



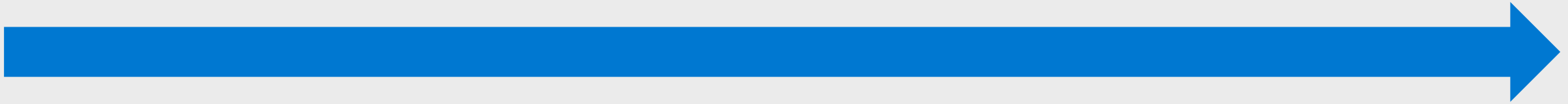
INCOTERMS® 2020

What is Incoterms?

- An abbreviation for International Commercial Terms
- A series of pre-defined commercial terms
- Published by the International Chamber of Commerce (ICC)



THE SUPPLY CHAIN



The **average cost of a loss** related to a fleet vehicle accident is **\$70,000**



Insurance premiums for trucking companies are totalling around **\$12000 - \$14000**

1,582 containers were lost at sea
(average number per year from 2008 to 2016)



64% of containers were lost due to a catastrophic event
(1012 containers)



Incoterms History

- First edition released in 1936
- Latest version: Incoterms 2020
- Incoterms reflect business-to-business practices in contracts for buying and selling goods

Purpose

- Define key aspects of sales contracts
- Clarify obligations, risks, and costs
- Highlight where seller and buyer responsibilities shift during transport



When Should You Secure Shipment Insurance?

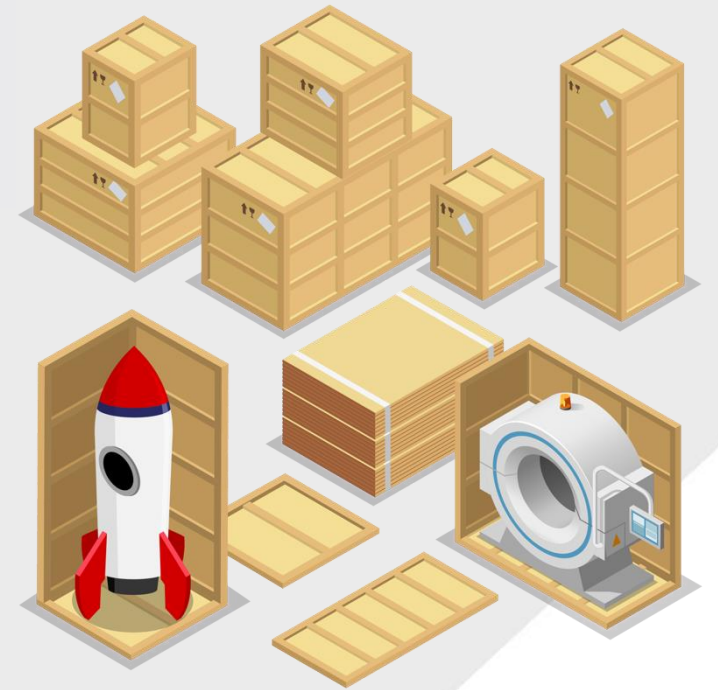
- Confusion often arises about who is responsible for insuring goods during transit.
- In this presentation, we'll walk you through key delivery terms, pinpointing when you're at risk and how insurance can protect your shipments.





