

IFB Guide to Cargo Insurance

Freight Forwarder's Liability (BIFA terms)

Maximum 2 x SDR's* (*see below*) per kilogram gross weight of damaged and/or missing goods.
Applicable for

- shipments from Great Britain to Northern Ireland and the Republic of Ireland
- our terms and conditions as Freight Forwarders

BIFA terms are recognised by the UK courts as being the terms of BIFA members. They are also deemed to be fair and reasonable by both the British Shippers Council and the Institute of Export, and a current copy is lodged with the Office of Fair Trading.

These can be superseded by the terms and conditions of shipping lines; airlines and international hauliers.

European Road Transport

CMR terms apply (*except for the whole of Ireland*). However, if a shipment is in transit to or from the Republic of Ireland to/from our European agents, CMR terms apply. Maximum CMR liability is 8.33 SDR's per kilogram gross weight of damaged and/or missing goods.

- **Shipments to/from Northern Ireland are always carried under BIFA terms only whether or not they transit the Republic of Ireland.**
- **Shipments from Northern Ireland to Europe by road are covered under CMR conditions.**

**(An SDR (special Drawing Rights) is a monetary unit of the International Monetary Fund and is used worldwide by insurers as a method of determining a value. It is based on a basketful of foreign currencies and therefore fluctuates in value on a continual basis in the same way as any currency does. The exchange rate is published in the financial newspapers and on the IMF website. On the 11.8.09 the published exchange rate for one SDR was £0.942525.)*

Claims

In the event of a claim, the claimed amount **may or may not** be covered by BIFA. CMR or other relevant terms applicable to that shipment.

Transit/marine insurance is the responsibility of the freight paying party and not the carrier or agent.

Transport is undertaken at the risk of the freight paying party (sender or consignee depending on the terms).

Marine/transit insurance

The purpose of marine/transit insurance is to cover the goods during transit for **'All risks/total value'** of the consignment and not to rely on the limited liability of agents or carriers.

- This can be undertaken by IFB on behalf of the client upon receipt of written instructions.
- IFB cannot arrange such insurance other than with the freight paying party.
- If IFB are requested to arrange transit/marine insurance, it is arranged **ON BEHALF OF THE CLIENT** and is not IFB actually insuring the goods.
- It is the same as if the client arranged the insurance himself through an insurance company or broker.
- IFB will charge a client for this service.
- **A customer can probably obtain cheaper premiums through their own brokers.**
- It is important to clarify whether **breakage insurance for fragile goods** is required or not, such as glassware and ceramics. Premiums will be higher for breakable items.
- **If transit/marine insurance is implemented**, and if there is a claim, normally insurers would settle any bona fide claim expeditiously and then claim from the carrier/agent under subrogation. The carrier/agent would then normally settle with the marine/transit insurers within the terms of their liability, be it BIFA. CMR or other relevant terms.
- **If a client does not take out a marine/transit insurance cover**, then they rely on the relevant terms of the carrier/agent should there be a claim, and depending on circumstances, the total value of such a claim may not be fully covered and this is at the client's risk, not that of the carrier or agent.
- Marine/transit insurance is value based at a premium per £100 insured. Normally the insured value is the delivered value plus 10%. The 10% effectively covering the cost of freight for a duplicate consignment should the first one be lost. If a claim is made against such a cover, it does not mean that premiums would normally be increased **unless there is a succession of attrition claims**. Also there is not normally an excess applicable, unless there is an inherent risk of damage being sustained during transit, e.g. bags/sacks which can easily be snagged.
- **'No claims bonuses' – do not apply to marine/transit insurance.**
- **Consequential loss claims are not covered by marine/transit insurance and are not accepted by IFB or any carrier/agent for whatever reason as is indicated in BIFA terms.**
- **Claims cannot lawfully be deducted from the IFB sales ledger account. They are to be dealt with separately from the normal trading account as indicated in BIFA terms.**