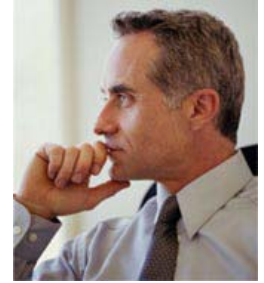


Making an Informed Choice on Cargo Insurance

When it comes time to protect your cargo shipment, there is information you need in order to make an informed decision. Please review this document so that you can better understand how to protect your interests.



Did you know that a Bill of Lading does not provide any "insurance" to you? What it does do is state the terms and conditions of carriage and the extent of responsibility in the case of loss or damage. There are multiple factors involved in determining that responsibility, including the means of transportation. Let's put this into practical terms.

* Carriage of Goods
by Sea Act, Enacted
1936, USA

Water Carriage of Cargo	Covered to the greater value of \$1,031.50 USD (approx.) or \$3.09 USD per Kilogram or, by COGSA* definition, \$500.00 USD per package
Inland Trucking	\$3.34 USD per Kilogram or \$1.51 USD per pound
Rail Transport	By written agreement or tariff
Freight Forwarder as agent	\$3.09 USD per Kilogram
Freight Forwarder issuing Bill of Lading	same as water carriage of cargo

Example: I have a shipment of 50 boxes of books, consolidated in a 20 Ft. Container. My portion of the shipment weighs 2000 lbs. and is valued at \$15,000.00 USD. During the voyage my cargo is water damaged for a total loss. Based on Water Carriage, this would provide me with about \$2800.00 USD of liability coverage. That is, I would receive that compensation once I had proven that the carrier is at fault. Carriers are not responsible by law for "Acts of god" (floods, quakes, hurricanes, tornadoes, etc.) or for strikes, riots or civil commotions. If the ship my cargo was on was caught by a hurricane and that is what caused the water damage then the carrier bears no responsibility. Also consider that the \$2800.00 compensation must cover my cost in proving responsibility and court costs, if any. Then there's the lost time for all of this and any import/export duties, freight charges, replacement costs, etc.

It's not much different with air transport, as it is governed by the same types of laws. Truck transport is deregulated in the continental USA, so it is different in each state and for each carrier. In Canada it is set at \$2.00 CDN per pound.

By law, Carriers and Freight Forwarders have the right to limit their liability should a cargo they are legally liable for sustain damage.

As someone who has a vested interest in the cargo you would like to know that you are covered for the real value of the shipment. You need to know that you can expect proper compensation in the case of an accident. This is possible with the right kind of insurance: all-risk cargo insurance.

Ask your freight agent to get you a quote for an all-risk cargo insurance policy before your cargo leaves.