

UNDERSTANDING VALUE COVERAGES

DECLARED VALUE SHIPMENT

The Terms and Conditions on the Waybill gives a shipper the right to pursue an amount up to the declared value on the face of the waybill. The forwarder has to be found *legally liable for negligence* in the handling of the goods. The shipper cannot recover against the forwarder for risk of loss caused by the following:

- Delay
- Act of God (wind, floods, ice, storm, tornadoes, lighting, etc)
- Public enemies
- Authority of law
- Act or default of shipper
- Inherent nature or vice of the shipment
- Compliance or noncompliance with delivery or special instructions
- Improper packing
- War, strikes, riots, and civil unrest
- Terrorism
- General average (ocean)
- Perils of the sea (ocean)



NO-VALUE DECLARED SHIPMENT

The Terms and Conditions on the Waybill gives a shipper the right to pursue an amount up to the per pound limitation of liability specified on the waybill. The forwarder has to be found *legally liable for negligence* in the handling of the goods. The shipper cannot recover against the forwarder for risk of loss caused by the following:

- Delay
- Act of God (wind, floods, ice, storm, tornadoes, lighting, etc)
- Public enemies
- Authority of law
- Act or default of shipper
- Inherent nature or vice of the shipment
- Compliance or noncompliance with delivery or special instructions
- Improper packing
- War, strikes, riots, and civil unrest
- Terrorism
- General average (ocean)
- Perils of the sea (ocean) *and*
- Per Pound Air Waybill Limitation:
 - \$0.50/lb (Domestic Air)
 - \$0.50/lb (Domestic Land)
 - \$9.07/lb (International Air)
 - \$9.07/lb (International Ocean)



ALL RISK CARGO INSURANCE

The shipper will recover for loss or damage to the goods, up to the amount of cargo insurance bought from the forwarder. The amount of cargo insurance must equal to 110% of the value of goods being shipped (including freight charges). Failure to insert the full invoice value of the goods shall reduce any insurance payment proportionately by the applicable percentage that the goods were so under insured. A shipper is not required to prove that the forwarder was negligent and legally liable when they buy cargo insurance. All Risk Cargo Insurance covers all risk of physical loss or damage, from any external cause, subject to exclusions. Some of the more commonly applicable exclusions are:

- Delay
- Inherent vice (spoilage, rust, oxidation, discoloration, etc.)
- Authority of Law
- Improper packing
- War, strikes, riots, and civil unrest
- Terrorism
- Abandonment of cargo



**Do You
Understand
Insurance**

