TALKING TO CLIENTS ABOUT RISK

This is a tool to help guide you through the conversation we should be having with every client. Feel free to make it your own, but this should be a conversation you have with every client and can document back to VISION. This can work for AMs, sales, and product managers.

HOW TO APPROACH THE CONVERSATION

At the end of a first meeting with your client (or any meeting for that matter) if you have never had the conversation before, have the following quick conversation.

In closing:

I appreciate your time today, it is great to get a better picture of your supply chain and how we can help. One last thing I always like to speak with my clients about is risk in the supply chain.

SALES THOUGHT

We don't "SELL" insurance!

We provide educational support and information so our clients can better understand risk in the supply chain. When they decide they need a solution, we have the best in class offerings, best in class pricing, and an unmatched level of service. And if they don't want it, at least we have had the conversation when something bad happens.

I was curious how your company currently manages or mitigates risk with your shipments?

Ex 1: I have no idea!

Reply: That is completely understandable and I have met many clients in the same situation. Our goal is to be more than just a forwarder who provide quotes, a true supply chain partner. Part of that is helping our clients understand and manage risk.

Close Question: Is there someone else in the organization you think would be better suited to discuss?

Ex 2: No, We don't currently insure our shipments

Reply: Understood, I have met many clients who manage their supply chain risk internally. As a supply chain partner, we like to make sure our clients understand risk and limited liability. Our goal is to help you gather all the right information so you and your team can make informed and educated decisions.

- Depending on your comfort level you can confirm they understand limits of liability

Close Question: We have a local risk manager who can help you review risk in your supply chain and better understand how limited liability affects your shipments. If you think that would be valuable, I can set up a meeting?

Ex 3: Yes, we currently have a policy or buy transactional insurance!

Reply: That's great to hear, we highly recommend our client use cargo/marine insurance to protect their goods. Who in the organization manages that part of the business?

Close Question: We have a local risk manager who can help you review programs, look at pricing and just be a general sounding board so your organization can make the best decision. Would you like me to set up a meeting?

For more information contact:

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WHY YOU CANNOT "INSURE" A CARGO INSURANCE POLICY DEDUCTIBLE

Companies often choose to purchase an insurance policy to protect the corporation against supply chain related risks.

Many times, in order to keep their premiums low, companies will choose to incorporate a large deductible in the policy coverage. These deductibles will affect the final amount recoverable in the event of a loss. This feature creates a gap in the coverage and can create exposure to financial loss, even though the company carries a policy.

In an effort to cover this gap in coverage, Crane Worldwide Logistics® can be approached by clients to procure coverage that will insure only the deductible. This is not a problem if the total value of the cargo is below the deductible. The main problem occurs when a shipment's total value of loss is above the deductible.

What must be understood is that when a loss amount occurs above the deductible amount, then both polices would be in effect. In this scenario, the two policies will "share" the loss. Typically, this sharing of the loss is based proportionately on the percentage that each policy's limits bears, to the total limits available to cover the loss. Due to this "sharing", the deductible is not eliminated.

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EXAMPLE:

COVERAGE A: Company XYZ corporately buys $1,500,000 worth of insurance for their product. This policy is subject to a $50,000 deductible.

COVERAGE B: Company XYZ's traffic manager buys $50,000 worth of insurance to cover the shipment from the freight forwarded with no deductible.

Imagine the entire shipment is destroyed by fire and was worth $1,000,000 at the time of the loss. The two policies will respond proportionately, based on the percentage of the policy limits versus the total limits available to cover the loss.

COVERAGE A: ($1,500,000) / (out of $1,550,000 total available) = 97%

COVERAGE B: ($50,000 in limits of insurance) / (out of total limits available of $1,550,000) = 3%

COVERAGE A: Pay $1,000,000 of loss times 97% = $ 970,000. Less the deductible under the policy ($50,000) = $ 920,000

COVERAGE B: Pays $1,000,000 of loss times 3% = $30,000 Less the deductible under the policy (zero) = $30,000.

So Company XYZ receives $920,000 (COVERAGE A) + $30,000 (COVERAGE B) = $950,000.