Cargo insurance protects your shipment investment

Manage risk and avoid financial
losses with All-Risk Insurance



MULTIMODAL TRANSPOT

EXW

EX WORKS

FCA

FREE CARRIER

CPT

CARRIAGE PAID TO

CIP

CARRIAGE & INSURANCE PAID TO

DPU

DELIVERED AT PLACE UNLOADED

DAP

DELIVERED AT PLACE

DDP

DELIVERED DUTY PAID



ARIES
WORLDWIDE LOGISTICS

EXW

EX WORKS

SELLER COST SELLER RISK SELLER INSURANCE



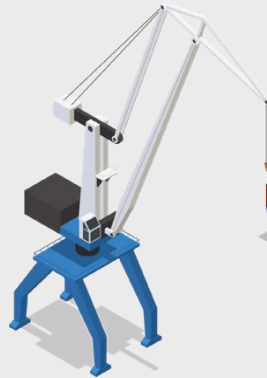
SELLER



CARRIER



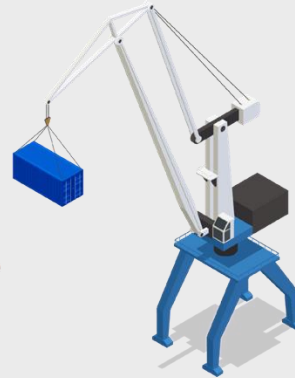
DOCKSIDE



LOADING



IN TRANSIT



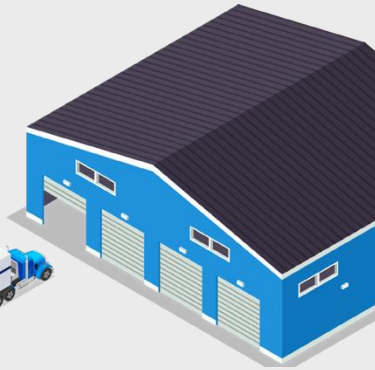
UNLOADING



DOCKSIDE



DESTINATION



BUYER

- The seller makes goods available at their premises, covering transport and packaging unless otherwise agreed.
- Loading and all risks transfer to the buyer upon availability.
- The buyer should secure insurance from the loading point at the seller's premises.

RISKS

- The chance of an event causing loss or damage to goods is a "risk."
- Buyers and/or sellers can mitigate risks with transport insurance.

COSTS

- Covers all expenses except for document costs.
- Sales and purchase contracts must specify which costs, during goods transfer, are borne by the buyer and/or seller.

FCA (a)

FREE CARRIER

SELLER COST SELLER RISK SELLER INSURANCE



- Risk transfers from seller to buyer based on the delivery location.
- If delivery is at the seller’s facility, risk shifts when goods are loaded onto the first carrier.
- If delivery is at another location, risk transfers upon arrival, before goods are unloaded.

Example: “FCA Seller’s Facility, Mölnlycke, Sweden”

- The seller loads the shipment onto the buyer’s designated truck.
- Freight charges are collect, and risk transfers when the shipment is loaded.

RISKS

- The chance that an event may cause loss or damage to goods is a "risk."
- Buyers and/or sellers can safeguard against risks with transport insurance.

COSTS

- Covers all expenses except document costs.
- Sales and purchase contracts must clearly specify which costs, during goods transfer, are borne by the buyer and/or seller.

FCA (b)

FREE CARRIER

SELLER COST SELLER RISK SELLER INSURANCE



- Risk transfers from seller to buyer based on the delivery location.
- If delivery is at the seller’s facility, risk shifts when goods are loaded onto the first carrier.
- If delivery is at another location, risk transfers upon arrival, before goods are unloaded.

Example: “FCA Airport, LAX”

- The seller delivers goods to the airport at their expense, with risk transferring when handed to the first carrier.

RISKS

- The chance that an event may cause loss or damage to goods is a "risk."
- Buyers and/or sellers can mitigate risks with transport insurance.

COSTS

- Covers all expenses except document costs.
- Sales and purchase contracts must clearly specify which costs, during goods transfer, are borne by the buyer and/or seller.

CPT

CARRIAGE PAID TO

SELLER COST SELLER RISK SELLER INSURANCE



- The seller bears all risks, including loss, until goods are handed to the nominated carrier.
- The carrier may be the entity transporting the goods (e.g., sea, rail, road) or hired to arrange carriage.

RISKS

- The chance that an event may cause loss or damage to goods is a "risk."
- Buyers and/or sellers can mitigate risks with transport insurance.

