

Thank you for shipping with The Block Logistics. We always appreciate your business and want to provide the highest quality service. Please be assured that while every effort is made to ensure safe delivery of your goods, sometimes loss and/or damage does occur.

## The Block Logistics' role and what you will recover should a loss occur

### Shipping by Ocean

While The Block Logistics arranges for the transportation of your goods, by law, it is the carrier who bears responsibility for loss or damage to your freight. The carrier's liability for freight moving over the ocean is governed by the Carriage of Goods by Sea Act (COGSA). Under the terms of COGSA, the most you could recover from shipping lines in the event they are proven negligent is \$500 for each customary freight unit (CFU). Measurement of the CFU is widely defined, and it can vary from one container to one pallet.

COGSA is centered on the liability of the carrier. At the heart of the concept of carrier liability is the idea that the carrier is not responsible for paying claims if they did not cause or contribute to the loss. In the event that The Block Logistics acts as an NVOCC and assumes carrier liability, recovery in the event of a claim is still limited by COGSA in the bill of lading terms and conditions.

In an effort to better define carrier liability, Hague-Visby rules were created to define 17 circumstances under which the carrier cannot be held liable. If a loss is caused by any one of the following defenses: the ocean carrier will not pay for any part of the loss.

- Any neglect default of error of the carrier in navigation or of management of the ship
- Fire
- Perils or dangers of the sea (storms etc.)
- Act of God
- Act of War
- Act of public enemies
- Arrest, restraint, or seizure
- Defects not discoverable by due diligence
- Quarantine restrictions
- Acts or omissions of the shipper or owner
- Strikes, lockouts or labor shortage
- Riots or civil commotions
- Inherent defect, quality or vice of the goods
- Attempting to save life or property at sea
- Insufficient packing

### Shipping by Air

Air carriers limit their liability in a similar fashion as ocean carriers. Under the Montreal Convention, carriers will pay 19 SDRs (about \$28) per kilogram only if it can be proven they were negligent. Once again, the burden of proof is on the shipper, and it is often difficult to prove that the carrier was at fault.

## How Can You Protect Yourself?

"All Risk" Shipper's Interest Coverage provides the owner of the cargo with coverage for direct physical loss or damage to the cargo without the need to prove liability. If a loss occurs; you will be paid directly and any recovery possible from the carrier will be handled by our subrogation specialists.

### Advantages of Insuring Your Cargo Through The Block Logistics 's Policy

- Covered Losses are paid without the need to prove carrier negligence. After your loss is paid, we work with the carriers to ensure your historical losses are minimized.
- No need to demonstrate where the loss occurred
- Claim payments based on insured value, not weight of pieces missing/damaged or Carrier's limited liability
- The Block Logistics will report and handle claims on your behalf

### Please tell us how you would like to proceed

- I wish to insure this shipment. Please contact me to discuss my options.
- I do not wish to insure this shipment and I understand that my recovery will be limited in the event of loss

---

Signature, Title/Date

---

Printed Name

*This summary provided for informational purposes. It does not grant or extend coverage. All coverage is governed by the terms and conditions set forth in the policy (text available upon request). The Block Logistics is not the insurance company. The Block Logistics purchases insurance for its clients from the Insurance Company. The Block Logistics 's liability is dictated by its Terms and Conditions of Service, copy available upon request.*