Although the company has purchased two forms of insurance in an attempt to cover the deductible, in a situation where the loss is above the deductible, it will effectively still be there once both parties respond. In essence the company will have spent additional premium to the second insurer, but will end up with the same result.

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DECLARED VALUE VS. CARGO INSURANCE

In the transportation industry, the words declared value and cargo insurance are often interchanged resulting in great misunderstanding and confusion among shippers. Here's an explanation of what to expect when declaring value with your forwarder/ carrier versus purchasing cargo insurance.

DECLARED VALUE COVERAGE

Declared value coverage is not insurance for shippers. One of the most significant distinctions of being paid on a claim under declared value is that the shipper must prove that the carrier's negligence directly resulted in the loss or damage to cargo. Declaring value simply raises the financial legal liability of the carrier beyond the limitations stated on the carrier's or forwarder's freight bill, tariff or other contract of carriage.

CARGO INSURANCE

When purchased, cargo insurance attaches to the cargo while in transit with coverage being extended warehouse to warehouse. Cargo insurance pays regardless if the loss or damage was due to the carrier's negligence. Furthermore, cargo insurance provides protection for the full commercial invoice value plus freight and other costs associated with the cargo.

The chart below offers a quick look at the difference between declared value and cargo insurance.

Declared Value vs. Cargo Insurance At-a-Glance	Cargo Insurance	Declared Value
Provides door-to-door protection.	yes	no
Pays whether or not transportation provider's negligence is proven to have caused the loss.	yes	no
Pays for losses occurring outside control of the carrier.	yes	no
Pays shipper for the full invoice value of cargo lost or damaged plus freight and other associated costs.	yes	no
Can pay for expediting replacement goods.	yes	no

FREQUENTLY ASKED QUESTIONS

Q. I've been declaring value for many years and our transportation providers seem to pay our claims without much resistance. Why should we consider buying cargo insurance and paying extra if we've had no problem in the past with declaring value?

A. As a matter of client goodwill, some carriers are in the practice of paying claims out-of-pocket as a cost of doing business. This practice often leaves the shipper with the wrong impression that by declaring a value they have purchased full protection insurance. Not until claims reach a certain amount do shippers find their carrier's re-evaluating their goodwill practices and forwarding claims onto insurers who have the option of putting up a rigorous defense. In most cases, there is no difference between the cost of cargo insurance and the cost of the declared value coverage provided by the carrier.

Q. What are some of the things not covered when we declare value?

A. Three significant areas not addressed by declaring value are: (1) that the shipment is not covered "door-to-door." Declared value is valid as long as cargo is in the care, custody, and control of the transportation provider; (2) other losses commonly not provided for include "Acts of God" and any other incidences outside the control of the carrier; and (3) reimbursement of freight charges, packing expenses, forwarding fees and similar costs are also not covered when buying declared value vs. cargo insurance.

Q. We've been shipping for years without a serious loss. Isn't it throwing away money to start buying coverage now?

A. No. Experienced risk managers will tell you that insurance shouldn't be purchased only when a company can afford to sustain a significant loss. Think of the maximum value of a shipment. Imagine that entire load being destroyed in an airplane crash or truck overturn. Picture your company being without that money forever. If the shareholders can sustain that kind of loss along with all the other little nuisance losses that occur throughout the year, and can do it without a sleepless night, then your company may be a good candidate for self-insuring.

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CARRIERS LIABILITY

Understanding the financial risks related to Uninsured Cargo

OCEAN CARRIERS LIMITED LIABILITY

Hague-Visby and COGSA, the Carriage of Goods by Sea Act, limits carrier's liability to $500 per customary shipping unit. A customary shipping unit is determined by referencing the piece count shown on the bill of lading. In order for this liability amount to be paid out, one must prove that the carrier was liable for the loss or damage.

