

Thank you for shipping with PROMPTUS, LLC. We 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.

## PROMPTUS role and what you will recover should a loss occur

### Shipping by Ocean

While PROMPTUS 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. If PROMPTUS 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.

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

### Shipping by Air

Air carriers limit their liability in a similar fashion as ocean carriers. Under the Warsaw convention/Montreal Protocol 4, carriers will pay up to 19 SDRs 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.

### Domestic Ground Shipping

Maximum liability for valid losses is limited to \$0.50/lbs. Losses/damages resulting from act of God, Public Enemy, Public Authority and the inherent vice or nature of the cargo are excluded.

## 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 Ensuring Your Cargo through a PROMPTUS facilitated 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
- PROMPTUS 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, or any future shipments and I understand that my recovery will be limited in the event of a loss

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Signature

Printed Name

Date

Company Name

*This summary is 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). PROMPTUS, LLC is not the insurance company. PROMPTUS, LLC purchases insurance on behalf of its clients from an insurance company. PROMPTUS, LLC's liability is dictated by its Terms and Conditions of Service, copy available upon request.*

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