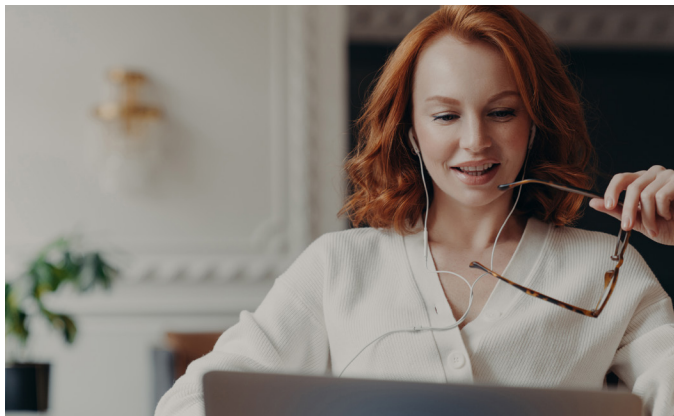


Check your sub-contractors



You will already have taken steps to ensure incorporation of your trading conditions into each and every contract that you undertake with your customer which sets out the limits of your liability in the event of loss and damage – please refer to our guide to Incorporation of Trading Conditions.



It may sound obvious but your first step is to check the contract that you concluded with your customer to see if there is any restriction on sub-contracting part or all of the work. The following is a brief guide as to how to minimise your exposure to risks of loss or damage by knowing who it is you are sub-contracting with and ensuring that they are adequately protected in the event that something should go wrong.

It is a standard requirement of most Freight Liability Insurance policies that the Insured party should take all reasonable steps to ensure that all parties with whom they contract for carriage of goods maintain sufficient and reasonable levels of insurance. Most Insurers will require you to obtain evidence of such insurance on an annual basis.

Your policy document will stipulate the exact requirements that you should comply with and this should be reviewed to ensure that your processes are compliant. We recommend that you implement a system whereby existing sub-contractors insurance details are checked on an annual basis and new sub-contractors are checked before entrusting any goods into their custody and control.

**For further information, please contact Hazel Downes
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Check your sub-contractors



Do you know the company you are contracting with?

This is a basic question but before entrusting goods to a new sub-contractor check the identity of the company. Are they an official registered company? Where are they located? How many years have they been trading? Make sure that instructions are made and confirmed through the company's official email and correspondence addresses. Ensure that the sub-contractor is capable of carrying out the work involved and, if possible, forbid him from sub-contracting further. If you can not do so, make him responsible for all his sub-contractors.

Under which terms and conditions does the sub-contractor operate?

It is important that you are aware what liability regime any claim will be subject to and you should therefore check whether the sub-contractor is a member of a trade association or if carriage will be subject to an International Convention. Please refer to our guide to Contractually Limited and Statutory Liabilities. If a carrier operates under their Own Trading Conditions obtain a copy of the full conditions for review and, if you are in any doubt, refer them to your broker for approval.



Is your sub-contractor insured?

Obtain evidence of every sub-contractors insurance detail and check on an annual basis that this has been renewed. When requesting evidence of a hauliers insurance you should also request details of their Motor Insurance.

Be aware of restrictions and exclusions!

It is unusual for an insurance policy not to contain any restrictions or exclusions. Once you have received evidence of the insurance cover and have checked that validity period also consider the limit of liability provided is sufficient and that the geographical location is covered. Most policies and indeed trading conditions will contain either excluded or restricted goods which the policy may be subject to and you should check to ensure that the goods that you are asking to be carried are not excluded.

If you are involved in carriage of hazardous, temperature controlled or theft attractive goods ensure that these are included on the insurance.

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