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Policy types

Voyage Policy (single)

This policy is designed to cover goods on a specified journey (single voyage) and is therefore ideal for occasional deliveries. The shipping agent / owner specifies the nature of the goods, their value, the transport method used, the port of loading and discharge, their approximate departure date, departure and arrival points.

Single consignment Indeterminate period of time
Open Policy
The main purpose of this policy, agreed in advance for a given period of time, is to provide automatic cover for all shipments sent by the Assured, whatever the cargo, modes of transport and places of departure or destination, or at the specific request of the Assured.
It is particularly well suited to the needs of manufacturing and trading companies who are frequent exporters or importers of goods.

The purpose of this policy is to avoid the assured having to take out a new policy for every shipment. It provides automatic cover for all consignments sent by the Assured without need of prior declaration.

A Deposit Premium is normally charged at the commencement of the policy which is based on an estimate of Turnover for the forthcoming period. Premium adjustment is made at the end of each policy period and is calculated by applying a percentage rate, agreed in advance between the Insured and Insurer, to the actual Turnover value.

Shippers All Risks policy
This is an open policy for the use of shipping companies, carriers and forwarding agents, etc., drafted in their name and under which they can insure cargo at the request of their clients while forwarding or arranging for carriage of the same.
This open policy does not provide automatic insurance coverage, since the Assured named in the policy is required to allocate to the said policy only those shipments that his clients have requested him to insure.

Therefore a specific declaration must be made and a certificate issued prior to shipment.

Marine Advanced Loss of Profits / Delayed Start Up
This is a regular feature under non-marine policies, as the inevitable aftermath of major physical damages to industrial production centres. Loss of profits, as a specific element of coverage in a marine cargo context, has an equal logic for new projects dependent for production start-up on safe arrival of major specialised components ordered from overseas suppliers.
Cover is essentially linked in tandem to co-existent orthodox marine insurance against normal transit risks, and indemnity is payable only on the contingency of physical loss or damage recoverable thereunder causing delay beyond the stated start-up date. Assessment of risk will be based, inter-alia on the time margins available for replacement of lost, or repair of damaged key units, with particular stress on any one-off designs not replaceable from stock.
The level of indemnity should reflect reasonably anticipated profitability plus irrevocably fixed overheads expressed on a daily basis for a maximum specified period of delay running from the originally planned start-up date. Invariably, the Assured is obliged to absorb a first loss period for his own account, usually the first 30 days. Specialised manuscript conditions are used for this insurance.
The Marine Consequential Loss insurance terminates on safe arrival at contract site, when equivalent non-marine coverage usually takes over.

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Document credit

Documentary credit: Operating Principle
Documentary credit is an international commercial payment system which broadly satisfies security and guarantee requirements set by the exporter, the purchaser and their respective banks.
The purchaser (the principal) asks his bank (the issuing bank) to agree to pay the cost of the goods to a third party (beneficiary) against provision within a specified period of time of the documents required by the purchaser.
A documentary credit has dual advantages: on the one hand for the vendor, it is a means of guaranteeing payment and, on the other, for the purchaser, it constitutes a guarantee of the virtual satisfactory performance of his obligations by the vendor.

The different forms of Documentary Undertakings
There are 3 forms of undertaking:
revocable: the documentary credit can be amended or revoked at any time until such time as the beneficiary presents the despatch documents to the nominated bank. This form is now being used less and less because it offers very little security to its beneficiaries.

irrevocable: throughout the credit validity period, the issuing bank agrees to pay the beneficiary the agreed amount on presentation of conforming documentation. An irrevocable credit cannot be amended or cancelled without the consent of the beneficiary's issuing bank and, in some cases without that of the confirming bank also. The advising bank is responsible for checking the apparent authenticity of the credit.

irrevocable and confirmed: for added security, the beneficiary requests that the credit be confirmed by the advising bank (or third party bank). Confirmation constitutes the latter's irrevocable undertaking to remit the funds to the beneficiary.
NOTE: in the absence of precise instructions, the credit is deemed to be irrevocable

Different ways of raising a Documentary Credit
The issuing bank's undertaking can take different forms, depending on the case:
cash payment on sight of documents, payment deferred by number of days from the reference date specified in the credit, acceptance of a draft issued by the beneficiary on the issuing bank, negotiation of documents by the nominated bank.

Documents Which are Always Required
the invoice
the packing list
the shipping document (bill of lading, airway bill)

Documents which May Be Required
They are quoted on the credit:
a certificate of origin,
an insurance document,
a plant health certificate in the case of agricultural-food products,
a quality control certificate,
or any other document demanded by the credit depending on the specific features of the goods and of the receiving country.

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Focus on in Insurance Documents
Insurance Documentation:
must be issued by an insurance company or its agent and signed by their hand, can take the form of a policy, a declaration or an insurance certificate, as stipulated by the issuing Bank.
must state the cover commences no later than the loading onboard or the despatch of the goods.
must be opened in the currency used for the documentary credit,
must state a minimum cover value equivalent to the CIF or CIP value plus 10% when this value can be established on the basis of the documents.

Cost of a Documentary Credit
This cost can vary depending on the bank used and its commission. However, in general, taking into consideration all charges made by both banks, it will be approximately 1% to 3% of the total value of the credit. Depending on the agreement reached, charges may be entirely for the account of the vendor, the purchaser or shared between both parties.

Recommendation:
Check scrupulous compliance with of the terms of the credit (issuing bank's text including typographical errors) against the following check list :

1. Check the nature of the documentary credit (revocable, irrevocable, irrevocable and confirmed).
2. Check its amount which may be precise or an approximation with a stated margin of + or 10%.
3. Check validity dates.
4. Check the list of documents used for the negotiation (invoices, transport documents, bills of lading)
5. Check special conditions (visas, certificates or any other information depending on the product or the accepting country's regulations, information concerning loading, journey, quality of the vessel)
6. Check the settlement forms (acceptance bills or sight drafts).

Example
Mr Dupont wine producer and chairman and managing director of the Bordeaux company " Vins de France " has just been contacted by Mr Ling, a wine importer, on behalf of the Chinese " Red Wine " company which seeks to purchase part of his output.
Neither men have met before and are doing business together for the first time. Mr Dupont, cautious by nature, refuses to release the goods before being paid. For his part, Mr Ling refuses to pay before receiving the goods. However, he is experienced in international trade and suggests to Mr Dupont that payment should be made by irrevocable and confirmed documentary credit with cash payment on presentation of documents. Mr Dupont agrees and will sell CIF.

Example

1. Mr Ling (the principal) asks his bankers, the " Bank of Shanghai ", to open a documentary credit and specifies the conditions under which it must undertake to pay.

2. The Bank of Shanghai (issuing bank) opens a documentary credit through a French correspondent bank: the " Crédit Bordelais ".

3. The Crédit Bordelais (advising bank) will inform Mr Dupont (the beneficiary) that a credit has been opened with 3 of 3 the Bank of Shanghai.

4. If Mr Dupont is capable of complying with the terms and conditions of the credit, he despatches the goods.

5. Mr Dupont must submit the documents to the Crédit Bordelais for checking (invoice, ocean bill of lading and insurance certificate since he is selling under CIF conditions).

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6. The Crédit Bordelais forwards the documents to the Bank of Shanghai.
7. The Bank of Shanghai forwards the documents required to collect the goods to Mr Ling.
8. The Bank of Shanghai will debit the account if its customer, Mr Ling, in order to credit the account of Mr Dupont with the Crédit Bordelais.

Documentary Credit Circuit - Summary

1. **Buyer** requests his **Bank** to open a **Documentary Credit**
2. **Buyers Bank** advises **Sellers Bank** that **Documentary Credit** is being opened
3. **Sellers Bank** advises **Seller** that **Documentary Credit** has been opened
4. **Seller** ships goods to **Buyer**
5. **Seller** delivers **Documents** to his **Bank** for checking
6. Transmission of **Documents** from **Sellers Bank** to **Buyers Bank**
7. Delivery of **Documents** by **Buyers Bank** to **Buyer** to obtain goods

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General Average definition

Ancient principle of equity in which all parties in a sea adventure (ship, cargo, and freight) proportionately share losses resulting from a voluntary and successful sacrifice of part of the ship or cargo to save the whole adventure from an impending peril, or extraordinary expenses necessarily incurred for the joint benefit of ship and cargo.

In event of sacrifice of cargo, for General Average to be declared three elements must be satisfied

A common danger: a danger in which vessel, cargo and crew all participate; a danger imminent and apparently 'inevitable,' except by voluntarily incurring the loss of a portion of the whole to save the remainder.

There must be a voluntary jettison, jactus, or casting away, of some portion of the joint concern for the purpose of avoiding this imminent peril, periculi imminentis evitandi causa, or, in other words, a transfer of the peril from the whole to a particular portion of the whole.

This attempt to avoid the imminent common peril must be successful".

Extraordinary Expenses may result if a cargo vessel encounters a potentially serious accident on the sea, such as a fire or encountering severe heavy weather, which may result in the ship having to incur additional costs to save the entire journey. These costs include towing and emergency repairs. Because the vessel has had to pay these costs in order to save the cargo and the journey, both the ship and all cargo owners share in the payment of these costs.

General Average Contributions are calculated by an Average Adjuster on a proportional basis of the various interests and may not be finalized for some period of time. In the interim, to allow release of cargo, a consignee will have to produce a General Average Guarantee signed by their underwriters or pay a cash deposit to the Shipping Line. Should you be advised that your cargo is subjected to General Average you should proceed as follows :

Immediately contact the settling agent shown on your Insurance certificate or your Insurance Broker or local office of your underwriter.

Have original copies of the Ocean Bill of Lading and commercial invoice available.
Complete and sign the Average Bond and Valuation Form, which will be given to you by the shipping line and/or their representative.

The General Average Guarantee is to be signed by the settling agent, on behalf of Insurers upon presentation of the appropriate documents, as above.

If documents are unavailable and the settling agent is unable to sign the guarantee, you should pay the cash deposit to secure the release of the cargo, and keep the original receipt. If the General Average is recoverable under your policy you will be reimbursed for your cash.

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War Risk Insurance

Within the Institute Cargo Clauses, loss of cargo due to the possible aggressive and hostile actions against a ship and its cargo by a belligerent power is covered. However this only applies whilst cargo and vessel are at sea (or in case of airfreight, in the air).
The Institute Strikes Clause covers loss or damage to cargo caused by strikers, locked -out workmen, labour disturbances, riots, civil commotions and by any terrorist or person acting from a political motive and applies to cargo during its land transit or temporary storage in course of transit. This is commonly referred to as the Strikes, Riots and Civil Commotions clause.

On 20 Nov 2001 following the attack on the World Trade Centre, The Joint Cargo Committee of the LUA and IUA in London issued the Termination of Transit Clause (Terrorism).
This clause in effect excludes cover for loss or damage following a terrorist incident if the goods had arrived at their destination and were no longer in the normal course of transit.

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Classification Societies

One of the first Classification Societies was the Lloyds register of Shipping which was formed as the Register Society in 1760 by the customers of Edward Lloyd's Coffee House in the City of London. The Society printed its first Register of Ships in 1764 in order to give both underwriters and merchants an idea of the condition of the vessels that they insured. In 1914 the organisation became Lloyds Register of Shipping, not to be confused with the Lloyds of London Insurance Market. Over the years the number of Classification Societies has grown and now the International Association of Classification Societies has ten members and two associates.
The classification certificate is the document which confirms that a ship has been designed and built in accordance with the society's rules and, in this respect, is fit for its intended service. To maintain its class while in service, a ship must be surveyed annually, with major surveys every five years. Surveys become increasingly stringent as ships get older.

