

Marine Cargo “Stock Throughput Policy”



UIN No. IRDAN150CP0001V01201415

Sales Literature

Stock Throughput Policy covers physical loss of or damage to goods and merchandise from the time the Insured purchases the Raw Materials and continues to cover all transits to approved distribution centres and manufacturing locations, whilst under process including storage until delivery to the final customer.

Section I - With respect to transit, there are various types of covers available per transit mode. Various underwriting considerations are taken into account to decide the cover suitable for a particular transit mode.

Transit by Sea / Ocean

The covers available for Ocean Voyage / Sea Voyage are classified as under:

- a) All Risks – All Risks cover physical loss or damage and expenses other than those excluded in the clauses. Example Institute Cargo Clauses (A) 1.1.1982 / Institute Cargo Clauses (B) 1.1.2009
- b) Basic Risks – Basic Risks cover physical loss or damage and expenses on Named perils basis. The perils covered are listed under the clause. Example Institute Cargo Clauses (B) 1.1.1982 / Institute Cargo Clauses (B) 1.1.2009 / Institute Cargo Clauses (C) 1.1.1982 / Institute Cargo Clauses (C) 1.1.2009.

Below gives a comparative analysis of the various covers available under the Policy:

Type of Risks	Covered (√) / Not Covered (×)		
	ICC(A)	ICC(B)	ICC(C)
Fire or Explosion	√	√	√
Vessel being Stranded, Grounded, Sunk or Capsized	√	√	√
Overturning or Derailment of Land Conveyance	√	√	√
Collision or Contact of vessel with any object other than water	√	√	√
Discharge of Cargo at the Port of Distress	√	√	√
Earthquake, Volcanic Eruption and Lightning	√	√	×
General Average	√	√	√

Sacrifice			
Jettison	√	√	√
Washing Overboard	√	√	×
Entry of Sea / Lake / River water into the Vessel, Craft, Hold, Conveyance, Container, Liftvan or Place of Storage	√	√	×
Total loss of Package Lost Overboard or Dropped whilst Loading onto or Unloading from the Vessel or Craft	√	√	×
Rainwater Damage	√	×	×
Piracy	√	×	×
Deliberate Damage or Destruction by Wrongful Act of any Person or Persons	√	×	×
Frustration of Voyage resulting into Extra Charges incurred for Unloading, Storing and Forwarding to Destination	√	√	√
Reasonable Charges incurred to avert / minimize Losses and Charges incurred to protect the rights of recovery against carriers	√	√	√
Liability under BTBC	√	√	√
Other Extraneous Perils			
Sifting of Cargo	√	×	×
Breaking, Crumbling, Crushing, Denting	√	×	×
Heating & Sweating	√	×	×
Infestation, Mould, Mildew	√	×	×
Hook / Sling losses	√	×	×
Contact with Mud / Oil / Other cargo	√	×	×
Shortage, Theft, Pilferage, Non	√	×	×

Delivery / Short Delivery			
Other Fortuitous losses	√	×	×

Transit by Air

The cover available under transit by Air is classed under Institute Cargo Clauses (Air). These are similar to all risks cover of Sea / Ocean Voyage. This covers physical loss of or damage to cargo and expenses other than those excluded in the Clauses.

Transit by Road / Rail

The covers available for Road / Rail Voyage are classified as under:

- a) All Risks – All Risks cover physical loss or damage other than those excluded in the clauses. Example Inland Transit (Rail or Road) Clause (A)
- b) Basic Risks – Basic Risks cover physical loss or damage on Named perils basis. The perils covered are listed under the clause. Example Inland Transit (Rail or Road) Clause (B) / Inland Transit (Rail or Road) Clause (C)

Below gives a comparative analysis of the various covers available under the Policy

Type of Risks	Covered (√) / Not Covered (×)		
	ITC(A)	ITC(B)	ITC(C)
Fire	√	√	√
Lightning	√	√	√
Breakage of Bridges	√	√	×
Collision with/by the Carrying vehicle	√	√	×
Overturning of Carrying Vehicle	√	√	×
Derailment and accidents of like nature	√	√	×
Rainwater Damage	√	×	×
Deliberate Damage or Destruction by Wrongful Act of any Person or Persons	√	×	×
Reasonable Charges incurred to avert / minimize Losses and Charges incurred to protect the rights of recovery against	√	√	√

carriers			
Other Extraneous Perils			
Sifting of Cargo	√	×	×
Breaking, Crumbling, Crushing, Denting	√	×	×
Heating & Sweating	√	×	×
Infestation, Mould, Mildew	√	×	×
Hook / Sling losses	√	×	×
Contact with Mud / Oil / Other cargo	√	×	×
Shortage, Theft, Pilferage, Non Delivery / Short Delivery	√	×	×
Other Fortuitous losses	√	×	×

