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IS YOUR CARGO ADEQUATELY INSURED?

Like all carriers The Excel Group are only liable up to the limit of liability detailed in our trading terms and conditions. For example, this may be RHA £1.30 per kilo, CMR currently £8 per kilo, Hague Visby £2 per kilo and Warsaw Convention £17 per kilo.

Shippers of cargo by road should additionally be aware that under Article 17.2 of the CMR convention the carrier might not be liable if the loss, damage or delay was caused:

- Through circumstances which the carrier could not avoid and the consequences of which he was unable to prevent (such as an armed hi-jacking or road traffic accident caused by a third party).

Adequate insurance could therefore be vital to protect the full value of your cargo.

Full Cargo “All Risks” cover for a customers goods provides:

- Cargo cover gives peace of mind - goods are fully insured up to their declared value. (Our liability for loss or damage to the goods may be limited and this is particularly important in case of high value low weight consignments).
- Insurance cover can be quoted at time of booking – no gaps in cover ‘on risk’ from point of shipment once customers confirm acceptance of freight and insurance quotation.
- Very competitive premiums – reduces your own insurance costs (no need to take out shippers own insurance) and provides full value compensation even if shippers own insurance has a large excess.
- Insurance certificates are available (electronically) as tangible demonstration to you that cover has been arranged.
- Speedy claims settlement service – no requirement to establish who was liable.
- Simple process – ‘one stop shop’ arrangement with premium payment with freight invoice.
- Simple accounting process to suit requirements.
- General Average claims which can be financially threatening for the cargo owner and without this cover they can not give the required financial guarantee to the ship owner or average adjuster which can amount to millions of pounds whereas these guarantees will be given without delay by insurers and the cargo released

CMR v ALL RISKS CLAIMS SCENARIOS

Scenario a) - Lorry involved in a road accident anywhere

Under CMR liability Excel Group are only liable if they we or our sub-contractors are responsible for the accident or at least cannot prove that we were not. So for example if the vehicle was stationary in a traffic jam and was hit from behind by another lorry it could be argued that we are not responsible. Goods owners would have to pursue their claim for any damage to the goods against the third party vehicle owners and their insurers which is often a long and difficult process.

Under all risks insurance the claim is dealt with under the policy and the goods owners have their money. Insurers would then try to recover from the third party.

Scenario b) - Lorry was broken into whilst parked up overnight

Excel Group or our sub contractor would potentially be able to argue that under CMR they have no liability if they could be proven that we took all and every precaution to safeguard the goods. This is very difficult but for example it may be possible if the Transport Company had two men with the vehicle, they were parked in an approved overnight parking facility with CCTV and security guards. Notwithstanding all that armed men hi-jacked the two men and stole the goods.

Under all risks insurance again Insurers deal with the claim pay the goods owners and then try to recover from the Transport Company if they can.

Scenario c) - Ferry capsized during sea crossing

Excel Group in these very unfortunate circumstances have no greater liability than the owners of the ship which may be limited to compensation at about £1.70 per kilo as opposed to CMR liability currently at some £8.00 per kilo. If for example however the ferry was hit by a freak and unstoppable wave then the shipping company would be able to argue that no liability was incurred by them.

Under all risks insurance again the claim is dealt with, the goods owners paid and then Insurers try to recover.

Scenario d) - Freezer door broke during transit causing temperature damage to the goods

I believe that here liability would be accepted by the Transport Company but liability is limited under the CMR convention to £8.00 per kilo as mentioned above.

Under all risks insurance there is no problem, the claim is paid and insurers try to recover.

Scenario e) - Pallets collapsing during transit

Under CMR liability there are many situations that may not result in liability for Excel Group or its sub contractors. For instance goods were too heavy for the pallet, pallet was inadequate or stowage completed by yourself, to the vehicle was responsible.

Under all risks unless the damage may be proved to have been inevitable the claim will be dealt with and recovery follows later.

GENERAL COMMENTS

The important point to remember is that the All Risks insurers will deal with the goods owners not Excel Group and look to settle the claim quickly, without worrying about who was at fault. Once the claim has been paid it is insurers who will have to pursue liability against whoever may have been actually responsible for the loss or damage.

To discuss your insurance concerns further or to receive a quotation, please contact: David Eales davide@excelshipping.com Tel 01268 645058

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