Classification is vital for the structural and engineering design, construction and operation of ships and affects shipbuilding, maintenance and repair, shipbroking, chartering, marine insurance, broking and banking. Failure to meet the relevant standards or non-compliance with recommendations issued as a result of a classification survey may result in the suspension or withdrawal of class -known as disclassing. It follows that statutory certification issued on the basis of satisfactory classification will thus be rendered invalid.

Statutory Surveys
IACS Members undertake statutory work on behalf of individual IMO member states. Well over 100 governments around the world delegate this authority to IACS Members. The most common authorizations are in connection with the Load Line, SOLAS, MARPOL and Tonnage Conventions. Contained in these Conventions are mandatory Codes that address transportation of dangerous goods such as the International Gas and Chemical Codes as well as that addressing safe management practices (International Safety Management Code).

Implications for Cargo Insurance.
Most Cargo Policies will include a Classification Clause which states that cargo carried in vessels classed by IACS members, without any modifications, subject to certain restrictions will be rated according to those rates agreed in the Policy.

The restrictions state that vessels are :
a) (i) not bulk and/or combination carriers over 10 years of age;
(ii) not mineral oil tankers exceeding 50,000 GRT which are over 10 years of age.
b) (i) not over 15 years of age; OR
(ii) over 15 years of age but not over 25 years of age and have established and maintained a regular pattern of trading on an advertised schedule to load and unload at specified ports.

Chartered Vessels and also vessels under 1000 GRT which are mechanically self-propelled and of steel construction must be classed as above and not over the age limitations specified.
Cargoes carried by Mechanically Self propelled Vessels not falling within the scope of the above are usually held covered subject to a premium and on conditions to be agreed with Underwriters.

List of IACS Members	Lloyds Register of Shipping
American Bureau of Shipping	Nippon Kaiji Kyokai
Bureau Veritas	Registro Italiano Navale
China Classification Society	Russian Maritime Register of Shipping
Det Norske Veritas	**Associate members**
Germanisher Lloyd	Croatian Register of Shipping
Korea Register of Shipping	Indian Register of Shipping

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Risks

IDENTIFICATION AND ANALYSIS OF RISKS GENERATED FROM TRANSPORTATION
Risks are varied and are, in part, a function of the method of transportation.They also depend on the nature of the goods to be transported.
In this section we have separated some of the many risks which goods in transit face into those common to all modes of transit and those specific to different conveyances
Not all of these risks are automatically Insured you should check your policy if in doubt
Note that :
43 % of damages are due to rough handling, poor storage or stowage.
21 % result from theft or pilferage.

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Common Risks

Handling, Stowage, Storage

HANDLING, STOWING, STORAGE (43% of damages) rapid acceleration or deceleration while hoisting, turning or lowering goods during loading or unloading." False operations " or failing of handling equipment and lifting such as lift trucks, cranes, porticoes.
Rough handling / incorrect stowage : Damage can be caused when inadequate equipment is used to move the goods or the operators of the equipment lack the necessary training to utilise it correctly. When heavy packages are stowed on top of lighter ones often damage is inevitable.

EXAMPLES
1 Exceeding the limit of stacking containers : A maximum of 9 full containers can be stacked. The most recent open container ships (deck is eliminated) can receive up to 13 stacked containers. Risk of crushing container at the bottom of the pile.
2 Crushing goods by overloading : This can be due to errors in the declaration of weight, or to intentional overloading in an attempt to save money. Shipping lines regularly discover discrepancies on the order of 10%.
Rough handling / incorrect stowage : Damage can be caused when inadequate equipment is used to move the goods or the operators of the equipment lack the necessary training to utilise it correctly. When heavy packages are stowed on top of lighter ones often damage is inevitable.

Water damage and lifting

Damages from damp, fresh water and sea-water : goods come in contact with water during storms, rough seas and tempests.
Failure of watertight seals, leaks, holes in containers, lorries (porous covers), etc.. Failure of door joints, watertight seals.
Condensation or moisture which can be due to :
variations in temperature (changes in climate on long journeys), humidity, leaking of merchandise itself, absence or insufficiency of drying products in the containers.
Flooding due to rivers overflowing their banks, heavy rains or failure of local drainage systems in areas where goods are stored during transit. Note : The new container vessels without decks have increased capacities, but this considerably increases the risk of water damage, as large waves and swells can more easily penetrate the hold.

Theft and Pilfering

(21% of damages)
Breaking of cartons and crates, theft of part or all of the goods..
Hijacking of packages, palettes, entire containers, entire lorries and even entire trains in certain countries.
Insufficient security in the loading and unloading, transit, and storage areas.
Errors in the destination of goods, due to insufficient or illegible markings.

Contamination of goods

Residual material or odors from a previous shipment
Example 1: alcohol shipped in a tank which has previously been used for wine and not adequately cleaned will become tainted.
Example 2: Cocoa can acquire an offensive odour from residues of cleaning fluid used to fumigate the ship's hold

Fire, Explosion

Sparking and fire caused by friction, spontaneous combustion, outside heat and / or chemical reactions.
Smoke damage Fire during transportation

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Political or Social Conflict
War can always occur in certain parts of the world, goods can be blocked or destroyed from a long way off.
Strikes by Dockers or Hauliers can immobilise shipments for long periods. Perishable goods can deteriorate
Unhappy producers destroy a shipment to protest against a decision they find unfair. Your merchandise could be involved.

EXAMPLE

STRIKES, POPULAR MOVEMENTS, RIOTS
A company located in NOTTINGHAM sells two casts for the automobile industry FOB DOVER.
It hires O'Brien and Sons (Hauliers) to move the goods, worth Euro's 30500 and weighing 20 T. The lorry is blocked by a demonstration around Stevenage. Despite O'Brien's valiant efforts the trailer is tipped over and it's contents broken.
Following a survey, it is confirmed that there has been a total loss of the goods.
LIABILITY The carrier is exonerated from his liability (1830 ¤. The ton). Financial loss for the company : 30.500 ¤.

EXAMPLE
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Dynamic Forces
FORCES ACTING ON GOODS
The maximum forces acting on goods are shown in the table below, by means of conveyance:
(G : Acceleration of the gravity)

TRANSPORT LONGITUDINAL TRANSVERSAL VERTICAL 3 of 3
ROAD 2.0 G 1.2 G 2.2 G
RAIL 8.0 G 0.4 G 1.4 G
MARINE 0.4 G 1.0 G 2.2 G
AIR 3.0 G 0.5 G 2.0 G

Fraud
Since the creation of the International Maritime Bureau in 1981, more than a million acts of piracy or marine fraud have been reported. Marine fraud is as old as marine insurance.
Until the middle of the 1970s, this problem was regionalized, affecting local marine companies and insurance markets.
Recently however along with the increasing Globalisation of trade Fraud is also breaking regional boundaries.
This upsurge in International Fraud has focussed the attention of many World Governments and bodies, particularly as new technology offers the potential for new and exiting opportunities for the fraudsters.
Certainly the "best" frauds are the ones we don't know about yet !

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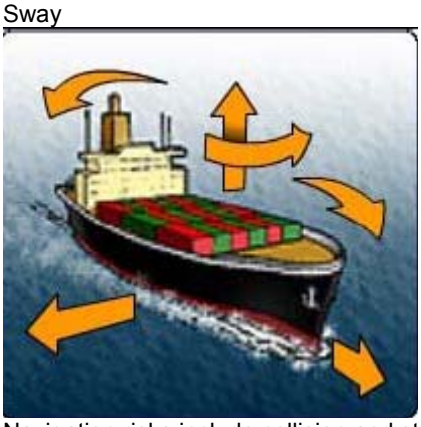
Specific Risks

RISKS RELATIVE TO MARINE TRANSPORT
The movements of the vessel during the navigation:
Roll
Heave and Surge
Yaw
Pitch
Sway



Navigation risks include collision and stranding.
Extreme temperatures and/or temperature variations can cause damages, by overheating, freezing or creating condensation on goods.
Impact of waves. Loaded and decked merchandise are exposed to surges of waves between the prow and the hull.
Loss of a container overboard (engulfed by waves).
Overcrowding in ports which exposes goods to prolonged storage open to bad weather.
Communal damage fees : Ship owners and loaders pay a rate proportional to damages caused to ships and cargo, and other non-reincurring expenses, when these expenses have been incurred intentionally and reasonably to avoid danger, in the common interest.
Loading of ships by non-qualified personnel (goods poorly secured, bad weather not anticipated)
Risks specific to refrigerated containers (poor maintenance of refrigerating equipment).

EXAMPLES Pitch and roll (can reach 40° on each side, up to 10 times per minute).
When the back of the ship plunges, containers placed in the front area are subject to near weightlessness.

In contrast, when the front of the ship plunges, the containers are subject to a pressure double their own weight. The oscillations from one side to the other due to the rolling of the ship produce analogous effects.
On the ship :
Roll (lateral) :
Calculations for securing contents in a ship are made using a value of 20° from the vertical for the reference angle, and a period of 10 seconds for the roll. Rolls greater than 35° with periods of 20 seconds are, however, regularly encountered on ships of 10,000 tons deadweight (conventional cargo),
A container loaded on the deck of a ship according to the second calculations can withstand transversal accelerations equivalent to 70% of gravity.
Pitch :
Goods loaded in the front of a ship can be subject to vertical accelerations equivalent to gravity,
which means that the effective force on the contents is their weight multiplied by 2.
Example of common damages :
A vessel is about to run aground. Some goods are thrown overboard by the crew. Lightened, the vessel can pursue its route. All parties involved and whose interests have been protected thanks to the jettison, will contribute to indemnify the owner of the scarified goods for the sake of all. This sacrifice is termed a "General Average" (see Glossary)

RAIL TRANSPORTATION
Collision forces due to acceleration, deceleration, and breaking.
Impacts or shocks due to the joining of separate cars to form a train (Collision of cars, very violent shocks).
Sway due to the centripetal force on corners or when switching tracks.
Vibrations and bumps while the train is moving.
Vibrations and bumps while the train is moving.

EXAMPLES:
Examples of accelerations to which a transported body can sustain (G : As taken below, it corresponds to the acceleration of gravity. A body of mass
m undergoing an acceleration g is subjected to a force of m x g).
Outside of the vibrations which goods in transit normally sustain, very violent accelerations can be sustained during the joining of train-cars. These are called **bumper blows.** The railways have estimated values of 4 g during tests, which were recognized to be too high and not to constitute a normal situation.
For example, a train car traveling at 7 km/h that stops in 40 cm will be subject to a horizontal force equivalent to 5 times its weight.

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AIR TRANSPORTATION

Forces due to accelerations and decelerations.
Tilting of plane during takeoff, landing, and changing of course
Changes in atmospheric pressure and temperature
Turbulence and air pockets
Fire, collision, plane crashes
Multiple handling

EXAMPLE

Examples of acceleration to which a transported body may sustain:
(G : A body of mass m undergoing an acceleration g is subjected to a force equal to m x g)
Airlines expect goods to be stowed for vertical accelerations of 2.1 g, the maximum value encountered in flight (air pocket), difficult to attain even on landing.
In the same way, the maximum horizontal accelerations are 1.5 G (encountered during a crash stop - emergency breaking, applying all available force, wheels skidding, and engines propelling backwards - on the runway).
The storage area of a plane is always ventilated and the temperature is «normally» maintained around 5°C, though this temperature can be lowered by several degrees(but not to negative temperatures) without notice, or raised to 25 °C if the transported goods require it (flowers or livestock).
In practice, risks of air transport are due to multiple handling : pre-shipment by road, storage by the aerial commission agent, storage by the aerial transporter, put on palettes, loaded on the aircraft, etc... A large part of the «air» transport inside Europe is actually carried out by road, without the shipper being informed.

