

Single Transit Cargo Product briefing

Transporting goods - a risky business

Moving goods around the world, whether by road, rail, air or sea, is a risky business.

- Ships sink, planes crash, trains de-rail, trucks roll over.
- Cargo is damaged, lost, stolen, hi-jacked, ransomed, over-shot or delayed in transit.
- Containers are accidentally taken 'off-power' and refrigerated or frozen cargo thaws.
- Carriers go insolvent, contract responsibilities are broken and insurance protection issued overseas can prove inadequate.

Your clients need to entrust their cargo to an experienced insurer with global support. QBE Insurance has been writing cargo insurance for New Zealand importers and exporters for over one hundred and twenty-five (125) years and works with a worldwide network of specialist loss adjusters.

To sit alongside our two acclaimed annual cargo policies (Cargo Plus® and Cold Cargo®) QBE has developed two (2) 'single transit' alternatives:

1. Single Transit General Cargo (STG 0114);
2. Single Transit Temperature Sensitive Cargo (STT 0114).

Written to be understood

Both wordings are written in a single policy form and are written to be understood. Their simple style avoids marine jargon and negates the need to cross-refer to traditional Institute Cargo Clauses. In short, QBE has ensured your clients get the cover they need, without the headache they don't.

Who needs QBE's single transit protection?

Any clients who:

- import or export only occasionally and have no need for an annual open cargo policy;
- have unusual cargo or cargo that doesn't fit within the description of 'regular shipments' in their annual open cargo policy;
- have goods being shipped to or from destinations outside their normal trading patterns.

Automatic extensions

Policy benefits	Simply explained
Claim Preparation Cost	External costs incurred engaging experts or labour in providing assistance in the preparation of a claim are included as standard.
Clean Up Cost	Up to NZD 10,000 towards cleaning up any mess on your client's own property, caused by damaged goods insured under the policy.
Concealed Damage	After arrival, clients have 30 days in which to open packaging and discover cargo has been lost or damaged in transit.
Debris Removal	Up to NZD 10,000 towards cleaning up any mess on other people's property, caused by damaged goods insured under the policy.
Deterioration	Frozen or refrigerated goods are covered for deterioration during transit as a result of delay or breakdown of refrigerated machinery.
Duty	Cover is extended to include any import duty that may be payable irrespective of the loss of the goods eg. goods damaged in local transit to the consignee after entry into the country.
Expediting Expenses	Up to NZD 10,000 to get urgent replacements or repairs for lost or damaged goods.



Policy benefits	Simply explained
Freight Forwarders Premises	Goods are covered whilst being held at freight forwarders' premises, either awaiting transport connections or being consolidated with other cargo.
Fumigation Damage	Damage caused by fumigation of the goods ordered by authorities.
Insufficiency of Packaging	Includes cover for damaged goods incorrectly or inadequately packed unless caused or directed by the Insured.
Loading and Unloading Cover	Cover is from the time the goods first start to move in transit until the time transit is actually completed. This includes whilst being initially loaded, unloaded and stored.
Machinery Breakdown	Provides cover for deterioration of frozen or refrigerated goods arising from the failure of machinery in excess of 12 continuous hours
Malicious Damage	As long as your client didn't do it, cover is included for deliberate damage to insured goods.
'Over carried' or 'shut out' Cargo	Cover continues even if insured cargo misses transport connections or is carried beyond its intended destination.
Retail and Sales Packaging	Protection for any special retail or sales packaging that may be damaged.
Transport Interruption/ Strikes Diversion	Keeps clients' goods moving if they become "stuck" in transit.

Note: The key policy benefits above have been summarised for your convenience. However, please remember that they always remain subject to full policy terms and conditions.

Available through Zip™ and QBE's Broker Xchange

The easiest way to secure a QBE Single Transit Cargo Policy for your client is online. QBE's online options enable you to quote and bind business, and produce instant documentation, 24/7.

Zip™

For brokers on eGlobal (v7.03) the premier method to secure a QBE Single Transit Cargo Policy is via Zip™.

Zip™ heralds a fundamental shift in the way brokers can conduct business with QBE. It provides direct access from eGlobal to QBE's underwriting system, enabling brokers to quote, bind, document and invoice business from within their own eGlobal system.

Zip™ provides:

- easy access - a familiar system with no additional log-ins;
- low cost administration - only input data once;
- contract certainty - by inputting risk data into eGlobal, and having that information pulled through live-time into QBE's back office, brokers and clients are assured of consistent information throughout the quotation, acceptance, documentation and billing process.

Broker Xchange

Brokers who are not set up with Zip™ can still quote and bind online via QBE's online broker portal, Broker Xchange:

<https://brokers.qbe.co.nz>

Please speak to your QBE underwriter if you do not yet have access to Broker Xchange.

How is it underwritten?

In assessing cargo risks, QBE looks at the following rating factors:

- type and value of cargo;
- how it is packed;
- the route and distance travelled;
- conveyances used (and the number of changes of conveyance);
- 'bottom limit' (being the maximum sum insured any one conveyance or location);
- loss history.

What isn't covered?

QBE's Single Transit Cargo Policies are designed to cater for the majority of individual cargo transits. However, when transporting some goods it would benefit your client to seek an individual underwriting approach.

For example, QBE is happy to develop a bespoke solution for:

- buildings in transit;
- live animals and plants;
- project cargo;
- fresh horticultural produce (fruit and veg);
- bulk dry goods;
- live or fresh shellfish and seafood;
- bulk liquids;
- non-containerised goods shipped on deck;
- artwork and antiques;
- bullion, precious metals, money, security, bonds etc.

Claims scenarios

Refrigerated container - delay and deterioration

An importer/distributor of chilled fancy meats received a reefer container which had been left 'off power' for three (3) days at the transhipment port.

Although the meat still met food safety standards, the consignee claimed that the meat had deteriorated by not having been kept at optimum temperature for the duration of the transit and claimed for loss of shelf life and consequent reduced value.

Scratched paintwork

A classic car collector purchased a 1960's Chevrolet from the USA and arranged cargo cover via his freight forwarder. Whilst loading the vehicle the stevedores scratched the bodywork along both sides when working within the tight confines of the shipping container.

Given the high spec paint job, this resulted in a claim for an expensive re-spray.

Broken tiles

A local New Zealand tiler arranged to import some Italian ceramic tiles for a one-off contract. Whilst unloading at the New Zealand port, the shipping container was lowered onto the wharf in a less than smooth fashion which, given the fragile nature of the cargo, resulted in twenty (20%) of the tiles being cracked and broken.

The tiler's marine cargo insurance paid for the breakages, together with the cost of air freighting replacement tiles from Italy so that the tiler's contract could be completed on time.

Damaged plant

A manufacturer of machinery for the mining industry arranged to export a disassembled piece of plant to Australia. The lashings within the container came loose in transit and on arrival two (2) parts of the steel frame had rubbed together, removing a layer of very specialised weatherproof paint.

The manufacturer claimed for the repairs which involved having to fly the original painter over to Australia to maintain the manufacturer's warranty on the machinery.

For more information contact your QBE underwriter.

The objective of this Product Briefing is to summarise the purpose of the product, the main market for which the product has been designed and key aspects of cover. For full details of cover, please refer to a copy of the policy wording.