



## CARGO INSURANCE ELECTION FORM

Thank you for choosing Western Overseas Corporation. We appreciate your business and want to provide the highest quality service at all times. Please be assured that while every effort is made to ensure safe delivery of your goods, sometimes loss and/or damage does occur.

### WESTERN OVERSEAS' ROLE AND WHAT YOU WILL RECOVER SHOULD A LOSS OCCUR

**Shipping by Ocean:** While Western Overseas arranges for the transportation of your goods, by law, it is the carrier who bears responsibility for loss or damage to your freight. The carrier's liability for freight moving over the ocean is governed by the Carriage of Goods by Sea Act (COGSA). Under the terms of COGSA, the most you could recover from the shipping lines in the event that they are proven negligent is \$500 for each customary freight unit (CFU). The measurement of the CFU is widely defined, but it can vary from 1 container to 1 pallet.

It is important to understand that COGSA is centered on the liability of the carrier. At the heart of the concept of carrier liability is the idea that the carrier is not responsible for paying claims if they did not cause or contribute to the loss. In the event that Western Overseas acts as an NVOCC and assumes carrier liability, recovery in the event of a claim is still limited by COGSA in the bill of lading terms and conditions.

In an effort to better define carrier liability, The Hague-Visby rules were created to define 17 circumstances under which the carrier cannot be held liable. If a loss is caused by any one of the following defenses, the ocean carrier will not pay for any part of the loss:

- Any neglect default or error of the carrier in Navigation or of management of the ship
- Defects not discoverable by due diligence
- Fire
- Quarantine restrictions
- Perils or dangers of the sea (storms, etc)
- Acts of or omissions of the shipper or owner
- Act of God
- Strikes, lockouts, or labor shortage
- Act of War
- Riots or civil commotions
- Act of public enemies (pirates, etc)
- Inherent defect, quality or vice of the goods
- Arrest, restraint, or seizure
- Attempting to save life or property at sea
- Insufficient packing

**Shipping by Air:** Air carriers limit their liability in a similar fashion as ocean carriers. Under the Warsaw Convention/Montreal Protocol 4, carriers will pay 17 SDRs (approximately \$26) per Kilo only if it can be proven that they were negligent. Once again, the burden of proof is on the shipper and it is often difficult to prove that the carrier was at fault.

### HOW CAN YOU PROTECT YOURSELF?

"All Risks" Shipper's Interest Coverage\* provides the owner of the cargo with coverage for direct physical loss or damage to the cargo without the need to prove liability. If a loss occurs, you will be paid directly and any recovery possible from the carrier will be handled by our subrogation specialists.

\*FPA/Total Loss coverage only for used Household Goods, used merchandise, and used vehicles more than 12 years of age.

### ADVANTAGES OF INSURING YOUR CARGO UNDER WESTERN OVERSEAS' POLICY

Covered Losses are paid without the need to prove carrier negligence. After your loss is paid, we work with the carriers to ensure your historical losses are minimized.

No need to demonstrate where the loss occurred.

Claim payments based on Insured value, not weight of pieces missing/damaged or Carrier's limited liability.

Western Overseas will report and handle claims on your behalf.

### PLEASE TELL US HOW YOU WOULD LIKE TO PROCEED

**I WISH TO INSURE THIS SHIPMENT AND FUTURE SHIPMENTS. PLEASE CONTACT ME TO DISCUSS MY OPTIONS.**

**I DO NOT WISH TO INSURE THIS SHIPMENT AND FUTURE SHIPMENTS. I UNDERSTAND THAT MY RECOVERY WILL BE LIMITED IN THE EVENT OF LOSS.**

**COMPANY NAME:** \_\_\_\_\_

**PRINTED NAME:** \_\_\_\_\_ **TITLE:** \_\_\_\_\_

**SIGNATURE:** \_\_\_\_\_ **DATE:** \_\_\_\_\_