

- know the capabilities of the packaging, the strengths and weaknesses of the goods contained in it, its “stackability,” and its susceptibility to weather;
- package the goods to minimize internal movement and to protect corners, edges, finishes, valves, dials and knobs, or upholstery and material;
- use appropriate unitizing devices and place, load and secure goods properly;
- determine the kind of handling equipment to be used and its availability at transshipment points, pack for the equipment and its capabilities; and
- when shipping to Mexico, check climate considerations, which can vary from hot and dry to rainy and damp.

INSURANCE

Most exporters purchase insurance to protect themselves against theft and losses or damage incurred while moving goods from Canada to their destination. Carriers do carry liability insurance, but it is unlikely that this insurance alone would cover all contingencies or provide full restitution. In fact, there are significant restrictions to carriers’ liability that exclude compensation for damages caused by Acts of God (weather-related damage), terrorism, any perceived flaws in the goods, and the way they were packed for shipping.

The terms of sale will determine when title to the goods and liability passes from seller to buyer. For example, if the terms agreed to are costs, insurance and freight (CIF), then the seller is responsible for insuring the goods to the agreed destination. If they are free on board (FOB), the seller or exporter is responsible for insuring the goods until such time as they are safely on board. At that point, title to the goods passes to the buyer, who assumes responsibility for further insurance.

Whenever possible, the Canadian exporter should try to control the purchase of insurance. Although an exporter can generally control the purchase of insurance on CIF shipments, it can also contract to handle the insurance on FOB shipments at the direction of the buyer. The same is true, in reverse, for an importer.

The exporter or importer can arrange insurance directly with the insurer or with a licensed insurance broker or agent, a freight forwarder or a customs broker. It is recommended that an open policy be arranged or advantage taken of the bulk buying power of a freight forwarder or a customs broker.