

# Transport company liability insurance

## Insurance product information document

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This information document provides a general overview of the insurance product. It does not reflect the specificities of the contract being entered into. The complete information on the insurance contract being entered into can be found in other documents, such as the proposal, policy conditions and insurance policy.

### What is this type of insurance?

Transport company insurance is voluntary. The insurance insures the liability of a forwarder, road carrier and/or warehousekeeper for any damage caused to cargo transported at the request of its owner. This means that if the transport company as an insured person is liable for cargo being damaged, destroyed or lost, the insurer will indemnify it.



#### What is insured?

- ✓ An Insured Event is unexpected and unforeseeable cargo damage that occurs during the insurance period, as a result of which the insured person becomes obliged to indemnify the owner under national and international laws.
- ✓ Road carrier's liability is regulated by the CMR convention (the Convention on the Contract for the International Carriage of Goods by Road) in the case of international transport and with a contract for carriage of goods under the Law of Obligations Act in the case of transport within Estonia.
- ✓ Forwarder's liability (forwarding contract) is regulated by the general terms and conditions of the ELFA (the Estonian Logistics and Freight Forwarding Association), the general terms and conditions of the NSAB (the Nordic Association of Freight Forwarders), the CMR convention, a contract for carriage of goods under the Law of Obligations, the CIM convention, the Hague-Visby Rules and the Montréal Convention.
- ✓ Warehousekeeper's liability (storage contract) is regulated by the general storage terms and conditions of ELFA.
- ✓ The insurance covers loss caused by cargo being damaged, destroyed or lost up to the extent laid down in the applicable law. For instance, according to the CMR Convention, the indemnity is limited to 8.33 SDR per one gross kg of damaged, destroyed or lost cargo.
- ✓ For an additional premium, you can purchase extra cover for:
  - financial loss – e.g. freight charges, customs duties, delivery delays, reshipping costs, repacking and sorting costs and claims arising from general sea damage;
  - expenses – legal expenses and additional costs for avoiding and limiting damage;
  - containers and trailers – damage caused to third-party containers and trailers;
  - gross negligence – damage caused by gross negligence of the insured person or a person entitled thereunder; and
  - liability to third parties – damage caused to third-



#### What is not insured?

- ✗ The insurance does not cover:
  - ✗ loss caused by health damage and bodily injuries inflicted upon third persons; and
  - ✗ the contractual liability of stevedores, shipbuilders and ship repair entrepreneurs, ship's and line agents, port administration, railway operators, maritime, railway or air transport operators.
- ✗ The insurance contract does not extend to risks covered by obligatory insurance (e.g. motor third-party liability insurance).
- ✗ Road carrier's liability insurance cover does not extend to means of transport not specified in the insurance contract.
- ✗ Loss that arises from a claim filed against the insured person on the basis of the TIR Convention, customs or tax or other guarantee or security.



#### Are there any restrictions on cover?

- ! The list of damage types not covered by the insurance is given in the policy conditions, according to which the insurance does not cover:
  - ! loss or damage that occurred outside of the insurance territory or period specified in the policy;
  - ! loss or damage caused by the inherent characteristics, errors or defects, normal leakage, reduction in volume or weight or wear and tear of the cargo;
  - ! loss or damage caused by non-conformity of the package of the cargo to withstand normal risks during the route of the cargo or at storage premises, except in the case the packing or preparation of the cargo was carried out by the insured person (incl. their employees and persons representing them);
  - ! loss or damage resulting from temperature, air humidity or any changes therein, except in the case such loss or damage was caused by failure of any temperature device or traffic accident or the

party property, except means of transport.

- ✓ The limits of indemnity and excesses are specified in the insurance proposal and the insurance policy.
- ✓ The limit of indemnity is reduced by the indemnity paid.

temperature mode was set incorrectly by the insured person and not in compliance with the requirements for the carriage of goods. A prerequisite for indemnification of losses is that the mode of transport has been specially ordered from the insured person and the insured person also presents the readings of the measuring instruments of the temperature devices in addition to any other required documents.



## Where am I covered?

- ✓ The insurance is valid in the insurance territory specified in the contract, apart from areas that are excluded according to special conditions.



## What are my obligations?

- Before entering into an insurance contract, you must provide the insurer with the required data. The data submitted must be complete and correct. Additionally, the insurer expects the client to submit data that is of substantial, recognisable interest to the insurer and has an important effect on the insurance premium without being asked to do so. This includes lists of means of transport and product groups, the area of validity and information on prior damages or events that may develop into claims.
- The insurer must be notified of any changes to the submitted data that occur after entry into the insurance contract.
- The policyholder's main obligation is to pay the insurance premium.
- They must also behave reasonably during the insurance period in order to avoid insured events.
- Upon an occurrence of an insured event, the insurer must be notified immediately. The policyholder must also take appropriate measures to avoid any further damage.



## When and how do I pay?

The insurance premium or a part thereof must be paid in the amount and by the date specified in the policy. The premium is usually paid by bank transfer on the basis of an invoice.



## When does the cover start and end?

The insurance cover begins and ends on the dates specified in the policy.

The insurance cover may end before the date specified in the policy if the insurance contract expires or is terminated prematurely. For instance, the insurer may terminate the contract if the insurance premium is left unpaid.



## How do I cancel the contract?

The policyholder cannot terminate their insurance contract prematurely.

The insurance contract can only be terminated prematurely upon mutual agreement between the parties under extraordinary circumstances. for instance, when the insured company ceases to operate.

In order to terminate the contract, you must submit a respective application to the insurer.