



Loss Control Considerations for the Transportation of Power Transformers

Power transformers represent some of the most challenging and high-value cargo transported within the global energy and infrastructure supply chain. As critical components of electricity generation, transmission, and distribution systems, they are frequently shipped across international supply routes to support major infrastructure projects including power stations, substations, renewable energy installations, and high-voltage direct current (HVDC) interconnectors.

From a marine cargo insurance perspective, transformers present a concentration of risk that demands careful underwriting attention and rigorous pre-shipment planning. Their combination of extreme weight, sensitive internal components, and high replacement values, means that inadequate transportation arrangements can cause substantial losses.

Transformer Types, Sizes, and Project Context

The physical scale and complexity of a transformer is directly related to the nature of the project it serves. Underwriters and logistics teams should be familiar with the broad categories set out below, as size and project type materially influence the appropriate shipping method, level of specialist handling required, and the insurance risk profile.

Transformer Type	Typical Project	Weight Range	Dimensions (approx.)	MVA	Shipping Mode
Small Distribution Transformer	Residential / small commercial	0.5 – 2.25 tonnes	1.0 × 0.8 × 1.2 m	<0.5-2.5 MVA	Containerised (FCL)
Medium Distribution Transformer	Commercial	2.25-5 tonnes	1.5 × 1-1.5 × 2.5 m	2.5-5 MVA	Containerised (FCL)
Medium Power Transformer — Light (MPL)	Wind turbine step-up, small industrial, large commercial	5 – 25 tonnes	2–3 m × 1.5–2 m × 2–2.5 m	2.5-25 MVA	Open-top or flat-rack container; some in reinforced FCL

Medium Power Transformer — Standard (MPS)	Onshore wind farms, substations, offshore platform topsides	25 – 70 tonnes	3–5 m × 2–3 m × 2.5–3.5 m	25-75 MVA	Flat-rack container (if spread across multiple), breakbulk or Ro-Ro (roll-on/roll-off)
Medium Power Transformer — Heavy (MPH)	Large substations, offshore wind collection, rail traction	70 – 125 tonnes	4–6 m × 2.5–3.5 m × 3–4 m	50-125 MVA	Breakbulk or Ro-Ro; road leg requires SPMT or multi-axle trailer
Large Power Transformer	Grid substations / large renewables	100 – 300 tonnes	4–8 m × 3–4 m × 3–4.5 m	100 – 250 MVA	Breakbulk or Ro-Ro
Generator Step-Up (GSU)	Power stations / large solar	125 – 550 tonnes	6–10 m × 3.5–5 m × 3.5–5 m	200 – 1000+ MVA	Breakbulk or Ro-Ro
Extra-Large / HVDC Transformer	HVDC links / national grid	300 – 600+ tonnes	8–12 m × 4–5 m × 4–5.5 m	250 – 1000+ MVA	Breakbulk

Note: Weights and dimensions are indicative only. Dimensions become more approximate as the size of the transformer increases. Actual specifications vary significantly between manufacturers and project-specific designs. Insurers should request the original equipment manufacturer (OEM) data sheets and transport engineering drawings as part of the pre-shipment survey documentation.

Transformers and other project cargo should not be shipped on bulk carriers, for reasons outlined in [this article](#).

Dry-Type Transformers

Dry-type transformers contain no liquid insulation. The core and windings are encapsulated in resin, which provides both electrical insulation and mechanical protection. They are not housed in an oil-filled tank. Dry-type units are generally smaller, most commonly found in indoor or urban distribution applications, and are typically within the light to lower-medium weight range. Because they contain no oil, they present a simpler transport risk profile. However, the resin encapsulation is not impervious to mechanical shock, and the core assembly remains vulnerable to dislocation under impact loads that exceed manufacturer tolerances.

