



## Why do I need Cargo Insurance?

Cargo insurance protects you from financial losses due to damage, theft, or loss of goods while in transit.

Law and tariff restrictions limit the liability of the carrier, especially for loss and/or damage beyond the carrier's control such as Acts of God. The liability of ocean carriers transporting goods is limited by the shipping contract or at \$500 per package or customary freight unit as per the Carriage of Goods by Sea Act (COGSA).

The limit of liability of the carrier is not insurance. For example, if you ship a vehicle without insurance, even if you can demonstrate the ocean carrier was at fault for physical damage, the maximum liability of the carrier is \$500.

**Hyde Shipping has a solution available to you: Cargo Insurance.**

## The Coverage

- Coverage commences from the time goods leave the shipper and/or supplier's place of business and it continues in force during the ordinary and customary course of transit to the final destination.
- Cargo is protected against "All Risk" of physical loss or damage from any external cause.
- Insurance remains in force for fifteen (15) days after vessel discharge or upon delivery, whichever occurs first.
- Concealed damage must be reported within three (3) business days of delivery
- Shortages must be reported within one (1) day of delivery.

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## Coverage Highlights

- There is no deductible.
- The Hyde Shipping bill of lading acts as your certificate of insurance.
- Coverage directly underwritten by a reputable insurance company: Seven Seas Insurance Company, Inc.



## General Exclusions

- In no case shall this insurance cover loss or damage or expense caused by:
- Loss, damage, or expense attributable to willful misconduct of Assured or its client.
- Ordinary leakage, ordinary loss in weight or volume of the subject matter insured.
- Ordinary Wear and Tear, or gradual deterioration.
- Inherent vice, defect, or nature of the goods insured.
- Insects and vermin.
- Mechanical breakdown.
- Delay, loss of market, loss of use, interruption of business, or any consequential loss.
- Neglect of the Assured to use all reasonable means to save and preserve the property at the time of or after any loss or damage.
- Loss, damage or expense caused by insufficiency or unsuitability of packing or preparation of the goods insured to withstand the ordinary incidents of the insured transit where such packing or preparation is carried out by the Assured or their employees or prior to the attachment of this insurance (for the purpose of these Clauses "packing" shall be deemed to include stowage in a container and "employees" shall not include independent contractors);.
- Rust, Oxidation, Discoloration, and Corrosion absolutely.
- Atmospheric conditions such as rain, water damage, and/or seawater spray when cargo is not containerized or when cargo is stored in the open.
- Electrical, electronic, and mechanical derangement unless caused by external impact during the time coverage is in effect.
- Loss or damage resulting from rejections from government authority.
- Any pre-existing conditions howsoever caused.
- Loss of or damage to livestock or containers.



### **Excluded Commodities**

- The following articles are not accepted for insurance coverage:
  - Antiques
  - Fine artwork – paintings, drawings, statues, rare books and other works of art
  - Fine jewelry, fine watches
  - Precious stones, diamonds
  - Precious metals and bullion (Gold, platinum, silver, and other precious metals or articles)
  - Money and currency in any form (including phone cards and gift cards)
  - Accounts, bills, deeds, notes, securities, stock certificates, trading stamps, valuable papers, or documents, evidences of debt, letters of credit, tickets, passports, manuscripts, mechanical drawings
  - Recorded or electronic data and media
  - Contraband or property in the course of illegal transportation or trade
  - Marijuana
  - Furs / Animal hides
  - Live animals
  - Hatching Eggs (unless approved by Seven Seas)
  - Cadavers
  - Pianos
  - Full container loads of used tires
  - Used Household Goods and Personal Effects without an itemized list with values.
  - Vehicles in bad condition and/or over 10 years of age
  - Boats in bad condition and/or over 8 years of age
  - Glass, Tile, Granite, Marble, Ceramic, and fragile items when shipment is carried by rail at any point
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### **Approval is necessary to insure the following commodities:**

- Shipments with an invoice value greater than US\$500,000
  - Modular trailers
  - Tanks that are out of gauge and/or \$250,000 or greater
  - Full load containers of used musical instruments
  - Hatching eggs
  - Scrap metal
  - Fiberglass pools, stacked and/or hanging outside the dimensions of a flatrack
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## **Commodity Guidelines**

### **Vehicles**

The ocean carrier must execute a vehicle inspection report (VIR) at time of receiving the vehicle to clearly establish condition in which the vehicle was received.

The vehicle must be loaded in an exclusive container (wheels blocked, braced and/or secured with straps) and remain in the same container all the way through to the destination port.

Discrepancies must be noted at the time of delivery at destination.

Approval is necessary to insure vehicles with the following criteria:

- Valued greater than US\$100,000.00.
- Older than 10 model years and/or in bad condition.
- When not loaded in a shipping container.

The coverage is port to port and excludes preexisting conditions and (1) dents, scratches, rust, oxidation and discoloration; (2) any hidden mechanical, electrical and electronics failure unless caused by a fortuitous event during the coverage period. Damages must be noted at time of delivery.

Vehicles in bad condition or non-operational do not qualify for insurance.

Items loaded in vehicles or damages caused by items loaded in the vehicle are not covered by this insurance. Insurance only covers factory installed equipment.

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### **Boats**

The ocean carrier must execute a boat inspection report (BIR) at time of receiving the boat to clearly establish condition in which the boat was received.

Discrepancies must be noted at the time of delivery at destination.