ROAD TRANSPORTATION

Repeated breaking, acceleration and decelerations are hard on goods, especially when the driving is rough.
Operations of connecting and disconnecting beds to engines are sources of shock, sometimes violent.
Shocks and vibrations

EXAMPLES:

EXAMPLES OF ACCELERATION TO WHICH A TRANSPORTED BODY MAY BE SUBJECTED:
(G : as taken below, it corresponds to the acceleration of gravity. A body of mass m undergoing an acceleration g is subjected to a force equal to m x g)
A 300 kg photocopier positioned on wheels (without being tied down) traveling at 60 km/hour, even in a truck with shock absorbers, will be subject to a vertical acceleration of 10 G (its weight will appear to be multiplied by 8 during several fractions of a second). This measurement has been made with a shock-recording device.
An encased 650 kg electronic cupboard, transported in good conditions (shock-recording device visible from the exterior) is subjected to accelerations of 1.5 to 2 G during careful handling; less careful handling can create accelerations of 3.8 G.
Accelerations during transportation are less that 1 g on roads in good condition, and reach 1.6 G on poorly maintained roads.
25 tons of goods loaded on a traditional trailer (height 1.10 m) with a turning radius of 150 m, driven at 70 km/h (rather large access road where turning is limited to 60 km/h) will be subjected to a transversal force of 5 tons.
The theoretic inclination for the trailer (tires and compression of shock absorbers) at this force is around 5 to 7°.
If the loads center of gravity is higher than 2.7 meters, the attachment will tip over; if the trailer is less than two meters wide, it will have a tendency to tip over before it is hooked up.
If, under any of these circumstances, the driver was to break violently, causing contents to shift, the figures presented above would be multiplied by two, and would facilitate the tipping over of goods.
Goods loaded in this way will have a tendency to slip before or after tipping over, requiring the use of blocks or straps to steady them.

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TRANSPORT OF REFRIGERATED GOODS

A professional carrier should come to the loading site with a pre-refrigerated case. The driver should require an inspection of the temperature of goods before loading. In all cases, air must be able to circulate (be careful of packing goods too compactly) and must move across and around the shipment (forming a wave of cold air).

The period of time containers are kept in harbor terminals must be kept as short as possible.

Specialist refrigerated containers are now available for air transport with selected airlines. These not only maintain the temperature of the cargo but also control the internal environment of the container.

Airports are sometimes equipped with cold-storage rooms; putting goods in the cold always requires additional handling.

The storage berths of airplanes are generally maintained at 8°C, which can be lowered to 0°/1° or raised to 25°C (transport of live chickens, for example). Airplanes generally do not accept products which must be kept frozen. The most common method is to use isothermal packaging.

This method requires that the shipment is followed closely, with the recovery of delivery and immediate forwarding or placement in cold.

TRANSPORT OF REFRIGERATED GOODS - ROAD

Refrigerated trucks are similar to the containers they transport. These trucks can regulate temperatures within a degree, but are only rarely equipped with devices to monitor these temperatures.

The refrigerated unit of the truck is supplied with electricity from the trucks alternator or from a separate motor located in the refrigerated case.

The refrigerated unit should be inspected before loading goods, to insure it is functioning. The driver should be asked to pre-refrigerate the case, making it easy to check if the blower works.

It is also recommended that the driver take part in an inspection of the temperature of the goods is inspected before they are loaded, and that the inspection is mentioned on the transportation ticket (the driver should normally require this inspection).

Except damages to the refrigerated unit, abnormalities in refrigeration are frequently noted, when the driver shuts off the refrigerating apparatus overnight (due to the noise) and turns it back on in the morning, lowering the temperature below what is requested to return the goods to their original temperature.

TRANSPORT OF REFRIGERATED GOODS - MARINE

a. Traditional refrigerated vessels

Vessels with refrigerated holds are available in a wide range of types and sizes. Vessels can be entirely refrigerated, or have only small refrigerated store rooms.

Goods kept in cold must pass along the wharf before loading.

This presents few problems for goods at temperatures above 8°C. Well-organized harbor operations are necessary for frozen goods, or for loading in hot countries (water condensation damages meat and fish, etc... resulting in rejection of goods at the final destination). Goods loaded in bulk have a considerably higher risk of being miscounted or stolen.

Loading must wait until after the facilities and state of the ship are inspected, harbor operations and precise information about moving goods to loading are verified (intervention of an expert), with very important goods kept in one or more of the between decks of the ship in refrigerated compartments which can be quickly loaded and put in cold.

b. Transportation in Containers

Reefer

Free-standing container equipped with a refrigerating unit with 3 KW of power which is supplied by the ship or wharf.

These containers cannot lower the temperature of goods. Their power allows them only to maintain the previous temperature of contents.

The pre-refrigeration is therefore necessary.

Until recently, containers were fitted with disks to record the temperature were relatively «basic» regulating temperatures within 2 degrees.

They were sufficient for frozen products, but not for fragile goods (like bananas) which need temperatures to be regulated within a half of a degree.

Containers are sometimes equipped with a diesel motor unit, allowing them to be totally free-standing for around 8 days. This is sufficient to maintain cold during pre-loading and final routing (these are becoming the most frequently used).

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Problems with reefers are often due to failures of refrigerating units, which are repaired with difficulty by crews who generally have a very limited supply of spare parts.
Otherwise crews are not liable for the functioning of equipment. Reefers presenting problems are taken back to land and transferred to other ships after being repaired..
The consignee should be particularly careful in cases of delivery by a ship other than that which was expected.
A frequent cause of damage is the non-transfer of containers, either after having been unloaded from the ship, or in the departure terminals.

Freshtainers
Containers with much more precise refrigeration than the Reefers, with atmospheric control, eliminating ethylene and regulating CO2, which allows all types of merchandise to be transported in very good condition.
These containers are generally equipped with digital devices to record the temperature and to adjust the instructions. The recovery of this information is only possible with a computerized device available from the shipping company.

Conair
This is a system which has existed for about 15 years, in which the isothermal container is equipped with two holes with sealing slats in front of them.
In the ship, these holes are positioned so they face ventilation vents, and the ship provides the necessary refrigeration power and ventilation.
Except for specific cases, terminals do not provide central refrigeration. Nitrogen evaporation devices are sometimes used to keep CONAIR cold for 48 hours. Devices with little power can be used. The advantage of the CONAIR system is that the packer gains space is the container, and much more
powerful refrigeration and ventilation than what is available with the reefer (the ship generally provides refrigeration and ventilation powerful enough to lower the temperature of full loads). However, as they are not self-sufficient, they must be forwarded and routed very quickly, or kept inside the harbor.
The container is a unit load that is more secure against theft and miscounting. Possibility of contamination by the rest of the shipment is non-existent with a Reefer, and very small with a CONAIR. From the available options, the CONAIR is best, as it is more secure and offers much more powerful
refrigeration and ventilation than the Reefer.

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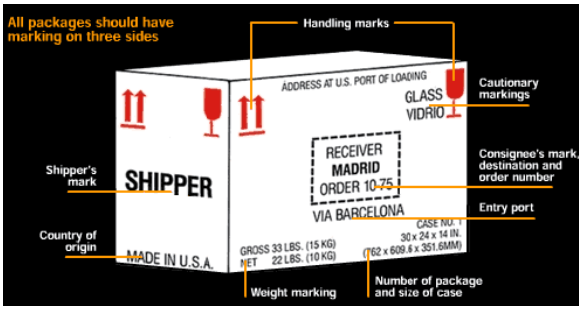
Hazard Symbols

Hazardous Materials

1 Explosive - (Class 1.1, 1.2, 1.3, 1.4, 1.5 and 1.6). Articles bearing Explosives labels shown and falling in Divisions 1.1, 1.2, 1.3 (with a few exceptions), 1.4F and 1.5 are normally forbidden for air transport.
2 Gases - (non-flammable, flammable* and toxic).
3 Flammable Liquids.
4 Flammable Solids, Spontaneously Combustible Substances and Water Reactive ("Dangerous when wet") Substances.
5 Oxidizing Materials - (oxidizing matter and/or organic peroxides).
6 Poisonous Substances - (liquids and solids) and Infectious Substances.
7 Radioactive Materials - (White I, Yellow II or Yellow III).
8 Corrosive Materials - (acids, corrosive liquids/solids and alkaline).
9 Miscellaneous Hazardous Materials - (those materials and articles that may present limited hazards for transportation but do not meet criteria for Class 1 through 8).

* Inflammable as used in the IMO hazard label has the same meaning as flammable. IMO uses Non-flammable Compressed Gas wording. Note:
(A) Except for Radioactive and Handling Labels, text indicating the nature of risk on the labels is optional.
(B) When secondary or tertiary hazards are present, the appropriate label must be used. The omission of the hazard class or division number indicates the risk is subsidiary.

Example of Correctly Labeled Shipping Carton



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Packaging

A product being shipped by any mode of transport including storage and cargo handling has to be able to withstand the mechanical, climatic and environmental stresses to which they are exposed. The correct selection, design and construction of the packaging, which contains the product, will facilitate the loss free delivery to the Customer.

Categories of Packaging

Transport Packaging

Drums, canisters, boxes, bags including pallets, cardboard packaging, foamed trays, shrink films and similar coverings which are constituents of transport packages and the purpose of which is to protect goods from damage while in transit between the manufacturer and distributor or which are used for reasons of transport safety

Outer Packaging

Blister packs, films, cardboard packaging or similar coverings which are intended as additional packaging around sales packaging which

- serve to facilitate self-service retailing of the goods or
- serve to deter or prevent theft or
- predominantly serve promotional purposes

Sales Packaging

Closed or open containers and coverings for goods, such as pots, bags, blister packages, cans, pails, drums, bottles, canisters, cardboard packaging, cartons, sacks, dishes, carrier bags or similar coverings which are used by the consumer for transport or kept until the contents are consumed. For the purposes of the regulations, disposable crockery and cutlery are also classed as sales packaging."
Sales packaging is packaging which only loses its function when it reaches the final consumer.

Additionally packaging may be:

- Disposable packaging: Disposable packaging is intended only for a single transport operation.
- Returnable packaging: Unlike disposable packaging, returnable packaging is intended for repeated use.

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STORAGE IN TRANSIT

Within the context of Marine Insurance, Storage is often defined in two ways:

Storage (Temporary)

When the insured interests are electively stored (usually for a short period of time) before, or in the course of transportation to a specific, known, destination.

Storage (Stock)

When the insured interests are stored, without specific knowledge of when such storage will terminate, or a specific consignment address to which the interests will eventually be transported.

Whatever the period goods are subject to storage, there remains the risk of

Theft

Fire

Wetting

Contamination.

An Insured is able to specify and select the type of warehouse or site to be employed for long term storage, this being either in his direct control or that of his Forwarder or Logistic Provider.

For temporary storage during the normal course of transit, an Insured may specify to his Forwarder that certain criteria are met, especially in terms of security.

In selecting warehousing for his goods an Insured should consider the following:

Construction. Construction should be brick or steel cladding on steel frame. The roofing should be watertight with adequate drainage. Sky lights should be watertight and fitted with security grills. Floors should have suitable surfaces for the operation of fork lift trucks. There should be clear vehicular access. The environment within warehouse should be suitable for the type of goods to be stored.

Warehouses should be protected with fire sensors and alarms and dependent upon type of goods stored, be fitted with suitable sprinkler system. There should be a strict No-Smoking Policy and no processes within warehouse involving sources of ignition.

Management. An Insured should select a warehouse operated by a member of a national professional body.

The management should demonstrate that they employ good inventory systems, employ well – trained staff and maintain a high level of housekeeping within the warehouse.

