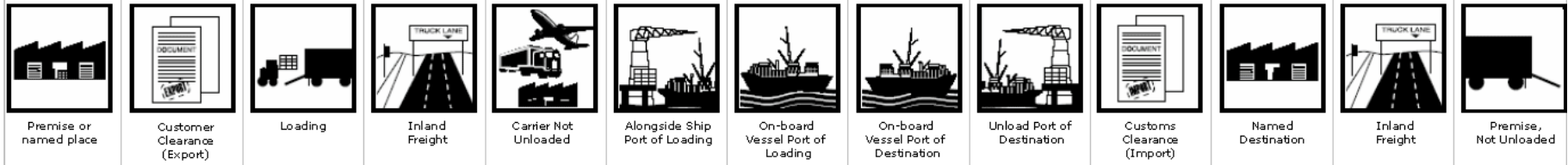


INCOTERMS 2000: INSURANCE OBLIGATIONS



| Category | Incoterms | Description | Insurance Risk |
|----------|--|---------------------------------|--|
| E | EXW Ex works | Seller's premises | Seller's risk |
| | FCA Free Carrier Multimodal | Delivered at seller's premises | Seller's risk |
| F | FCA Free Carrier Multimodal | Delivered at carrier's premises | Seller's risk |
| | FAS Free Alongside Ship | Port of shipment | Seller's risk |
| | FOB Free On Board | Port of shipment | Seller's risk |
| | CFR Cost & Freight | Named port of destination | Seller's risk |
| C | CIF Cost, Insurance & Freight | Named port of destination | Seller's risk (with Compulsory Insurance - Seller) |
| | CPT Carriage Paid to | Named place of destination | Seller's risk |
| | CIP Carriage & Insurance Paid to | Named place of destination | Seller's risk (with Compulsory Insurance - Seller) |
| | DAF Delivered at Frontier | Named boarder | Seller's risk |
| D | DES Delivered Ex Ship | Named port of destination | Seller's risk |
| | DEQ Delivered Ex Quay | Named port of destination | Seller's risk |
| | DDU Delivered Duty Unpaid | Named place of destination | Seller's risk |
| | DDP Delivered Duty Paid | Named place of destination | Seller's risk |
| | DDP Delivered Duty Paid | Named place of destination | Seller's risk |

Insurance Risk
A Critical Point in transit where an event may occur which could cause loss or damage to the goods. Buyers and Sellers can protect themselves against such risk by means of insurance.

Seller's risk (Dark Blue arrow)

Buyer's risk (Light Blue arrow)

mono Sea and Inland Waterways only

multi All modes of transport

INCOTERMS 2000 are internationally accepted commercial terms defining the respective roles of the buyer and seller in the arrangement of transportation and clarify when the ownership of the merchandise takes place. This diagram is intended as an easy reference point in terms of determining your insurance risk in terms of Incoterms 2000

Incoterms are not implied into contracts for the sale of goods. If you desire to use Incoterms, you must specifically include them in your contract

Incoterms are grouped into four categories. The following explanations give a broad overview of the insurance risk, from the Sellers point of view, relating to each category:

- Ex Works:** Seller's risk passes to the Buyer at Seller's own premises
- Free:** Seller to deliver goods to Carrier appointed by Buyer whereupon risk passes to the Buyer
- Carriage:** Seller to contract for carriage and insurance until delivered to the nominated Carrier. Seller also to arrange insurance in terms of CIF (until the Port of Destination) & CIP (until the Named Destination)
- Delivered:** Seller bears all costs and risks to deliver goods to the Destination Point

Chadwicks have endeavoured to ensure the accuracy of this guide. However, we can accept no liability for errors or omissions arising out the use of the guide.