

# Freight Forwarder's Liability Insurance

## AKH 02



Product guide  
Valid as of 1 January 2022

Freight Forwarder's Liability Insurance covers, in accordance with the insurance terms and conditions, the forwarder's liability to pay damages for loss or damage to the customer's goods, as specified in the General Conditions of the Nordic Association of Freight Forwarders (NSAB).

This product guide explains the main points of Freight forwarder's liability insurance. Detailed information about the contents of the insurance can be found in the terms and conditions of Freight forwarder's liability insurance (AKH 02), the General terms of contract and the policy document. You should familiarise yourself with these terms and conditions carefully.

### Freight forwarder's liability insurance covers the freight forwarder's liability for damages as specified in the NSAB.

Freight forwarder's liability insurance is targeted at companies engaged in freight forwarding, transport and warehousing. Freight forwarder's liability is not regulated by Finnish legislation or international agreements. In Finland, the liability of freight forwarders is determined on the basis of the contract made between the forwarder and their customer. In the absence of special legislation, the General Conditions of the Nordic Association of Freight Forwarders (NSAB) are commonly applied in the freight forwarding sector. Nordic freight forwarding commonly follows the NSAB.

By taking out Freight forwarder's liability insurance, the freight forwarder can cover, in accordance with the terms and conditions of the insurance, the liability to pay damages to their customer for loss or damage caused to the goods, as specified in the NSAB.

Concerning freight forwarding, the freight forwarder shall make a binding agreement with the customer

to follow the NSAB. Even if the freight forwarder has agreed to assume greater liability for loss or damage than that specified in the NSAB, the maximum indemnity payable under the insurance is in any event the indemnity in accordance with the NSAB.

Freight forwarding refers to activities closely related to goods transport in which the company undertakes to arrange for the carriage of the goods on behalf of their customer. A freight forwarder's contract may include duties related to goods transport, such as:

- carriage of goods, agency services and intermediary services,
- logistic services, supply chain services and advisory services,
- storage of goods and warehousing services,
- stevedoring services and ship brokering,
- other services, such as – but not limited to – customs clearance, other customs and VAT related services, co-operation in the performance of the customers obligations under public law, assistance in handling insurance-related issues and assistance in relation to export and import documents.

## Other insurance policies that cover freight forwarder's liability for loss or damage caused to goods

The insurance does not include road carrier's liability. For this, road transport liability insurance can be taken out separately.

Freight forwarder's liability insurance does not include the fire, water and burglary insurance for goods stored required by section 25, paragraph A of the NSAB. This insurance need of the freight forwarder can be agreed on separately with the insurance company.

## Valid in warehousing operations in Finland and in other operations worldwide

With respect to the policyholder's terminal and warehousing operations, Freight forwarder's liability insurance is valid in a terminal or warehousing area located in Finland and entered in the insurance policy. In other forwarding operations, the insurance is valid worldwide.

## What does Freight forwarder's liability insurance cover?

### Freight forwarder's liability to pay damages

Freight forwarder's liability insurance covers, with the restrictions referred to in the insurance terms and conditions, material damage or financial loss for which the policyholder is held liable according to the NSAB.

### Additional costs for sending the goods to the wrong destination

In addition to the liability determined in accordance with the NSAB, the insurance covers the additional expenses incurred by the policyholder in cases where the policyholder has sent the goods to the wrong destination.

### Loss prevention costs

The insurance also covers costs arising from the prevention of loss. These include reasonable costs incurred by the policyholder in taking action to limit or prevent occurred or imminent losses covered by this insurance.

### Legal expenses

In addition, the insurance covers legal expenses if a claim for damages concerning a loss that is coverable under the insurance is submitted to the court. In this

case, the insurance company will handle the policyholder's defence at the legal proceedings and pay the legal expenses.

### Non-collection of cash on delivery

The insurance also compensates losses caused by non-collection of cash on delivery.

#### Example

A freight forwarder undertook to arrange for the carriage of a shipment from Finland to Italy on behalf of a commercial enterprise. The enterprise had sold the goods as per cash on delivery, and according to the assignment, the goods were only to be delivered to the recipient against a receipt indicating that the sale price had been paid. The freight forwarder forgot to mention the matter in the waybill. The carrier delivered the goods to the recipient without requiring a bank receipt on payment of the sale price.

The recipient did not pay for the goods. After the delivery of the goods, the recipient was placed in bankruptcy, and despite its efforts, the commercial enterprise was not able to collect the selling price from the recipient. Through its negligence, the forwarding agency caused the loss of the selling price to its customer and was liable for the loss. The insurance covered the loss according to the trade invoice value, plus freight and other costs relating to the transport. The policyholder's deductible was subtracted from the indemnity.

