



Is All Cargo Insurance Created Equal?

You can guess since I asked the question the answer is no, all cargo insurance is not created equal. Take a good look above at the container ship *Ital Florida* after it weathered a monsoon in the Indian Ocean in July of this year. Three containers went over board and scores collapsed damaging or destroying the cargo within them. Which freight owners benefited from receiving a check from the cargo insurance company that insured the cargo for transit? All that had cargo insurance you say? Maybe not, the three containers that went over board were the most likely covered by the companies that insured them if the containers were sacrificed. What costs are covered depends on the coverage purchased. Those that gambled and did not cover their cargo with insurance were burdened with the straight loss of their cargo.

When you buy something and let the shipper "take care of" the cargo insurance, you may be taking a chance. Do you know what kind of cargo insurance they are providing for you? Too many don't find out until it's too late a seller, 3rd party, or carrier placed a minimum of coverage on their precious cargo. Only after a loss would they find out their cargo was not covered for theft, water damage, or other likely perils. When you book freight be sure to know what coverage will be appropriate for your freight. Left in the hands of others you may find out the hard way.

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Publishers Note

Welcome to the First Edition of TJOCARGO News. Since it is the first, and destined to become a collector's edition, you may want to hang on to it. TJOCARGO News will be published on a strict schedule of whenever I stumble across some interesting information and have time to write about it.

If you would like to contribute to the effort, contact me by e-mail. As long as your contribution is related to the transportation industry in some, even loose way, not offensive, and not obvious advertising (that's my territory) we can throw it in. Of course I reserve judgment on what goes in. As the publisher I get to make or break rules as I go so anything and everything can change without notice. If you wish not to receive this newsletter, let me know and we can remove you from the mailing list.

Enjoy,
Tom O'Malley
TJOCARGO.COM

Help in Exporting From Your Uncle

One government office I like enough to give a free plug is the *U.S. Commercial Service*. They can be of real value with leads, contacts, and seminars, and are practically giddy about giving help.

If you are interested in exporting your widget to anywhere, be sure the U.S. Commercial Service is high on your call list. My local office director in Jax, FL is Jorge Arce (Jorge.Arce@mail.doc.gov); you can go to www.export.gov to find the office closest to you.

The Best Way to Reduce Cargo Insurance Claims Starts Close to Home

Insurance carriers and cargo owners have one thing in common when they wake up in the morning.... both don't want a cargo insurance claim as a part of their day. Insurance carriers don't want to pay claims, and cargo owners don't want to collect them. Both know the protection is necessary; both also know, while busy paying and filing claims unnecessarily, we're not doing what we came to work for in the first place... to make money.

While there is no way to avoid all cargo damage, here is a helpful hint that can be implemented on the front end to save you time and money. Packaging is the one factor we can all control that will have an impact on our cargo. Improper packaging is responsible for more cargo damage than almost any other cause. Whether your cargo is moving across the state or across the world, chances are it's going to be exposed to one or more situations which damage can occur. If your cargo is packaged properly it can withstand many of the bumps in the road that often comes with normal transportation.

Full crating with a built in solid lift surface (skid) is by far the best form of package to use to protect your cargo. Crating not only helps protect your cargo from damage, it also makes your cargo easier and safer for cargo professionals to handle along the way. While most cargo is better off crated, commodities such as machines, engines, and irregular shaped parts are most vulnerable to damage due to sharp edges and uneven surfaces. If added weight is a factor try a skeleton crate. In the case of international shipping, pay close attention to the types and condition of wood that can be used for crating.

Shipping sensitive commodities like electronics can be tricky. Plasma and flat screen TV's are quickly becoming high volume, high claim commodities. Shipping these types of items without proper packaging is a major blunder. Look for factory packaging including new cartons with clear handling directions, corner guards, all well secured to a skid underneath.

The above information is too limited to be used as a guide. For comprehensive packaging information follow the link provided below.

<http://www.infoexport.gc.ca/shipping/ExportPackaging-e.pdf>

Shameless TJOCARGO Advertisement Space

TJOCARGO is a provider of per shipment cargo insurance for shippers, freight owners, and carriers.

