



## Insurance Authorization

We would like to confirm how your company manages its all-risk marine (intermodal) cargo insurance coverage

Please note: If the shipment is not covered by an all-risk intermodal insurance policy, the carrier's legal liability (LL) will be the only coverage you have. It is important to know that LL is "limited". Not all carriers are the same; but a standard rule can be as follows:

### Carrier's Limits of Liability

• <b>Ocean Carriers</b>	\$500/per shipping unit - A shipping unit may be defined as one ocean container. Company in title of shipment will be at risk for general average.
• <b>International Air Carriers // (Varies by Governing Treaties and/or limitations on HAWB)</b>	\$9.07/lb. or \$20/kg. under Warsaw Convention -or- 17 SDRs/kg. under MP4 -or- 19 SDRs/kg. under Montreal Convention
• <b>Domestic Air Carriers or Truckers</b>	\$.50/lb customary (Carriers can have a \$250 max and/or exclusions such as skeleton crating. Other carriers' coverage on chargeable, gross wgt or net wgt)

An SDR is a fluctuating unit of currency defined by the International Monetary Fund.

We recommend considering the BDG's insurance program. We offer a competitively priced all-risk intermodal cargo insurance policy with limited or no deductible that can be purchased per shipment and does not require advance purchase.

**BDG processes all insurance paperwork and if there are claims once we are notified of a loss by the claimant, we process the claim with the underwriter and follow through until the claim is processed.**

**Please let us know how you like to proceed (select one option):**

- Please arrange insurance\* for my future shipments. Call to discuss the premiums.  
 Do not arrange insurance\*. We have our own cargo policy and /or we self-insure.  
 Do not arrange insurance\*. Our supplier or buyer arranges insurance.

\*Note: Insurance means: All- Risk Marine (Intermodal) Cargo Insurance

Signature: \_\_\_\_\_

Contact: \_\_\_\_\_

Company: \_\_\_\_\_

Date: \_\_\_\_\_

See the reverse for more information. Questions? Contact your BDG account specialist at 847-760-0010 or [solutions@bdginternational.com](mailto:solutions@bdginternational.com)

# Insurance Insights



## A Challenge to Shippers Who Would Never Dream of Controlling the Insurance

Shippers who rely on suppliers to furnish cargo insurance or who rely on their carriers to take responsibility for losses may be in for a big surprise. Protecting your investments by insuring your goods provides peace of mind.

### **Buying CIF: Who's responsible if your product is lost or damaged in transit?**

According to internationally accepted trade terms, referred to as Incoterms, suppliers selling CIF (Cost, Insurance, Freight) are responsible for arranging cargo insurance. But just because your supplier has the obligation to arrange insurance under CIF terms, it doesn't mean that they are ultimately responsible if your product is lost or damaged during transit. The ultimate burden of loss falls upon you, the buyer. Therefore, many experts recommend shippers change their buying terms to EXW, FOB, FCA, CFR or similar terms in order to control the selection, and thereby the quality, of insurance coverage.

**How much is that insurance really costing you?** Foreign suppliers and their forwarding agents often tack on placement fees to the insurance costs. Those added fees often inflate the cost of insurance well beyond market pricing for the same coverage purchased in the United States. Find out how much you are really paying and then compare quotes received from BDG.

**Is the coverage your supplier purchased for you adequate?** Shippers relying on their suppliers to arrange insurance run the risk of having inadequate insurance coverage. Cargo insurance policies can vary widely in levels of coverage, deductibles, and special restrictions. Ask your supplier for a complete copy of the insurance policy or for a certificate of insurance detailing all the policy terms and conditions.

**What's the financial health of your supplier's insurance company?** Recent financial and catastrophic events have exposed the vulnerability of insurance companies to sudden economic devastation. Shippers are encouraged to make certain their suppliers use insurers with a favorable financial rating supplied by a respected financial rating service. A.M. Best, Standard & Poor's and Moody's are among some of the world's most respected. BDG's insurance company, Lloyd's is of London has an A.M. Best financial rating of A (Excellent).

**How will your claim be handled?** If insurance is arranged overseas, will you be forced to deal with an inexperienced, sub-contracted independent adjuster unfamiliar with the assessment of transportation related losses? Ask your supplier for a list of insurance claims adjusters contracted by the insurance company. Adjuster and surveyor networks approved by Lloyd's of London and AIMA are among the most credible. BDG has a vested interest in your insurance needs and will directly handle cargo claim documentation requirements to ensure prompt processing and timely settlement.



BDG International  
840 Tollgate Road  
Elgin, IL 60123  
847-760-0000  
[bdginternational.com](http://bdginternational.com)