

Types of Cargo Insurance

Cargo insurance can be taken for international as well as domestic transportation. At the same time, this is really difficult to standardize and control without the proper cooperation from countries and states due to the varying nature of this insurance. Under these variations, this insurance can be categorized into following classifications:-

Land Cargo Insurance: This insurance provides coverage for all the land transportations covering trucks and other small utility vehicles. The coverage aspects are theft, collusion damages and other related risks. This insurance is domestic in nature and normally, operates within the boundaries of the nation.

Marine Cargo Insurance: This insurance covers transportation carried out either in sea or by air. Here, means of transportation and goods are covered from damage due to cargo loading/unloading, weather contingencies, piracies and other relevant issues. Mostly, this insurance covers international transportation. Under these insurances, there are some policies

- **Specific Cargo Policies:** When a company approaches an insurance company or broker for insuring a particular consignment, then it can fall under the category of specific cargo policies. These policies are also termed as voyage policies because only shipments are covered under them.
- **Contingency Insurance Policy:** There are certain cases where customer, not the seller is responsible for insuring the goods against loss or damage. There are perils associated with it if goods get damaged during transit and customer refuses to accept them. In few cases, some customers do not insure the goods and tend to avoid the liability. Under such circumstances, affected sellers can seek rectification with the help of the legal system. This can be very costly for them and sometimes, they may lose the case. Therefore, sellers are advised to go for contingency insurance which have a very less premium rate. For testing and verification, sellers need not tell about it to their customers

Basic Risk Coverage: Goods being shipped are insured for loss or damage to the shipment resulting from any of the following risks during transit:

- Collision
- Overturning or other accident to the truck, train, boat or plane.
- Fire
- Lightning
- Cyclones
- Floods
- Sinking

All Risk Coverage: Goods being shipped are insured against All Risks of physical loss or damage (partial & total loss) resulting from any external cause while in transit (door to door); including extended coverage for Loading and Unloading, War, Strikes, Riots, Civil commotions, Duty, Theft and Non-delivery of any portion of the shipment (individual items and/or the entire shipment). Subject to the Standard terms and any applicable special commodity terms and deductible listed below.

This is the Broadest All Risk coverage available anywhere, subject to very little exclusion which is standard in every freight policy and considered to be rare; such as terrorism, nuclear events, radioactive contamination, delay in transit, improper/unsuitable packaging and willful misconduct by the insured.