



GLOBAL MARINE PRACTICE

ParcelCover: Parcel & Shipping Insurance Program Highlights

ParcelCover Parcel & Shipping Insurance coverage protects from “all risks” of physical loss or damage, including:

- Theft
- Goods lost during transport
- Strikes
- Damage attributed to transport
- Fire
- Riots
- “Acts of God” such as flood, windstorm, earthquakes, etc.
- Terrorism
- Civil commotions

The following breaks down some of the key differences between the ParcelCover Parcel & Shipping Insurance program brokered by Marsh versus Other “Additional Protection” providers and the coverage under the Airway bill provided by carriers:

Cargo Insurance Highlights	Marsh Insurance	Other “Additional Protection” Provider	Carrier’s Terms and Conditions
Protects against All Risks of physical loss or damage	✓	✗ Coverage is limited and tied to the carrier’s limitations of liability	✗ Coverage is limited
Insure for the full value of the goods and freight charges and packing cost	✓	✗ Declared Value only	✗ Limited to the value of the goods only
Coverage includes perils such as Acts of God, terrorism, strikes, riots, and civil commotions	✓	✗	✗
You do not need to prove fault on the part of the carrier	✓	✗ Coverage is limited and tied to the carrier’s limitations of liability	✗ Must prove carrier is liable
Claims are resolved regardless of whether the Carrier is going to pay or not	✓	✗ Coverage may respond but only if the carrier is found liable	✗ Must prove carrier is liable
Losses are paid quickly and efficiently	✓	✗ Claims need to be filed and resolved with the carrier first	✗ Carrier has no obligation to settle quickly

Understanding the Limit of Liability on Your Airway Bill/Bill of Lading

Your Airway-Bill (AWB) or Bill of Lading (BOL) does not provide insurance coverage, even if you have a declared value. The AWB and the BOL serve both as a shipping contract and a receipt for the goods shipped. It shows the date the goods were shipped, what was shipped, by whom, via what carrier, to an exact destination. Also, the AWB and BOL specifies the carrier's terms of carriage, the limitations of liability should loss or damage occur, as well as the carrier's exemptions of liability.

The Limit of Liability is generally based on weight or a set amount per package. These limits normally are not sufficient to indemnify you in the event of a claim or an incident. Also, to complicate matters, there are very short timelines that a claim must be filed with the carrier in order to pursue a claim. However, and most importantly, in order to be successful in your claim submission at the carrier, you have to provide fault of the carrier.

Coverage that Benefits You Not the Carrier

Purchasing "limits of liability" or "shipment value" protection from carriers is not the same as full coverage package insurance. Even if additional insurance or a declared value is requested from the carrier, certain Terms of Carriage and/or Bill of Lading/Airway Bill limitations may still apply, such as:

- Acts of God (flood, earthquake, hurricane, tornado, etc.);
- Act or fault of the shipper or public authorities; and rust, oxidation, or discoloration; or
- Terrorism, strikes, riots, and in some jurisdictions theft by hijacking.

In addition, there's no coverage on the BOL or AWB in the event of a General Average.

Understanding the Benefits of Declaring Full Insurance Value

The financial benefit of insuring the full value of the goods (Value of the goods, plus freight costs, plus packing costs) through the ParcelCargo Program are as follows:

- Not having to file a loss/damage claim with the carriers and then waiting for a decision.
- Protecting the freight and packaging costs.
- The insurance is for the full value of the goods not a block value.
- Insurance can be placed on "drop off" shipments, where in the past these shipments could not have insurance placed.

Insurance against damage is rated based on the full value of the shipment, not the potential damage. Cost may need to be substantiated by a commercial or retail invoice. Used goods may be subject to depreciated value. If only a portion of the value is declared, then the insurance company may proportion any claim settlement in the same ratio as the declared value to the actual value of the shipment, e.g., co-insurance penalty.

Getting Started with ParcelCover

For more information, please contact the program administrators by email at parcelcover@marsh.com or by telephone at +1 877 755 4934.

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