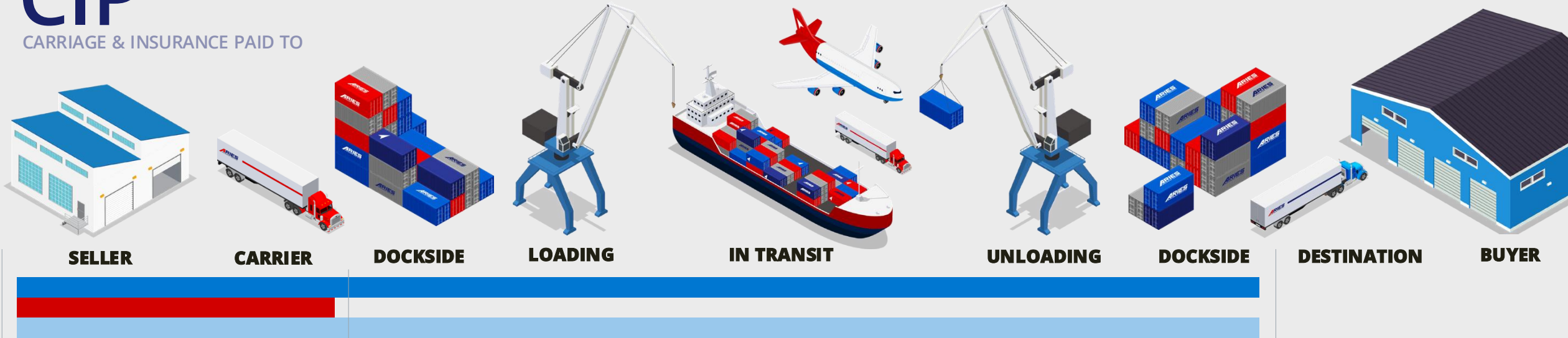
COSTS

- Covers all expenses except document costs.
- Sales and purchase contracts must clearly specify which costs, during goods transfer, are borne by the buyer and/or seller.

CIP

CARRIAGE & INSURANCE PAID TO

SELLER COST SELLER RISK SELLER INSURANCE



- The seller assumes all risks until goods are delivered to the first carrier at the shipment location, not the destination.
- Once delivered to the first carrier, the buyer takes on all risks.
- The seller must provide insurance from the loading point at their premises to the named delivery place, now requiring ICC A coverage (updated from Incoterms® 2010).
- After risk transfers to the buyer upon delivery to the first carrier, the buyer handles claims unless otherwise agreed.

RISKS

- The chance that an event may cause loss or damage to goods is a "risk."
- Buyers and/or sellers can mitigate risks with transport insurance.

COSTS

- Covers all expenses except document costs.
- Sales and purchase contracts must clearly specify which costs, during goods transfer, are borne by the buyer and/or seller.

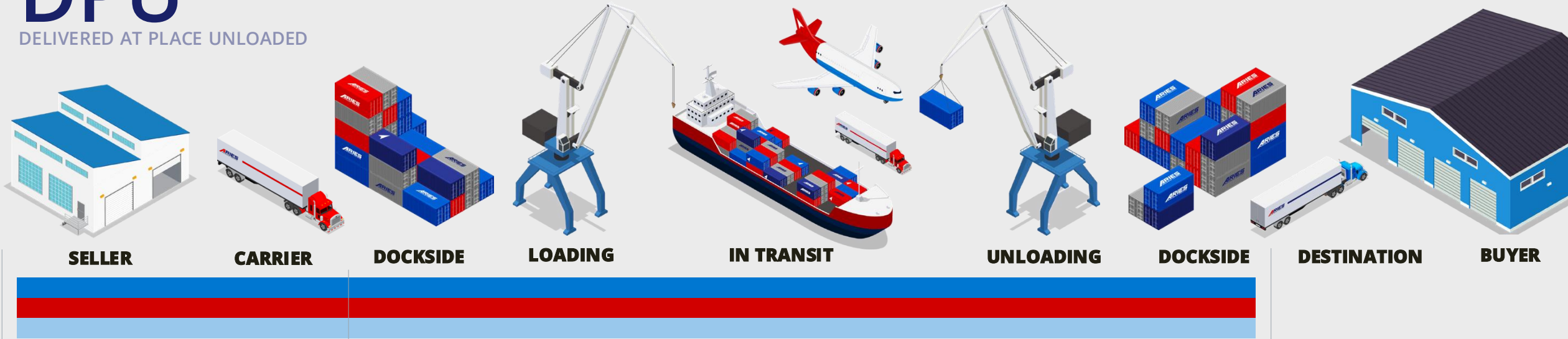
INSURANCE

- Transport insurance is the seller's responsibility.