## Maximum amount of indemnity and deductibles

The maximum amount of indemnity complies with the NSAB, but will not exceed 650,000 euros per loss. As regards expenses caused by goods sent to the wrong destination, a maximum amount of 50,000 euros per insurance event and insurance period is compensated.

The amount of the policyholder's basic deductible for each loss is specified in the insurance policy. In addition, the special deductibles listed in the insurance terms and conditions and possible special deductibles specified in the insurance policy apply to the insurance.

The special deductibles listed in the insurance terms and conditions are as follows:

- overhead obstacle, 25% of the loss amount
- in production-related added value services, 10% of the loss amount
- negligent guarding, 25% of the loss amount
- in losses due to temperature, either the deductible specified in the insurance policy or 10% or 25% of the loss amount, depending on the type of loss.

In all cases, at least the basic deductible specified in the insurance policy is subtracted from the loss amount.

## What is not covered by Freight forwarder's liability insurance?

The insurance includes restrictions and does not cover all loss or damage specified in the NSAB. See the limitations in full in the insurance terms and conditions. The most important limitations are explained below.

### Money and securities

The insurance does not cover the loss of or damage to money, securities, precious metals, jewellery or other such valuables.

### Road carrier's liability

The insurance does not cover liability for damages as specified under the Road Transport Agreement Act or the Convention on the Contract for the International Carriage of Goods by Road (CMR). Road carrier's liability can be insured with road transport liability insurance.

### Cargo carrier's liability

The insurance does not cover the indemnification liability of the insured as a cargo carrier in sea, air or rail transport. In sea transport, however, the insurance covers the indemnification liability of the insured as a cargo carrier in liner shipping in the Baltic Sea and North Sea region. Liner shipping refers to operating on an established and regular trade route between designated ports.

### Contractual liability

The insurance does not cover loss based on the grounds that the policyholder has assumed greater liability than that specified in the NSAB or abandoned a regulation that limits liability and is included in the aforementioned conditions. However, the insurance covers liability as specified in the NSAB.

### Production-related added value services

In addition to the arranging for the carriage of the goods, a freight forwarder may undertake to perform production-related added value services related to the commissioned goods. These include the assembly, installation, manufacture or pricing of the goods or any other such work.

Unless otherwise agreed with the insurance company and stated in the insurance policy, the insurance does not cover loss or damage caused during the performance of production-related added value services.

### Neglect of fire, water and burglary insurance

According to section 25, paragraph A of the NSAB, when a freight forwarder acts as a contracting party as a warehouseman, they must take out fire, water and burglary insurance in their own name and on behalf of the customer, unless the customer has given any other written instructions. The insurable value of the goods must be the invoice value at the start of storage plus 10%.

Freight forwarder's liability insurance does not include such insurance and thus does not cover loss or damage incurred when the freight forwarder has fully or partly neglected this insurance obligation. However, the freight forwarder can meet this obligation by taking out a separate property insurance policy.

### Neglect of the obligation to insure

The insurance does not cover any loss or damage caused by the freight forwarder's fault or neglect to take out the necessary and sufficient cargo insurance, or any other insurance on behalf of the principal.

### Negligent guarding

The insurance does not cover any loss or damage incurred in the event that the transport vehicle, container, transport unit or goods item is left unguarded, or the vehicle or cargo space is left unlocked.

Guarding means that the area where the transport vehicle, container, transport unit or goods item is left is closed and guarded 24 hours a day and that the area is subject to continuous and adequate access control for people and vehicles.

Guarding also means that a vehicle may not be left without continuous supervision except for such business as is required for the completion of the transport assignment or the driver's own necessary personal needs.

In the above-mentioned cases, the vehicle must be locked and the immobilisers and alarm equipment must be switched on. Moreover, the vehicle and cargo space must always be locked so that it is not possible to enter the vehicle or its cargo space without breaking in. If it is not possible to lock the cargo space due to its structure, the vehicle must be parked, whenever possible, in a way that restricts access to the vehicle's cargo space. Moreover, the doors must be fitted with seals, and the intactness of the seals must be inspected in connection with every rest break.

For more details, see the insurance terms and conditions.

### Negligent protection

The insurance does not cover any loss or damage arising from goods being inadequately protected during carriage or while being stored outdoors.

### Example

A forwarding agency undertook to transport a container of furniture from China to Finland. Some pieces of furniture were unloaded from the container at the terminal and kept outdoors while awaiting transport from Helsinki to Kokkola. The goods were not covered up. Rain then wet the goods, and they were damaged due to moisture. As the goods were not properly covered up during carriage or outdoor storage, the insurance did not cover the damage.

