of both the insurer and the insured.

#### Marine Surveying Handbooks

These handbooks are specific technical guides used by loss adjusters and marine surveyors to assess damage to ships and cargo. They contain detailed information on inspection procedures, reporting, and damage evaluation.

#### The Hague-Visby Rules

International regulations that govern contracts of carriage under bills of lading, defining the responsibilities and liabilities of carriers and shippers in cases of cargo loss, damage, or delay, while also setting limits of liability to balance risk between parties in international trade.



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