DPU

DELIVERED AT PLACE UNLOADED

SELLER COST SELLER RISK SELLER INSURANCE



- The seller is responsible for transportation, risks, and costs until the goods are unloaded at the named port or destination.
- After unloading at the named port or destination, all risks transfer from seller to buyer.

RISKS

- The chance that an event may cause loss or damage to goods is a "risk."
- Buyers and/or sellers can mitigate risks with transport insurance.

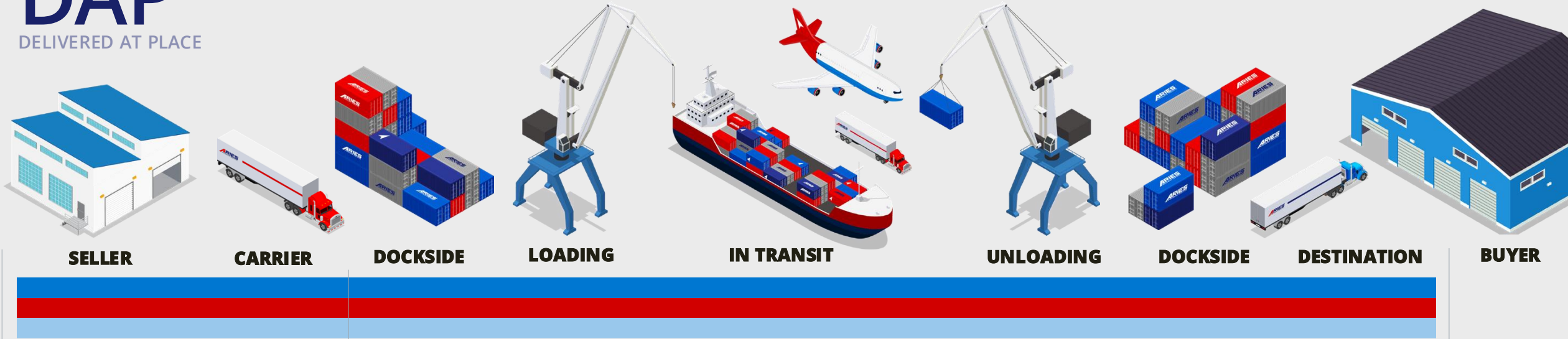
COSTS

- Covers all expenses except document costs.
- Sales and purchase contracts must clearly specify which costs, during goods transfer, are borne by the buyer and/or seller.

DAP

DELIVERED AT PLACE

SELLER COST SELLER RISK SELLER INSURANCE



- The seller is responsible for transportation, charges, and risks until the named delivery place.
- Risk and costs transfer to the buyer when the shipment is available for unloading; the buyer handles unloading.

RISKS

- The chance that an event may cause loss or damage to goods is a "risk."
- Buyers and/or sellers can mitigate risks with transport insurance.

