

## Losses Happen

### Cargo Insurance protects your financial interest in goods shipped both domestically and internationally

No matter how robust your loss prevention strategy may be, it is reported that 30% of all freight damage in transit is unavoidable and most losses occur on the way to or from the ports. Furthermore, the FBI estimates that up to \$30 billion in cargo theft occurs every year. All these causes of loss and much more can be fully covered in the Cargo Insurance coverage facilitated by D.J. Powers.

## Carrier Liability Limitations

Cargo owners are often unaware that while carriers have liability for damage to cargo, they also have the legal right to limit their liability and do so aggressively. Therefore, the amount recoverable is usually much less than the actual claim amount.

Without Cargo Insurance in place, in the event of a loss you may only be indemnified for a small portion of what your cargo is worth, or not at all depending on the cause of loss. Cargo Insurance can provide protection for the full commercial invoice value plus freight.

Mode of Transit	Limit of Liability
 <b>Ocean Carriers</b>	\$500/package or Customary Shipping Unit (CSU) based on the Carriage of Goods by Sea Act (COGSA).
 <b>International Air Carriers</b>	\$9.07/lb. or approx. \$20/kg. under Warsaw Convention 19 SDRs* (Approx. \$29/kg.) under Montreal Convention or Warsaw Convention as amended by Montreal Protocol 4.
 <b>Domestic Airlines, Trucks &amp; Railroads</b>	\$ .50/lb. customary \$ .50/lb. customary, limited by tariff Limited
 <b>Couriers &amp; Warehousemen</b>	\$100 or less any one shipment Limited, no statutory federal protection

## Carrier Exclusions

It is important to note that carriers are only liable (for a limited amount) if they are considered negligent. Carriers are not responsible for losses that are unforeseen or beyond their control.

Carriers are not held liable for:

- Acts outside their control
- Fire (unless caused by the actual fault or knowledge of carrier)
- Acts of God (heavy weather, earthquake, lightning, hurricane, tornado, etc.)
- Acts of War
- Acts of Public Enemies
- Strikes, Riots & Civil Commotions
- Insufficient packing, insufficient or inadequate marks

## General Average

When loss and damage is shared by all, know that you're covered.

### General Average is:

*"A partial loss that is shared proportionally by all parties involved in the voyage (cargo owners and the vessel owner).*

*A General Average Act occurs when any extraordinary sacrifice or expenditure of cargo, equipment or funds is intentionally and reasonably made or incurred in order to preserve lives or property involved in a common maritime adventure."*

General Average is a common, yet widely unknown risk that can affect any shipper moving goods by ocean vessel. When General Average is declared, overall costs for cargo loss and damage as well as costs for any damage to the vessel itself are assigned proportionally to each shipper.












This can total hundreds of thousands of dollars and must be paid immediately in the form of cash or a bond. Cargo Insurance will respond to these expenses and complications which would otherwise be financially devastating events.

In a General Average, even if your cargo does not suffer any damage, you could suffer a tremendous financial loss, and cargo insurance covers that financial loss for you.

## Best in Class Service and Protection

### Protect your financial interests

Perhaps most valuable to cargo owners, Cargo Insurance is a first party insurance coverage. This means that in the event of a covered loss, the insurance company will pay out the claim to the shipper and then, if necessary, will go to court against the carrier in order to try to recover some or all of the loss they paid out. In other words, the customer does not need to retain an attorney to sue the carrier for damages or prove negligence. The insurance company will work to recover the loss, keeping the cargo owner's efforts to a minimum.

Coverage Conditions	Cargo Insurance	Carrier's Liability
 Provides door-to-door protection		
Pays whether or not transportation provider negligence is proven to have caused the loss		
Pays for losses occurring outside control of carrier		
Pays shipper for the full invoice value of cargo lost or damaged plus freight and other associated costs		
Can pay for expediting replacement goods		

## Why purchase cargo insurance from D.J. Powers?

By purchasing cargo insurance from D.J. Powers, cargo owners secure the broadest possible coverage for their goods. Coverage provided by DJP is backed by the largest and most respected insurance broker in the industry, the largest and most experienced cargo insurance market in the world, and direct claims handling and servicing teams. Talk to D.J. Powers about insuring all your shipments to ensure that you will be properly compensated for unavoidable losses.