Marine

freight forwarders combined liability case studies

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Lumley

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These are examples of the sorts of situations that your insurance cover will respond to.

Case Study 1

A road carrier moves a consignment of goods from Blenheim to Christchurch. The contract of carriage is undertaken "at owner's risk". There is substantial damage to the consignment when the truck overturns on the coastal road through Kaikoura. Notwithstanding the "owner's risk" term, the owner of the goods makes demand on the road carrier.

How could we help? In this situation we would step in to defend the road carrier, appointing our own solicitors and meeting the cost.

Case Study 2

A freight forwarder is sued after export goods, shipped under the freight forwarder's bill of lading which named the forwarder as carrier, go missing in transit.

How could we help? We would initially appoint an assessor to see if the missing goods could be located and returned to their owner. If that proved not to be achievable we would confirm that the contractual liability for the loss does indeed lie with the freight forwarder, and pay the limitation sum to the claimant.

Case Study 3

A road carrier who has contracted to move frozen goods from one city to another, subcontracts the actual carriage to another carrier. That carrier negligently performs the carriage, with the result that the goods defrost and have to be dumped.

How could we help? We would confirm that the contracting carrier was liable in the first instance to the owner of the goods, and pay the value of the claim. We would then take proceedings against the negligent actual carrier to recover the amount of the payment. If successful this would result in the contracting carrier's insurance excess being refunded and the loss ratio on the account being reduced, thus preventing an increase in premium.

Case Study 4

A freight forwarder who, as part of its ordinary activities, gives advice on Customs and tariff matters, makes an error. This results in the customer paying the wrong rate of duty, something that is picked up during a Customs audit.

How could we help? We would meet the customer's claim against the forwarder, assuming of course that legal liability existed. If the forwarder has taken out the optional fines and penalties cover we would also meet the penalty imposed by Customs, up to the maximum cover under the policy.