Carriers have been granted many defenses under HAGUE/COGSA. Shippers/consignees have no legal recourse against these carriers if their goods are lost or damaged for any of the following 17 reasons:

1. **Act, neglect, or default of the master, mariner, pilot, or the servants of the carrier in the navigation or in the management of the ship;**
2. **Fire, unless caused by the actual fault or privity of the carrier;**
3. **Perils, danger, and accidents of the sea or of other navigable waters;**
4. **Act of God;**
5. **Act of war;**
6. **Act of public enemies;**
7. **Arrest or restraint of princes, rulers, or people or seizure under legal process;**
8. **Quarantine restrictions;**
9. **Act or omission of the shipper or owner of the goods, his agent or representative;**
10. **Strikers, lockouts, stoppage or restraint of labor from whatever cause, whether partial or general: Provided that nothing herein contained shall be construed to relieve a carrier from responsibility for the carrier's own acts;**
11. **Riots and civil commotions;**
12. **Saving or attempting to save life or property at sea;**
13. **Wastage in bulk or weight or any other loss or damage arising from inherent defect, quality, or vice of the goods;**
14. **Insufficiency of packaging;**
15. **Insufficiency or inadequacy of marks;**
16. **Latent defects not discoverable by due diligence; or**
17. **Any other cause arising without the actual fault and privity of the carrier without the fault or neglect of the agents or servants of the carrier, but the burden of proof shall be on the person claiming the benefit of this exception to show that neither the actual fault or privity of the carrier nor the fault or neglect of the agents or servants of the carrier contributed to the loss or damage.**

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AIR CARRIERS LIMITED LIABILITY

The Warsaw Convention & Montreal Protocol limits air carrier's liability to $20 per kilogram, or the value of the goods, whichever is less. In order for this liability amount to be paid out, one must prove that the loss occurred while in the airline's possession and that the airline was directly responsible for the loss or damage. Carriers are not responsible for things that occur outside of their control such as acts of god, acts of war, terrorism, consequential damage, and hijacking.

DOMESTIC TRANSPORTATION AND WAREHOUSE LIMITED LIABILITY

Truckers and warehouse employees also limit their liability. These limitations vary by county. In the United States this can also vary by carrier or warehouse. Typical limits of liability for trucking are $0.50 per pound, subject to a $50 per shipment maximum, whichever is less. Warehouse liability is limited to $0.50 per pound, subject to a $50 per lot maximum, whichever is less. In order for the service provider to be liable, one must prove that the trucker/warehouse employee was responsible for the loss or damage.

GENERAL AVERAGE

If a reasonable necessary sacrifice is made at the direction of the captain to save a voyage, the actual shippers/consignees will be held liable for loss or damage under certain circumstances when General Average is declared. In a General Average situation, the shipper/consignee may have to share in all costs associated with saving the voyage including damage to the vessel itself. If the shipper/consignee does not have All-Risk Insurance, they will be required to post a cash deposit or bond promising to pay their share of the general average expense prior to their cargo being released from the terminal. **This deposit would most likely be tied up for up to two years or more while the General Average event is being adjusted.**

CARGO INSURANCE

"All-Risk" insurance is the broadest, most comprehensive form of financial coverage for cargo. All-Risk coverage insures general merchandise against risks of physical loss or damage from any external cause howsoever caused subject to policy terms and conditions and exclusions. The cargo is insured based on its' value without respect to weight or piece count. Additionally, this can be door to door coverage.

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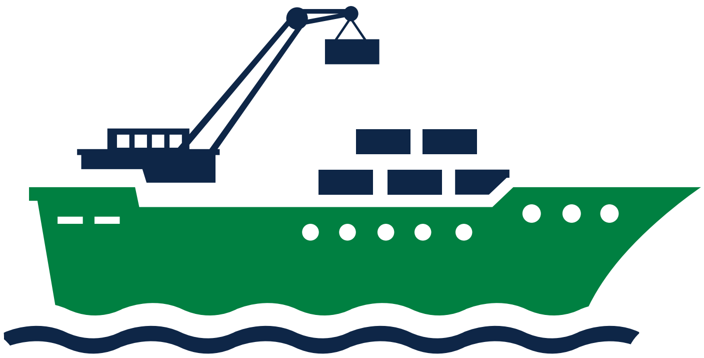
GENERAL AVERAGE

WHAT IS GENERAL AVERAGE?

