

Cosmatos Group

50 years in a Cosmatoship

We offer Logistics solutions in Greece, Cyprus, North Macedonia, Bulgaria, Serbia and Kosovo.



COSMATOS GROUP

MEETING
ALL YOUR NEEDS.





Project Cargo Forwarding

We can help you with:

- Sharing local market information on infrastructure and possibilities
- Identify the best scenario for your project planning
- Support a door to door scope



**STAYING
THE COURSE.**

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**17-18 SEPT.
2024**

BILBAO,
SPAIN

Transport Operator Liability Insurance

Freight Forwarder's Limitation of Liability

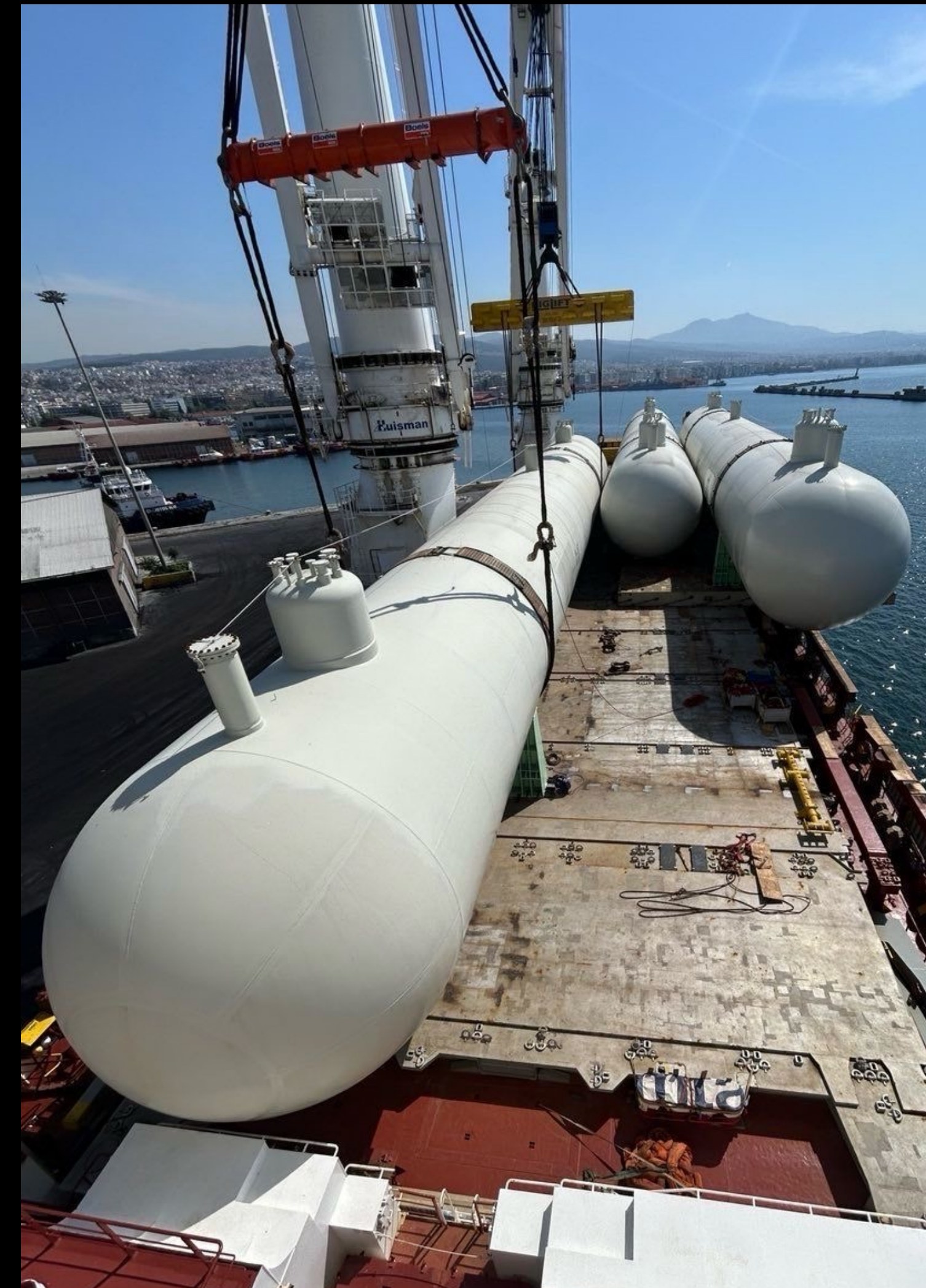
Liability depends on the contract between the shipper and the forwarder.

Principal Contractor is the responsible party and is liable for all the sub-contractors involved in the project.

Limit liability to the extent of your scope at an agreed level.

Include a Code of Conduct in the contract where you specifically stress the process of selecting sub contractors.

Provide an explicit description of each sub-contractor's role, mentioning where each one's involvement and consequently each one's liability starts and where it ends.



If accepted a full flow down liability contract and a claim arises:

- Defend the argument of limitation as per international conventions
- Try to investigate reasons / exact stage of incident or cause
- Hold subcontractor liable
- See how it proceeds
- Try to do a back-to-back settlement (FF middle man between shipper and physical provider)
- Try to settle between operations to operations people (and not legal dpt / insurers)
- Long term collaborations are based on trust and claims are often not treated as an one off incident but the entire collaboration frame is also taken into account



What happens if there is no contract in place and the transport is agreed over exchanged correspondence after the approval of a quotation?

- Battle of the forms. Make sure your Terms & Conditions are the LAST ones to be sent.
- You have the legal right to rely on international conventions such as the Hague-Visby Rules (sea freight), Montreal Convention (airfreight) CMR convention (road freight), each one of which sets out the standard limits of liability.
- National Law also sets limits of liability.

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Transport Operator Liability Insurance

Support actions to reinforce the coverage prospects

How to address the underwriter's wish for consistent insurance levels across all parties involved in a project. Strategies to mitigate the risk involved without derailing your projects or inflating costs:

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Negotiation and Flexibility

Engage with your underwriters to discuss potential flexibility in their requirements. Perhaps there are alternative ways to mitigate risk that don't necessitate identical coverage for every subcontractor.

You can also explore options for tiered coverage levels, where subcontractors involved in higher-risk activities might require more comprehensive insurance than those with lower-risk roles.

Risk Assessment and Mitigation

A thorough risk assessment of your projects can help identify areas where the risk of loss or damage is highest. This allows you to focus on securing appropriate insurance for those specific areas, rather than imposing blanket requirements on all subcontractors.

You can also work with subcontractors to implement risk mitigation measures (e.g. improved packaging, secure transportation methods) that might satisfy the underwriter's concerns and potentially reduce the need for overly expensive insurance.



Alternative Insurance Structures

Depending on the nature of the projects, you could explore alternative insurance structures like:

- "Owner Controlled Insurance Programs" (OCIPs) or
- "Contractor Controlled Insurance Programs" (CCIPs).

These programs consolidate insurance under a single policy, streamlining coverage and potentially reducing costs.



Client Engagement

The standard practice is to exclude insurance from your initial offers and inform clients that they are typically covered under their own policies. It's worth reinforcing this approach and explaining the cost implications of requiring additional insurance from subcontractors.

Open communication with clients can help manage expectations and potentially lead to more collaborative solutions. Example clause of contract terms & conditions on insurance:

“Our offer does not include insurance on cargo. Client must insure the cargo and the transport risk. In order to avoid extra premiums added on the final prices a waiver of subrogation to us and our subcontractors will be needed.”



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Thank you for
your attention