Security. The level of security required will be dependent upon the nature and value of goods to be stored.

As a minimum the warehouse should have all access doors alarmed and movement sensors covering the storage areas. These should be linked to a central security station by a monitored telephone line.

Some goods may require that security patrols are employed, either 24 hour or out of normal hours. The use of CCTV, either to cover a specific area or the entire site may be considered.

Strict control of persons entering the warehouse, including collection and delivery drivers should be maintained and the employment history of warehouse operatives and office staff checked.

Location. When choosing a warehouse location, consideration should be given to its geographic location in respect of natural perils. Earthquake exposure whilst not a common problem within Europe should be assessed for other parts of the world. Proximity to rivers should be noted, with reference being made to national environmental agencies websites for predicted floodplains.

Insured's should also be aware of the general economic environment, a warehouse in a run down derelict estate is more likely to be subject to random break-ins than one located on a well - managed estate.

Where open storage is required, for motor vehicles, timber etc, and hail storm is a known problem, hail nets or other protection should be provided.

The provision of good quality hard standing with good drainage and adequate perimeter fencing should be specified when outside storage is required. CCTV and flood lighting should also be considered.

Each storage site is considered by Underwriters on the above criteria, plus type and value of goods to be stored and maximum values to be stored.

To assist Broker and Insured's presenting this information to Underwriters a sample Stock Questionnaire can be downloaded.

Marine Cargo Storage Questionnaire pdf

Further Risk Management advice is available from your local Ace Marine Office.

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Functions of Packaging

Technical Function

Protective
Protect the goods from loss, damage and theft. Withstand the many different static and dynamic forces to which it is subjected during transport, handling and storage operations. Protection from climatic conditions, such as temperature, humidity, precipitation and solar radiation

Storage
To allow ease of handling, stock control and identification during storage, prior to, during and at end of transit chain.

Loading and Transport
Regular shape to allow space saving stowage
Suitable strength to allow multiple handling and having goods stowed on top
Have dimensions suitable for mode of conveyance - pallets, containers etc.
Be fitted with bearers to allow fork lift handling, or suitable slinging and lifting points.
Have appropriate International Handling Symbols to give guidance on safe handling.

Communication Function

Sales
The purpose of the sales function of a package is to enable or promote the sales process and to make it more efficient.

Promotion
Promotional material placed on the packaging is intended to attract the potential purchaser's attention. Excessive or visible promotional material - company logos, pictures, may attract the unwanted attention of thieves during transit and storage.

Service
Details on packaging which instruct on how to use product.

Legislation
Many countries have legislative requirements which demand that goods be clearly marked with details indicating their nature, composition, weight, quantity and storage life. The pacjkaging becomes the basis for product liability, consumer protection and a guarantee from manufacturer that details on packaging correspond to the contents.

Other Functions

Indicates environmental issues i.e. re-cycling..

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PACKAGING ISSUES

Corrosion
Causes of Corrosion
Condensation as a result of changing temperature and humidity. This may result on moisture being deposited on the goods themselves, or on the inside of the packaging/container, and falling on the goods.
Fresh and sea water ingress into packaging.
Hygroscopic packaging materials with high water content
Contaminates in the air such as salts, dust and SO2
Finger marks on unprotected metal surfaces
Residues of agents used in cleaning

Protection
Pre-treatment of metal surfaces by cleaning and drying. Bare metal to be protected with oil or grease containing a de-watering agent.
Wrapping exposed parts with barrier films of either paper impregnated with de-watering agent, foil, cloth impregnated with oil or de-watering agent.
Use of desiccants. Silica gel is placed in absorbent bags and placed within a barrier foil around the goods. Barrier should be sealed to prevent atmospheric ingress and be of a material that does allow moisture migration through it. The amount of desiccant to be used depends upon length of time in packing, climatic conditions during voyage and during storage, volume of packing, type of packing and proportion of timber used.
Since this is a very technical area we recommend that British Standards on Packing BS1133-19 or German Packing standards DIN 55474 be consulted to asses minimum amounts of desicant to use.

PACKAGING MATERIALS

Cushioning Materials
Cushioning materials are designed to
Protect contents of a package from dynamic stresses resulting from mishandling, jolting and impact during transport
Protect from vibration during transit
Effectively fill void areas within standard units of packaging.
Cushioning materials should
Absorb kinetic energy and prevent it being transmitted to goods within package.
Restore to original shape following absorbtion of energy.
Be of material that will not lead to corrosion or other damage of the goods within the packaging.
Be environmental friendly, cost effective and simple.

Types of Cushioning Materials
Air bags. Used to prevent movement within containers.
Bubble wrap. Air trapped between layers of plastic. Used to prevent movement of goods within packaging.
Fibre cushioning. Animal coconut hair woven into a matting following cleaning and drying.
Used mainly with machinery packed in crates.
Polystyrene (PS): Either moulded sections or as loose "chips"
Polyurethane (PU): used to mould a protective layer directly around a product. It is rigid with very limited flexibility. Its effectiveness declines following any absorption of forces and may crack and decay.
Fiberboard Boxes (Cartons)

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The most common economical container continues to be the fiberboard box. This is understandable as shippers seek efficient, but inexpensive and lighter weight containers. It comes closest to fitting the description of the ideal shipping container, which is light in weight, of low cost, but able to withstand normal transportation hazards and protect the contents against loss or damage. The fiberboard box frequently measures up to most of these requirements in domestic transportation, but fails frequently in overseas movement when proper selection procedures are not followed. It must be recognized that all commodities cannot be suitably packed in fiberboard boxes. Moreover, all fiberboard boxes are not suitable overseas containers. This is particularly true because increases in moisture content of corrugated fiberboard adversely affect its stiffness and compressive strength.

NOTE:
Compressive strength may be reduced to approximately one-half normal strength by high humidity (90 percent r.h. +).
More serious strength losses may occur with cyclic humidities. Impregnation of coating of the fiberboard will delay but not completely prevent this loss.

Ilustrations of Solid and Corrugated Fiber Construction
First, the shipper must determine whether or not a fiberboard container is a suitable one for me particular commodity to be shipped, bearing in mind the item's vulnerability as well as me handling and transportation hazards to be encountered.
If yes, the next step is to select fiberboard containers subject to the following:

1. The underlying factors in the selection of the fiberboard box are resistance to compression, resistance to puncture, strength of the score lines and probably the most important-resistance to moisture absorption. Impregnated and multi- wall boxes are the most practical. Never use corrugated fiberboard boxes with a bursting test strength of less than 275 pounds per square inch. Corrugated fiber board in export shipment applications should be constructed using water –resistant adhesives.

2. Flaps should be stapled or glued with a water -resistant adhesive applied to the en- tire area of contact between flaps.
For further protection all seams can be sealed with a water-resistant adhesive.

3. Keep weight of contents within load limits specified in the box maker's certificate, which appears on the box.

4. Reinforce with two tension straps applied at right angles, and crisscross at top and bottom, or with two girth straps of filament tape.

5. When the nature of the contents permit, the load should support the walls of the container. Otherwise, the container should have sufficient resistance to compression to prevent collapse when placed in the bottom tier of a pile of similar boxes. NEVER OVERLOAD.

6. Full height partitions should be utilized to separate fragile items within the same fiberboard box and/or increase thestacking strength of the box.

7. Do not overlook economies and additional security offered by unitizing, palletizing or by overpacking several fiber board boxes in consolidation containers.

8. Remember, highly pilferable merchandise is rarely safe in fiberboard boxes.

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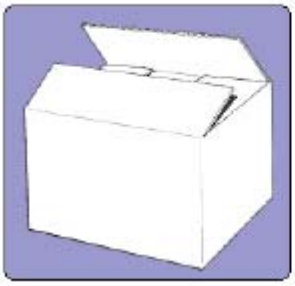

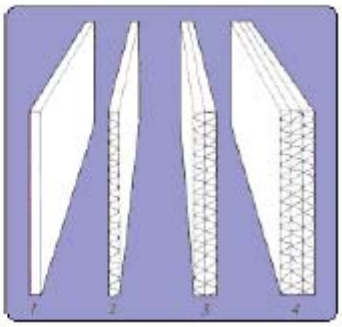

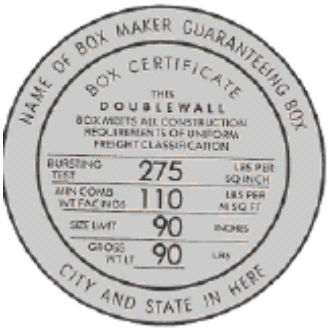

1. Solid Fibreboard
2. Single Wall (Double Faced) Corrugated Fiberboard
3. Double Wall Corrugated Fiberboard
4. Triple Wall Corrugated Fiberboard

USA Certification

The circular form of certification indicated applies only to those fiberboard boxes which are constructed and used in com-pliance with rule 41 of the Uniform Freight classification for rail shipments and item 222 of the National Motor Freight classification for truck shipments. Unless performance can be assured by a qualified testing laboratory, we would recommend using only those fiberboard boxes made and certified to comply with the aforementioned rules.

DO NOT use fiberboard with a bursting test of less than 2751bs. per square inch for export shipping containers.

German Certification

Design and Styles of Fibreboard cartons

Within Europe, DIN 55 429, Pt. 1 and the FEFCO/ASSCO Code (international shipping package code) describe the internationally usual designs, styles and delivery forms of cartons made from cardboard, millboard and corrugated board.

The designs and styles have been defined by ASSCO (Association Européenne des Fabricants de Caisses d'Expédition

en Carton Compact), FEFCO (Fédération Européenne des Fabricants de Carton Ondulé) and the ECMA (European Carton Makers Association). We refer readers to those documents.

Other paper used in packaging Asphalt paper. Comprises a layer of bituminous mixture between two layers of paper. Highly waterproof and often used to line wooden packing cases.

Kraftliner. Strong moisture resistant with low recycled fibre content. Used as an outer ply in corrugated board.

Kraft sack paper. Elastic paper used in sack production.

Parchment paper. Greaseproof paper with high moisture resistance. Used for packaging of greasy or oily products.

VCI paper (Volatile Corrosion Inhibitor). Contains an inhibitor which provides protection from corrosion.

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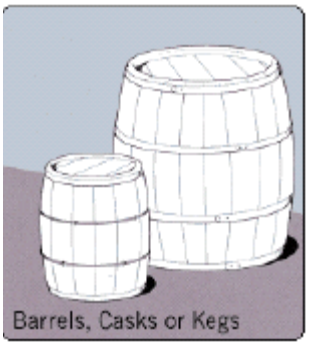

Barrels, Casks, Kegs and Sacks

The wooden barrel has been a workhorse of overseas trade, dating back to ancient times. Selection of the wrong barrel for your product can result in leakage, contamination, breakage and many other headaches. The following are basic recommendations:

Tight (liquid) barrels should be stored bung up. Request stowage on bilges. Slack (dry) barrels should be stored on ends. Never store or ship slack barrels on their side.

1. Provide reinforcing head cleats running from chime to chime at right angles to headpieces. Cleat thickness should never be greater than chime depth.
2. Use tongue and groove staves with a suitable liner where contents, such as dry chemicals and powders, may sift. Make sure barrel wood and liner material will not contaminate contents.
3. Keep voids in slack barrels to a mini- mum. Use headliners (strips of coiled elm fastened inside chime) to give barrel heads added strength.
4. Where tight barrels are employed, hoops should be fastened with not less than three fasteners (dogs) per hoop. Provide for inspection at interim transit points, where practicable, to check for leakage. If contents are carried in brine, re-brining at interim points may save contents of leaking units.

