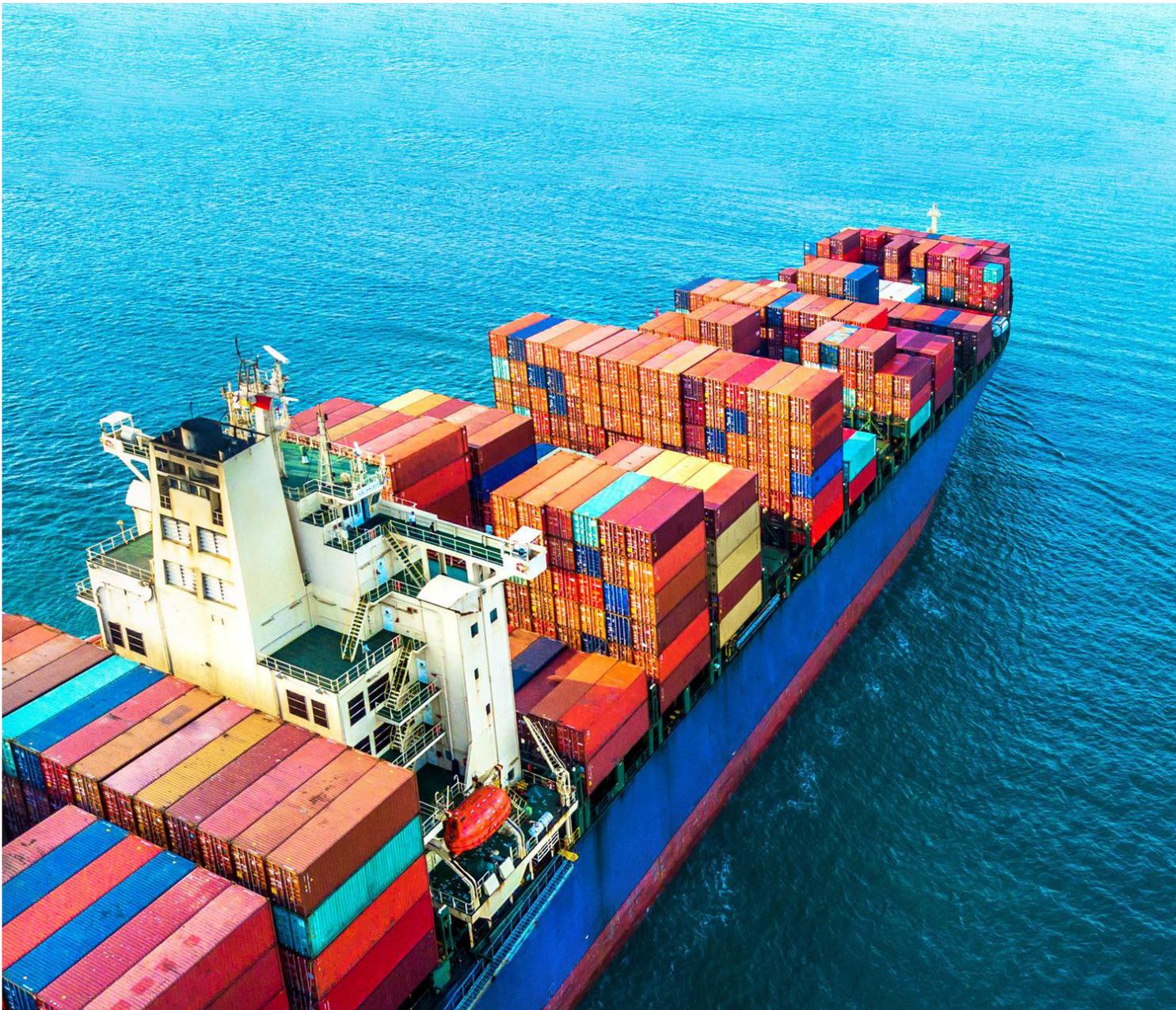


## Cargo Insurance

# General Average

Even when your cargo arrives safely, the General Average can force you to pay for the loss and expenses of others. How can you prepare for this?



