

SPI Cargo Insurance Program

Toll Free: 866-744-7774

Why have Shipper Cargo Insurance?

Shippers and cargo owners often **assume** that their freight is fully insured against loss or damage in the event of an accident or theft when shipping with 3rd party carriers. This is not always the case and in instances they may even find that coverage, after a lengthy battle, will be denied and they are left having to take a significant write-off.

Why is this?

Carriers Liability Insurance is designed to protect the Carrier from legal action brought against them by cargo owners for loss or damage to cargo shipped. It is not intended to protect cargo owners from damage to cargo. For a cargo owner to recover the amount lost due to physical damage they often must sue the Carrier and the Carrier must be found legally liable for the loss. Often their liability may be limited by the standard terms and conditions of the standard bill of lading that may not cover the full value of the goods transported i.e. to \$2/lb.

How can SPI help?

Realizing that many of our customers are not fully aware of the insurance risk when transporting their goods, SPI, in conjunction with Reliance Insurance Agencies Ltd who specialize in commercial marine and transportation services, has developed and put in place an open cargo policy at a competitive premium rate and favourable deductible amount designed to protect the cargo owner from loss or damage to their cargo when shipments are arranged by it.

In the event of damage or loss the insurance company will step in and take over resolution of the claim. Once resolved the insurance will be paid directly to the cargo owner less any deductible, if applied. Certain conditions apply:

- The cargo must be properly packed for the intended voyage
- The cargo will be valued per original commercial invoice or professional appraisal. Under insuring cargo will have a negative effect on the claim settlement.
- The cargo will not be considered a total loss if the cost of the repair is less than the cost of replacement
- The insurance will not cover loss of value to cargo as a result of damage, it will only pay for the repair or replacement.

What are the benefits of taking this insurance?

Purchasing coverage will:

- Provide better protection for the cargo owner.
 - Ensure adequate coverage on the value of the cargo, including the cost of transportation at a very competitive rate.
 - Provide the claimant with expertise facilitating the claim.
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