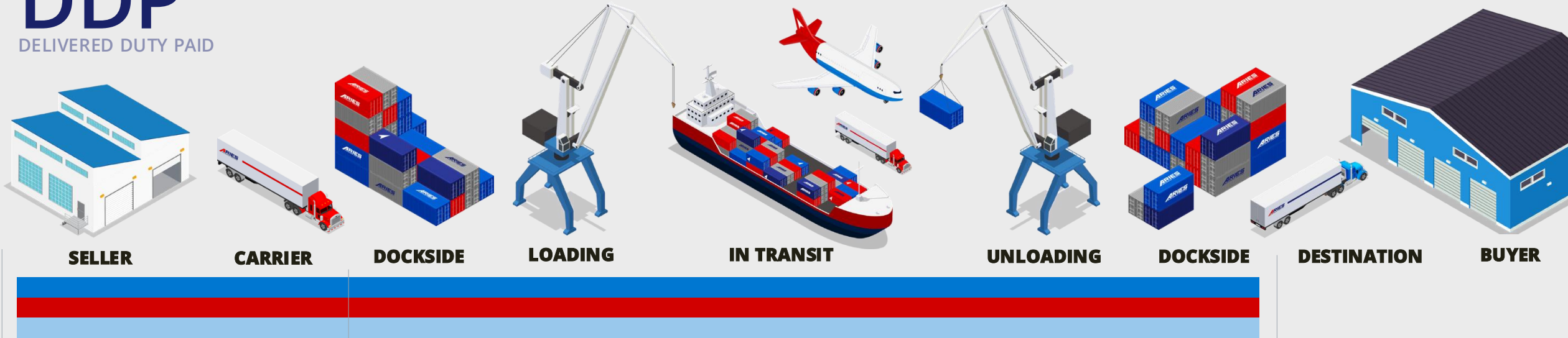
COSTS

- Covers all expenses except document costs.
- Sales and purchase contracts must clearly specify which costs, during goods transfer, are borne by the buyer and/or seller.

DDP

DELIVERED DUTY PAID

SELLER COST SELLER RISK SELLER INSURANCE



- DDP is the Incoterm where the seller assumes maximum risk and responsibility.
- The seller covers all aspects from loading to unloading at the named place, which must be clearly specified to avoid confusion.

RISKS

- The chance that an event may cause loss or damage to goods is a "risk."
- Buyers and/or sellers can mitigate risks with transport insurance.

COSTS

- Covers all expenses except document costs.
- Sales and purchase contracts must clearly specify which costs, during goods transfer, are borne by the buyer and/or seller.

