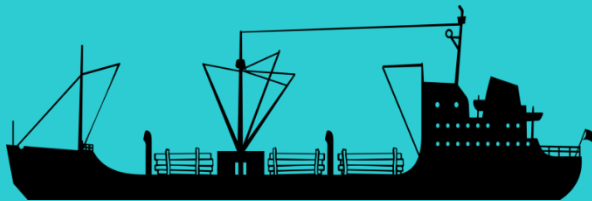




Marine Cargo PIAS (Professional Investment Advisory Services) – 3rd April 2019



Overview

The term “**MARINE**” refers broadly to the insurance of ships and their cargoes.

Goods of all descriptions constantly being transported not only from one country to another but also within the country



What are the U/W information for a marine quotation?

5 MAJOR KEY U/W INFORMATION

- 1) Name of Insured
- 2) Cargoes Insured
- 3) Sum Insured
- 4) Voyage (From /To)
- 5) Conveyance



1) Insured

- Name of Client / Assured
- Background of Client & their Company set-up & Year Established
- Nature of Business



1) Cargoes Insured

- Description and Type of Cargo to be insured

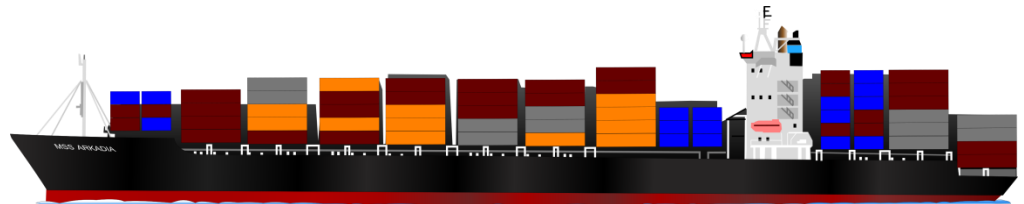
- Type of Packing



- Condition of Cargoes
 - Other than new client **must advise** Insurers
- Quantity shipped

3) Sum Insured

- Sum Insured or Maximum Limit Per Shipment
- Average Value per Shipment
- Frequency of Shipment – Per Month
- Estimated Annual Insurable Volumes



4) Voyage

- Mainly '**FROM**' Which Port/Place or Country
'**TO**' Which Port/Place of Country
- EXPORT VOYAGES?
- IMPORT VOYAGES?
- CROSS VOYAGES?



5) Conveyances

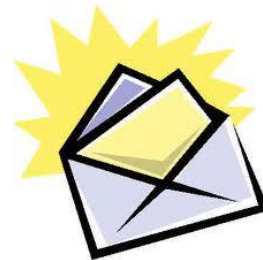
- By Vessel / Barge in Single Tow
- By Aircraft
- By Land Vehicles or Train
- By Air Courier Service
- By Air or Surface Post



What are the types of cargo documents issued?

In practice, the following types of Cargo Documents can be issued:-

- **Individual Policy** – For ad-hoc shipments or as arranged a separate policy will be issued.
- **Cover Note** – A Document issued to evidence cover on the goods to be shipped within 3 months to comply L/C and not all the details of the shipment are available at the point in time.



What are the types of cargo documents issued?

- **Open Cover** – Cover is **continuous** depending on trading terms **until cancellation** by either insured or insurer.
- If there is no declaration in 3 months, EQI will notify for policy to be cancelled
- Options for shipment declaration:
 1. **Per Shipment Basis**
(Requirement of Policy / Tax Invoice)
 2. **Per Month via excel** (Month End Billing)
 3. **EQI Cargo Certificate Issuance System**



What are the types of cargo documents issued?

- **Marine Annual Policy**
If you want to avoid the hassle of making declarations, then an Annual Policy is another option.

It's features are :-

- All shipments within the policy period will be **automatically covered** so long as they fall within the agreed T&Cs
- **Greater efficiency** as no declaration of shipment are required, except if it falls outside the agreed T&Cs

Marine Annual Policy

- At the end of the Policy Period, client have to declare to Insurer the **actual total value of shipments made** during the Policy Period. The actual premium will be computed based on the rate agreed at inception and client will have to **pay the additional premium if any.**

The Additional premium is the difference between the actual premium incurred and the minimum deposit premium.

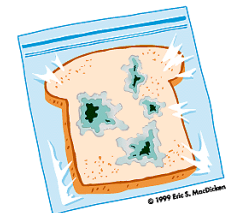
If the actual premium is lower than the minimum deposit premium, client will not be entitled to any refund premium.

What does a cargo policy insure?

- It is a contract that undertakes to indemnify the Insured for **Physical Loss of &/or Damage** to the Cargo Insured arising from an accidental event associated with maritime perils (*ie perils of the seas e.g. grounding, collision, sinking, fire*)
- Loss must be a Fortuity....not an inevitability
(*A Fortuity is an accidental event which could not have reasonably been expected to occur*)
- Thus, it **does not cover a certainty** such as inherent vice *e.g. perishable goods turning bad from being exposed to climatic change during voyage*



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What does the cargo policy indemnify?