When vessel owners incur expenses or intentional losses in order to save the vessel and the rest of cargo, then vessel owner and all the cargo owners will share proportionately in those expenses.

Example: A vessel must jettison cargo in order to keep the vessel afloat, or a disabled vessel must be towed to port for repairs.

This is a process between the vessel owner and cargo owners.



WHY DO YOU NEED TO PARTICIPATE?

- General Averaging is a concept that is based in maritime tradition and is governed by a set of rules known as the York/ Antwerp Rules, revised 1990.
- Participation is as per Terms and Conditions on the Ocean Contract of Carriage.

WHAT HAPPENS WHEN GENERAL AVERAGE IS DECLARED?

General Average is declared by the vessel owner.

A General Average Adjuster is chosen to administrate the process. Their initial job is to ensure all parties participate and a deposit is received from all cargo owners.

The deposits are a proportional value of the invoice value that is roughly estimated to cover the cargo owner's part of the General Average. As the full process can take a very long time to resolve, participation and funds must be ensured from the beginning.

A General Average notice, with instructions and forms, is given to the carrier, who passes it to the cargo owner or via their freight forwarder.

THE GENERAL AVERAGE PROCESS:

The General Average documents from the adjuster have two main forms.

General Average Bond, Form A

- This form must be completed by the cargo owner. It says that the cargo owner promises to participate in the GA process.

General Average Guarantee, Form B

- This form must be completed by the cargo owner's insurance company. It is a guarantee to pay the necessary funds.
- If the cargo owner does not have insurance, then they must place a cash deposit with the Average Adjuster.

There is sometimes a third form if a Salvage Security is required.

- This is a form similar to the Average Form B and would be completed by the cargo owner's insurance company.

The client's cargo will not be released until their General Average forms and related deposits have been submitted to the Average Adjuster.

- If one client, whose cargo is in an LCL container, has not submitted their General Average forms, then the whole container is detained.

If the client fails to participate in General Average, their cargo can be considered abandoned and will result in client having no financial recourse.

CARGO INSURANCE SOLUTION

One of the great features of having cargo insurance protecting your shipments is that cargo insurance also covers General Average. If your shipment is included as part of a General Average declaration the insurance policy will cover the general average bond in order to have your cargo released. This frees your company from having to make any additional cash deposits.

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INSURANCE AVAILABLE

Thank you for requesting a quote for transportation services from Crane Worldwide Logistics®. We appreciate the opportunity and look forward to supporting your supply chain needs. We do our best to support our clients with more than just offering quotes... We want to be a client advocate and true supply chain partner.

Part of this goal is making sure our clients understand limited liability terms that are present in the supply chain industry. These limits help facilitate trade and keep rates low, but can have an impact on shippers and consignees through financial risk and exposure.

We strive to provide our clients with the correct knowledge so you can make educated and informed decisions when it comes to protecting your freight.

Our pricing is based upon the limited liability standards found in Crane Worldwide Logistics® terms and conditions that are signed during the new client set-up phase. Therefore coverage OVER the amounts listed below requires the purchase of All-Risk insurance:

Standard Limits of Liability	
International Air	$20 per Kilo
Ocean	$500 per Customary Shipping Unit
Domestic Air and LTL	$.50 per pound or $50 Max

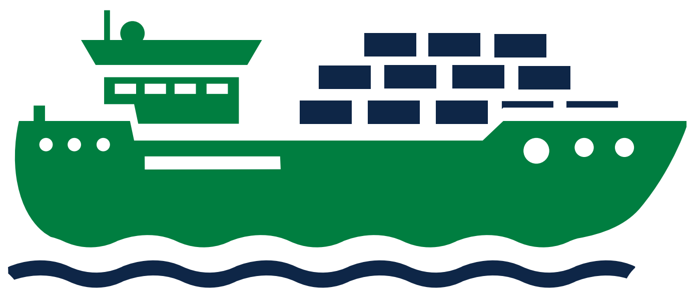
WHAT'S THE SOLUTION?

