



**TEAMGLOBAL**  
*Taking business places*

## Carrier's Coverage Liability

**At Teamglobal we have obtained liability insurance policy to protect themselves against the risks arising out of MTO operations. Basically the coverage is towards the liability to parties affected during the course of operations. However, insurance is not all embracing and can be precisely said to cover the following:**

- Loss for or damage to cargo occurring during the policy year as a result of Breach of Contract or in common law where liability arises under MTO documents.
- Liability to third parties by reason of liability imposed upon the insured by law and/or assumed by the insured under the Insured's Contract. The loss of life or bodily injury, 3rd party property damage including 3rd party cargo.
- Cost and expenses involved in re-routing of the cargo to the correct destination including any professional negligence, error or omission on the part of the insured and/or their agents.
- Liability to Authorities like Customs, Port Authorities for any breach of regulations which can even lead to fine and penalties being imposed by the authorities.

Claims arising under the Liability Insurance Policies particularly under B/L contracts will have to be supported by evidence of negligence on the part of the insured before a claim can be considered. Further, under MTO documents sub-contracting is allowed and therefore even a sub-contractors will be involved in the claims procedure particularly to establish whether there is any negligence attributable to them which will enable the Liability Underwriters to take recourse to recovery from such sub-contractors under their own documents which may be a normal ship owners B/L, or a road transport receipt or railway receipt. The insured accordingly will have to protect the recovery rights of the liability insurer in all cases where the negligence on the sub-contractor's part is established by evidence. The Liability Insurance Policy is a contract of pure indemnity and therefore it does not guarantee all claims that arise unless such claims are established under the contract. Under the MTO of Goods Act and under MTO documents the time limit for taking legal action against the MTO is 9 months only.