

## FREIGHT FORWARDERS LIABILITY INSURANCE POLICY

### PROSPECTUS

#### Introduction

Freight Forwarders liability Insurance protects freight forwarding companies from financial losses due to various risks associated with their operations. This insurance covers potential liabilities arising from cargo damage or loss, errors and omissions in their services, and third-party claims. It also helps cover legal costs, defense costs, and other expenses related to claims made against the freight forwarders.

#### Scope of Cover

##### Section 1- Freight Liability :

- Legal and or contractual liability for loss or destruction of, or damage to goods, including pallets, packing materials and the like or delay in delivery, howsoever caused during the period of insurance stated, under Common Law, contract, bailment, National or International Convention, or by Statute.
- The Assureds' legal liability for indirect and/or consequential loss arising from the above and or delay in delivery
- All and every additional costs and/or expense reasonably incurred by the Assured in consequence of or in order to prevent or minimise a loss or losses, which might be recoverable hereunder including by way of example but not limited to surveyor or loss adjuster and/or other expert's fees and fees and expenses of lawyers/solicitor's and/or other parties that they may engage in respect of investigation, assessment/ adjustment, settlement and defence costs.
- This insurance is extended to cover the following costs and expenses:
  - (a) extra expenses reasonably incurred by the Assured for the removal and disposal of debris of goods or part thereof.
  - (b) contamination of goods and/or vehicle and/ or property used to carry and/or store goods by reason of damage thereto, including quarantine, fumigation and disinfection other than incurred in the normal course of business
  - (c) incurred by the Assured solely as a result of the total failure of a consignee to collect or remove cargo at the place of delivery
  - (d) Additionally incurred by the Assured in sending to the correct destination any cargo that has been mis-delivered.
  - (e) Reasonably incurred by the Assured to complete the transit to the contracted place of delivery, as a result of insolvency of their sub- contractor
  - (f) In respect of expenses and/or costs reasonably incurred in unloading, storing and forwarding Goods to the original destination (or as reasonably requested otherwise by the customer) following a failure in the SOLAS Container Weight Verification Requirement in consequence of the weight of a packed container not being verified or not correctly verified and provided the expenses and/or costs cannot be recovered from any other party, or any attempt to do so is considered to be uneconomic.
- (a) Legal liability for loss of and/or damage to trailers and/or containers of whatsoever type in the care custody or control of the Assured or for which they are responsible under a contract for carriage or forwarding
  - (b) The Assureds legal liability for any demurrage or storage payable on any transport unit following an event covered under this insurance.

- Community Transit System and Customs Liability : Liability to any customs, tax or excise authority and to customers in respect of any duties, taxes, agricultural levies, monetary compensatory amounts, claw-back, penalties and expenses which may become payable on goods as a result of any irregularity or infringement including but not limited to late collection and/or late delivery.
- Liability for cargo's proportion of general average contributions and/or salvage and sue and labour charges

## **Section 2 - Errors & Omissions; Loss of Documents/Data :**

- A. Errors and Omissions: Liability in respect of any claim for breach of professional duty by reason of any negligent act and/or error and/or Omission arising out of but not limited to misdirection of goods, failure to insure or failure to comply with specific instructions, faulty arrangements or clerical errors committed or alleged to have been committed by the Assured or any employee of the Assured, or their predecessors in the conduct of the Assured's occupation or a subcontractor/agent of the Assured.
- B. Assured is indemnified for the costs and expense incurred in replacing, restoring, or reconstituting any documents which become lost or damaged which are the property of the Assured or are in their care custody and control and for which the Assured are responsible

## **Section 3 - Containers, Trailers and Equipment:**

Physical loss of or damage to and/or containers and/or trailers and/or semi- trailers and/or tilt-trailers and/or pallet containers and/or flats and/or similar interests of every description, the property of the Assured or held by them in trust or on commission or hired by or to or leased by or to or loaned by or to the Assured and/or for which the Assured are responsible whilst anywhere within the territorial limits stated

## **Exclusions under Policy:**

(This is not an exhaustive list - Please refer to policy wording copy for full details of all exclusions)

