



**ACEGLOBAL**  
ACE GLOBAL DEPOSITORY

**CARGO MARINE INSURANCE BROKER Company - Appraisal  
Questionnaire**

**CARGO MARINE INSURANCE COMPANY DETAILS :**

Name of the Group:  
Business mailing address:  
Company name:  
Address:  
City:  
State- Country:  
Key Contact:  
Phone:  
Mobile:  
E mail address:  
Fax:  
Web site link:

Names of the co-insurance members and their ratings:....

**Risk Analysis summary**

<b>Aspects</b>	<b>Parameters</b>	<b>Rating</b>
Expertise /Internal Control /Track Record	- Quality of management, reputation & market recognition - Management of operations – internal control and procedures - Relationship with BANK	
Recourse	- Financial Standing - Insurance Cover	
Business Environment		
<b>Rating of Counter party</b>		

## A – Appraisal of Management expertise - business organisation - quality of controls - track record

### 1. Global overview – management and business organisation

The analysis should encompass the following elements:

- ✓ Group structure (organizational chart, which entities are the operational companies?) - status of local offices : branch /subsidiaries.
- ✓ Could you provide us with an organizational chart of your company? When was the company created?
- ✓ Date of creation + shareholding structure/ status (public/private)- Who are the shareholders and what percentage of the company do they own respectively?
- ✓ Could you please provide us with information about the key management (background, experience...)?
- ✓ In which countries are you represented and through whom i.e. branches/subsidiaries/agents?
- ✓ Branch Office reputation and experience
- ✓ Business description: main activities carried on, key client. Could you briefly describe your business? What are the main activities carried on and for which commodities? Which are the countries where you are the most active?
- ✓ Independence vis a vis key clients. Can you give us a list of your main clients? For how long have you been working with them?
- ✓ Geographical scope of operations and market positioning (global player, regional/sector specialist, niche player...)
- ✓ International certification. Is your company certified by an international organization (ISO, FIATA...)? If so, please detail.

### 2. Insurance Company Operations: focus on the Insurance Company organisation – Insurance Company's risk management policy and procedures- Loss prevention- Risk control during transport and/ or storage

The analysis should encompass the following elements:

- What types of risks are covered by the Insurance Policy? Confiscation, expropriation, nationalisation? Deprivation? Riots, strikes, civil commotions, malicious damage and terrorism? War on land? Others?
- Assessment of operational risk management policy and procedures:
  - Valuation of goods under coverage: basis of valuation? Book value? Replacement value?
  - Calculation of the Premium?
  - Process of assessment of the Surveyor/ Collateral Controller details?
  - Process of assessment of the Storage Locations?
  - Which steps of the Supply Chain are under the Insurance Policy?
  - Is the Transport insured? What type? What is the assessment procedure? What is the security arrangement for the transport?
- Assessment of the Security; what is the process to assess the Security
  - Check of alarm system, closed circuit, TV, watchman, clock station, building night- lights, police protection, nearest police station?
  - Check the details of guard force (numbers at any time and training)?
  - Check of full perimeter with guarded gates?
  - Who has the physical control of the stocks?

- Assessment of the loss prevention of the Storage Location
  - Check of fire protection: municipal fire department? Distance from fire department? Fire hydrants?
  - Check of flood and water protection: Storage facility located in a prone flood area? Existence of drain pipes? Overhead pipe arrangement? Condition of plumbing? Water stains?
  - Check of fire fighting equipment: existence of fire extinguishers authority? Fire alarm? Horse and stand pipe? Sprinkler system? Fire lanes?
- Assessment of the Insured company

### 3. **Bank relationship with the Insurance Company**

The analysis should encompass the following elements:

- Beginning of Insurance Company's relationship with Bank
- Nature of the business so far (for which key clients?)/ Number of active deals covered by the Insurance Company as of today
- Countries in which a the goods are under the Coverage Policy
- Evolution of the goods exposure over a period of time.
- Does the STF Management meet with Insurance Company's management (at head office level / at local offices level)?
- Any incidents reported with Bank

## B – Appraisal of the cargo insurance coverage

The analysis should encompass the following elements:

- List of damages covered by the Insurance Policy (All risks? Misappropriation? FOG? FOQ?)
- Clauses covered by the insurance – malicious damage clause? Wilful misconduct or gross negligence of the assured? Transport carried out by the insured? Heating, sweating, spontaneous combustion? Others?
- What is the maximum limit per ocean vessel/ barge and/ or rail convoy and/ or per consignment and/ or per stay/ storage building?
- This maximum limit will be related to? Assured cargo interests, for any voyage (including any storage either in the nominal course of transit or not) from any point of the world to another point in the world?
- What if the total values at risk exceed the defined limit?
- Do you have an option station that the average shall not apply but the assured will have to pay the premium related to the exceeding value?
- What is the maximum per loss or event and per annum in respect of Misappropriation at risks? Is there an automatic reinstatement of the sum insured subject to additional premium to be fixed?
- What is the inception and duration of the policy?
  - for ordinary risks?
  - for “consequences of strikes”, “war risks and SRCC risks”?
- What are the values at risks and basis of premium for transport/ tonnage?
- What about the land and/ or river and/ or air shipments not connected with the sea voyage?
- Analysis of the underwriters (external rating, Bank rating, reinsurers...)

	<b><u>Insurance Cargo Cover</u></b>
Max limitation / site / event	
Max limitation / country	
Max limitation / year	

	<b><u>Exposure</u></b>
Max exposure in one site financed by Bank	
Total max/average exposure financed by BANK	
Total Coverage Policy exposure	

## C – Appraisal of the declaration process

- Please describe the process of declaration to the Insurance Company: how the declaration will be done? On a deal by deal basis?
- Please provide with the list of documents:
  - New deal insurance declaration form
  - Insurance Certificate Request
  - Pre- post shipment declaration

## D – Appraisal of claim process

- Please describe the process to follow regarding the notice of damages during the insured voyage:
  - at pre- shipment
  - sea voyage
  - complementary voyage
  - air voyage
- Process to be followed in case of claim:
  - list of usual documentation
  - is there any specific documentation which is required? For which situation?
- Please provide with the template of the:
  - Claim declaration form
  - Loss payee endorsement request
  - Damages Calculation table
- Please explain the loss payee procedure
- Please describe the procedure to be followed for the settlement of indemnities, recovery action, payment on account, profit sharing clause.

## E – Appraisal of our recourse vis à vis the Insurance Company

### **Track Record:**

Claim/ Loss history not solved? Related amount? Commodity and Country?  
Copy of their professional liability insurance?

### **Financial standing**

–Analysis of consolidated financial statements & stand alone figures

*\*Requires consolidated financial statements for the 2 last fiscal years*

*The analyses should be put in perspective with the total amount of goods under responsibility/potential liability of the Insurance Company (vs. all banks)*

### **Legal Documentation:**

Require the template of the Insurance Policy Agreement

## Conclusion and recommendation:

Appendix:

- 1 – Copy of the Insurance Coverage Policy
- 2 – Copy of the proposed contract
- 3 – Financial spread sheet