Wet-Type (Oil-Immersed) Transformers

Wet-type transformers are the dominant type in medium and large power applications and form the primary subject of this guidance. The core and windings are housed within a steel tank which, during normal operation, is filled with transformer oil. The oil serves as both an electrical insulator and a cooling medium. For transport, the following preparation is standard practice for all but the smallest units:

- The transformer oil is fully drained from the tank and transported separately in sealed drums or an IBC. Oil-filled shipment of medium and large wet-type transformers is not standard practice and is not addressed in this guidance.
- The oil conservator tank, normally mounted on top of the main tank, is removed prior to shipment.
- The external cooling radiators and cooling ribs are removed and packed separately.
- The void created within the main tank by the removal of oil and ancillary equipment is filled with nitrogen gas under a slight positive overpressure, typically 0.3–0.5 bar gauge. This nitrogen prevents the ingress of atmospheric moisture and inhibits internal corrosion of the tank walls and winding surfaces during transit and storage.

It is this nitrogen-filled, oil-drained configuration that defines the standard transport state of a medium or large wet-type transformer, and all preservation and monitoring requirements in this document should be read in that context.

Key Observations by Category

Distribution Transformers

Smaller dry-type and oil-immersed distribution transformers are generally containerised and represent the lower end of the risk spectrum in terms of individual unit value and handling complexity. Oil-immersed units in this category may in some cases be shipped with oil retained, given the relatively small volumes involved, though this should be confirmed. The principal claims drivers at this scale are inadequate blocking within containers and bushing damage. Given the high shipment volumes typical of distribution transformer programmes, accumulation risk across a single vessel or voyage should be considered.

Medium Power Transformers (5 – 100 tonnes)

This is the most encountered category in the marine cargo market and spans three practical sub-groups, each with distinct handling and insurance considerations.

Light (5–25t): Generally containerised in open-top or on flat-rack units, making these the most straightforward to ship. However, standard container cranes at many ports are at or near their rated capacity for the heavier units in this range, and lift plans should be verified. Moisture ingress and bushing damage are the principal claims drivers.

Standard (25–60t): These units typically exceed standard container crane limits and require specialist heavy-lift equipment at both load and discharge ports. Many will be shipped dry under nitrogen. Road transport invariably requires multi-axle low-loader trailers with air-ride suspension. Pre-shipment survey is strongly recommended for the heavier transformers in this category.

Heavy (60–100t): Approaching large power transformer territory in terms of handling complexity. Self-propelled modular transporters (SPMTs) are often required for port and site manoeuvring. Shipping as breakbulk or Ro-Ro is standard. A full transport engineering study, nitrogen pressure management plan, and independent pre-shipment survey should be treated as mandatory.

Large Power and Generator Step-Up (GSU) Transformers (100 – 300 tonnes)

These units frequently exceed port crane capacity and may require heavy-lift vessels or specialist carriers with adequate crane capacity, typically involving tandem lifts.

HVDC and Extra-Large Transformers (300 – 600 + tonnes)

The most complex category, often requiring purpose-built transport cradles, dedicated vessel charter, and multi-agency route surveys. Total insured values can exceed \$20 million per unit.

Common Issues and Recommended Mitigations

The following table sets out the principal causes of loss and damage identified from transformer transit claims in the marine insurance market, together with the mitigation measures that should be considered. Where these measures are not confirmed as part of the pre-shipment survey, underwriters may impose additional warranty conditions or decline to provide cover.

