



Insuring Shipments

There are many things to consider when insuring shipments:

- Does the company have an insurance policy covering product transportation?
- What is the coverage for uninsured shipments?
- Should additional insurance be purchased through AFP Global Logistics (AFP)?
- If additional insurance is purchased through AFP, what will be covered?
- What is the total value of the shipment to be insured?
- How is the insured amount determined to cover freight charges?

As the decision is being made, consider the following:

LEGAL LIABILITY:

All shipments are covered under the legal liability standard for the transportation industry as defined below:

Domestic Shipments - \$.50 per pound, multiplied by the number of pounds for the lost or damaged portion of the shipment (minimum \$50.00 per shipment)

International Shipments - \$9.07 per kilo, multiplied by the number of kilos for the lost or damaged portion of the shipment (minimum \$50.00 per shipment)

In the case of partial loss/damage, the claim settlement coverage is prorated for the lost or damaged portion on the shipment ONLY

AFP INSURANCE COST:

\$0.60 per \$100.00 insured value with a \$25.00 minimum

INSURANCE TYPES:

Shipments can be insured through AFP for the replacement value of the goods only OR replacement value plus the insurance cost and freight charges (CIF Value)

CALCULATIONS:

DECLARED VALUE —Use the commercial invoice value. Example: Commercial Invoice Value: \$10,000.00 = Insurance Cost: \$60.00

INSURING GOODS, INSURANCE & FREIGHT (CIF VALUE) - Example: Commercial Invoice Value: \$10,000.00; Insurance Cost: \$60.00; Freight Charges: \$500.00
Total CIF Value = \$10,560.00 X 110% = \$11,616.00 (CIF VALUE)

1352 Charwood Road, Suite E, Hanover, Maryland 21076 • 800-274-1237 (Toll Free) • 410-590-1234 (Local)

www.afplus.com

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