## Kuehne+Nagel Cargo Insurance

During sea freight transportation, not only is cargo exposed to the risk of unexpected events, but if there is a situation where the ship is in danger, the costs will need to be shared between cargo owners and the owners of the ship.

This status is known as General Average: "That which has been sacrificed for the benefit of all shall be made good by the contribution of all." (The digest of Justinian Code 533 AD). Therefore, even if your cargo arrives safely, under General Average you can be forced to pay for the loss of others and expenses incurred while saving the vessel in danger. Most shippers do not realise that they are partly legally responsible for the safe journey of the ship.

### Example calculation of General Average

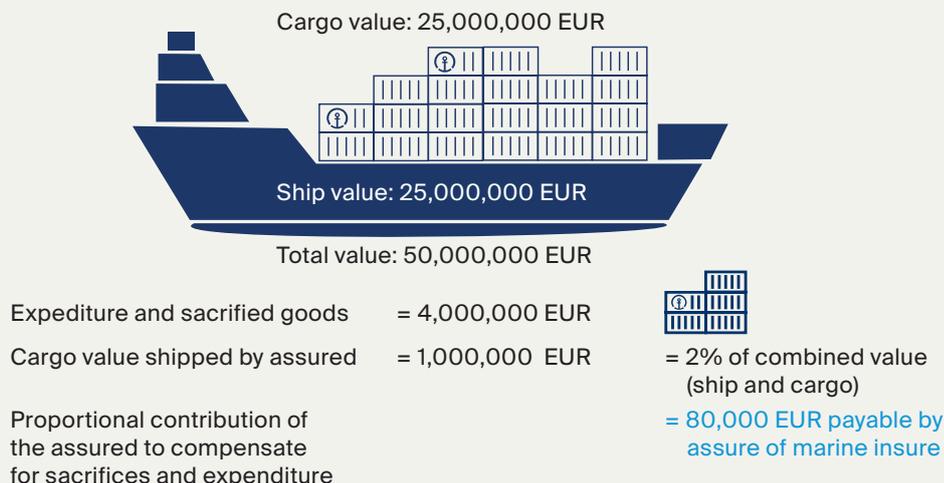
You could ship EUR 1 million worth of machinery parts and be faced with a EUR 80,000 General Average claim for sacrifices made to save the vessel. In case your goods are not insured, you bear all expenses on your own. Unless you provide a cash deposit or a bank guarantee, your cargo will not be released. This can negatively affect your business. In addition, you are obliged to arrange all necessary documents for the General Average adjuster, which is complicated and time-consuming.

Cargo insurance not only protects the loss of, or damage to, cargo during sea transport. In the event of General Average, the cargo insurance company takes over and represents you on behalf of the cargo owner towards the average commissioner. Insurance protects your cargo for unforeseen events during the voyage that are beyond your control, such as General Average.

### Typical examples of General Average sacrifices

- Jettison of cargo (throwing cargo overboard to lighten the vessel)
- Hull and engine damage caused by efforts to refloat
- Tugs engaged to assist refloating
- Hull and cargo damage caused by fire fighting
- Discharge and reloading of cargo at a port of refuge

## General Average example claim





### Without cargo insurance

- All expenses on the cargo owner
- Unless you provide a cash deposit or a bank guarantee, your cargo will not be released
- You have the obligation to provide all documentation to the General Average adjuster

### With cargo insurance

- Institute Cargo Clauses fully cover all General Average expenses
- No need to worry about bureaucracy or documentation
- You continue your business with total peace of mind

### Benefits of the Cargo Insurance

- Get support from our partnership with top-rated insurance companies that provide powerful solutions.
- Increase efficiency using a one-stop shop solution that fulfills both your freight and insurance needs.
- Leverage our global network with local specialists to easily navigate through complex processes.
- Get a seamless experience from the time you book the insurance, until your claims are settled.

## Cargo Insurance

If you want to learn more, contact us on our webpage: <https://home.kuehne-nagel.com/-/services/insurance/cargo>

- Dedicated commercial risk protection
- 40 offices in 30 countries
- Individual, local insurance solutions and professional claims handling services
- For international commerce, trade and transport industries in major trading locations

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