Other Institute & Non Institute clauses are attached to the policies which clarify the scope of coverage. Extensions are offered under the Policy on payment of additional premium or if the Insured agrees for a wider deductible. Some of the extensions are listed below:

- a) Brands Clause
- b) Impact Damage Clause
- c) Air Freight Replacement Clause
- d) Concealed Damage Clause
- e) Loading and Unloading Clause
- f) Debris Removal Clause
- g) Seaworthiness Admittance Clause
- h) Duty Insurance Clause
- i) War and Strike perils as per the relevant Institute Clauses
- j) FOB Clause

Exclusions

Various standard exclusions applicable under the policy (only indicative list) are listed below

- a) Wilful Misconduct of the assured

- b) Ordinary leakage / Loss of weight or volume
- c) Inadequate Packing / lashing / stacking / stowage of cargo
- d) Inherent vice / Nature of the cargo
- e) Loss arising out of delay
- f) Nuclear or Radioactive force or matter
- g) War / SRCC

Section II – This section takes over once the cover under Section I ceases and covers stocks which are delivered at approved warehouse(s) / storage location(s) for manufacturing, processing and / or distribution.

Coverage

The policy offers the following cover whilst at any approved location:

- a) Fire
- b) Lightning
- c) Explosion / Implosion
- d) Aircraft Damage
- e) Riot, Strike, Malicious Damage
- f) Storm, Cyclone, Typhoon etc
- g) Impact Damage
- h) Subsidence / Rockslide
- i) Bursting of Water Tanks, Pipes etc
- j) Missile testing operations
- k) Leakage from sprinklers
- l) Bush Fire

Exclusions

- a) War, invasion, act of foreign enemy, hostilities or war like operations etc.
- b) Nuclear and Ionizing radiations

- c) Pollution and Contamination
- d) Change of temperature in Cold storage
- e) Delay etc.

Salient Features of Stock Throughput Policy

- a) A comprehensive policy with bespoke wordings commencing right from procurement of Raw Materials until delivery of finished goods to final buyer, subject to the policy period.
- b) Issued to manufacturers/ traders / Corporates having operations either Pan India / Pan Globe or within a particular geography.
- c) Issued for one year.
- d) Premium is based on a reasonable estimate of the turnover proposed for the policy period.
- e) Covers all movements including Domestic Purchases, Domestic Sales, Inter-depot, Stock transfer movements, Sub-contractor movements, Storages in the ordinary transit course and otherwise, Export, Imports including duties etc.
- f) Facility of E-Marine which will be a portal to generate Certificates of Insurance falling within the terms and conditions of the Stock Throughput Policy.
- g) Valuation and claims predominantly based on the valuation cost for each movement viz. Domestic Sales, Domestic Purchases, Imports, Exports etc. Valuation under storage includes all overhead and labour charges incurred till the time of loss.
- h) Declaration of Sales turnover to be submitted on periodical basis Monthly, Quarterly, Half Yearly or Yearly.
- i) Facility to enhance the Sum Insured in case any increase in turnover is anticipated during the policy period.
- j) The downward adjustment is based on the turnover achieved during the policy period and any excess premium collected is refunded.

Premium Workings and Deductible

Premium rate and workings and Deductible are based on host of factors not limiting to the type of cargo, packaging, various storage locations, Inventory management, logistics flow, input-output ratio, type of accumulation control, closing stock ratio, average period of stock holding, FIFO/LIFO method of clearing inventory, maximum aggregate value of stocks at named / unnamed locations, transshipment, type of conveyance, loss experience, deductibles and type of coverage etc.

Claims

Transit Claims

In the event of loss of or damage to goods / merchandise under transit, Assured must give immediate notice of such loss or damage to the Insurer for appointing Surveyor / Claims representative to carry out survey of the affected goods.

To enable all claims to be dealt with promptly the Assured or their agents are advised to submit all documents corroborating the damages without delay including, when applicable

- a) Original Policy or Certificate of Insurance.
- b) Original Invoice Copy and transport document viz. B/L, L/R, AWB, GCN etc. along with weight notes and other shipping specifications.
- c) Landing account and weight notes at final destination.
- d) Correspondence exchanged with the carriers and other parties regarding their liability for the loss or damage.

The list indicated above is only indicative and facts of each claim may require the Insurer to call for additional documents supporting the claim.

Storage Claims

In the event of loss of or damage to goods / merchandise whilst under any storage location for processing and/or otherwise, the Insured shall forthwith give notice thereof to the Company and shall within 15 days after the loss or damage, or such further time as the Company may in writing allow in that behalf, deliver to the Company

- a) A claim in writing for the loss or damage containing as particular an account as may be reasonably practicable of all the insured goods / merchandise destroyed, and of the amount of the loss or damage thereto respectively, having regard to their value at the time of the loss or damage not including profit of any kind.
- b) Particulars of all other insurances, if any.

The list indicated above is only indicative and facts of each claim may require the Insurer to call for additional documents supporting the claim.