Issue	Risk Description	Recommended Mitigation
Mechanical Shock and Core Dislocation	The primary and most consequential risk in transformer transportation. The transformer core is a precisely assembled structure of laminated steel and wound conductors. A shock event that exceeds the manufacturer's specified threshold can displace the core assembly relative to the tank, deform windings, and damage internal insulation in ways that are not externally visible but that render the unit unfit for service. The consequences of undetected core dislocation entering service include insulation failure, arc flash, and total loss of the unit and potentially the installation it serves. A shock that has exceeded the manufacturer's threshold is not a matter for on-site assessment; it is grounds for returning the unit to the manufacturer for full dismantling, inspection, rebuilding, and factory acceptance testing before any further use is considered.	Specify maximum permissible g-force limits in the shipping instructions, based on the manufacturer's transport specification. Fit active telemetric shock recorders. Ensure all parties in the logistics chain: vessel operators, road hauliers, port handling teams are aware of the limits in writing before operations commence. In the event of a threshold exceedance, the unit must not proceed to the final destination; a return-to-manufacturer decision should be made promptly based on the recorder data.
Nitrogen Loss and Moisture Ingress (Wet-Type Units in Transit Configuration)	Wet-type transformers are shipped with the oil removed and the tank void filled with dry nitrogen under positive pressure. If this nitrogen is lost, through seal failure, valve leakage, or inadequate monitoring, atmospheric moisture enters the tank and is absorbed by the cellulose insulation on the windings. Moisture contamination of this kind is insidious: it produces no external indication, is extremely difficult and costly to remediate, and if the unit is commissioned without detection, accelerated insulation degradation and premature failure in service can occur.	Confirm nitrogen charge pressure at the factory before despatch. Fit a calibrated, externally readable pressure gauge. Inspect and record pressure at every port of call, at each road and rail transshipment point, and at any stop exceeding 24 hours. Carry a supply of dry nitrogen with the shipment and ensure the logistics contractor has the procedure and equipment to recharge if pressure falls below the agreed minimum. Any unexplained pressure loss should be reported to the insurer and investigated before transit resumes.
Bushing Damage	High-voltage bushings are fragile and expensive. They are vulnerable to impact, vibration, and improper securing during loading/discharge.	Remove and ship bushings separately in padded crates where possible; fit protective frames; require specialist rigging teams; prohibit use of wire rope slings on bushing flanges.
Inadequate Blocking & Bracing	Transformers are extremely heavy and have a high centre of gravity. Shifting cargo causes structural damage to windings, tanks, and cooling equipment.	Blocking and bracing plans to be in line the CTU Code and checked by a qualified marine surveyor; use custom-fabricated steel cradles.

Issue	Risk Description	Recommended Mitigation
Overloading of Ship's Structure	Concentrated point loads from transformer feet can exceed the permissible deck or floor strength of the vessel or barge.	Obtain structural calculations from the vessel operator; use load-spreading beams and plates.
Corrosion & Weather Damage	Exposed radiators, tank surfaces, and electrical components are vulnerable to salt-spray, humidity, and condensation, particularly on deck cargoes.	Specify full weather-protective wrapping (VCI film, tarpaulins); apply temporary corrosion inhibitor coatings; avoid unnecessary deck exposure; use enclosed stowage where available.
Transit Vibration & Shock	Road, rail, and sea transit generates sustained vibration and intermittent shock loads which can loosen internal components and degrade insulation.	Fit calibrated shock and tilt indicators; specify maximum G-force limits in shipping instructions in line with OEM requirements; review indicator readings at each transshipment point.
Improper Lifting	Use of inappropriate lifting gear, incorrect rigging angles, or unqualified personnel can result in catastrophic dropping or structural deformation.	Mandate use of manufacturer's designated lifting points only; require a lifting study for all units over 50 tonnes; all rigging teams must hold current certification.
Inadequate Pre-Shipment Survey	Failure to document a pre-existing condition can create disputes at the time of a claim, leaving insurers exposed to inflated loss presentations.	Make pre-shipment survey by an independent marine surveyor a condition of cover; document factory test results, photographs, and oil/gas analysis data in the survey report.

