

MARINE CARGO INSURANCE

At HDFC ERGO, we understand that your business requires your undivided attention. With this in mind, our experts have meticulously designed insurance solutions to suit you and your equally unique business requirements. Our teams will ensure that you continue to focus on your key business area, while we advise you on how to best manage the risks.

HDFC ERGO is a wholly owned subsidiary of HDFC ERGO and brings to the table the credibility, financial strength & expertise of its parent. Our spectrum of products includes Property, Construction, and Marine, Fire, Liability and other customized solutions.

HDFC ERGO presents

Marine Cargo Insurance policy designed to provide cover for loss or damage to Cargo during transit by air, rail/road, sea and other connected modes of transit.

Who may insure?

Any person with insurable interest in the property in transit can insure. Further the policy can be assigned freely to any person who acquires insurable interest during transit of the cargo.

The Policy covers

Coverage provided by marine insurance policies interalia depends on the type of cargo, nature of transit and the risks covered i.e. whether restricted cover or wider cover. Coverage is provided based on the clauses, conditions and warranties attached to the policy.

The Policy does not cover loss / damage on account of:

- Willful misconduct of the insured
- Ordinary and inevitable losses
- Improper packing
- Inherent vice
- Insolvency of ship-owner
- Delay
- Nuclear risks.

Add-On Covers

Marine Cargo policies can also be extended to include Add-On Covers, a few of which are as listed below:-

- Duty Insurance
- FOB extension & Shut out Cargo
- Seller's Contingency.

Types of Policies

Brief details of the types of policies/ coverage available for covering the cargo during transit are -

1) Specific voyage Policy:

This is issued for covering Specific Shipments. Cover under this policy commences with the commencement of specific transit and terminates on arrival of the cargo at destination as specified in the relevant clause.

2) Open Policy:

For clients who have transits round the year Open policy is a suitable instrument to address their insurance needs as it gives them automatic coverage for cargo movements without having to obtain a separate policy for each transit. Salient features of this policy are as follows:

- The policy is issued for a period of one year at an initial Sum Insured which can be enhanced during the currency of the policy.
- All shipments are automatically covered at the agreed rates and terms under the policy until the Sum Insured is exhausted.
- Declarations are made by the client for all dispatches during the policy period on a periodical basis.
- At the expiry of the policy premium for unutilized Sum Insured is refunded.
- Insurer's maximum liability restricted to pre agreed limit per sending and limit per location.

3) Sales Turnover Policy:

For clients with substantial Annual turnover, Sales Turnover policy can be issued. Salient features of this policy are as follows:

- Sum Insured is based on the annual Sales Turnover of goods movement under various legs of transit.
- Premium is charged on the sales turnover for the year.
- At the expiry of the policy, Sum Insured is compared with the actual turnover based on the balance sheet and necessary adjustments made in the policy.
- Is subject to minimum and deposit premium.
- Policies to be issued only to bodies corporate registered under the Companies Act, 1956.

Key Advantages of the Policy

- Marine Cargo policies offer indemnity for loss or damage to cargo and thereby provide financial protection to the Insured which helps the business community to venture their capital more freely and expand their scope of business.
- In a growing economy like India and with the increase in trade and commerce, protection offered by Marine Cargo policies play a very positive role in the stability of various industries and strengthens the trade and commerce of the country.
- Many Banks accept Marine Cargo policy as a security towards advancing loans for import / export business.

Prohibition of rebates

- No person shall allow or offer to allow, either directly or indirectly, as an inducement to any person to take or renew or continue an insurance in respect of any kind of risk relating to lives or property in India, any rebate of the whole or part of the commission payable or any rebate of the premium shown on the policy, nor shall any person taking out or renewing or continuing a policy accept any rebate, except such rebate as may be allowed in accordance with the published prospectuses or tables of the insure.
- Any person making default in complying with the provisions of this section shall be liable for a penalty which may extend to ₹10 Lakhs.

The information provided here includes the salient features of Marine Cargo Insurance. For further details, you can call us TOLL FREE on 1800 2 700 700

For details on our other Solutions, please visit www.hdfcergo.com