Approval is necessary to insure boats when one or more of the criteria is met:

- Value greater than USD \$500,000.00.
- Older than 8 model years and/or in bad condition.
- Dimensions are greater than 8' of width, 40' length or 10' height.
- Operations involve water delivery or water discharge.

Items loaded in boats or damages caused by items loaded in the boat are not covered by this insurance. Insurance only covers factory installed equipment.



### Household Good & Personal Effects

The following guidelines apply to shipments of Household Goods and Personal Effects:

An itemized inventory list is required to provide:

- The number of cartons with each carton to be numbered.
- The contents of each carton.
- The value per carton.

Cargo must be properly packed for export.

The limit of liability for anyone carton, package, box or crate, is \$1,000.00.

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### Solar Panels

To qualify for cargo insurance, cargo must:

- Be properly packaged for export.
  - Not be double stacked unless authorized by supplier.
  - Not be transported on the rail at any point from origin to destination.
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### Live Plants, Trees, Sod & Flowers

**Trees on flat racks** Must have roots covered in burlap and moistened. Coverage ceases twenty-four (24) hours after vessel discharge or delivery, whichever occurs first.

**Live plants** Must be shipped in refrigerated containers.

**Cut flowers** Must be shipped in refrigerated containers. Coverage ceases seventy-two (72) hours after vessel discharge or delivery, whichever occurs first.

**Sod** OK to insure sod on 1–2-day transit voyages. Coverage ceases twenty-four (24) hours after vessel discharge or delivery, whichever occurs first.

**Christmas Trees** Trees must be properly prepared and stowed in a refrigerated container. Delivery of cargo must take place within three (3) days of vessel discharge. Notification of damage must occur within 24 hours of delivery. Shortages are not covered.

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### **Cargo loaded in shipper-owned containers**

The following exclusions apply to cargo loaded by the shipper inside shipper-owned containers:

- Shortages unless the seal of the container is broken before delivery by a criminal act.
- Concealed damages unless there has been a reported accident during the coverage period.

Note:

If the value of the container is included in the insurance calculation, the shipping container is insured against Free of Particular Average only.

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### **Duties of the Insured**

It is the duty of the Assured and their Agents, in all cases, to take such measures as may be reasonable for the purpose of averting or minimizing a loss and to ensure that all rights against Carriers, Bailees, or other third parties are properly preserved and exercised. In particular, the Assured or their Agents are required:

- a) To claim immediately on the Carriers, Port Authorities, or other Bailees for any missing packages.
- b) In no circumstances, except under written protest, to give clean receipts where goods are in doubtful condition.
- c) When delivery is made by Container, ensure that the Container and its seals are examined immediately by their responsible official. If the Container is delivered damaged or with seals broken or missing or with seals other than as stated in the shipping documents, to clause the delivery receipt accordingly and retain all defective or irregular seals for subsequent identification.
- d) To apply immediately for a survey by Carriers' or other Bailees' Representatives if any loss or damage be apparent and claim on the Carriers or other Bailees for any actual loss or damage found at such survey.
- e) To give notice in writing to the Carriers or other Bailees within 3 business days of delivery if the loss or damage was not apparent at the time of taking delivery. NOTE: The Consignees or other Agents are recommended to make themselves familiar with the Regulations of the Port Authorities at the port of discharge.
- f) It is a condition of this insurance that the Assured shall act with reasonable dispatch in all circumstances within their control.
- g) Damaged goods must be retained for presentation at time of settlement unless otherwise instructed by the insurance company in writing.



### Claim Procedure

Should loss or damage occur to insured cargo, immediate notification must be given to Hyde Shipping and/or Seven Seas Insurance Company at:

Seven Seas Insurance Company: [claims@sevenseasins.com](mailto:claims@sevenseasins.com).

Hyde Shipping Corporation [CargoClaims@hydeshipping.com](mailto:CargoClaims@hydeshipping.com)

The notification should include the Bill of Lading number and list of damaged items. Notification of loss or damage must be documented and provided in the claim submission.

A complete claim package consists of:

- Claim Letter
- Bill of Lading (Proof of insurance)
- Delivery receipt (s)
- Invoice highlighting the damaged/short items
- Photos of damage (s) (distant and close-up)

Depending on the type and extent of loss, other documents may be required, including:

- Repair estimate
- Independent survey
- Condemnation or dumping certificate
- Any other relevant information that pertains to the claim.

**Note: Damaged goods must be retained for presentation at time of settlement.**

To ensure there are no delays in the processing of your claim, provide relevant information to support your loss.

Prompt notification for concealed damages is required. Concealed damage must be reported within three (3) business days of delivery.

Obvious damages should be noted on the delivery receipt. Concealed shortage must be reported within one (1) business day of delivery.

*Any person who knowingly and with the intent to injure, defraud, or deceive any insurer files a statement of claim or an application containing any false, incomplete, or misleading information is guilty of a third-degree felony.*



## **ABOUT THE INSURANCE COMPANY**

Seven Seas Insurance Company has been providing marine cargo coverage since 1967. Cargo insurance has been and continues to be our focus. We operate entirely in-house without any intermediaries.

You can feel comfortable knowing that Seven Seas Insurance has received an A (Excellent) rating from AM Best, the leading provider of ratings on the worldwide insurance industry.

For more information visit [www.sevenseasins.com](http://www.sevenseasins.com).