Steel Drums

New steel drums are generally excellent for export. Second-hand drums, unless thoroughly reconditioned and tested, may give trouble because of fatigue caused by dents at the chime and previous damage to the closures. Also consider the following:

1. Closures must be made as prescribed by the manufacturer. Back up friction type covers of drums, as well as cans or pails, with soldering or spot welding at three or more points.
2. Be sure adequate seals are used on lock- ing levers and sealing rings of open end drums. Failure of seals may result in accidental opening of covers.
3. Consider use of tamperproof seals at filling and dispensing holes.
4. Make frequent spot checks of automatic filling machinery by weighing filled drums. Shortages may occur at the source.
5. Do not re-use single or one trip containers.
6. For hazardous/dangerous goods, be sure the drums meet DOT/IMO/ICAO or appropriate standard-making group specifications, and are properly labeled for carriage of the intended cargo.

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Multi-Wall Shipping Sacks

Multi-wall shipping sacks or bags are being used more and more for packaging of powdered, granular and lump materials, particularly dry chemicals. These sacks are flexible containers generally made up from two walls or piles of heavy- duty kraft paper to a maximum of six. Often, they are made in combination with special coating, laminations, impregnations or even plies of textile material such as burlap to give them additional strength and added protection to their contents. Because of the flexibility of these containers, special attention must be given to the use of flexible waterproof or moisture- proof barriers in their construction.

There are several types of bags used, the most common being the pasted bottom or sewn bottom open-mouth, and the pasted valve or sewn valve. The pasted bottom and sewn bottom open mouth type bags are closed after filling, by sewing through all plies with a strip of tape incorporated into the sewn end in such a way that it folds over the end to control sifting. They can also be closed by gluing. The valve type bags are closed by manually folding over an external paper sleeve or by the check valve action of an inner paper sleeve when the bags are full. The internal pressure of the contents causes this, and care must be taken that the bags are sufficiently filled to exert this pressure. It must be recognized that slight leakage will nevertheless occur, particularly when the bags are handled.

The use of these bags for overseas shipments should be limited. This type of container, more than any other, must be adapted to the requirements of the commodity it contains. This requires careful research and intelligent selection. It is recommended that the loaded bag not exceed 50 pounds. Thought must be given to the value of the product as well as to its hygroscopic properties and chemical and physical characteristics. Utmost consideration must be given to in-transit hazards, such as atmospheric conditions or expo- sure to the elements, number of transfers and handlings and warehouse facilities. Of major importance is the question as to whether the contents of the sack will be subjected to contamination if the bags are ruptured or if foreign matter can filter in through stitching holes.

A good practice for the shippers is to include a supply of open mouth refill or overslip sacks with each shipment.

The number of refill sacks should not be less than 1 percent of the number of sacks in the shipment and preferably 3 percent. The refill sacks should be imprinted with instructions for their use as well as identification of the commodity that they will carry. Overslip sacks should be slightly larger than the original sack and constructed of the same number and kind of plies.

Palletizing of a number of sacks, adequately shrink-wrapped and/or banded to the pallet, has been particularly effective in reducing damage and pilferage, and forces use of mechanical handling equipment.

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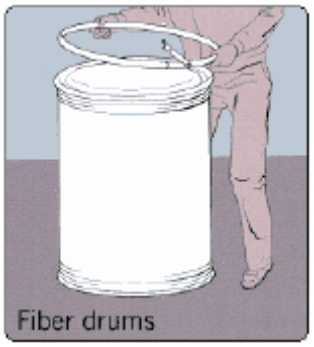
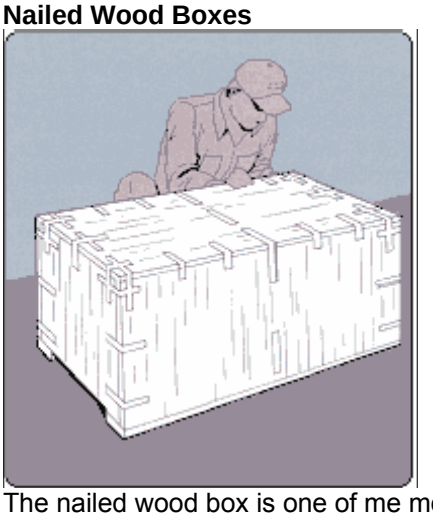


Fiber Drums

Fiber drums are gaining importance in the export picture. Before using them determine that open storage enroute is not contemplated. Considerations for fiber drums include:

1. High density materials should not be packed into fiber drums. Fiber drums should be filled to the top in order to add rigidity to the package. Use smaller drums if contents are such that weight limits will be exceeded if filled to the top. Avoid empty spaces at the top of thedrum.
2. It is advisable to settle or deaerate materials-particularly light fluffy powders- during the filling operations. Use of a vibrator or mechanical settler is recommended. Bag-Lined drums can be deaerated simply by manually compressing the filled bag.
3. Keep size of drum compatible with weight of contents to avoid overloading.
4. Closures are important. Be sure sealing rings and locking levers are properly in place and will not be accidentally jarred or pulled loose.
5. Handle with mechanical equipment or roll on bottom chimes. Fiber drums are not designed to roll on sidewalls. Avoid cutting and chafing of sidewalls.
6. If possible, palletize fiber drums to facilitate mechanical handling inwarehouses or on docks.
7. Never use a drum that has sidewall damage (cuts, dents) as stacking strength is lost.

Nailed Wood Boxes



The nailed wood box is one of me most satisfactory containers for overseas shipment of moderate weight commodities.

Among its particular advantages are: its ability to support superimposed loads; its ability to contain difficult loads without undue distortion or breaking open; the protection it affords contents from damage due to puncture, breakage or crushing; and finally, the fact that it permits interior blocking to hold the contents in place, thus allowing the container to be turned on its side or upside down.

The following recommendations should be considered in selecting the nailed wood box:

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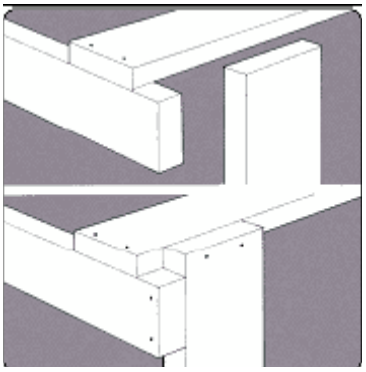
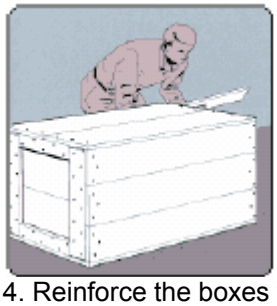


1. Boxes should be made up of seasoned lumber with moisture content between 12 percent and 19 percent. Knots should not be over one-third the width of the board, and specifically should not interfere with nailing. Severe cross graining should also be avoided.
2. Consult appropriate tables for selection of proper sizes of lumber and nails. Boxes with two or four cleats on each end are particularly recommended for overseas shipment.
3. Many a well-designed box fails because the load is not properly fitted or secured in the container. If necessary, use proper blocking and bracing to adequately secure the load. A properly fitted or secured load should not move when thecontainer is roughly handled. If the load must be kept upright, equip the box with lift handles, skids, top peaks, gables or some similar devices to assure the box being stowed and handled is in an upright position. AVOID OVERLOADING.



4. Reinforce the boxes with adequate tension metal straps placed one-sixth of the distance from the ends, unless containers are in excess of 48 inches in length or over 250 pounds. Then three or more straps should be used, with one for each additional24 inches. Staples should be used to hold strapping in place when boards are five-eighths of an inch in thickness or greater.
5. DO NOT USE SECOND-HAND BOXES. They are deficient in strength and do not permit detection of pilferage.
6. Boxes should be equipped with corru-gated fasteners or similar devices where contents are substantially valued and susceptible to pilferage.
7. Boxes should be lined with a water- proof barrier material and sealed at the edge with a waterproof tape or adhesive to protect both the contents and the interior packing material.

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Lumber and Nail Tables for Nailed Wood Boxes

			Softwood			Hardwood		
Weight of Contents (pounds)	Number of end cleats		Thickness sides,top & bottom	Thickness ends	Thickness and width of cleats	Thickness Sides, Top & Bottom	Thickness ends	Thickness and width of cleats
Over	Less			Load supports container wall				
0	50	2	3/8	5/8	4/8 X 1 3/4	3/8	5/8	5/8 X 1 3/4
		4	3/8	5/8	5/8 X 3/4	3/8	5/8	5/8 X 1 3/4
50	100	2	1/2	3/4	3/4 X 2 1/4	3/8	5/8	5/8 X 1 3/4
		4	1/2	3/4	3/4 X 2 1/4	3/8	5/8	5/8 X 1 3/4
100	250	2	5/8	3/4	3/4 X 2 1/4	1/2	3/4	3/4 X 2 1/4
		4	5/8	5/8	5/8 X 2 1/4	1/2	5/8	5/8 X 2 1/4
250	400	2	3/4	13/16	3/4 X 2 5/8	5/8	3/4	3/4 X 2 1/4
		4	3/4	13/16	3/4 X 2 5/8	5/8	3/4	3/4 X 2 1/4
400	600	4	13/16	13/16	13/16 X 2 5/8	5/8	3/4	3/4 X 2 1/4
600	800	4	13/16	1 1/16	1 1/16 X 3 1/4	13/16	1 1/16	1 1/16 X 3 1/4
800	1000	4	1 1/16	1 5/16	1 5/16 X 4 1/8	1 1/16	1 5/16	1 5/16 X 4 1/8
			Load gives little or no container support					
0	50	2	1/2	3/4	3/4 X 2 1/4	1/2	5/8	5/8 X 1 3/4
		4	1/2	5/8	5/8 X 2 1/4	1/2	5/8	5/8 X 1 3/4
50	100	2	1/2	3/4	3/4 X 2 1/4	1/2	5/8	5/8 X 1 3/4
		4	1/2	5/8	5/8 X 2 1/4	1/2	5/8	5/8 X 1 3/4
100	250	2	5/8	3/4	3/4 X 2 5/8	1/2	3/4	3/4 X 1/2
		4	5/8	3/4	3/4 X 2 1/4	1/2	5/8	5/8 X 2 1/4s
250	400	2	3/4	1 1/16	1 1/16 X 3 1/4	5/8	13/16	13/16 X 2 3/4
		4	3/4	3/4	1 1/16 X 3 1/4	5/8	3/4	3/4 X 2 3/4
400	600	4		13/16	1 1/16 X 3 1/4	3/4	13/16	13/16 X 2 3/4
600	800	4	13/16	1 1/16	1 1/16 X 3 1/4	3/4	13/16	13/16 X 2 3/4
800	1000	4	1 1/16	1 5/16	1 5/16 X 4 1/8	7/8	1 1/16	1 1/16 X 3 1/8

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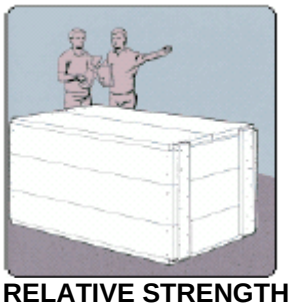
Crates

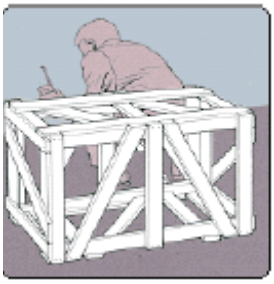
There are two general types of crates- the open or skeletal crate and me fully sheathed crate. Both types are dependent upon properly constructed frameworks. While the drawings on this site illustrate the comparative strength of frame members of open crates under vertical compression, me same principles apply to sheathed crates, as they also require diagonal bracing to make them rigid. Keep in mind that sheathing is provided to protect against exposure to the elements. The open crate can be used where contents are virtually indestructible, and packing is required only to facilitate handling and stowage. It also serves well as an overpack to consolidate fiberboard boxes or to provide unit pack stiffness to resist crushing. Three-way corner construction should be reinforced with diagonals.



