

INSURANCE

Generally, cargo insurance is more important in international than in domestic transportation. International carriers assume only limited liability for goods when shipping by air or ocean, in contrast to shipping in your home market. The terms of sale often make the seller responsible for the goods up to the point of delivery to the foreign buyer. Transportation insurance is recommended when exporting, particularly overseas.

Marine transportation insurance protects both ocean- and air-bound cargo, and also covers connecting land transportation. There are three main types of (marine) transportation insurance available:

- *Free of Particular Advantage (FPA)* provides the narrowest type of coverage — total losses, and partial losses at sea if the vessel sinks, burns or is stranded, are covered;
- *With Average (WA)* provides greater protection from partial losses at sea;
- *All Risk* is the most comprehensive, providing protection against all physical loss or damage from external causes.

It is important to remember that in international transportation, once the documents transferring title are delivered to the foreign buyer, you are no longer liable for the goods.

DOCUMENTATION FOR OVERSEAS SHIPPING

A number of documents are required for overseas shipping, which generally fall into two basic categories: shipping documents and collection documents.

Shipping Documents

Key shipping documents include packing lists, validated export licences (if required by Canadian law), domestic bills of lading and other export documents. Shipping documents are prepared by you or your freight forwarder, and allow the shipment to pass through Customs, to be loaded on a carrier, and to be transported to the destination.

Collection Documents

Principal collection documents include:

- commercial invoices (the seller's bill of sale);
- consular invoices (required by some foreign countries);
- certificates of origin (attesting to the origin of the exported goods);
- import licences (importers in some foreign countries are required to obtain these);
- inspection certificates (health or sanitary certificates are required by many foreign countries for animals, animal products, plants, and other agricultural products);
- dock and insurance receipts

Collection documents are submitted in advance by the exporter to the buyer or its bank, and trigger payment once the goods have been received.

An international freight forwarder can handle all of your export documentation requirements.

The following worksheet will help you to determine the most efficient means of delivering your product to the foreign market.