

- Is strapping of containers necessary?
- What markings or labels are necessary on the outer package? What international symbols are needed?

OUTSIDE MARKINGS

Marking of containers serves a very important purpose: identification of your goods from other shippers' consignments. The marks shown on containers must agree with those on the commercial invoice, bill of lading, etc.

The following markings are required:

- buyer's name in short and/or a symbol assigned by you;
- point of entry via port of entry;
- gross and net weights in kilograms and pounds;
- country of origin — MADE IN CANADA;
- package numbers — whenever there is more than one case, the numbers should be sequential;
- outside measurements of cases — length, width and height, both in metric and imperial measurements;
- cautionary markings, if needed, with international symbols; and
- packing list, plus one copy in each case, itemizing its contents.

TRANSPORTATION INSURANCE

Marine insurance protects both ocean and air cargo as well as connecting land transportation. It is essential in exporting for the following reasons:

- Carriers assume very little liability and you could be liable for more than your own shipment in an ocean disaster (the principle of "general average" will be explained).
- Door-to-door coverage is needed when using several modes of transportation.
- Terms of sale may render the seller responsible for insurance.

You may arrange for an open or floating policy to cover all shipments, or you may request a specific policy for each shipment. The open policy offers the convenience of a supply of certificates which you can complete as needed.

The main types of coverage available are the following: free of particular average (F.P.A.); with average (W.A.); and all risk. All three types insure against sinking, burning or stranding.

Free of Particular Average (FPA). This is the narrowest form of coverage. In addition to total losses, partial losses resulting from perils of the sea are recoverable, but only if the vessel has been stranded, sunk, burnt or in a collision.

With Average (WA). This offers more inclusive protection for partial damage by sea perils, if such damage amounts to 3 per cent or other percentage specified of the value of the shipment. If the vessel has been stranded, sunk, burned or has collided with another vessel, losses are recoverable in full.

All Risk. This is the most comprehensive. The all risk policy protects against physical loss or damage from external causes. It does not include war, strikes, riots, seizure and detention, unless endorsed by a clause or separate policy.

You must realize that a marine insurance policy differs from home insurance in that it assumes the transaction is for profit. The profit as well as the production, shipping and selling costs must be considered. Hence, it is normal to insure all shipments at 110 per cent of their C.I.F. value.

You must also be aware of the principles of particular average and general average. A particular average loss affects specific interests only. A general average loss affects all cargo on board as well as the vessel.

Particular average losses may be a total loss of part of the goods and the arrival of the goods in damaged condition. If the total invoice value of the shipment was \$2 000 and 10 per cent of it was lost, the insured value under the 110 per cent rule would be \$220. If the goods were damaged rather than lost, the underwriter would pay a percentage related to the net amount lost by selling below normal wholesale prices.

General average losses may occur when part of the cargo must be thrown overboard to save the vessel. In this situation, all shippers will share in the loss incurred in proportion to the value of their shipment.