

## **Insurance Scheme "To guarantee the commitment of container recipients to container owners / agencies"**

Nowadays, the guarantee for safe and timely return of the containers to their owners has become an important and controversial issue in professional circles of containerized shipping company agencies in Iran. Possibly, the solution to this issue could be using insurance as an alternative option instead of receiving cash or cheque serve as guarantee for safe and timely return of the containers in the shipping cycle. In this Insurance Scheme which is scheduled to be implemented by the closing of October 2015, While efforts have been made to facilitate the container release process and the development of the container cycle, the interests of liners and container recipients to be considered concurrently.

We would like to bring your attention to the below abstract of the mentioned scheme:

### **General Condition:**

- 1- The implementation of this project by container recipients is not compulsory. In other words, container recipients, while approaching to receive container, are facing two alternatives, which can be selected:
  - According to current practice, settling the cash or cheque as deposit in liner agencies account and then receiving, required release letter.
  - Requesting shipping lines or forwarders for utilizing the mentioned scheme as title, instead of other deposits.
- 2- In any case, container recipients is free to choose any of these methods and shipping lines have to follow the same.
  - Note 1: Related costs for using the second method (Insurance scheme), will be paid by container recipients.
  - Note 2: It is possible that the insurance company put some container recipients in its black list due to bad payers, that, these recipients deprive to use insurance services up to rectifying their issue.
  - Note 3: Container lines for some of their clients in addition to the above procedures mentioned, may follow other methods, such as getting LOI without deposit, which all could remain unchanged as this is a bilateral commercial agreement by two legal persons and will not be tainted by this insurance scheme.
- 3- According to this selected scheme by container recipients, shipping line agency prior to the release letter, just has received uniformed electronic commitment letter via recipients and will not require any deposits such as cash or check.
- 4- According to this insurance scheme, forwarders, who introduce via their related Association – after passing the application requirements – received uniform commitment from actual consignee, then such forwarder company will be in safe side.

- 5- The insurer agrees, depositing the payments of compensation is settled to shipping lines agency, shall apply 30 days to those container recipients who are a Member of Iran Customs Brokers Union for refunding compensation.

**Damages and Costs Covered By:**

- 1- Minor Damages and Total Loss (including Customs and Commercial Duties up to max. 4% of total container value), Max. up to below detail amounts:

Type of Container	20 FT (Rials)	40 & 45 FT (Rials)
DC & HC	100 000 000	200 000 000
OT & FR	200 000 000	400 000 000
Reefer	300 000 000	600 000 000
ISO Tank	1 000 000 000	---

It is notable that, the above mentioned amounts are as default and container owners / shipping agencies and their container recipients can have an agreement over the figures.

- 2- Detention (from delivery order date), Max. up to below detail amounts:

Type of Container	20 FT (Rials)	40 & 45 FT (Rials)
DC & HC	45 000 000	90 000 000
OT & FR	90 000 000	180 000 000
Reefer	135 000 000	270 000 000
ISO Tank	153 600 000	---

**Damages determination and terms of payment:**

Container shipping line / owner agencies claims will be paid by insurer with the below condition:

- 1- 30 days after letter of invoice issued by liner agencies and not settled by container recipients subject has related insurance policy;
- 2- Related charges to Detention, Repair and Minor damages within 10 days and Total Loss within 60 days after the deadline is fitted for item no. 1, which will be settled.