RELATIVE STRENGTH UNDER DIAGONAL COMPRESSION

Consider these points in sheathed crate construction.

1. Provide a SUBSTANTIAL framework, i.e., corner posts or vertical end struts, edge or frame members, intermediate struts and diagonal braces.
2. Large crates are usually stowed in the lower holds, hence must bear great super- imposed weights. Ensure top strength by frequent top joists under sheathing (never more than 30 inches apart). DON'T depend on end grain nailing ALONE to hold these joists.
3. Reinforce floor at load-bearing points when between skids or sill members.
4. Design for vertical sheathing: sides and ends.



5. On skid type crates terminate end sheathing at flooring to permit entry of forklifts. Terminate side sheathing 1/2 inch short of skid bottoms to prevent tearing away of sheathing when crate is dragged sideways. The use of rubbing strips facilitate handling by forklift trucks.
6. On sill type crates provide lengthwise rubbing strips at base to facilitate handling and prevent tearing adrift of sheathing when the crate is dragged.
7. Where skids are used, be sure they are of sufficient dimensions and an adequate number provided. Skid ends should always be cambered, sling points provided and marked to facilitate loading aboard ship.

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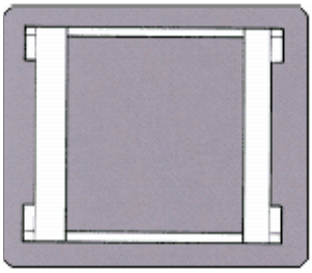
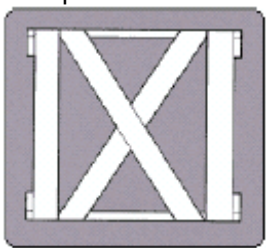


8. Reduce cube and interior bracing problems by providing maximum disassembly of the carried item. Spares and disassembled parts should be adequately secured to crate interior. In doing so aim at a low center of gravity.
9. Supplement weak end grain nailing of interior bracing by back-up cleats.
10. Line crate interiors (except bottom) with a good grade waterproof barrier material. Ventilate crates containing machinery or other items susceptible to damage from condensation with baffled vents or louvre plates covering ventilation hole clusters at ends or sides. Also, space floor boards 1/2 inch apart. Consider use of crate top coating where open freight care or open storage may be encountered.



11. Corners of all crates should be rein- forced with lengths of 1 inch flat nailed strapping applied so as to tie together all their faces at each corner.
12. Assure yourself that handling facilities are available for your crate at destination and at intermediate points. Provide consignee with opening instructions to reduce accidental damage during unpacking.

Wirebound Crates and Boxes

Wirebound boxes and crates have shown themselves useful for a large variety of products not affected by minor distortions of the container for overpacks of solid or corrugated fiberboard boxes (cartons).
If the wirebound container is not completely filled or if the contents may be affected by possible distortion of the container, properly applied interior blocking and bracing is recommended. The ends of wirebound containers should be reinforced to adequately resist forces that may be applied during handling thus pre-venting damage to contents. Shippers should AVOID OVERLOADING and should not use boxes too large for their contents. Other considerations are:

1. Veneer and cleats should be full thick- ness straight grained and sound, free from knots, decay, mildew or open splits. Knots not more than 1.5 inches in diameter and less than one-third the width of the piece of veneer are allowable. Wire should be free from rust and scale.
2. Ideal staple spacing is 2.5 inches on crates; 2 inches on boxes. A minimum of two staples per slat is recommended.
3. Observe care in affecting closures to avoid wire fatigue. Use special closure tools.
4. Consult appropriate tables and your box supplier for export type container specifications.
5. Where contents are susceptible to pilferage or exceed 150 pounds apply one tension strap around top, bottom and ends. If over 250 pounds, apply two additional straps 3 inches each end around top, bottom and sides. Also, consider applying straps over intermediate cleats.
6. Line box interior with a good grade waterproof barrier material and properly seal.

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Cleated Plywood Boxes

Properly assembled and used, cleated plywood panel boxes have many uses in foreign trade. Their lightness and comparative strength particularly recommend them for air freight shipments. Shippers may abuse these containers by using second-hand units, overloading, applying strapping improperly, allowing long unsupported panels or failing to properly nail the box closed. Thin panels invite damage to contents through punctures. Follow these points in plywood shipments.

1. Consult appropriate tables to avoid over- loading, to determine proper nail spacing and to find correct dimensions of ply- wood and cleats. NEVER USE SECOND- HAND BOXES.
2. Reject rotted, split or otherwise defective cleats.
3. Apply intermediate cleats to all panels in excess of 24 inches.
4. Apply strapping only over edge and/or intermediate cleats for maximum support. Strapping that spans unframed areas is easily broken and may injure handlers. Employ stapling to hold banding in place on cleats.

Don't overlook lining with adequate waterproof or vaporproof barrier material, where contents are susceptible to water damage.


Flexible Intermediate Bulk Containers

Bales

A well-made bale may be expected to outturn reasonably well in most export trades. Bear in mind, however, that all bales are subject to pilferage, hook holes and water damage. They are, therefore, not recommended for highly valued commodities. To minimize losses, follow these recommendations:

1. Use a primary wrap of fiberboard material where contents may be subject to damage from strapping pressure.
2. Use an inner wrap of creped or pleated waterproof paper. This type of paper is necessary to provide moisture protection and to give with bale distortions without tearing.
3. Provide heavy outer wrap of burlap or similar cloth able to withstand heavy abrasions in transit.
4. Provide "ears" at comers of small bales to facilitate handling without hooks. Bale weights under 300 pounds are less apt to be handled with hooks.
5. A minimum of four flat tension bands should be used. Apply tightly at the maxi- mum bale compression to avoid slipping of end bands.
6. Stencil all shipping and cautionary marks on bale. Do not use tags.

Flexible Intermediate Bulk Containers (FIBC's)

These containers, a combination of packaging materials and a lifting system, can be used in the transportation of most granu- lar and powder commodities. They should have a capacity not in excess of three cubic meters and/or a gross weight of 3,000 kg and be fitted with integral or detachable devices for lifting suspension.

FIBC's are manufactured from a fabric or woven polymer, polypropylene, poly- ethylene, polyester or polyamide; the latter two for use in multi-trip containers where they are expected to encounter arduous conditions. The fabric is made up into a cuboid or cylindrical container stitched with man-made fiber or twine. Some heavy-duty units have welded seams.

Some flexible containers have disposable polyethylene liners that are used to prevent product seepage and improve water-tightness. These liners can also preclude cleaning and extend the life of re-usable containers.

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Glossary

Below are listed various terms used in Insurance, Shipping and International Trade.

Abandonment
Method of settlement of loss through which the Insured assigns to his Insurer all his rights of ownership to the goods or whatever remains of them, in consideration of payment of the indemnity under the policy in case of total loss.

Abondment
Clause Clauses often contained in an insurance policy stating that the insured cannot abandon damaged property and then file a claim with an insurer.

Acconier
Specific word used in the mediterranean ports for naming a stevedore .The acconier is also involved in juridical matters as well as material manutentions

Accumulation Period
A specific time period that the insured must establish before benefits begin or are paid out.

Act of God
Unforeseeable, AND UNEXPECTED unavoidable act outside of that which can be controlled.

Additional Carrier
Information Carrier information indicated on a certificate of insurance that would prove useful to the insured for reference (e.g. voyage number, bill of lading number, etc.)

Additional Insured
An individual or entity that is not included as an insured under the insurance policy of another party, but may be added to provide a certain degree of insurance protection.

Admitted Company
An insurance company that is licensed (admitted) to conduct business within a given country or state.

Advance Premium
Relates to a policy whose premium cannot be precisely determined until the end of
the term. The advance premium, also called "deposit premium", is a down payment
on what will be the final premium.

Ad Valorem
Bill of Lading Same as Valued Bill of Lading or Declared Value Bill of Lading.

Air Handling Agent
Enterprise which provides services to transporters who have no facilities available to them at the airports they use. These paid services can also involve customs or commercial duties.

Affreightment
A contract which sets forth the obligations of both shipper and carrier concerning transportation of the merchandise. The most common forms of affreightment are Bills of Lading and Waybills.

Aggregate Deductible
A deductible in some insurance contracts in which all covered losses during a year are figured together and an insurer pays only when the aggregate deductible
amount is exceeded

All Other Perils and Misfortunes
Phrase in Cargo policy meaning perils of the same nature as those described specifically in the Perils clause

All Risks
A broad form of coverage, providing protection against all risks of physical loss or damage from any external cause. It does not embrace loss or damage due to delay, wear and tear, inherent vice, pre-shipment conditions, inadequate packaging, or loss of market.

All Risks Policy
Coverage through an insurance contract that promises to cover all losses except those losses specifically excluded in the policy.

Annual Premium
An annual premium is paid and this is adjusted at the end of the year based upon declarations made.

Approved or H/C
An "approved" vessel is one, which the underwriters deem adequate to carry the insured cargo, at the agreed rate of premium. Where the vessel is not approved, the risk is still covered but subject to a reasonable additional premium.

Arbitrating survey
Survey carried out by one or more experts chosen and approved by all involved parties.

Assailing Thieves
Forcible taking of property but not sneak thievery.

ATA Carnets
Documents produced for customs .These documents are produced for goods that are travelling from a country ,which are due to return.They enable goods to enter a country without duty being payable since the goods are due to leave again.

Average agent
Expert sent by the insurers to assess the damages sustained to goods and ascertain cause of loss.

Average Agreement
Document signed by cargo owners by terms of which they agree to pay any General Average contribution properly due so that cargo may be released after a General Average loss has occurred.

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Average clause
This allows the insured to recover part of the damages when the underwritten insurance is insufficient through the report of the value of transported goods ie when the goods are underinsured this making the insured responsible for a pro-rata proportion of.

Barratry
Deliberate acts committed by the captain and crew of a ship, to the detriment of the owner and loaders

Batch /Consolidation list
Document listing all the goods sent in a single shipment.

Bill of Lading
This document for river or marine transportation has three principal functions :
- Serves as proof of receipt of goods it describes;
- Serves as proof of the transportation contract;
- Serves as representative title for goods

Binder
A written contract issued to place insurance. (Generally authorising a broker to effect insurance on the Insuers behalf.)

Bonded Shipments
Shipments on which duty is payable, but which are permitted to travel to inland destinations before customs inspection is made and duty is actually paid
Bottom Limit The maximum value at risk per shipment/sending/aircraft.

Brown Goods
A term describing consumer electrical goods e.g. Hi-fis, Televisions.

Brussels Convention or
Rules of The Hague
International convention for the unification of certain rules relating to bills of lading. Signed in Brussels August 25, 1924.
A Protocol (Rules of Visby) was signed February 23, 1968.

Cancellation; Flat Pro Rata or Short Rate,
Flat cancellation means the premium is returned to the insured. A pro rata cancellation means the insurer has charged for the time the coverage was in force.
Short rate cancellation entails a penalty in excess of pro rata for early termination.

Carriage of Goods by Sea Act
(Cogsa)
International agreement defining the responsibilities and liabilities of an ocean carrier transporting cargo.

Case of Exoneration
The transporter is responsible from loadingto delivery for losses and damages sustained by goods, unless he can prove that these losses or damages stem from
exceptional circumstances, exonerating him from responsibility.

Catastrophe
An event in which loss is of extraordinary magnitude, such as a hurricane or tornado.

