

# Avoiding the perils of the deep

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**During the recent moving conferences** that we attended as a company, we've met some movers who have not realised the importance of deep sea liability insurance.

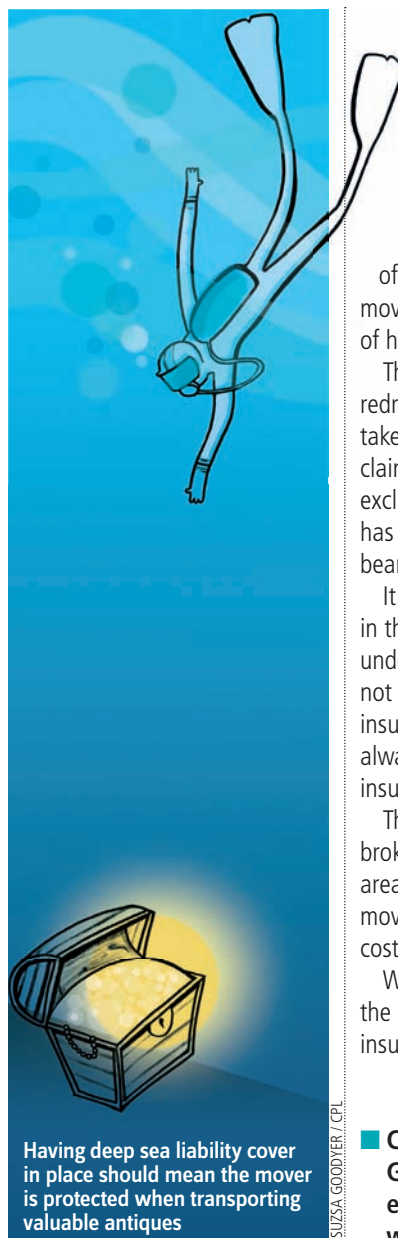
While we know that FIDI members are most likely to have these arrangements in place, we felt it may be helpful to outline, again, why this cover is so important – especially as the relevant people in an organisation don't always understand how this sits alongside the 'all risks' cover their company often offers to clients.

Often, removal companies feel secure when they are instructed to effect insurance on their customers' behalf. But less thought may be given to the areas of risk in which the client does not choose to take the mover's insurance.

For example, an international moving company was recently engaged to pack and move antique items from New York to London. The mover offered insurance, but the client made their own arrangements. The consignment was collected from a showroom and temporarily held in storage, awaiting export packing. Because of a misunderstanding at the origin end, half of the consignment was not export packed, but simply wrapped. On arrival at their destination, the items that had not been export packed had suffered significant damage. They were valued at \$225,000.

The mover was not overly concerned because it believed the client's insurance would meet the claim, which of course it did. However, the insurer, under its rights of subrogation, submitted a claim against the mover for the full amount involved.

Regrettably, the mover had not brought its trading terms and conditions to the client's attention – although it is arguable that these would have stood up to the test of reasonableness, and limited the mover's liability to its customer.



Having deep sea liability cover in place should mean the mover is protected when transporting valuable antiques

In addition, the mover did not have deep sea liability cover in place, as it felt its trading conditions were enough to protect it if no marine insurance was purchased. The outcome of this process was that the moving company had to meet the full cost of the claim.

This is not the only example of when a lack of correct cover can result in financial loss for the mover, but – hopefully – it provides an indication of how important it is to have this cover in place.

There are other areas in which clients may seek redress, even when marine insurance has been taken by the mover – for example, if jewellery is claimed to be missing or damaged, even though excluded by insurance, or when under-insurance has occurred and the client feels that the mover bears responsibility.

It is important that all members of staff involved in the process of offering a client marine insurance understand that the risks to the company do not end simply on the basis of whether or not insurance is taken. For this reason staff should always try to encourage the client to take out insurance through the company.

The policies that professional, dedicated industry brokers provide to movers take account of these areas, and are specifically designed to ensure the mover feels secure in the covers it has, preventing costly and unpleasant surprises.

When buying marine insurances, check whether the policy contains both full 'all risks' marine insurance and deep sea contractual liability.

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