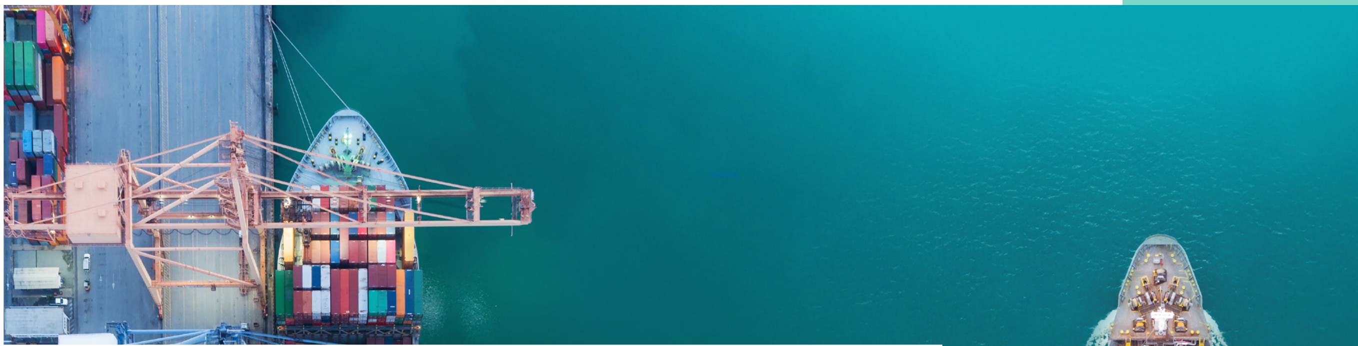
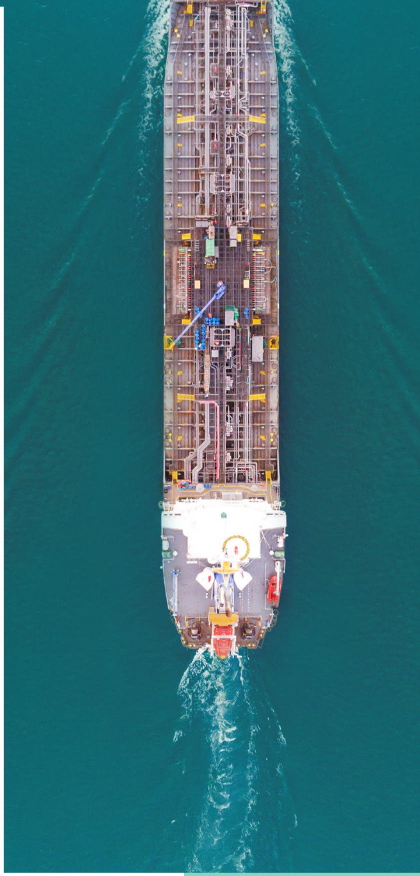




Declared Value vs. All-Risk Cargo Insurance

One method for cargo owners to protect the value of their cargo is to purchase something called "declared value" from a carrier. But what exactly does that mean, and how does it differ from all-risk cargo insurance? Below is a breakdown to help you understand both forms of coverage. You may find that the difference between the two is quite stark.

What is Declared Value?

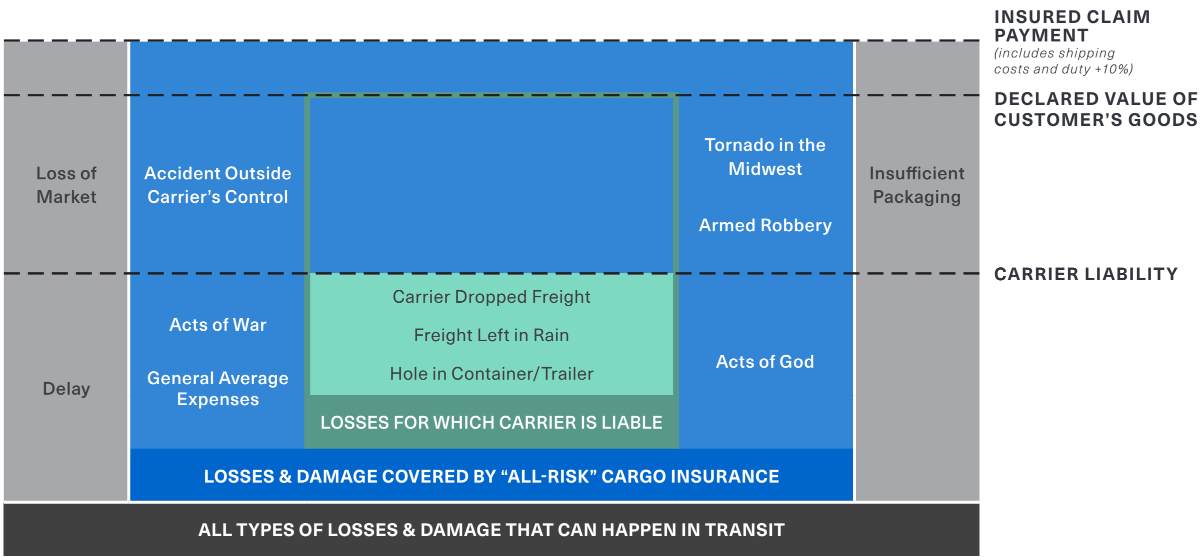
Declared value is the shipment value stated by the shipper as a means to increase the standard limits of liability listed in the terms and conditions of the bill of lading. For an additional cost, carriers will "extend" the amount they will pay if found liable for damaging or losing cargo. However, the cargo owner must still prove the carrier was at fault for the loss. In addition, carriers have several established defenses with regard to cargo damage, including acts outside of their control, acts of God/natural disasters, and acts of war, among others.

What is All-Risk Cargo Insurance?

All-risk cargo insurance is the broadest, most comprehensive form of coverage for cargo. It covers the full value of goods while in transit from origin to destination. Unlike declared value, coverage is not dependent on where or how the goods were damaged, only that the loss occurred in transit.*

What is the Difference between Declared Value & All-Risk Cargo Insurance?

With declared value coverage, the carrier's limit of liability is increased to cover the value of the goods. However, it is not extended to cover damages that occur outside of the various established legal liability parameters. The only way to get full coverage for the value of goods against all types of damage is with all-risk cargo insurance.



** Subject to policy terms, conditions, and exclusions*

ECIB