Charter-Party
Maritime charter contract, it records the obligations of the involved parties. There are many different types (Baltime, Gencon, Synacomex...)

C C R
Public commercial establishment created in 1946 and transformed into the Société Anonyme in 1993. The CCR carries out all types of reinsurance operations, some of which benefit from guarantees by the FrenchState (risks of natural disasters, risks of war Chartering Contract through which the ship charterer (owner - proprietor) makes his ship available to a freighter (LESSEE) for a journey or a predetermined time period, in exchange forpayment of price of transport.

Civil Commotion
One of the EXTENDED COVERAGE perils, associated with RIOT and referring to a less widespread or generalized event than "riot" might be thought to encompass.

CMR
International convention relating to road transportation of goods, signed in Geneva on May 19, 1956 and put into effect on July 2, 1961.

Co-insurance
Division of the risks covered by an insurance policy among several insurers

Collect Freight
Freight which is payable to the carrier when the merchandise arrives at the port of discharge named in the bill of lading.

Combined Ratio
A measure of the dollars spent for claims and expenses and premium dollars taken in.

Common Carrier
Any ship owner or other carrier who offers vessels or other modes of transportation to the public for the purpose of transporting merchandise.

Consequential Loss
A financial loss occurring as the result loss damage or non-delivery of the interest insured.

Consignee
Individual or company to whom cargo is shipped or consigned.

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Contingency Insurance (Sellers risk)
A secondary insurance coverage that will protect an insured's financial interest if the primary insurance coverage effected by others does not respond for a covered loss.

Contribution
This relates to situations where more than one party covers the risk. Each party is deemed to be liable for its portion of the loss.

Counter Signature
An authorized signature (of agent or company representative) on an insurance policy.

Country Damage
Damage caused by dirt, mud, etc., to commodities before they are shipped.

Cover Note
A non-negotiable document evidencing insurance that may or may not indicate the terms of coverage.

Criminal negligence
Reckless act carried out without valid reason despite the awareness that damage would probably result.

CTL
Constructive Total Loss

Deadweight Capacity (Dwt)
Difference between the light displacement and the loaded displacement of the ship.
Light displacement or light weight is theweight of the ship in commission but empty(no fuel, no goods...). Units are in metric tonnes.

Debris Removal Clause
A consequential coverage commonly included in DIRECT LOSS policies. For example, fire policies provide limited recovery for the insured's cost of removing the debris after a covered fire. Not to be confused with REMOVAL.

Declaration Form
filled out by assured and sent to the insurance company when reporting individual shipments coming within the terms of an Open policy.

Deductible
A specified amount, or percentage of the insured value, which will be deducted from all losses recoverable under a policy.

Delivery Ticket
Document serving as proof that goods were loaded. It is signed by the road transporter at the request of the shipper.

Demurrage
Contractual penalty anticipated by the Charter-Party when the charterer exceeds his time limits and immobilises the ship for longer than expected. Holidays and holiday evenings count according to the adage ""Once on demurrage, always in demurrage"

Deviation
A vessel's going to some other point or taking some course other than that described in the Bill of Lading.

Difference in conditions
Intervention of a complementary policy when the conditions of the base policy are insufficient or not adapted to local regulation

Documentary Credit
Contract by which a bank, in accordance with the instructions of the buyer, agrees to pay the seller the price of goods upon presentation of certain documents

Endorsement
Document completing or modifying the insurance contract.

Exhibition Cover
A Marine Cargo Policy normally provides cover while merchandise is in transit. However, an Exhibition Cover extends coverage to include the merchandise while it is on exhibit (usually at a trade show) and the return shipment (unless the merchandise is sold).

FCL
Full container load

Fitting out
Group of equipment and personnel needed to navigate a ship.

FPAAC (Free of Particular Average, American Conditions):
Average clause that limits recovery of partial losses under the Perils clause to those losses directly resulting from fire, stranding, sinking, or collision of the vessel.

FPAEC(Free of Particular Average, English Conditions):
Same as FPAAC except that partial losses under the Perils clause are fully recover-able if the vessel has been stranded, sunk, burned, been on fire, or in collision, without requiring that the damage actually be caused by one of these perils.

Forwarding Agent
Haulage contractor who freely organises the operation and settles the necessary contracts in his name, for the account of his client shipper (the principal).

Francise
Similar to a deductible, but if the recoverable loss equals or exceeds the franchised amount the loss is paid in full.

Free of capture and Seizure (F.C & S)
An insurance clause providing that loss is not insured if due to capture, seizure, confiscation and like actions, whether legal or not, or from such acts as piracy, civil
war, rebellion and civil strife.

Free of Particular Average (F.P.A)
Sometimes referred to as "C Clauses." This is a restricted form of insurance that covers the goods against total loss by Marine perils. Partial losses

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are recoverable only if the vessel has stranded, sunk or burnt or the loss has been caused by fire, collision, contact of the conveyance or by discharge of the cargo at a port of distress. American F.P.A. clauses are narrower in their cover.

Freight Charge
Price agreed upon for the transportation of goods, or, by extension, for the cargo itself

Fronting
Accepting liability for a direct insurance with the intention of re-insuring the whole risk at the original net rate, usually less an overriding commission

General Average
Loss resulting from a voluntary sacrifice of any part of the vessel or cargo, or an expenditure to safeguard the vessel and the rest of the cargo. When such a loss occurs, it is paid on a pro rata basis by the ship owner and all cargo owners.

Grounding
The term of grounding usually implies a less dangerous position of a vessel than that of stranding .A vessel is said to be grounded when during moderate weather she is run on a bank or shoal. Also when resting upon the bottom of a river or
harbour for want of water

Harmonised
System A system of classifying products for trade purposes developed by the Customs Cooperation Council (CCC) in Brussels and its 150 member countries. Individual countries use their own national classifications but the first 6 digits are standard (or
harmonised) across all countries using the system. The first countries introduced the system in 1988 and it is now used by over 50 countries (including TradStat reporting countries.)

Held Covered
A provisional acceptance of risk, subject to confirmation that cover is needed at a later date. Where applicable to an existing insurance, coverage is conditional. In practice, on prompt advice to the underwriter as soon as the insured is aware of the
circumstances to be held covered coming into effect, and a reasonable additional premium is payable if the risk covered comes into effect, the insured is covered.

Hold Harmless
Agreement A contractual assumption by one party of the liability exposure of another. Lease agreements, for example, commonly require the tenant to hold the landlord harmless for bodily injury or property damage experienced by others on them premises.

Hidden Damages
Damages that are not suspected or evident on external examination of the contents, which are only discovered when goods are unpacked.

Hurricane
A tropical storm marked by extremely low pressure and circular winds with a velocity of 75 miles an hour or more.

Inchmaree Clause (So-called for a famous legal decision involving a vessel of that name.)
Covers losses resulting from a latent defect in the vessel's hull or machinery and losses resulting from errors in navigation or management of the vessel by the master or crew.

Incoterms Series of facultative international regulations standardizing the terms used in foreign contracts of sale

Inherent Vice
Damage originating from the nature of the insured cargo, regardless of any external factor.
Insurance Agent Representative of one or many insurance companies.

Insurance Broker The broker is an insurance professional, often specialising in a certain branch, who is an agent of the insured. He generally receives a commission, or a fee.

Insurance certificate
Negotiable document certifying that the goods it represents are insured. It supplies details about the insured values and the conditions of coverage. The certificate can be to a named person, to an order, or to the holder

Invoice
Document which shows the terms of sale; contains full description of goods, sale price, charges, discounts, etc.

Freight forwarder (transitaire)
Intermediate similar to an agent, charged with coordinating various methods of transportation according to the instructions which he has been given.

Jettison
Voluntary act by the captain of casting off some of the content of the ship, in order to save the ship and most of the cargo during an occurrence.

Judiciary appraisement
Survey carried out by one or more experts named by the president of the commerce court or of the magistrate's court at the request of one of the parties on the transportation contract.

Lay-Days
Contractually anticipated period during which the shipowner puts his ship at the disposal of the charterer for loading or unloading.

LCL Less than container load

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Leading Insurer or Leading Company
First signatory on an insurance policy, when there are several coinsurers. The terms and conditions of the policy are discussed with the Leading Company.
Leakage
Loss in quantity or weight of certain liquids, due to their inherent nature.
Limitation / Time Bar
Delay after which it is no longer possible to institute judicial proceeding to recover losses
Liner Terms
They determine the division of responsibility between the loader and the shipowner in the marine transportation by liner contract, most often referring to the use of ports and marine lines.
LOSS (LEAKAGE) in transit
Loss in quantity or weight of certain goods, due to their inherent nature.
L T A Transportation document established by the
shipper, serving as proof of the contract with the aerial transporter.

Manifest Summary state of bills of lading kept by the
captain, which allow the indexing of cargo on board.
Marine Extension Clause Cargo policy clause that continues coverage on goods during deviation, delay,
re-shipment, and transshipment, or any other variation in normal transit beyond the assured's control.
Marine Surveyor Specialist who determines the nature, extent and cause of loss and/or damage.
Market value Value of goods on the day of claim, according to the market prices.
Masters Protest Sworn statement by captain describing any unusual happening during the voyage.
Notification of damages
Circumstantial written protests notifying an anomaly of the delivered goods.
The notifications are made :
- by the recepient in cases of damages or missing goods
-by the transporter when he has reason to suspect the veracity of the loader's declaration
Occurrence
Any circumstance causing or having caused damage to the means of transportation or to the goods.

Particular Average Damages, like deterioration or missing goods, which only affect a single interest,
unlike common damages.
Perils of the Sea Hazards from natural forces in or about navigable waters (windstorm, rough weather, etc., but not fire, explosion, etc., which are perils on the sea).
Private Transportation
Road transport carried out by the insured for the needs of his activity, without having recourse to a public transportation company and without him having the status of public transporter. He uses his own vehicle or hired one.
The effective cause of loss or damage; an unbroken chain of events between the occurrence and damage.
Public Transportation
Transportation carried out by a business having no economic or judicial connections to the goods.
Recovery
The amount recovered from a third party responsible for a loss on which a claim has been paid.
Renewal
A continuance of insurance under a policy beyond its original term by the insurer's acceptance of the premium for a new policy term.
Return Insurance
A seller or a buyer can have the underwriting of transportation insurance by a foreign insurer imposed on him by the co-contracting party.
Risk
Uncertain event, whose occurrence causes the guarantees explained in the insurance policy to be put into effect.

Sacrifice
The deliberate casting away or destruction of property to prevent greater loss.
General Average sacrifice is for the common good and saved interests make good the sacrifice in proportion to the saving enjoyed.
Salvage
The recovery made by an insurance company by the sale of property that has been taken over from the insured as a part of loss settlement.
Salvage Charges
The reward payable to salvors for saving life and property at sea

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Seaworthiness
There is an implied warranty in every voyage policy that the ship must be seaworthy at the commencement of the insured voyage or, if the voyage is carried out in stages, at the commencement of each stage of the voyage. To be seaworthy, the ship must be reasonably fit in all respects to encounter the ordinary perils of the contemplated voyage, properly crewed, fuelled and provisioned, and with all its equipment in proper working order. Cargo policies waive breach of the warranty except where the insured or their servants are privy to the unseaworthiness. Breach of the warranty is not excused in a hull voyage policy, literal compliance therewith being required.

Seaworthiness Warranty
Although there is no warranty of seaworthiness in a hull time policy, claims arising from unseaworthiness may be prejudiced if the ship sails in an unseaworthy
condition with the knowledge of the insured.

Self Insurance
An insurance-like strategy for handling one's own exposures to loss supported by the financial wherewithal to meet expected losses. Not to be confused with a decision to forego insurance.