Pre-Shipment Survey

Survey warranties will typically require a comprehensive load and stow survey as a condition of cover for all transformers above a specified threshold weight (commonly 50 tonnes) and over \$2.5million USD. The survey should be conducted by an independent, qualified marine surveyor with demonstrable heavy electrical plant experience and should address the following:

- Physical condition inspection of the transformer tank, radiators, bushings, conservator, and ancillary equipment at the point of manufacture or despatch, provided these components are not shipped in sealed containers.
- Review and approval of the transport method statement and load securing plan prepared by the logistics contractor or freight forwarder.
- Verification of nitrogen pressure integrity and confirmation that relief valves are correctly set for transit conditions.
- Confirmation that the unit has not been exposed to significant shocks, as evidenced by the shock recorder or live data from active/live tracker.
- Confirmation of the fitness of the carrying vessel, including review of the vessel's classification status, crane capacity, and deck strength certification.
- Assessment of port and terminal handling arrangements at both load and discharge ports, including crane capacity, ground-bearing pressure, and route survey for land transport legs.
- Photographic record of the unit as it is being loaded, lashed and in its shipping configuration, including all tie-down and blocking arrangements.

Route Planning and Vessel Selection

The choice of shipping route and vessel type is one of the most significant risk management decisions in any transformer transport project. The following factors should be considered and documented:

Vessel Selection

- For transformers above approximately 50 tonnes, vessels should be selected based on a formal vessel vetting process, considering classification, age, crane capacity, deck loading, and P&I club membership.
- Vessels should hold current certification for the proposed lift weights, and crane operators must be qualified and experienced in handling oversized electrical plant.
- Ro-Ro vessels offer advantages for very large transformers where craneage at the discharge port is limited, but sea-fastening arrangements should be independently reviewed.
- Barge transport may be appropriate for certain river or coastal transit legs but introduces additional exposure to weather delays, grounding, and collision risk that should be addressed in the risk assessment.

Route Selection

Multimodal routes involving multiple transshipments should be avoided where possible, as each handling operation represents an additional potential risk event.

Port facilities should be vetted for crane capacity, hardstanding strength, and security. Open storage at intermediate ports should be minimised.

Weather windows should be considered for both sea passages and port operations.

For oversized road transport legs, a route survey by a specialist heavy haulage contractor is essential, confirming bridge strengths, overhead clearances, and road surface tolerances.

Road and Rail Transportation

Road and rail transit legs are among the most demanding phases of any wet transformer movement and are a frequent source of transit damage claims. The following requirements are to be addressed as a potential condition of cover for transformers transported overland.

Road Transportation

- Aircushion (air-ride) suspension trailers should be used for wet transformer movements. Conventional steel-spring trailers transmit road-induced vibration and shock loads directly to the transformer structure and are not suitable. The air-ride system significantly reduces dynamic loading on the windings, core, and tank during transit over uneven road surfaces.
- A formal route survey should be completed by a qualified heavy haulage contractor prior to despatch, confirming the suitability of all road surfaces, bridge load ratings, overhead clearance restrictions, and turning radii along the planned route. A copy of the route survey should be provided to the marine surveyor.
- An escort vehicle should accompany all abnormal load movements in accordance with applicable national regulations, and police or highway authority permits should be obtained and confirmed before departure.
- Maximum road speed limits should be defined in the transport plan, and reduced further on poor-quality surfaces, to limit dynamic load amplification.

- For dry nitrogen-shipped units, the nitrogen pressure gauge should be checked at every scheduled stop and the reading logged. Any unexplained drop in pressure should be investigated before the journey resumes.
- Journey logs should be maintained, recording departure time, route taken, any deviation from the approved route, and the condition of the transformer at each scheduled stop.

Rail Transportation

Rail transport is sometimes used for transformer movements, particularly over long inland distances where road transport is impractical. However, it introduces specific risks that should be carefully managed.

