



# CARGO INSURANCE

(Updated: March 25, 2020)

## Carrier's Legal limit of Liability

It is important for all customers to know that the marine carrier's legal limit of liability is maximum \$2 775 per package or unit of cargo lost or damaged.

For more information, please refer to the *General Conditions of Carriage*.

The customer is responsible for obtaining adequate insurance coverage for his cargo over and above the marine carrier's legal limit of liability.

## Everyone should have Marine Cargo Insurance

NEAS recommends to all their customers that they obtain "All Risk" Marine Cargo Insurance either through their own insurance provider or through the optional NEAS Marine Open Cargo Policy.

Customers who refuse to obtain marine cargo insurance are exposed to, but not limited to loss or damage caused by natural disasters, war, fire, dangers/accidents caused by navigable waters, riots, etc.

For more information, please refer to the *General Conditions of Carriage*.

## Optional NEAS "All Risk" Marine Cargo Insurance

NEAS offers "All Risk" Marine Cargo Insurance to its customers who have limited access to similar insurances at very competitive rates. We invite customers to compare with other insurance providers.

NEAS Marine Open Cargo Policy insurance covers all shipments of lawful goods and merchandise of every type and description consisting principally of, but not limited to construction materials, automobiles, liquor and general merchandise. All cargoes for the accounts of customers must provide written instructions prior to the sailing of the vessel and prior to any known or reported loss or damage. All cargoes will be covered from the port of loading to final destination.

Common practice has demonstrated that many customers find the NEAS marine cargo insurance rates sufficiently attractive to subscribe to the NEAS "All Risk" Marine Cargo Insurance option. The "All Risk" marine cargo insurance offers the best option as it covers any loss of or damage to cargo except in-built defect and its resultant damages.

## Procedure to obtain NEAS Marine Cargo Insurance

Customers must declare the actual value of the cargo they wish to insure. The actual value of the cargo must include: the cost of the goods, including taxes, packaging, crating or containerization costs, any handling, ground transportation costs and an estimated marine freight cost.

The rates and conditions are as follows:

1. General cargo:
  - i. Premium of \$12.00 per revenue ton where the value does not exceed \$4 500.00 per revenue ton.
  - ii. Premium for general cargo where the value exceeds \$4 500.00 per revenue ton will be \$0.50 per \$100.00 of declared value.
  - iii. Exceptional items will be negotiated on a case by case basis.
2. Automobiles, trucks, boats, canoes and snowmobiles:
  - i. Premium of \$1.25 per \$100.00 of declared value
3. Minimum charge per shipment shall be one revenue ton at the applicable rate.
4. No Deductibles
5. All NEAS risk management services are subject to annual revision by underwriters.