



***CHINA LOGISTICS CLUB***

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INSURANCE & RISK MANAGEMENT TOOLS OFFERED TO MEMBERS***



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## General Principle



CLC encourages its members to pay due attention to risk management and insurance matters, for the benefit of Balance Sheet protection and general security.

Members of the logistics and freight forwarding community – in particular small and medium size enterprises - tend to neglect the implications of international and national liabilities, bad debts, credit risks a.s.o. This can have a fatal effect on the company in case of a substantial claim / loss.

In order to support the members with added value, CLC offers a range of comprehensive insurance products.

All these products are tailormade for CLC and set up in cooperation with AKTIV Group, a German based international insurance broker with 27 years of experience in the field of global logistics risks and liabilities.

None of our covers are „self insured club schemes“, like the ones of many of our competitor networks. CLC products are traditionally insured in the international markets and backed up 100 % by reputable insurance companies.

This provides our members with a long term security and no financial shortfalls can take place. „Self insured club schemes“ can easily run out of funds.

Even though CLC strongly recommends these covers to non insured members, there is no obligation involved to buy from CLC. Each member must assess its own risk management situation. Hence, due to competitive scopes of cover and excellent price CLC is confident to provide a good facility for „one stop shopping“ to the members.

## Freight Payment Bonds

Freight Forwarders typically work with a network of agents around the globe, wherever they have no own office.

The reliability of these partners is paramount for the success, not only in operational matters. The financial foundation, credit rating etc. must be checked before a cooperation can be in the offing. Freight Forwarders must choose their agents with utmost care and diligence. Having said this, not everything is predictable.

CLC offers 2 different Freight Payment Bonds to its members. One scheme covers the member worldwide against proven bankruptcy of any of his appointed agents. The other scheme provides protection for CLC members against bankruptcy or protracted default (late payment) of other CLC members.

### *Freight Payment Bond Schemes in Detail*

#### **A. General Freight Payment Bond**

- Cover for: Any Freight Forwarder / Agent of the insured (worldwide)
- Maximum of 10 Freight Forwarders / Agents to be included in one bond
- Sum insured per bond: USD 30,000.—per event and per year
- Total policy limit of the scheme: 1 Mio USD per year
- Deductible: 15 %, USD 1500.—in the minimum
- Content of Cover: Proven bankruptcy of the FF / Agent
- Premium: USD 600.—per bond and per year
- Conditions apply / please contact CLC for further information
- Insurer: HVAG, Hamburger Versicherungs AG  
D 20457 Hamburg, Germany [www.hvag.net/en](http://www.hvag.net/en)
- Broker: AKTIV Assekuranz Makler GmbH  
D 80992 Munich, Germany [www.aktiv-ag.com](http://www.aktiv-ag.com)

#### **B. CLC Members Freight Payment Bond**

- Cover for: Any CLC member worldwide (must be a FF / Logistic company)
- All CLC members as agents are included in one bond (except blacklisted CLC members)
- Sum insured per bond: USD 30,000.—per event and per year
- Total policy limit of the scheme: USD 500,000.—per year
- Deductible: 20 %, USD 2000.-- in the minimum
- Content of Cover: Proven bankruptcy or non payment after a period of 120 days (conditions apply, monitoring by CLC)
- Premium: USD 450.—per bond and per year
- Insurer / Broker: As per above
- Conditions apply / please contact CLC for further information



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## Multimodal Cover Policy



### Multimodal Cover Policy

For any international transport, Seafreight or Airfreight, liability regimes mandatorily apply on a worldwide scale. No country is exempted.

These liability regimes are (amongst others) the Warsaw or Montreal Convention for Airfreight and the Hague / Visby Rules for Seafreight. A clear liability is stipulated and any freight forwarder undertaking international Seafreight or Airfreight shipments is subject to these stipulations. For Airfreight the liability is USD 20 per kg, resp. 17 SDR (about USD 28) per kg. For Seafreight 2 SDR per kg (about 3 USD). However, in case of gross negligence, full, unlimited liability applies.

CLC offers the Multimodal Cover Policy exclusively for members. This cover provides full protection for contracts of carriage / freight forwarding liability on a worldwide scope, no geographical exclusions. The premium is attractive and affordable.

In order to avoid uninsured claims of the members, CLC encourages members to buy this protection. Uninsured claims can financially ruin a company.

Often freight forwarders in emerging countries are asked by their overseas agents to make sure that a liability cover is in place. The Multimodal Cover Policy is in English, placed with a European insurance company and complies with all international standards.



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## Multimodal Cover Policy



### *Multimodal Cover Policy In Detail*

<b>Risks Insured:</b>	Liability according to contracts of carriage, such as:  1) According to Warsaw / Montreal Convention for Airfreight  2) According to the FIATA Multimodal Transport Bill of Lading / FIATA Multimodal Transport Waybill as well as all other documents for Seafreight approved by the insurer										
<b>Limits of Liability / Sums Insured:</b>	USD 150,000.—per event, maximum USD 300,000 per annum										
<b>Deductible:</b>	USD 1,000.—per event										
<b>Premium Scheme:</b>	Own staff members of the insured:  <table><tr><td>1 - 25</td><td>USD 5,000.—per annum</td></tr><tr><td>26 - 50</td><td>USD 7,500.—per annum</td></tr><tr><td>51 – 100</td><td>USD 10,000.—per annum</td></tr><tr><td>101 – 200</td><td>USD 14.000.—per annum</td></tr><tr><td>More than 200</td><td>USD 18,000.—per annum</td></tr></table>	1 - 25	USD 5,000.—per annum	26 - 50	USD 7,500.—per annum	51 – 100	USD 10,000.—per annum	101 – 200	USD 14.000.—per annum	More than 200	USD 18,000.—per annum
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101 – 200	USD 14.000.—per annum										
More than 200	USD 18,000.—per annum										
<b>Insurer:</b>	HVAG, Hamburger Versicherungs AG D 20457 Hamburg, Germany <a href="http://www.hvag.net/en">www.hvag.net/en</a>										
<b>Broker / Global Claims Handling:</b>	AKTIV Assekuranz Makler GmbH D 80992 Munich, Germany <a href="http://www.aktiv-ag.com">www.aktiv-ag.com</a>										
<b>Note:</b>	Conditions apply / please contact CLC										



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### Cargo Insurance

CLC offers a comprehensive scheme of cargo insurance to members. Members can sell this insurance to their customers (mark up of premium is allowed).

Cargo Insurance covers the transported goods against all risks and for the full value of the goods. By selling cargo insurance to customers, the freight forwarder achieves the following advantages:

- Offering added value to his customers
- No recovery from the freight forwarder for liability
- Generate additional income

CLC has respective premium schedules for all kind of goods, all destinations at hand.

Please refer to CLC for a quote.



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