- Shunting should only be carried out under strict control standards. The impact forces generated by conventional rail shunting operations, whereby wagons are pushed or allowed to roll freely into a stationary consist, routinely exceed the permissible G-force limits for transformer transportation and have been responsible for severe winding displacement and core damage claims.
- Where shunting cannot be completely avoided, the transformer wagon should always be handled by a locomotive (fly-shunting prohibited) and buffer contact speeds must be restricted.
- Air-braked wagons should be used, and the transformer should be secured in a purpose-built rail cradle designed and certified for the specific unit.
- Shock and tilt indicators should be checked at each marshalling yard and at the originating and destination terminals. Any activation should be treated as a potential damage event and reported to insurers promptly.
- For dry nitrogen-shipped units, nitrogen pressure checks should be carried out at each intermediate stop of more than 24 hours and at the final destination prior to offloading.

The prohibition on shunting should be treated as an absolute requirement and not subject to operational convenience. Impact loads during shunting can reach 3–4g longitudinally, far exceeding the 1–2g limit typically specified by transformer manufacturers.

Claims Prevention, Incident Notification, and Post-Arrival Inspection

Shock and Tilt Indicators

Passive indicators record only whether a threshold has been exceeded and provide no data on the magnitude, duration, or timing of the event. They are read only at the end of a transit leg, by which point the unit may already have been delivered, offloaded, and moved to its installation position. By the time an exceedance is identified, the window for making a cost-effective return-to-manufacturer decision has often closed.

Active telemetric recorders transmit real-time data to a nominated monitoring party throughout the transit. In the event of a shock exceedance, an alert is generated immediately, enabling an informed decision to be made on whether to divert or return the shipment before it reaches its final destination.

When using active recorders, the following should occur:

- Active telemetric recorders should be fitted and commissioned at the point of despatch, with threshold settings confirmed against the manufacturer's transport specification.
- Monitoring should be active throughout all transit and storage phases, with a nominated contact available to receive and act on alerts at all times.

- A shock exceedance at or above the manufacturer's threshold is grounds for returning the unit to the manufacturer for dismantling, inspection, rebuilding, and full factory acceptance testing. This condition is not subject to negotiation on the basis of visual inspection alone; internal damage from shock is not detectable without dismantling.
- Full recorder data logs should be provided to the relevant surveyors.

Post-Arrival Inspection

A post-arrival inspection by an independent surveyor is strongly recommended for all transformers above 50 tonnes, regardless of whether indicators have been activated. The inspection should include:

- Visual examination of the tank, radiators, bushings, and external accessories for signs of impact or damage, if accessible and not containerised.
- Nitrogen pressure check.
- Comparison of post-arrival photographs against the pre-shipment survey record.

Prompt Notification

In the event of a suspected loss or damage, the insured should notify their broker and the lead underwriter as soon as practicable and in any event within the timeframes stipulated in the policy. Critically:

- Do not allow discharge, movement, or further handling of a potentially damaged unit until a surveyor has been appointed and has attended or given clearance.
- Preserve all documentation, including bills of lading, mates' receipts, delivery notes, shock indicator reports, and any photographs taken at the time of the incident.
- Issue a formal note of protest to the carrier, port authority, or relevant party to preserve rights of recourse.

Extended and Intermediate Storage

A risk that is frequently underestimated, is the possibility that the transformer arrives at or near the project site before the site is ready to receive it. A delay in the project starting may cause the transformer to spend weeks or months in intermediate storage, either at the discharge port, a local logistics hub, or a temporary laydown area on or adjacent to the project site.

Storage of this nature introduces a materially different risk profile from active transit; appropriate arrangements must be in place before extending cover to the storage period. Insureds should be advised that standard marine cargo policies may not automatically extend to cover prolonged storage, and that specific storage endorsements may be required.

Storage Location and Infrastructure

- Storage should be at an approved, secure facility. Open-air laydown on unprepared ground is not acceptable for units above 25 tonnes without explicit MRC agreement. The storage site must have confirmed ground-bearing capacity appropriate to the transformer's weight and footprint.
- Covered storage is strongly preferred, particularly in tropical, coastal, or high-humidity environments where condensation cycles accelerate moisture ingress and corrosion.
- The storage facility should be within a perimeter that is physically secured, with access controls and, for high-value units, 24-hour guarding or CCTV surveillance. Theft of ancillary components (bushings, cooling fans, control panels) is a known exposure at unsecured sites.
- Transformers are to be stored in separate areas within the storage facility protected from impact by collision blocks.

