

## GOODS IN TRANSIT: INSURANCE CONSIDERATIONS

Whether you transport goods as part of your business or if you are moving house, there are various aspects of insurance to consider. With over 80% of goods being transported by road in South Africa, it is best to make sure your goods are sufficiently covered.

### **Goods in transit: Personal**

We have all moved house before, and this can be a very stressful event. It is critical that you take due care on the insurance arrangements around the move, as this can save you from unplanned financial losses and associated stresses.

### **Using professional movers**

Your current personal insurance policy could be extended to cover you while your goods are being moved by a professional company, but you will need to check with your insurer exactly what terms and conditions would apply. If your policy only has limited cover, it is possible to take out a separate 'household goods in transit policy' that will ensure you are covered for the period of moving home. Another option would be taking out insurance via the moving company you are using, but this can end up being a more costly choice.

### **Using your own vehicle**

Many of us rope in help from family and friends to save on moving costs. This is a safe option when it comes to using your insurance, but only in the event of an accident. Your insurance cover will only be valid for collision or overturning of the vehicle, but it will not cover you if any of your goods are stolen in transit. You aren't restricted to the value of goods transported per load, but you must have sufficient cover for the total sum insured of all your goods.

### **Goods in your new home versus your old home**

There will be a time when some of your goods are in your new home and some of your goods are still in your old home if you are moving in stages. Both properties will need to be included in your policy to cover your contents on both premises for the moving period. It is essential to ensure that you have the correct cover in place no matter how you intend to transport goods, and that you understand the various clauses in your policy to avoid suffering losses. If you are uncertain, please contact your PSG Insure adviser for assistance.

### **Goods in transit: Business**

In the case of transporting goods to your customers, imagine the rear door of your delivery truck opens accidentally; the goods fall off, get damaged and simultaneously also damage a third party vehicle. This can happen more often than you think, so it is best to have adequate insurance in place.

### **The 'basic' rule**

Goods in transit insurance cover does not only include transportation of your own goods, i.e. between your factory/warehouse to your retail outlet/customer, but also includes goods delivered on consignment. Your insurance policy should cover you from the time the goods are loaded and secured at your business premises to the time they are offloaded at the consignee's premises. Goods are considered to be on consignment for the transit period even if the buyer settles cash on delivery.

### **Available extensions**

A policy could also extend to cover 96 hours of storage during the course of the transit. This would be very useful should the delivery vehicle break down, or if the goods arrive after close of business, requiring them to be stored until the next morning. However, if the goods are stolen during this period, they would not be covered by the goods in transit policy unless the vehicle is housed in a locked building and entry is gained by force. Depending on your contractual responsibility, there is limited cover available for fire, collision, overturning of the carrying vehicle and theft and high-jacking following the loss.

### **Specifications needed**

A goods in transit insurance policy normally only provides cover on a specified vehicle basis, but the cover can be extended to include transport via air or rail or even the entire fleet. You would need to specify that you require cover for additional modes of transport. Depending on the type of goods you transport, you may even require 'all risk' cover, which gives additional extensions. An example of where this would be important to have could be if you transport refrigerated goods and there is a malfunction of the temperature settings during the journey.

As PSG we are able to advise you on the cover for the transit of your goods with uninterrupted protection from the moment it is loaded at the manufacturer, producer or your premises, until such time as it is delivered to the client or retail store locally or abroad.