



Freight Forwarders Liability VS Goods in Transit

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Types of Activities

- **Freight Forwarding (sea, air, road and/or rail), as agent and/or as principal**
- **NVOCC (Non-Vessel Owning Common Carrier)**
- Warehousemen / (de)consolidation
- Customs broking
- Trucking
- Multimodal Transport Operator (MTO)
- Third Party Logistics Services Provider (3PL)
- Fourth Party Logistics Services Provider (4PL)

Risks Covered

FFL	GIT
Cargo Liability	Cargo Physical Damage / Loss
Errors & Omissions <i>(including fines and duty)</i>	Removal of Debris <i>(optional extension)</i>
Third Party Liability	
Legal Costs/Expenses	
Mitigation Expenses	

Key Things of a Contract for Liability Claims

- Limitation/exemption for cargo liability (e.g. paramount clause, specified limitation, force majeure)
- Limitation for delay (e.g. one time of freight charge)
- Time bar (e.g. 9 months or 1 year)
- Laws & Jurisdiction
- In case of STC, to “incorporate” to the contract

Key Things of a Contract for Cargo Damage Claim

- Contractual relationships between ;
 - Cargo Owner
 - Transporter
 - Third Party Sub-Transporter
- Laws & Jurisdiction

Key Underwriting Information - Liability

- Company information, management experience, etc (company profile)
- **Gross Freight Receipts (see below definition)**
- **Throughputs (e.g. TEU, Tonnes)**
- Trading area & type of conveyances
- Types of cargo handled
- **Principal or agent**
- Port to Port vs Door to Door
- **Contracts Conditions**
- 5 years Claims Record (to establish claims trend and tail)

Gross Freight Receipts is defined as the Assured's Gross Revenue plus payments to contractor or sub-contractor in respect of transport, storage or other insured services, but exclude customs duty or other sales tax or similar fiscal charge paid on behalf of their customers.

Key Underwriting Information - Cargo

- Company information, management experience, etc (company profile)
- **Estimated Annual Carrying**
- Trading area & type of conveyances
- **Interest Insured (vs type of cargo handled?)**
- Port to Port vs Door to Door
- 5 years Claims Record (to establish claims trend and tail)



CASE STUDY





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