Crane Worldwide Logistics® offers All-Risk cargo insurance on a transactional basis for both international and domestic shipments. Coverage is based on the Commercial Invoice value of your shipment and backed by Starr Marine Insurance Company.

Cargo insurance is optional but we will normally provide the rate as part of our quotes when we have the commercial value. It will be listed as a separate line item on your quote.

If Cargo Insurance was not included on your quote and you are interested it what it costs to insure your shipment, please contact the representative who provided your quote and ask for Insurance to be added. They will simply need the commercial invoice value of the goods.

Cargo Insurance is extremely affordable and a great way to protect your supply chain.



EXAMPLES:

A $35,000 shipment will typically cost around $175 to insure

A $150,000 shipment will typically cost around $600 to insure

A $500,000 shipment will typically cost around $2000 to insure

***Please note – These are examples, rates and approval can vary and are affected by commodity, value and origin/destination. Please reach out to your client advocate for more information

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BATTLING EXTENDED LIABILITY

As you search to find new clients we can work with to provide logistical services, you may find yourself dealing with a company that is looking for extended liability terms. There has definitely been a trend in the market for the past 5 years, especially with larger A-level targets, to ask their freight forwarding partners and carriers to sign up for extended liability.

This has become a common risk transfer technique so that these companies can secure lower rates with their own insurance providers, or a strategy to simply eliminate the risk all together, and pass it on to the companies they partner with. The resulting agreements can put significant pressure on transportation carriers and does not create much of a partnership at all.

You will often hear them say, "We just want our carriers to have skin in the game." But, when you look at the true situation and the outcomes that extended liability creates, the resulting skin in the game can be excessive.

Here are a few tips and talking points to help you have a meaningful conversation with your target clients, and intelligently push back on the request for Extended Liability Terms. They may still want to pursue the extended terms and have our legal team review their requests, but this helps create an initial expectation of what Crane Worldwide Logistics' response will typically be.

LIMITED LIABILITY FACILITATES TRADE

The concept started in the 1800s and further developed in the 1920s with Warsaw Convention and Hague Rules. As the world grew in global commerce, there was a higher demand for international transport. Limited Liability was developed to support the efforts of those building the industry so that goods could be moved at reasonable rates. If carriers were responsible for the full value of the goods they moved, either nobody would do it, or it would be incredibly expensive.

EXTENDING LIABILITY RAISES RATES

Freight forwarders and Carriers base their standard rates on the fact that limited liability is in place. By requesting extended liability, clients are essential raising their own rates. Carriers have to account for the added exposure and must rate their services to make up for the potential losses they can incur.

REVENUE VERSUS EXPOSURE

Clients need to understand that we do not make significant amounts of revenue on individual shipments. A realistic approach must be used to understand how many "no fail" shipments would have to occur to cover for the loss of one shipment at extended liability terms. The time-frame of recovery for a single loss can be years to overcome, and that's if the client doesn't pull the business. There is no guarantee business will last.

WE HAVE SKIN IN THE GAME

Reputable carriers such as Crane Worldwide Logistics® want to grow business and keep clients. They are motivated to provide quality service, deliver on time, and protect shipments. If we don't accomplish these items on a regular basis, we will lose business.

This leads to legal issues and failed companies – Extended liability claims generally lead to lengthy court cases focused on proving the fault of the carrier. If the carrier is deemed to be at fault for a large loss at full liability it can be financially crippling. Shippers should be wary of companies that will readily sign up for Extended Liability as some of these companies will simply close the doors and file bankruptcy should a large loss occur.

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CRANE® WORLDWIDE LOGISTICS

WHAT DOES INSURANCE COVER?

All-Risk cargo insurance is available to clients to help cover the gaps and exposure caused by the concepts of Limited Liability. Cargo insurance is a great tool for mitigating risk and providing an extra level of protection for our client's supply chains.