1. Any claim or loss resulting from any inability of the Assured to pay or collect accounts (other than accounts which they may be required to pay or collect on behalf of their principals).
2. Any claim resulting from the insolvency or financial default of the Assured.
3. Any liability, costs or expenses brought about or contributed to by any dishonest, fraudulent or criminal act or omission of the partners or owner directors of the Assured.
4. Loss, or damage directly or indirectly occasioned by, happening through or in consequence of war, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power, or confiscation or nationalisation or requisition or destruction of or damage to property by or under the order of any government or public or local authority, except as provided for under Section 3A of this Policy.
5. Loss, damage, liability or expense directly or indirectly caused by or contributed to by or arising from the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter. The exclusion in this sub-clause does not extend to radioactive isotopes, other than nuclear fuel, when such isotopes are being prepared, carried, stored or used for commercial, agricultural, medical, scientific or other similar peaceful purposes.
6. Nuclear or radioactive weapons
7. Any liability the Assured may incur in respect of the Assureds' interest in any ship or aircraft which arises out of its management, navigation or operation.
8. Any claim or loss resulting from the carriage of bank notes, cash, bullion, currency, cheques, bearer securities, unless the Assured is unaware that the load includes any of these goods
9. Any claim in respect of death, injury, disease or illness of humans

10. Any loss or damage to goods whilst they are undergoing a repetitive process which alters the integrity of the goods.
11. Excluding any claim in respect of liquidated and/or punitive damages.

**Claims procedures:**

In the event of a happening which has given rise to a claim (or serious event) which is known to result in a claim above the Excess under this Insurance the Assured shall give reasonable notice to the Insurer or their broker, and shall furnish full particulars thereof. Every letter, notice, writ, summons and process relating thereto shall be notified to and forwarded to the Insurer via the said Third Party Administrators, Brokers/Agents and/or Loss Adjusters immediately upon receipt.

**Grievance:**

For resolution of any query or grievance, You may contact the Our respective branch office or may call toll free number 1800 266 4545 or may write an e- mail at [care@zurichkotak.com](mailto:care@zurichkotak.com).

In case the You are not satisfied with the response, You may contact Our Grievance Officer at [grievanceofficer@zurichkotak.com](mailto:grievanceofficer@zurichkotak.com). In case if You are not satisfied with the solution the Grievance Officer has provided, You can write to [seniorgrievanceofficer@zurichkotak.com](mailto:seniorgrievanceofficer@zurichkotak.com) / [chiefgrievanceofficer@zurichkotak.com](mailto:chiefgrievanceofficer@zurichkotak.com).

However, if the resolution provided by Us is not satisfactory You may approach Insurance Regulatory and Development Authority of India (IRDAI) through the Bima Bharosa Portal: <https://bimabharosa.irdai.gov.in>.

You may also approach Insurance Ombudsman, subject to vested jurisdiction, for the redressal of grievance. The details of the Insurance Ombudsman/ complete Grievance Redressal Process is also available at Our website: [www.zurichkotak.com](http://www.zurichkotak.com)

The updated details of Insurance Ombudsman offices are also available on the website of Council for Insurance Ombudsmen [www.cioins.co.in/Ombudsman](http://www.cioins.co.in/Ombudsman).

**Duty of Disclosure:**

This Policy is issued in reliance upon the truth and completeness of the declarations, agreements, representations and warranties made in the written Proposal. Such declarations, agreements, representations and warranties are the basis of this Policy and are incorporated into and constituting a part of this Policy.

**Note:**

For detailed Coverage, Exclusions, Conditions etc., it is recommended to go through the Specimen copy of the Policy Wording which can be collected from any of our branch or downloaded from company web site.

**STATUTORY WARNING - PROHIBITION OF REBATES  
(Under Section 41 of Insurance Act 1938)**

1. No person shall allow or offer to allow, either directly or indirectly as an inducement to any person to take out or renew or continue an insurance in respect of any kind of risk relating to lives or property, in India, any rebate of the whole or part of the commission payable or any rebate of the premium shown on the Policy, nor shall any person taking out or renewing or continuing a

Policy accept any rebate, except such rebate as may be allowed in accordance with the published prospectuses or tables of the Insurer.

2. Any person making default in complying with the provisions of this section shall be liable for a penalty which may extend to ten lakh rupees