Self Insured Retention
That portion of pure risk an insured undertakes to handle on his or her own. A deductible is a form of self-insured retention.

Settlement
A policy benefit of claim payment.

Shipment Date
The date on which a shipment begins.Shipper Sender mentioned on the bill of lading. This term also serves to describe transporters' clients, for transportation on
land, by sea or in air.

Standard Contract
Contract applying with full rights in absence of a written convention between the parties, if a provision in the legislation in force exists

Stranding
Accidental engagement of the keel on a sandy or rocky bottom which causes the ship to stop, COULD BE DELIBERATE IN ORDER TO AVOID SINKING FOR INSTANCE

Strikes Cover
Limited to damage caused to insured property by strikers, locked-out workers and persons involved in a labor dispute. It does not include loss or expense incurred as a result of strikes.

Subrogation
The right of the underwriter to step into the shoes of the insured, following payment of a claim, to recover the payment from a third party responsible for the loss.
Subrogation is limited to the amount of the claim.

Sue and Labour
A marine insurance clause comparable to REMOVAL in property insurance.

Sue and Labour Charges
Charges incurred by an insured in averting or diminishing a loss. They are recoverable in addition to the full sum insured.

Suspension
Temporary halt or annulment of guarantee

Term
The period of time a policy or bond is issued for.

Total Insured Value
The complete insured value of a shipment including duty, advance and freight charges.

Trader
International negotiater of large quantities of bulk goods.

Transhipment
Transfer of cargo from one ship, truck, or train to another ship, truck, or train.

Underwriting The process of selecting risks for insurance and determining in what amounts and on what terms the insurance company will accept the risk.

User Value
Sale price with deduction for depreciation.

Utmost Good Faith
A basic principle of insurance. Mutual trust in negotiating an insurance contract.
The insured and their broker must disclose and truly represent every material circumstance to the underwriter before acceptance of the risk. A breach of good faith entitles the underwriter to void the contract

Valuation Clause
Provides basis for determining insured value of a shipment under the Open Cargo policy.

War Risk
Insurance against loss or damage to property as a result of war risks

Warehouse to Warehouse
An export/import policy clause that provides protection from the shipper's ware-house and during ordinary course of transit to the consignee's warehouse.

Warsaw Convention
International convention relating to air transportation. It was signed in 1929 and completed by the Guadalajara Convention in 1961

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Washing Overboard
Loss of a package into the sea, from shifting caused by shock from a wave or swell which submerges the structures of the ship.

Waybill
A bill of lading issued by a carrier showing the merchandise to be transported and shipping instructions. Airlines and truckers usually use it.

White Goods
A term describing consumer domestic electrical appliances e.g. fridge, washing machines.

Wilfull negligence
Act committed with the intent to cause damage.

Without Prejudice
Occasionally claims may be paid which the underwriter feels are not actually covered by the policy. Such payments are "without prejudice" and are not to betreated as a precedent for future similar claims. Also a term used to indicate that a report or opinion is objective and unbiased to any interested party involved.

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Transport Risk Management

Protecting trucks and cargoes from theft

1. Advice to Truck Operators: recruit the right drivers, train them and implement good operating procedures.

Truck operators, cargo owners and insurers are suffering rising losses following increasing numbers of thefts and hi-jacking of trucks and their cargoes across the UK and Continental Europe. Total costs of losses are unknown due to many incidents going unreported to the authorities but it is estimated to be several billion Euros/Dollars for each European nation. The Federal Bureau of Investigation (FBI) estimated in January 2003 that worldwide thefts of cargo amounted to USD50 billion. In an effort to help reduce the risk of theft ACE Transport Risk Management, in collaboration with truck operators, carriers, shippers and regulatory authorities have developed guidelines for truck owners and companies when transporting goods by road.

- Recruit the right drivers. Check employment references and previous 5-10 year history, actually speaking to previous employers to help establish if they have a criminal record. Similar procedures for short term/agency staff
- Check driver's licence is valid and for any endorsements - review every 6 months. If driving in Europe, ensure driver is experienced. If not, ensure accompanied by experienced driver for initial few trips
- Security training should be given to all drivers and warehouse staff detailing specific written procedures which should be complied with to avoid a breach of their contract of employment
- Issue drivers with signed Photo I.D. Cards to be worn during working hours. Ensure proper procedures are followed when collecting/delivering goods
- No unauthorised personnel, hitchhikers etc. carried in cab. Cab doors remain locked throughout transit
- If stopped by police, do not leave cab. Show "vulnerable load/ multi-lingual cards" advising that the driver will follow to nearest police station. This helps prevent hi-jack attempts by bogus officials
- Regular reporting in via radio/cell phone to base with any deviations to pre-agreed routing being advised
- Unless in an emergency only stop in approved secure locations. Always lock vehicle, remove keys and use anti-theft devices no matter how short the stop is
- Drivers to be aware of being followed, not discuss load/routing etc. with strangers and to report unusual circumstances to base and authorities

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Transport Risk Management

Protecting trucks and cargoes from theft

2. Advice to Truck Operators: vehicle protection

Truck operators, cargo owners and insurers are suffering rising losses following increasing numbers of thefts and hi-jacking of trucks and their cargoes across the UK and Continental Europe. Total costs of losses are unknown due to many incidents going unreported to the authorities but it is estimated to be several billion Euros/Dollars for each European nation. The Federal Bureau of Investigation (FBI) estimated in January 2003 that worldwide thefts of cargo amounted to USD50 billion. Truck/cargo theft usually takes one of three forms, either theft of a vehicle and its cargo whilst left unattended, hi-jack of a vehicle whilst in transit or 'jump up' where the cargo compartment is breached either by forcing locks or slashing canvas sides of trailer to remove some or all of the cargo. In an effort to help reduce the risk of theft ACE Transport Risk Management, in collaboration with truck operators, carriers, shippers and regulatory authorities have developed guidelines for truck owners and companies when transporting goods by road.

- Vehicle to be fitted with radio/phone link to base, audible intruder alarm and either fuel line or hydraulic immobiliser systems to recognised UK/European standards
- For high value cargoes use rigid sided vehicles fitted with secure locking/slam locks where possible and equip vehicle with GPS monitoring/tracking system
- Trailers to have large scale identifying marking painted on roof to allow rapid identification by police authorities from the air
- Vehicles should not be left unattended at any time unless in a secure compound area with gate security, CCTV and good floodlighting. For rest breaks whilst in transit this would be best achieved by employing two drivers. Where this is not possible ensure vehicle is locked, alarmed and placed in an area where it can be watched. If driver requires sleep then a secure site must be used. It may be possible to use another carrier's secure compound (subject to agreement)
- If a loaded trailer must be left disconnected, only do so in a secure compound and use anti-theft measures such as King Pin locks, venting trailer air brake reservoirs to delay quick illicit acquisition, back up trailer doors to wall or similar to prevent access
- If curtain sided vehicles/trailers are used, ensure TIR wires are passed through side fasteners and properly sealed. This helps detect illicit entry in transit
- Ensure drivers are given proper security training and specific procedures for transit eg. avoid long waits at border points, awareness of illegal immigrants etc.

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3. Advice to shippers and cargo owners

Truck operators, cargo owners and insurers are suffering rising losses following increasing numbers of thefts and hi-jacking of trucks and their cargoes across the UK and Continental Europe. Total costs of losses are unknown due to many incidents going unreported to the authorities but it is estimated to be several billion Euros/Dollars for each European nation. The Federal Bureau of Investigation (FBI) estimated in January 2003 that worldwide thefts of cargo amounted to USD50 billion. Truck/ cargo theft usually takes one of three forms, either theft of a vehicle and its cargo whilst left unattended, hi-jack of a vehicle whilst in transit or 'jump up' where the cargo compartment is breached either by forcing locks or slashing canvas sides of trailer to remove some or all of the cargo. In an effort to help reduce the risk of theft ACE Transport Risk Management, in collaboration with truck operators, carriers, shippers and regulatory authorities have developed guidelines for truck owners and companies when transporting goods by road. ■ Ensure carrier/haulier/logistics provider follows recommendations as per No.1 and No.2 in this series of advice bulletins regarding protecting 'Trucks & Cargoes From Theft' from ACE Transport Risk Management ■ Ensure proper security and goods dispatch/receipt procedures are always strictly followed with any discrepancies noted and documented ■ Try and implement a 'Service Agreement or Service Standard' which would form part of the Contract of Carriage to give higher levels of liability from a carrier should the terms of the agreement be broken. Aspects that should be included in the service agreement/ standard should relate to the security of goods whilst in the carrier's custody; cleanliness, maintenance and suitability of vehicles and integrity of carrier's drivers as well as performance criteria for the transit of the goods ■ Choose carriers that operate to recognised standards such as ISO. If a carrier uses sub-contractors, shippers/cargo owners should endeavour to ensure that they operate to similar standards of care as the principal carrier ■ Request sight of documentary evidence of carriers and sub-contract carriers liability insurance cover. Your insurance intermediary should be able to help verify the validity of the cover and check the financial soundness of the liability insurer ■ For high value sensitive cargoes consider discreet/plain marking to the packaging and generic wording where possible to the shipping documentation ■ Where own or carriers staff are in a position of trust eg. responsible for high value goods, ensure suitable background checks are carried out. For example a disclosure certificate from the CRB (Criminal Records Bureau) in the UK

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Transport Risk Management

Protecting trucks and cargoes from theft

4. Vehicle tracking and alarming systems

Truck operators, cargo owners and insurers are suffering rising losses following increasing numbers of thefts and hi-jacking of trucks and their cargoes across the UK and Continental Europe. Total costs of losses are unknown due to many incidents going unreported to the authorities but it is estimated to be several billion Euros/Dollars for each European nation. The Federal Bureau of Investigation (FBI) estimated in January 2003 that worldwide thefts of cargo amounted to USD50 billion.

To help combat these incidents and to aid the recovery of stolen goods and vehicles a number of vehicle tracking and monitoring organisations now exist in the UK and across Europe. These organisations generally use 'Telematics Systems' technology which usually comprises a vehicle control/management monitoring device(s) capable of communicating either via GSM mobile phone networks (digital text messaging is often used) or satellite communications and using GPS (Global Positioning System) satellite positioning data. Frequent truck position data together with information relating to speed and direction of travel is transmitted to a central monitoring station. Usually vehicles are equipped with a concealed panic button for the driver or sensors on cargo or cab access door locks which can issue an 'alert alarm' to the monitoring station. Other parameters can be included to cause an 'alert' eg. if a refrigerated vehicle's machinery goes out of the desired temperature range or the vehicle diverts from a pre-determined routing. Upon receipt of an 'alert' the central monitoring station follows agreed procedures to help establish if an illegal act is being committed before calling upon the local police authorities to become involved and help stop the hijackers and recover the vehicle and/or goods. Some of these tracking organisations are reporting very high success rates due to good relationships built up with local police forces, improved success rates for criminal theft prosecutions as well as a fall in theft activity in some areas. Other business benefits are that for the larger transport/logistics operations these systems can be used as a business management tool as cost and efficiency data can also be derived and analysed across a fleet of vehicles.

We recommend that these systems should be considered especially whenever goods of a high value, theft-attractive nature are being carried by road. Costs can be as low as a few £'s/Euros per week per vehicle, but we recommend the following be checked when considering such systems:

- Ensure appropriate coverage with area to be transited with specifics of any 'blind spots/nil coverage areas'
- Ensure operator has full multilingual capability with local police when transits involve crossing country borders
- Obtain examples and success rates from operator when 'alerts' are received
- Ensure the telemetrics system used is tailored to your operational needs and the types of goods being carried