WHAT INSURANCE "DOES" COVER

There are two types of coverage readily available in the market. We typically sell All-Risk, but we also can offer FPA coverage in certain cases where our underwriters are not willing to provide All-Risk coverage. FPA coverage requires approval and quoting

All-Risk:

This type of policy covers full or partial losses to the items shipped that are caused by external forces while in transit.

Free of Particular Average (FPA):

This coverage is often referred to as "Total Loss Coverage" or "Named Peril Coverage". This will only cover a shipment that is a total loss or affected by the named peril. This can be used in cases where the underwriters are not willing to offer All-Risk coverage

General Average (GA):

If your shipment is part of a vessel that has declared General Average, the cargo insurance policy can be used to post the general average bond required for release if the cargo was not lost or damaged as part of the GA.

Valuation Clause:

Valuation of a given shipment defines the maximum amount the insurance company will pay for a loss. The standard valuation(CIF+10) will include payment for the commercial invoice value of the goods that were lost or damaged, plus the cost of the freight charges, plus an additional 10%. Customs clearance and Duties can be included if the shipment has already cleared customs on Import. Insurance can be used to cover the cost to repair the item as long as the repair charges do not exceed the original value of the covered goods.

WHAT INSURANCE "DOES NOT" COVER

1. **Delay, or Loss of Market** – No coverage for loss of market and other consequential loss resulting from delayed voyages, regardless of the cause of the delay even if from an insured peril. Example – Missing the spring clothing market due to delay
2. **Inherent Vice** – Inherent vice means a natural condition or characteristic within the cargo itself which can bring about its deterioration without any external accident or casualty whatsoever. Example – fresh fruit will naturally decay over time and iron based metals will oxidize and rust
3. **Improper Packaging** – Packaging should be suitable for the product and rigors of transport. Businesses cannot make fundamental changes to packaging because insurance has been purchased. Example – Removing Styrofoam inserts or changing cardboard box density to save cost.
4. **Consequential Loss** – A consequential loss is an indirect loss resulting from an insured's inability to use business property or equipment. Example – Lost rent due to not finishing a project.
5. **Return Freight Charges**

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CARGO INSURANCE PRICING

This document will provide the guideline for pricing on insurance quotations for shipments under our standard coverage in Crane Worldwide Logistics® All-Risk Insurance program.

***Remember to correctly calculate valuation before pricing the coverage:*

Valuation is based on CIF + 10%

The total value to be covered by insurance will include the Commercial Invoice Value + Freight Charges + 10%

Example: Insurance is requested for a shipment with a commercial invoice value of $140,000

Commercial Invoice	**$140,000**
Freight Charges	**$3,200**
Total =	**$143,200**
Add Valuation 10%	**$1,432**

Value to calculate for Insurance = $144,632

***Imports should include clearance charges as part of the freight charges*

RATE STRUCTURE

Minimum Insurance- $50
Value $10K – 50K = Rate .50%
Value $50K – 100K = Rate .45%
Value $100K – 500K = Rate .40%
Value $500K+ requires special approval

Following are examples of goods that may generally be insured without calling for prior approval:

- New general merchandise
- Not unusually susceptible to theft or pilferage
- Not of a fragile nature
- Not listed among the unapproved commodities

SPECIAL RISK APPROVAL

Underwriter approval MUST be given for insurance that is requested over $500,000 USD and/or fall under the below categories.

Following are examples of goods that are generally restricted and require prior approval. Some may also have a special condition and/or warranties attached:

Used Goods, Not Reconditioned

- Living Things (animals, plants, flowers)
- Perishables (fruits, vegetables, meats, etc.)
- Works of Art
- Jewelry, Precious Stones & Gems
- Negotiable Paper of any kind
- Furs, Animal Hides
- Antiques
- Cell Phones, Computers and their parts, Consumer Electronics
- Hazardous Goods

Following are examples of goods that may generally be insured "All Risk" subject to special conditions (such as deductibles, exclusions, and/or warranties) without calling for prior approval, provided that the special conditions, as stated in our policy are adhered to:

- Household Goods and Personal Effects (used)
- Automobiles
- Pleasure Boats
- Fragile Items (e.g., glass, marble, ceramic tile, china, etc.)