Storage Period Notification and Policy Transition

Insureds should notify their broker and lead underwriter as soon as it becomes apparent that storage beyond the period anticipated at inception will be required. Most marine cargo policies include a storage (in the ordinary course of transit) extension provision, but this is subject to time limits, beyond which cover either lapses or requires specific endorsement at additional premium.

- Where storage is anticipated to exceed limits within the policy, underwriters should be notified promptly and a formal storage endorsement agreed before the policy limit is reached. Failure to notify in time may result in a gap in cover.
- The storage facility itself should hold adequate third-party liability and property insurance. Insurers should confirm this is in place and obtain a copy of the storage operator's insurance certificate as a condition of extending cover.

Depending on the length of intended storage and the value of the cargo, MRC may carry out storage site assessments for transformers. This will vary from a discharge survey to a full warehouse risk assessment, depending on values and time period involved. The assessment covers site security, ground conditions, weatherproofing, preservation regime, and insurance adequacy.

Delay in Start-Up (DSU) / Advanced Loss of Profits (ALOP)

For transformers forming part of a power generation or transmission project, the consequential financial loss arising from a delay in commissioning can dwarf the physical repair or replacement cost of the transformer itself. The core exposure arises from the fact that transformers are typically the critical path item in any power project. A unit damaged in transit cannot simply be replaced from stock: manufacturing lead times for medium and large power transformers commonly range from 12 to 24 months, and for HVDC or bespoke GSU units, 36 months or more is not unusual. This time period does not include the transportation, testing, installation and commissioning, which can extend this period further. A project that cannot energise during this period will suffer revenue losses that accumulate daily and rapidly dwarf the cost of the physical asset. Further lead time from procurement, transportation, installation, testing and commissioning

Key Structuring Considerations

- The indemnity period should reflect the realistic worst-case scenario, not the optimistic project schedule. It should be based on the OEM's confirmed lead time for a replacement unit of equivalent specification, plus a realistic allowance for the time required to complete a new procurement process, arrange repeat shipping, and recommission the plant.
- Insureds should quantify and document their daily revenue at risk before the policy is finalised. For power generation projects, this typically comprises the contracted or projected electricity sales revenue, capacity payments, and any liquidated damages payable under the EPC or PPA.
- DSU policies typically carry a monetary deductible equal to 30/45 or 60 days of average indemnity for the loss period sustained. The waiting period should reflect the genuine minimum period before project revenue is impacted — often 30 to 90 days and should not be set artificially high simply to reduce premium. An inadequate waiting period structure that does not reflect commercial reality could cause disputes at the time of a claim.
- DSU cover is triggered by physical loss or damage to the transformer under the underlying cargo policy. It is not triggered by project delays arising from other causes. Insureds should be clearly aware of this limitation, particularly given the frequency with which project delays arise from civil works, permitting, or grid connection issues rather than damage to the transformer. These other delay exposures fall outside the scope of DSU and should be addressed through other insurance products or protections.

Power transformer shipments occupy a distinct position within the marine cargo market. The combination of high replacement values, long manufacturing lead times, sensitivity to seemingly minor physical or environmental damage, and direct linkage to project revenue streams means that inadequate transportation and insurance arrangements carry consequences that extend well beyond the cargo loss itself.

The recurring theme across all sections is that preparation and early engagement can reduce both the frequency and severity of losses. Pre-shipment surveys, transport engineering studies, nitrogen preservation protocols, and DSU quantification exercises are not procedural formalities; they are the primary loss prevention tools available to all parties.

For further information, please contact your local Marine Risk Consultant.

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