### Fines and other measures imposed by the authorities

The insurance does not cover fines, contractual penalties or forfeiture, or any loss arising from seizures or other such orders of the authorities.

### Incorrect temperature

Unless otherwise agreed with the insurance company, the insurance does not cover loss or damage caused by excessive heat or cold during storage.

Loss or damage caused by incorrect temperatures during storage can be covered by a separate property insurance policy.

If the policyholder has stored a vehicle equipped with a cargo space that has a temperature regulator in their terminal or storage area, the loss is compensated as specified in the insurance terms and conditions. Losses caused by incorrect temperature during transport are covered in the manner specified in the insurance terms and conditions.

The deductible for losses caused by incorrect temperature depends on the cause of the loss. If the loss caused by incorrect temperature is due to a road accident for which the insured party is at fault, the basic deductible stated in the insurance contract applies. If the loss is caused by the breakdown of a temperature regulator, the deductible is 10% of the loss amount. In other losses caused by temperature, the deductible is 25% of the loss amount. In all cases, at least the basic deductible specified in the insurance policy is subtracted from the loss amount.

### Example 1

A freight forwarder undertook to arrange the transport of frozen goods by sea from Finland to the UK. The goods were left in the terminal to await loading to a reefer container and became defrosted.

The loss was covered by Freight forwarder's liability insurance with a special deductible of 25%.

### Example 2

A freight forwarder took in frozen goods from a customer for storage. The goods were taken to the warehouse. The warehouse's temperature regulator broke down unexpectedly, causing the goods to become defrosted.

The loss was not covered by Freight forwarder's liability insurance as it was caused to stored goods. However, the stored goods were insured by a separate property insurance, which covered the loss after subtracting a deductible.

### Loss or damage identified during inventory

The insurance does not cover any loss in storage arising from theft or in cases where goods are lost or disappear and the theft cannot be defined or the loss or disappearance of said goods is detected during an inventory check.

### Example

During the annual inventory, the freight forwarder discovered that goods were missing from three shipments. The freight forwarder had to compensate the customer for the loss caused by the disappearance of the goods in accordance with the NSAB.

The insurance did not cover the loss, as the loss event could not be defined and the loss of the goods was not identified until during the inventory.

### Fire or liquid leakage

The insurance does not cover loss or damage caused by fire, by eruption of liquid, steam or gas, or by unexpected streaming from water, sewer, gas or heating pipes to goods stored in the policyholder's warehouse or terminal.

By agreement with the insurance company, a separate property insurance can be taken out for loss or damage caused by fire or liquid leakage.

### Time guarantee

The insurance does not cover loss incurred because the policyholder exceeds the given transport time as specified under section 7, paragraph 2 of the NSAB.

## Factors affecting the insurance premium

Freight forwarder's liability insurance premiums are affected by factors such as:

- the turnover of the forwarding operations
- the percentages of the various modes of transport (marine, air, rail) from the total turnover

- the percentage of warehousing and terminal operations of the total turnover
- the building and security characteristics of the warehouse or terminal
- the amount of deductible
- the terms and conditions of the contract made with the customer.

## Safety regulations of Freight forwarder's liability insurance

Safety regulations oblige the policyholder or the insured party to follow instructions specified in the insurance contract, insurance policy or insurance terms and conditions, or otherwise written down or aimed at preventing or limiting the occurrence of loss or damage. If the policyholder has wilfully or through negligence failed to observe the safety regulations, and the negligence has exerted an effect on the occurrence of loss or damage, compensation may be disallowed altogether or reduced.

Safety regulation for Freight forwarder's liability insurance:

- Forwarding, safety regulation S960

Other safety regulations listed in the policy document may also apply to the insurance and are binding on the policyholder.

## Notify us of increased risk of loss or damage

The policyholder must inform the insurer without delay if material changes that increase the risk of loss or damage have occurred in the circumstances reported at the time of concluding the insurance contract or the information entered in the insurance policy. For example, such an increase in the risk of loss or damage may pertain to changes in the warehouse or terminal that have made it different in terms of structures or protection, or the change of the liability as an intermediary to that as a cargo carrier.

If this notification is neglected, indemnity may be disallowed or reduced, or the insurance contract may be terminated.

## Responsibility for preventing and mitigating damage

In the event or immediate risk of loss/damage, the policyholder or insured person must, within their capabilities, take the necessary action to prevent and limit the damage and observe the instructions provided by the insurance company.