CERTIFICATE INFORMATION

Certificates should be created in the Ocean-wide system which is our insurance underwriter's website. Check SharePoint for the Crane Worldwide Logistics® Certificate Manual.

When completing on-line certificates, the reference number should be inputted as the HAWB. This way it is easy for the accounting department to reconcile the invoices.

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INSURANCE COMMON OBJECTIONS Q&A

OBJECTION – *We Self Insure*

RESPONSE

Self-Insure can typically mean one of three things. 1. You have purchased a policy directly from an insurance company, 2. Your company sets money aside for a rainy day, or 3. You write off losses. Can you clarify which of those is correct? If it is number 3, at what values can your company sustain a loss without a significant financial impact to the business?

OBJECTION – *The Carrier covers my losses*

RESPONSE

Unless you purchase insurance from the carrier you are only covered to the carrier's legal liability. As a matter of customer goodwill, some carriers are in the practice of paying claims out-of-pocket as a cost of doing business. Not until claims reach a certain amount do shippers find their carrier's re-evaluating their goodwill practices and forwarding claims onto insurers who have the option of putting up a rigorous defense. Furthermore, no carrier is obligated to pay for losses which occur beyond their control. Do you understand the standard limits of liability associated with International & Domestic transit?

OBJECTION – *Our product is very durable so nothing could ever happen to my goods*

RESPONSE

We agree that your goods are less susceptible to loss than others, but you still have the risk of a catastrophic loss and/or loss due to "General Average". With regard to "General Average", if cargo or part of the ship were sacrificed to save the voyage, then you as a cargo owner would be required to pay a proportional part of the loss and post a cash bond, even if your cargo was not harmed. Do you understand how General Average works?

OBJECTION – *I've never had a loss*

RESPONSE

Then you have been extremely lucky. Unlike most insurances, cargo insurance policies are expected to generate regular losses. Insurance companies realize that the extreme rigors of transit (long voyages, extensive handling, theft, & bad weather) almost guarantee eventual losses. Approximately 30% of losses in transit are unavoidable. Have you ever discussed internally how your company would handle a total loss of one of your average value shipments? What would be the internal impact?

OBJECTION – *It's too expensive*

RESPONSE

Actually, cargo insurance is one of the most affordable lines of insurance available. You can typically cover a shipment worth $100K for less than $500. A total loss of a shipment can have a major financial impact. If that impact would be significant then allow us to look at your volumes to determine if we can provide coverage and see where the rates are in the market. How would your company financially handle a total loss of a an average value shipment?

OBJECTION – *No one will insure my type of commodity and/or risk*

RESPONSE

Our buying power is probably much greater than yours so we have the ability to cover things that you may not be able to. Because we are a freight forwarder our policy is written to include a wide variety of goods. We are happy to work with our underwriters to determine if we can offer coverage. Would you be interested in taking a look at options?

OBJECTION – *I buy CIF/CIP*

RESPONSE

A major difficulty with CIF purchases is that the importer can only obtain coverage and settle claims under the terms of an overseas insurance company. Foreign policy conditions can vary widely from local terms. When an importer buys locally they know exactly what they are getting. Also, the cost of insurance purchased overseas is often buried in with other charges. It may be possible to provide your own coverage at a cheaper cost. Do you know what are you really paying for?

OBJECTION – *I use declared value for my shipments*

RESPONSE

It is important to understand that Declared Value has many limitations to its coverage, first and foremost, it is subject limited liability standards and the carrier being found at fault for the loss. Other significant areas not addressed by declaring value are that the shipment is not covered "door-to-door" in most cases and the reimbursement of freight charges, packing expenses, forwarding fees and similar costs are also not covered when buying declared value vs. cargo insurance. Did you know cargo insurance cost almost the same as using declared value?

OBJECTION – *I already have an insurance policy*

RESPONSE

That's great to hear, we highly recommend our customers use cargo/marine insurance to protect their goods. We have a local risk manager who can help you review programs, look at pricing and just be a general sounding board so your organization can make the best decisions for coverage. Who in the organization manages that part of the business?

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