**Domestic / International
Sea, Land, and Air
Special Project Cargo**

TJOCARGO utilizes resources from both the USA and the London Market to ensure the right coverage at a competitive investment for your shipments.

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Cargo Insured or Not Insured?

Of course we can't tell by looking at this picture I pilfered off the Internet, but there are certain constants that can give us an idea if carrier insurance is there for your cargo.

Most commercial full truckload carriers carry standard cargo insurance of \$100,000USD per load. Ask to have the carrier's insurance certificate faxed from their insurer to verify the carriers insurance. Unless you have an excluded commodity, and if the carrier is a reputable carrier, you will have some type of cargo coverage to protect your freight, of course you should always ask.

Less than truckload carriers (LTL) also have "built in" cargo insurance. Most companies provide an amount based on the class of freight. Amounts of coverage can be as low as .10 to .25 cents per pound! Unless you are shipping bubble wrap don't count on your cargo being well insured!

Is All Cargo Insurance Created Equal? (Continued From Page One)

Let's look at some different types of protection available. For the sake of this article I will put simple coverage into three categories, starting with the lowest grade of "some", then "better", and "best", or to identify the categories a different way "C" coverage, "B" coverage, and "A" coverage in the same order. As you can imagine by looking at the categories "A" being the best is also the highest initial cost and "C" being limited coverage is the lowest initial cost. TJOCARGO recommends "C" coverage only for very specific commodities in certain circumstances such as a vessel hold full of metal type scrap. Although the scrap won't crush, dent, and isn't likely to be stolen, it can still be worth millions of dollars thus needs insurance. The main risk is the commodity sinking to the bottom of the sea via jettison, collision of ship, capsizing, and general average sacrifice. The preceding mentioned risks are just about all clause "C" coverage will cover. This "C" clause cargo insurance is sometimes "provided" by sellers, 3rd parties, and well-meaning carriers for your "benefit". Unfortunately the coverage may not fit the cargo it covers, and the only true insurance "benefit" is the coverage certificate was cheap to buy.

If your cargo will dent, crush, be damaged by seawater, and so forth, you will be well served by making sure your cargo has good clause "A" or "all risks" coverage from a well-rated company. Ask your provider for a copy of the policy and not just the certificate. TJOCARGO maintains pdf. files at all times to provide to our customers. If your provider refuses providing policy back up, get a new provider. It's your freight and you should know how it's insured.

Because of the limited amount of space for this article it is not possible to address every type of cargo and coverage. If you have questions about what type of cargo insurance coverage is best for your freight, please e-mail me at tom@tjocompany.com and I will be happy to address your needs.

We all know there are plenty of accidents on the highways involving freight haulers. Below may be one reason trucks get in their fair share of accidents. Look who they have to share the road with!

Real Driving Test Answers

The following are a sampling of real answers received on exams given by the California Department of Transportation's driving school. (In other words the Saturday morning traffic school for moving violation offenders.)

Q: Do you yield when a blind pedestrian is crossing the road?

A: What for? He can't see my license plate number.

Q: Who has the right of way when four cars approach a four-way stop at the same time?

A: The pick up truck with the gun rack and the bumper sticker saying, "Guns don't kill people. I do."

Q: When driving through fog, what should you use?

A: Your car.

Q: What problems would you face if you were arrested for drunk driving?

A: I'd probably lose my buzz a lot faster.

Q: What changes would occur in your lifestyle if you could no longer drive lawfully?

A: I would be forced to drive unlawfully.

Q: What are some points to remember when passing or being passed?

A: Make eye contact and wave "hello" if he/she is cute.

Q: What is the difference between a flashing red traffic light and a flashing yellow traffic light?

A: The color.

Q: How do you deal with heavy traffic?

A: Heavy psychedelics.

Q: What can you do to help ease a heavy traffic problem?

A: Carry loaded weapons.

Q: Why would it be difficult to be a police officer?

A: It would be tough to be a #!head all day long.