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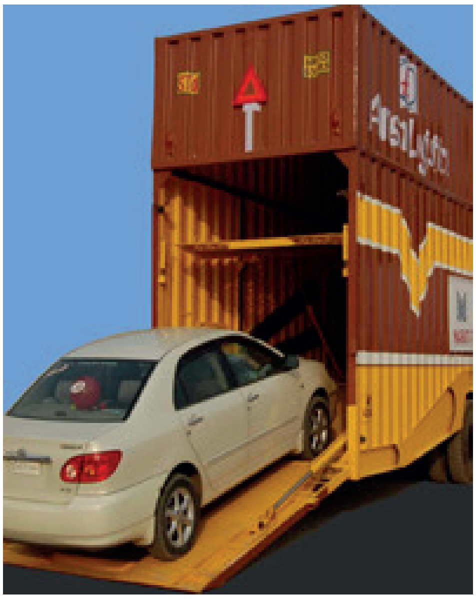
SURA MARINE

# KNOWLEDGE IN TRANSIT



## CARRIERS LOAD INSURANCE

When 'Basic' or 'Defined Events' covers are extended to include the risks of loading/unloading many insurers will alter the extent of the cover depending upon the type of goods.

For example, cover for general cargo will attach when the goods are picked up inside the warehouse and terminate when the goods are placed inside the destination warehouse.

When it comes to goods such as livestock and motor vehicles, cover can be more restrictive, in such cases cover is generally not insured beyond the loading/unloading ramps.

Brokers should be aware that when loading or unloading involves crane operations many insurers exclude such 'on hook' exposures absolutely. If cargo being transported is particularly large or heavy it may be prudent to ensure that the carriers load cover is not limited when it comes to the use of cranes.

When it comes to 'Comprehensive' or 'Accidental Loss/Damage' cover under a carriers load policy the need for a loading/unloading clause should be unnecessary as cover should extend to the entire period that the goods are in transit, including during loading and unloading, by the insured carrier or their subcontractors.

It is important to check the wording as some insurers apply restrictive loading/unloading provisions to carriers load policies irrespective of whether cover is on a defined events or accidental loss/damage basis.

**SURA MARINE – AVAILABLE TO SELECT BROKER NETWORKS**
**CARGO | CARRIERS | GENERAL PROPERTY | COMMERCIAL HULL**

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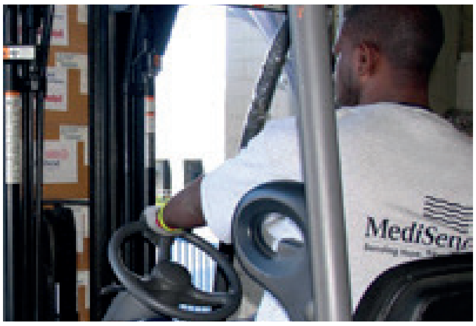


## LOADING AND UNLOADING RISKS IN TRANSIT INSURANCE

Many cargo and carriers load policies only operate when goods are in transit on a conveyance. Damage that occurs to the goods prior to them being placed on the conveyance is not always covered or may only be covered in certain circumstances.

Clients may need cover extended to include damage caused during the process of loading and unloading the goods from the conveyance. This could include anything from transporting the goods from a loading dock using a trolley or bigger risks such as pallets on forklifts or crane operations.

At first glance, extending a cargo or carriers load policy to include the risk of loss or damage caused during loading and unloading should be straightforward. However not all insurers' loading and unloading clauses provide equivalent cover. At times they can be very specific detailing the exact point that the loading risk attaches and the unloading risk terminates. Additionally, different sections of the policy may have different loading/unloading cover provisions.

To add further confusion the extent of cover for loading/unloading can vary according to the type of goods being carried.

This paper will highlight the different approaches to the loading and unloading cover that is provided in the market for cargo and carriers load policies.

## CARGO INSURANCE

While the Institute Clauses are the backbone to most marine cargo policies, there are two versions of theses Clauses in use; the 1982 edition and the 2009 edition, both of which handle loading/unloading cover differently, and are explained below.

## INSTITUTE CARGO CLAUSES (A) – 1982 EDITION

The 1982 Institute Cargo Clauses are primarily a transit cover and do not clearly extend to loading and unloading risks. Cover attaches when the cargo leaves the warehouse for the commencement of the transit and terminates upon delivery at any other warehouse or place of storage.

Brokers who have placed cover on the 1982 version of the Institute Clauses should make sure that cover includes a sufficiently wide loading and unloading clause as without it cover is limited to "on-vehicle (conveyance)" risks.

## INSTITUTE CARGO CLAUSES (A) – 2009 EDITION

The latest edition of the Institute Cargo Clauses now encompasses cover traditionally provided by loading and unloading clauses making the need for a separate loading and unloading clause unnecessary.

Cover now clearly commences when the cargo is first moved for the purposes of loading. Importantly, the cargo needs to be moved for the purpose of immediate loading onto the conveyance. Brokers need to be aware that there is no static risk cover if the cargo is not immediately loaded onto a vehicle or other conveyance. For example, using a forklift to move cargo from the warehouse to the loading dock, when there is no immediate loading operation onto a vehicle could leave a client without cover under a marine policy.

Finally, as far as unloading is concerned, cover terminates once the cargo is unloaded from the carrying vehicle at the final destination. Therefore, brokers will need to ensure that clients have a commercial ISR or Fire and Perils policy that will pick up additional movements of the cargo after it has been unloaded from the carrying vehicle.