

## MARINE AND LOGISTICS PRACTICE

SUM has assembled a first-class suite of Marine & Logistics products designed to meet even your most complex placement challenges. Our approach is as flexible as your clients' needs are varied.

Many find navigating their clients through the broad array of often archaic transportation coverages challenging. A misstep in advice could lead to disappointment and confusion in the event of a loss. Coverages along the supply and logistics value chain do not necessarily dovetail with one another, making a competent underwriter's guidance essential to navigating this line.

SUM's products are underwritten in-house and led by a seasoned and dedicated Marine Insurance veteran. Please let us work with you to create competitive advantage for you and your client in this often undersold product line. We offer real time service, expert advice, first class security and what we think is among the broadest product suites in Canada.

Our offering includes but is not limited to:

### **Carriers Legal Liability.**

Policy features include:

- Limit of Liability up to \$1,000,000
- Terminal Coverage
- Errors and Omission Coverage

When possession of personal property is given over to the care of another, the common law legal relationship of 'bailment' is created. The property of one person (the "bailor") is transferred to another (the "bailee") with the intent of it being returned to the bailor, or delivered to a new owner. Although the ownership of the property is unchanged, it enters the control of the party to whom it is entrusted. With this the bailee assumes certain legal liabilities for the property in question. This liability is excluded in other liability insurance forms, creating the need for bailee legal liability covers.

Common carriers and Warehousemen not only have common law obligations but also statutory duties as bailees. Unless otherwise provided by statute or the their bill of lading, the carrier is responsible for the full value of property transported. However, under a limited bill of lading, a common carrier may limit the risk to a specified dollar amount.

The purpose of our Carriers Legal Liability form is to indemnify the insured for loss or damage resulting from their legal liability as a carrier. It is important to note that the policy does not insure against loss of carried property unless the insured is legally liable for the loss arising from an insured peril. Coverage exclusions include Acts of God, Acts of Public Enemy, Exercise of Public Authority, Fault or Neglect on the Part of the Shipper, and Inherent Vice or the Nature of the Property.

The motor truck cargo carrier's policy is issued to cover the single interest of the legal liability of the insured. It does not cover the interest of the cargo owners or consignees.

It is customary to describe the goods hauled on the policy. For common carriers hauling all kinds of goods, the description should be broad enough to include circumstances where the trucker is bailee or warehouseman. A phrase such as "general merchandise" is preferable.

### **Freight Broker/Load Broker Legal Liability**

Policy Features include:

- Limits up to \$1,000,000
- Contingent Cargo Coverage
- Errors and Omission Coverage with limits up to \$500,000
- Direct Damage Cargo Insurance Option

We provide the most comprehensive cover in the industry to Freight and Load Brokers (or "Forwarders"). Our policy insures your clients' Legal Liability and Errors and Omissions exposure for loss or damage to cargo during transit they have brokered.

SUM's policy includes a Contingent Cargo section, extending cover to the liability of the forwarder should its Carrier's insurance be defective for reasons not attributable to the forwarder. When triggered, our policy will indemnify the cargo owner (bailor) for the loss or damage to the cargo.

The policy's Errors and Omissions coverage insures the broker for negligent acts of and errors and omissions committed by its employees, officers and directors, in the course of conduct of its business as a transportation/load broker.

Beyond this, this form offers a direct damage cargo insurance extension. This covers the bailor (owner of the cargo) for loss or damage to their property during transit. The insurance is administered through the insured load broker, offering them an effective sales tool to help obtain and keep shipping clients. Our premiums are affordable and coverage is extended to most causes of physical loss to the insured cargo whilst in transit.

## Direct Damage Cargo Insurance

Policy Features Include:

- Limits up to \$10,000,000
- Extensive Geographical Limits – Door to Door Coverage
- Selling Price Valuations
- Storage Extensions (on application)
- Stock Through Put Coverage

Cargo insurance protects the insured's property while in transit against physical loss or damage by an insured peril. We believe this insurance should be a mandatory recommendation whether your client ships goods domestically or Internationally. It transfers the difficulty of recovering a loss from the responsible carrier- always a risky business and in most cases disappointing as the indemnity paid by carriers will be reduced to their legal liability set out in their bill of lading (usually amounting to a small percentage of the actual cost of the goods carried).

The policy includes coverage for all modes of transportation including Ocean Transit, Air Transit, and Inland Transit. Ocean and Air transit insurance is extended in most cases to

include Inland Transit from the seller's warehouse to the port or airport, and from the port or airport of destination to final delivery at the location of the buyer.

Our cargo policy can be tailored to each specific client. We provide extensive Geographical Limits allowing us to insure goods in transit from and to most any location (from the warehouse of the cargo owner to the warehouse of the buyer). We can provide Sales Cost Valuation- in the event of loss or damage the policy will pay at the selling cost of the goods (thus covering any financial loss the owner the goods may have otherwise incurred).

Our Stock Through Put policy takes coverage one step further, covering the insured's goods from cradle to grave, including while in transit, storage and distribution, all under one policy! This eliminates the risk of gaps in insurance during the logistics chain (where traditionally goods are insured from one bailee's policy to the next until they reach their final destination).

## Marine Liability Insurance

Policy Features include:

- Limits up to \$10,000,000
- Primary or Excess Covers

SUM can provide marine liability policies which insures liability or property damage to a third party while the client is engaged in marine related activities.

We can provide coverage for the following marine liability activities:

- Ship Repairers Legal Liability
- Terminal Operator's Legal Liability
- Stevedores or Wharfinger's Legal Liability
- Charterer's Legal Liability
- Marina Operator's Legal Liability
- Builder's Risk Legal Liability
- Follow Form Excess Legal Liability

## Hull and Machinery Insurance

Policy Features include:

- Limits up to \$5,000,000
- Increased Value in case of loss (on application)
- Loss of Hire (on application)

SUM insurance provides Hull and Machinery coverage for small and medium sized commercial hull accounts. Our products includes loss or damage to equipment, machinery, engines and the hull of the vessel.

We can provide insurance for the following hull and machinery classes:

- Work Boats
- Tugs and Barges
- Towboats
- Tour Boats

## Market Security

### MARINE AND LOGISTICS PRACTICE

Lloyd's Underwriters, Everest Insurance Company of Canada, Sovereign General Insurance.

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