If the policyholder wilfully or through negligence fails to perform the damage prevention and limitation duty, and the failure has exerted an impact on the damage, indemnity may be disallowed or reduced.

## Instructions in case of loss

- Inform the insurance company about any losses without delay. You can file a loss report in our online service (op.fi) or in Pohjola Claim Help (vahinkoapu.pohjola.fi/en – Corporate customers – Law – My company's operations caused a loss to a third party).
- Always give the insurance company the opportunity to inspect the loss and facilitate an amicable settlement.
- Instruct the injured party not to dispose of the damaged goods before the loss inspection, unless this has been specifically authorised.
- Take the necessary action to prevent and limit loss or damage. Follow the instructions provided by the insurance company.
- If the damage was caused by a third party, take the required measures to retain the insurance company's rights against the party that caused the damage. For example, establish the identity of the third party that caused the damage.
- If the loss or damage was caused by a crime, report it to the police.
- If the insurance event gives rise to legal proceedings, notify the insurance company without delay.

## Filing a claim

The loss report should be completed with care, and you should enclose any information and documents required for determining the insurance company's liability, such as the waybill, commercial invoice, claim for damages and complaint filed with the carrier. Insurance compensation must be claimed from the insurance company within one year of the date on which the claimant was informed of his entitlement to compensation. Be sure to note the period of limitation specified in NSAB.

## Appeals

Policyholders and other claimants who feel the insurance company's decision on the settlement of a claim is unjust may appeal against the decision. The claims settlement decision provides information on the appeals procedure and time limits.

More information on the grounds for the decision and on other matters related to the case can always be obtained by contacting the claims department or the claim handler who made the decision. The contact information is included in the claims settlement decision. If necessary, our company's customer ombudsman can be requested to make a correction. Independent of the claims department, the customer ombudsman aims at verifying the correctness of claim settlement decisions as soon as possible.

Appeals can be submitted to various boards or other appeals bodies, such as courts of first instance.

More information on appeal options is provided in the instructions of appeal attached to the insurer's decision and can also be found at [op.fi/filing-a-complaint](http://op.fi/filing-a-complaint).

## Personal data processing

Pohjola Insurance Ltd processes customers' personal data in accordance with the latest regulations and as described in greater detail in our Privacy Statement and Privacy Guide. Customers are advised to familiarise themselves with the privacy information. The Privacy Statement and Privacy Guide are available at [op.fi](http://op.fi) and in Pohjola Insurance Ltd Customer Service outlets.

## Insurance sales commissions

The insurance company pays a commission that is either a percentage of the insurance premium or a fixed fee based on the number of policies sold. The commission and its amount are affected by the insurance product and sales channel. The commission is paid to the agent or insurance company employee.



## Our services

### Manage your insurance policies at op.fi

Log into op.fi using the user identifiers for your own bank.

Once logged in, you can

- Report a loss and file claims
- make changes to your company's policies
- order a Green Card
- print out certificates of insurance

Learn more about our services for commercial transport service providers at [op.fi/commercial-transport](https://op.fi/commercial-transport).

### Pohjola Claim Help at your service 24/7

Pohjola Claim Help provides clear instructions for all types of losses. In the event of vehicle damage, Pohjola Claim Help also lists the contact details of Pohjola Repair Advisors and other repair shop partners.

Pohjola Claim Help is available at [vahinkoapu.pohjola.fi/en](https://vahinkoapu.pohjola.fi/en) and the OP Business mobile app.

## Our telephone service

A-Insurance services for commercial transport

- Insurance and Claims Settlement 0304 0506\*

Pohjola Insurance

- Insurance and Claims Settlement 0303 0303\*

Statutory insurance telephone services\*\*

- Motor third-party liability and occupational accident insurance 030 105 501
- Road accidents 030 105 502
- Occupational accidents 030 105 503

\* From mobile phones and landline networks in Finland, EUR 0.0835 per call plus EUR 0.12 per minute.

Prices are inclusive of VAT.

\*\* Call rate: local/mobile network rate.

We record customer calls to assure the quality of customer service, among other purposes.

## Advice on claims and insurance policies

Our insurance and claims advisors provide personal assistance in our telephone service. You can also file a complaint or appeal an insurance or claim settlement decision with our customer ombudsman. For more information on filing an appeal, visit [op.fi/filing-a-complaint](https://op.fi/filing-a-complaint).

For independent advice, contact the Finnish Financial Ombudsman Bureau (FINE), tel. +358 9 6850120, [www.fine.fi/en](https://www.fine.fi/en)

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Domicile: Helsinki, main line of business: insurance

Regulatory authority: Financial Supervisory Authority, [www.fiva.fi](http://www.fiva.fi)

