

CARGO INSURANCE - IMPORTANT CONSIDERATIONS.

IF YOUR CARGO IS DAMAGED OR DESTROYED WHILE IN TRANSIT, YOUR COMPANY WOULD PROBABLY INCUR A FINANCIAL LOSS UNLESS PROPER INSURANCE HAD BEEN OBTAINED.

RECOVERY FROM CARRIERS:

There are risks involved in relying upon recovery from a carrier. In order to recover from a carrier, you have to prove the following:-

- The cause of the loss.
- That the loss occurred while the cargo was in the carrier's possession. (There is no legal recourse against the carrier if the goods were not in the carrier's possession when damaged.)
- That the carrier is liable and directly caused the loss. (There is no legal recourse against the carrier for losses caused by storms and other acts of nature.)

LIMITATIONS OF LIABILITY:

Even if carrier liability is proved, with the exception of declared value shipments, the carrier's liability is limited to:-

- \$9.07 per pound (\$20.00 per kilogram) on Air shipments.
- \$500 per CSU (customary shipping unit) on Ocean shipments.

AMOUNT OF INSURANCE:

Obtain insurance coverage in an amount which corresponds to the invoice value of the shipment, CIF + 10% or CFR + 10%.

STEPS IN FILING A CLAIM:

- Have the consignee make a complete inspection of the packages.
- Note all evidences of loss or damage on the delivery receipt upon taking delivery of the goods.
- Promptly report loss or damage to your insurance representative or a surveyor appointed by the company.
- Immediately file the claim in writing against the carrier.
- Submit complete documentation to substantiate the claim.