TRANSIT CARGO INSURANCE POLICY SUMMARY

Equipment purchases should normally be made on the basis of FOB point of delivery. That is, the vendor assumes the transportation risk (termed Free on Board or FOB) for the goods up to the point of destination which is normally to the university's premises and includes loading/unloading.

In certain cases, the transit risk may be negotiated separately for business reasons, for example when goods are being sent out for repair. When the university ships goods for purposes of repair, loan or for use in field research, either the shipping company or the university would normally undertake the transit risk.

Normally, if the shipper provides insurance, it is first dollar coverage at a tariff rate of 1% of the value of goods shipped and this is a cost effective alternative for low value shipments (up to $5,000). If the cost of the shipment is in excess of $5,000, the university maintains a transit insurance policy that is generally cost effective for larger value shipments when the premium cost is a significant factor.

The risk management and insurance department sh policy is $500 management and insurance (and the insurers) within 30 days

Please ensure that risk management and insurance is informed immediately if this type

suspected.

4. Policy territory

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