

## All-Risk Shipper's Interest Coverage

INSURANCE PROTECTION EXPRESSLY SOURCED BY EASTERN SHIPPING WORLDWIDE

An average of  
**1,679 containers**  
are lost or damaged  
at sea each year.

### FREQUENTLY ASKED QUESTIONS ABOUT CARGO INSURANCE

#### What is Cargo Insurance?

Cargo insurance provides protection against all risk of physical loss or damage to freight from external cause during land, sea or air shipping.

#### When shipping by ocean, doesn't the carrier cover loss of ship cargo?

The carrier's liability for freight moving over the ocean is governed by the Carriage of Goods by Sea Act (COGSA). Under the terms of COGSA, the most you could recover from shipping lines in the event they are proven negligent is \$500 for each customary freight unit (CFU). Measurement of the CFU is widely defined, and it can vary from one container to one pallet.

COGSA is centered on the liability of the carrier. At the heart of the concept of carrier liability is the idea that the carrier is not responsible for paying claims if they did not cause or contribute to the loss.

#### When shipping by air, doesn't the air carrier compensate for loss?

Air carriers limit their liability in a similar fashion as ocean carriers. Under the Warsaw Convention/Montreal Protocol 4, carriers will pay about \$26 per kilogram only if proven they were negligent. Again, the burden of proof is on the shipper, and it's often difficult to prove the carrier was at fault.

#### Why purchase Cargo Insurance?

To reduce your exposure to financial loss if goods are lost or damaged during transit as you are not inherently compensated by the carrier.

#### If a loss occurs without Cargo insurance, what could I expect to recover?

Although it is ultimately the carrier who bears responsibility for loss or damage to your freight, by law, their liability is surprisingly limited. As previously stated, the COGSA statute limits a carrier's liability exposure to just \$500.

#### Even if I hire an NVOCC, don't they assume carrier liability?

Even if Eastern acts as an NVOCC to assume carrier liability, recovery in the event of a claim is still legally limited by COGSA in the bill of lading terms & conditions.

#### So, how can I protect my cargo in transit?

Yes, there is good news! Eastern Shipping offers broad coverage at fair and competitive rates. "All Risk" Shipper's Interest Coverage provides the cargo *owner* with coverage for direct physical loss or damage to the cargo without the need to prove liability. If a loss occurs; you are paid directly and any recovery possible from the carrier will be handled by our subrogation specialists.

#### What are the advantages of insuring my cargo through the Eastern policy?

- Eastern will report and handle claims on your behalf.
- Covered losses are paid without need to prove carrier negligence.
- Claim payments are based on the insured value, not the weight of pieces missing/damaged or Carrier's limited liability.
- And even *after* the loss is paid to you, Eastern works with the carrier to ensure your historical losses are minimized.

#### Hague-Visby Rules

17 circumstances under which the carrier cannot be held liable. If a loss is caused by any one of the defenses listed, the ocean carrier will not pay for any part of the loss.

1. Carrier neglect navigating/managing the ship
2. Fire
3. Perils or dangers of the sea (storms, etc.)
4. Act of God
5. Act of war
6. Act of public enemies
7. Arrest, restraint or seizure
8. Quarantine restrictions
9. Acts or omissions of the shipper or owner
10. Strikes, lockouts or labor shortage
11. Riots or civil commotions
12. Saving/attempting to save life/property at sea
13. Inherent defect, quality or vice of the goods
14. Insufficiency of packing
15. Insufficiency or inadequacy of marks
16. Defects not discoverable by due diligence
17. Any other cause not the actual fault of the carrier but burden of proof is on the claimant

## According to the World Shipping Council...

Approximately 32 containers every week are statistically at risk. Eastern offers protection to provide the cargo owner with insurance coverage for direct physical loss or damage to cargo.

### DETAILS & RATES

#### OCEAN TRANSPORTATION

\$ 0.65 per \$100.00 of insured value

- Zero deductible
- Easy claims process guided by Eastern
- Proportionate duty amounts could also be recoverable
- Expedited turnaround times from underwriter

#### AIR TRANSPORTATION

\$ 0.55 per \$100.00 of insured value

- Zero deductible
- Easy claims process guided by Eastern
- Proportionate duty amounts could also be recoverable
- Expedited turnaround times from underwriter

#### SPECIAL NOTES

*Minimum premium on any one shipment: \$65.  
Insured value determined at time of shipment.*

*Full Terms & Conditions—  
Available on request.*

### UNAPPROVED COUNTRIES

Shipments to or from any of the following countries may be insured only after obtaining the underwriters' approval:

Afghanistan	Congo	Jordan	OFAC Restricted Countries	Syria
Algeria	Cuba	Liberia	Paraguay	Togo
Angola (including Cabinda)	Iran	Libya	Sierra Leone	Yemen
Burma (Myanmar)	Iraq	Nigeria	Sri Lanka	Zaire (Congo)
Burundi	Ivory Coast	North Korea	Sudan	Zimbabwe

*Contact Eastern today for your cargo insurance quote.*

#### PLEASE TELL US HOW YOU WOULD LIKE TO PROCEED:

I wish to insure all of my shipments with Eastern Shipping Worldwide.

I choose NOT to insure my shipments with Eastern and I understand that my recovery will be limited in the event of loss.

Signature \_\_\_\_\_

Title/Date \_\_\_\_\_

Printed Name \_\_\_\_\_

*This summary provided for informational purposes. It does not grant or extend coverage. All coverage is governed by the terms and conditions set forth in the policy (text available upon request). Eastern Shipping Worldwide is not the insurance company. Eastern Shipping Worldwide purchases insurance for its clients from Integro Insurance Brokers. Eastern Shipping Worldwide's liability is dictated by its Terms and Conditions of Service, copy available upon request.*