The Cargo Policy Indemnifies the Insured for Loss of and/or Damage to the Cargo either by:

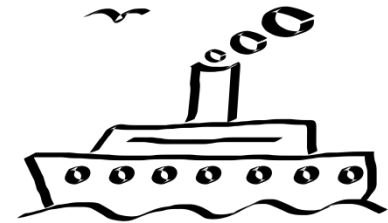
- Pay for the reasonable cost of repairs or
- Replacing the Item lost or
- Paying the Cash Value of the item lost or damaged, if cannot be repaired or replaced



Institute Cargo Clauses 1.1.82

By Vessel

- Institute Cargo Clauses (A, B or C)
- Institute War Clauses (Cargo)
- Institute Strikes Clauses (Cargo)



By Aircraft

- Institute Cargo Clauses (Air) (Excluding sending by post)
- Institute War Clauses (Air) (Excluding sending by post)
- Institute Strikes Clauses (Air Cargo)



What Does Institute Cargo Clauses “A” cover?

It provides coverage against **“All Risks”** of loss and/or damage to cargo.

Examples...

- *Theft, Pilferage and Non-Delivery*
- *Water Damage –sea, rain and fresh water damage*
- *Breakage*
- *Contamination*
- *Shortage, Shortlanded*



What Does Institute Cargo Clauses “B” cover?

Similar as per ICC “C” Clause & including the additional covers as follows:-

- Washing Overboard
- Entry of sea, lake or river water into vessel, craft hold, conveyance, container, liftvan or place of storage.
- Total loss of any package lost overboard whilst loading onto, or unloading from, vessel or craft.


“RAIN WATER EXCLUDED !”

What Does Institute Cargo Clauses “C” cover?

- Fire or Explosion
- Vessel or craft being stranded, grounded, sunk or capsized
- Overturning or derailment of Land Conveyance
- Collision or contact of vessel, craft or conveyance with any object other than water
- Jettison



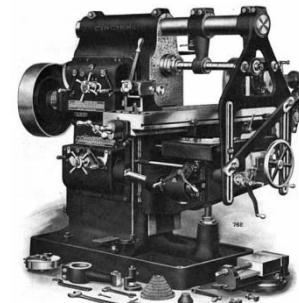
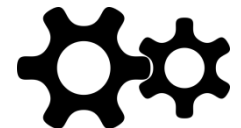
Common M/Cargo Warranties

- Warranted Classed Vessel as per IACS (International Association of Classification Societies) and not more than 25 years old
- Warranted New Cargoes and are Packed 
- Warranted Vehicles must be securely locked and not left unattended at all times during the transit



Common Exclusions – Cargo Policy

- Rust Oxidation and Discoloration –applicable to Machine, Metal & Steel Cargoes
- Mechanical & Electrical Derangement –applicable to electronics, machinery, equipment
- Pre-existing defects & damages



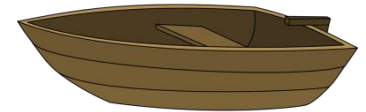
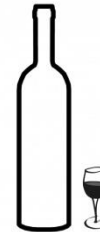
Our Preferred Cargoes are:

- Steel & Allied Products
- Natural Rubber
- Heavy Vehicles, Equipment & all types of Crane
- All Types of Machinery
- Manufactured Goods
- Construction Materials & the Like
- Timber & Related Products
- Textiles, Garments, Yarns



Our Referred Risks

- Handphones, Laptops, PDA & related cargoes
- Cigarette, Tobacco, Wines & Spirits
- Project Cargoes /Bulk Cargoes
- Cargoes conveyed by Wooden Vessels
–cover is restricted to “C” Cover only
- Chandeliers & Glass Panels & other fragile cargoes



What's our excluded risks?

- Gold, specie, precious metals & /or stones, currency notes
- Double tow risks
- US, EU & UN sanction countries shipments
- Works of art, paintings & antiques
- Transit & Long Term Storage Policies
- Jewellery Block & Jewelleries
- Arms, Ammunitions & Explosives and All Military Related Cargoes
- Livestock & Bloodstock
- Stock Thru-put Policies



Where do we source Cargo Insurance

- Manufacturers
- Cross-marketing
- Explore With Trade Associations
E.g Steel, Rubber, Logistics.
- Network With Freight-forwarders / Transport Co
- Existing Corporate Clients
- Wholesalers /Importers/Exporters

What are EQI other marine products?

Freight Forwarder / Bailee Liability Insurance

Pleasure Craft Insurance



How do we assist our producers?

1. Provide Technical Expertise
2. Capacity to write large risks
3. Friendly & Experienced Marine Team
4. Experienced & Trained Claims Team
5. Competitive Premium Rates
6. Flexible & Reasonable Commission



Marine Team

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THE END !!!

