



## **Marine Liability- Through Transport and Related Liability (MTO)**

### **Prospectus**

The International Freight Forwarding market has changed considerably over the past few years with the introduction of Multi-modal Transporters (MTO). And there is now an increased number of transport providers such as freight forwarders, shipping agents, packing and consolidating agents clearing and forwarding agents , offering a variety of services to trading companies , many of whom are operating on a world-wide basis. Many of these enterprises have also converted themselves into MTO and have taken the license within the purview of the MTO Act. It is mandatory for the MTO operator to have its services insured in order to get the license from The Director General of Shipping.

IFFCO – TOKIO is the first Indian Insurer who has created an insurance policy to meet the needs of the modern freight forwarder. The policy can be issued to the players in the field of freight services in India. Till now the insurance on the marine liability of this industry was being placed abroad, since no such cover was available in the market.

The policy:

The Transport and Related Liability Cover (commonly known as MTO policy) takes care of all marine liabilities of the logistics industry.

#### **Whom does this policy cover?**

- MTO
- Freight Forwarder
- Hauliers
- In transit Warehousing
- Ship Agents
- Clearing and Forwarding Agents
- Custom House Agents
- Packing and Consolidating Agents

#### **What Operations does the policy apply to:**

- Air Movements
- Sea Movements
- Road Movements
- Rail Movements
- Acting as agent for third party NVOCC principals



### **Coverage under the policy -:**

The policy covers legal liabilities arising out of -:

1. Physical loss or damage to cargo while in the care, custody and control of the insured, or a party who has contracted or sub-contracted to provide transport services.
2. Physical Loss or damage to vessel or equipment owned or operated by a subcontractor or customer.
3. Consequential loss and/ or business interruption resulting from 1 above.
4. Unrecoverable cargo's contribution to general average.
5. Fines and Duty.
6. The Errors and Omissions extension would cover legal liability arising out of the operations of the insured following a negligent act, error or omission by the insured, his agent or sub-contractor.
7. The Third-Party Liability extension would cover physical loss or damage to property, bodily death or injury or illness and legally recoverable consequential loss arising out of the operations of the insured.

For detailed terms, conditions and exclusions the policy document may please be referred.