



# Cargo Insurance for Shippers

## Carrier's Legal limit of Liability

It is important for all customers to recognize that the marine carrier's legal limit of liability is:

1. 2500\$ per package or unit of cargo lost or damaged
2. Where cargo is a motor vehicle, 3.50\$ per kilogram of the motor vehicle lost or damaged, up to the lesser of the amount of the damage, the value of the motor vehicle of 70 000\$.

These limits of liability are outlined in the General Conditions of Carriage. As such, the customer is responsible for obtaining adequate insurance coverage for his cargo over and above the marine carrier's limit of liability.

## Everyone should have Marine Cargo Insurance

Would you purchase a car and not insure it? Would you purchase a house and not insure it?

Customers who do not take Marine Cargo Insurance are exposed to, but not limited to loss or damage from act of God, act of war, fire, perils, dangers and accidents of the sea or other navigable waters, act of public enemies, riot and civil commotions, contribution in case of general average, amongst many others.

NEAS strongly recommends to all customers that they obtain all risk marine cargo insurance either through their own insurances or through the NEAS Marine Open Cargo Policy.

## Optional NEAS "ALL RISK" Marine Cargo Insurance

NEAS offers All Risk Marine Cargo Insurance for customers who have limited access to such insurances. NEAS offers extremely competitive rates and since this insurance is optional, we invite customers to compare.

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 such cargoes for the accounts of customers must provide such written instructions in writing prior to the sailing of the vessel and prior to any known or reported loss or accident. All such cargoes will be covered from Montreal to final destination in the Arctic.

Common practice has shown that many customers find the NEAS marine cargo insurance prices sufficiently attractive and they do use the NEAS "all risk" marine cargo insurance option. This "all-risk" marine cargo insurance often offers the best option, as it covers any loss of or damage to cargo except inherent vice and consequential damages.

## Procedure to Obtain NEAS Marine Cargo Insurance

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

The 2006 rates and conditions are as follows:

1. General cargo
  - 1.1 Premium of 12.00\$ per revenue tonne for general cargo not exceeding 3000.00\$ per revenue tonne.
  - 1.2 Premium for general cargo exceeding 3000.00\$ per revenue tonne shall be negotiated on a case by case basis.
2. Automobiles, trucks, boats, canoes and snowmobiles
  - 2.1 Premium of 1.25\$ per 100.00\$ of declared value
3. Minimum charge per shipment shall be one revenue tonne at the applicable rate.
4. Deductible is 500.00\$ per incident.
5. All NEAS risk management services are subject to annual revision by underwriters.