



Global Transportation Services, Inc.

Your trusted partner



Cargo Insurance Guide



At GLOBAL, we pride ourselves in providing our customers with experienced guidance for their supply chain needs, and ensuring that our customers have all the tools and resources at their disposal to make informed decisions.

Although no one likes to think about loss or damage to their goods in transit, claims can and do happen. Therefore, it is important to understand both the risks associated shipments, as well as the means and methods available to protect yourself.

What is cargo insurance?

Cargo insurance protects you if there is any loss or damage to your cargo moving via any services we provide – internationally and domestically. Although the term “marine insurance” may be used, coverage applies to any mode of transportation and warehousing.

Why do I need insurance?

- “All Risk Marine Cargo Insurance” protects you from: “Acts of God” (hurricane, typhoon, tornado, flood, or any other natural disaster), “Acts of War” (riots, strikes, terrorism, piracy, and civil commotions) as well as carrier negligence.
- In the absence of marine cargo insurance, cargo moves under “Legal Liability” which that means it must be proven – without a doubt - that the carrier’s negligence caused the damaged.
- If the carrier does admit negligence, the carrier will limit their liability as per their Terms & Conditions. These limitations range from \$0.10/lb to \$500/package depending upon their Terms & Conditions. This protects the carrier and applies to Global Transportation Services, Inc as well - please be sure you are aware of our legal liability limitations via our *Terms & Conditions*, located on our website www.shipGLOBAL.com.
- On average, Lloyd’s of London reports that a ship sinks every day. If the Vessel’s Captain declares ‘*General Average*’, all parties - regardless of whether their cargo is directly impacted by the disaster – must contribute to General Average by placing a cash bond of 10% of their cargo’s value.
- Terms of Sale CIF (Invoice Cost, Insurance plus Freight), may hide an overcharge for cargo insurance. In addition to a hidden overcharge, a potential for inadequate insurance and the certainty of trying to negotiate a suitable settlement offer from a foreign company prevails. It is recommended that you control the cost, coverage, and settlement parties directly.

What is the difference between Declared Value and Cargo Insurance?

“Declared Value” is not cargo insurance. When you request that your shipment move as “Declared Value”, you are increasing the legal liability amounts the carrier is liable for, but you are not changing the conditions of carriage. The carrier will only offer the higher settlement value if they are successfully proven to be negligent.

How do I insure my goods?

“All Risk Insurance” is in placed automatically – door to door – provided you have given us blanket instructions to cover your goods. Your insurance premium is invoiced on one invoice in addition to your customs entry fees, ocean freight charges, and duty. The insurance premium is based upon the shipment’s invoiced cost (not retail), plus freight, plus the insurance premium, plus 10% to cover incidental fees which might occur such as repackaging or inspecting.

How do I handle shipments correctly to protect my rights to settlement?

- Ensure your employees and vendors report concealed damage within 15 days of delivery.
- Segregate damaged goods and look for opportunity to mitigate damage or salvage cargo.
- Hold damaged goods in a safe place until further instructions and authorization to destroy.
- By law, it is illegal to withhold any portion of freight payments pending cargo claim settlements.

Please contact us if you have any questions on how to ensure you are protected. Our Cargo Claims Manager will help you to determine your options and assist you to make a confident decision for your business moving forward.

Contact Details:

jeannies@shipGLOBAL.com

Tel: (425) 207-1530

Global Transportation Services, Inc.
18209 80th Ave South Suite A
Kent, Washington 98032

Tel: (800) 580-6779

Tel: (425) 207-1500

Fax: (425) 251-0140

www.shipGLOBAL.com