



MARINE INSURANCE CARGO CLAIMS INFORMATION

PREFACE

The following is information that will expedite the processing and payment of claims and protect your rights under the Ocean Marine cargo policy. It is important to bear in mind unique circumstances may, at times, require additional documentation, activities or procedures. Any questions relating to marine claims can be directed to your producer or to the IMU office listed on the Special Conditions page of this policy.

OCEAN CARGO CLAIMS

Depending on the particular insuring conditions of the policy, goods insured by IMU under an open cargo policy can relate to imports, exports, coastal, inter coastal and river movements, as well as warehousing. Cargo may be carried on ships, airplanes, rail, trucks or any combination of these modes of transportation between origin and destination. A claimant's obligations under policy terms and conditions in the event of damage can vary, primarily depending upon the nature of goods, type of movement, and conveyance.

Import Shipments:

In the event of claim it is essential that prompt notice of loss be made to your producer or directly to an IMU office which handles marine claims. If necessary, we will assign a surveyor/investigator to determine the nature, cause and extent of loss.

Basic documents required on import shipments are as follows:-

1. Copy of insurance declaration (or other proof of insurance)
2. Commercial (shippers) invoice
3. Packaging or weight list
4. Ocean, air, rail and/or truck bill of lading
5. Survey report
6. Exception or over/short damage report
7. Copy of claim letter on carrier and reply
8. Warehouse receipts (if applicable)
9. Detailed statement of claim

NOTE: Should import duty be insured, the following additional documents will be required:

1. Customs consumption entry
2. Customs rebate form (5931) on all non-deliveries.

Export Shipments:

Claim procedures are described on the reverse side of the special policy or certificate of insurance which you provide your customer. Each special policy lists an IMU survey or claim agent in major cities throughout the world to be contacted in the event of loss or damage. Should no IMU representative be listed in your city, the claimant should contact the nearest representative of the American Institute of Marine Underwriters or local Lloyds agent. Once contacted, these agents will arrange for the inspection of the damaged cargo, collection of necessary claim documents, and, in many cases, promptly attend to settlement locally with your customer (should the policy so permit). Where you anticipate issuing no special policy of insurance, we recommend you provide your customer with basic claims instructions.

IMPORTANT: In the event of loss or damage, you or your customer are obligated to safeguard the goods and take necessary steps to mitigate the claim. Expenses reasonably incurred in taking such action are reimbursable under policy terms. Failure to safeguard damaged goods or otherwise mitigate the loss can result in prejudice of your rights under the policy.



NOTICE OF CLAIMS TO CARRIERS

The premium you are charged for cargo insurance is ultimately influenced by the loss experience on your account. It is therefore in your best interest to see that losses are reduced by placing us in a position to recover all or part of our payment to you from the responsible carrier. This is called subrogation and your cooperation in this regard is further reinforced by policy terms. Monies collected by us in subrogation are credited directly to your premium/loss experience. You should be aware of the following time limits which exist at law for filing claims against various types of carriers in order to avoid prejudice of your subrogation rights:

Ocean Carrier:

Written notice of claim should be filed immediately after loss or damage becomes known. Suit must be filed within one year from the date of delivery or alternatively, an extension of time to file suit obtained from the carrier within one year. Should this not be done, the ocean carrier can legally avoid liability.

Rail and/or Truck Carrier:

Written notice of claim must be filed within nine months of delivery date against all interstate carriers. Time to file suit is two years.

Air Carrier:

In the event of non-delivery, written notice of claim must be filed within 120 days from the date the goods should have been delivered. For pilferage and damage, written notice must be filed within 7 days of delivery.

GENERAL AVERAGE

General Average (G/A) claims affect all interests (i.e., ship, cargo, etc.) which stand to suffer financial loss should a particular voyage not be successfully completed. General Average claims usually occur when, in the face of imminent peril, some sacrifice or expense is incurred by ship or cargo interests (e.g. deliberate destruction of property such as jettison, salvage, assistance rendered to a damaged vessel, etc.) In such circumstances the vessel owner has a maritime lien on cargo for cargo's share of a properly stated G/A. To protect this lien during the time the G/A claim is formulated (which can take several years), the vessel owner may require some form of security. This security can either be a cash deposit representing a predetermined percentage of cargo value or alternatively, an underwriter's guarantee.

Cash Deposits:

Should a cash deposit be insisted upon, it should only be paid in exchange for an original General Average Deposit Receipt. The original deposit receipt together with a copy of the special policy (or other proof) of insurance, copy of commercial invoice and ocean bill of lading should be presented to IMU or an authorized IMU claim agent overseas for reimbursement.

Underwriter's G/A Guarantee:

In lieu of a cash deposit, vessel owners will often accept Underwriter's General Average Guarantee. Upon receiving notification of your involvement in a G/A, you should promptly contact your local IMU marine representative or overseas IMU agent. Presentation of proof of insurance along with a copy of the commercial invoice and bill of lading will allow us to effect prompt release of your shipment at destination.