SEA AND WATERWAYS

FAS

FREE ALONGSIDE SHIP

FOB

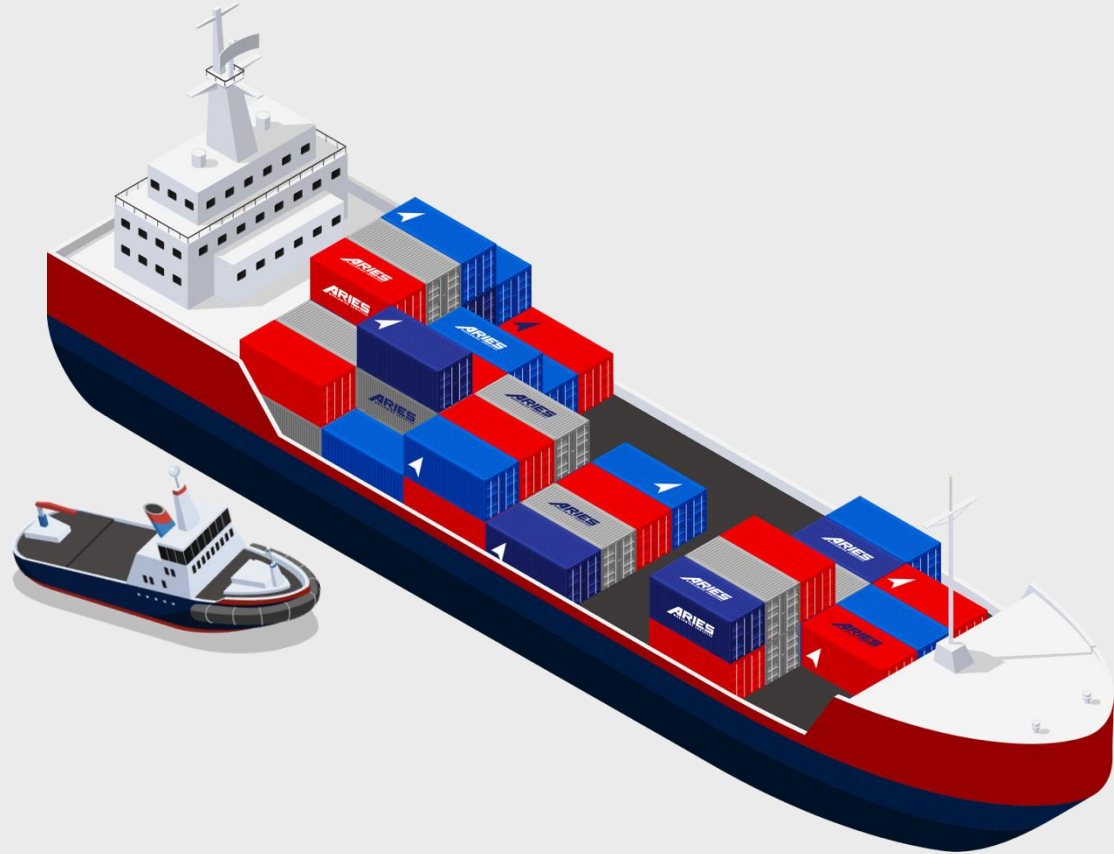
FREE ON BOARD

CFR

COST & FREIGHT

CIF

COST, INSURANCE & FREIGHT



FAS

FREE ALONGSIDE SHIP

SELLER COST SELLER RISK SELLER INSURANCE



- The seller fulfills their obligation when the shipment is available alongside the buyer's nominated vessel at the named port of shipment.
- Risk transfers from seller to buyer at that point.

RISKS

- The chance that an event may cause loss or damage to goods is a "risk."
- Buyers and/or sellers can mitigate risks with transport insurance.

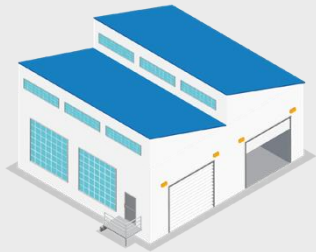
COSTS

- Covers all expenses except document costs.
- Sales and purchase contracts must clearly specify which costs, during goods transfer, are borne by the buyer and/or seller.

FOB

FREE ON BOARD

SELLER COST SELLER RISK SELLER INSURANCE



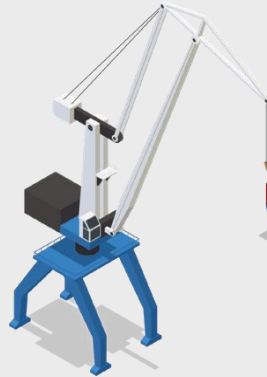
SELLER



CARRIER



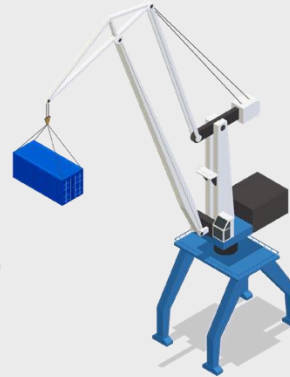
DOCKSIDE



LOADING



IN TRANSIT



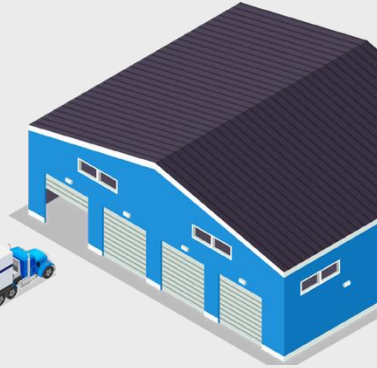
UNLOADING



DOCKSIDE



DESTINATION



BUYER



- Risk and costs transfer from seller to buyer when the shipment is loaded onto the vessel at the named port of shipment.

RISKS

- The chance that an event may cause loss or damage to goods is a "risk."
- Buyers and/or sellers can mitigate risks with transport insurance.

COSTS

- Covers all expenses except document costs.
- Sales and purchase contracts must clearly specify which costs, during goods transfer, are borne by the buyer and/or seller.

CFR

COST & FREIGHT

SELLER COST SELLER RISK SELLER INSURANCE



- Risk transfers from seller to buyer when goods pass the ship's rail.
- The seller is not responsible for insuring the goods during the main carriage but covers freight costs.

RISKS

- The chance that an event may cause loss or damage to goods is a "risk."
- Buyers and/or sellers can mitigate risks with transport insurance.

COSTS

- Covers all expenses except document costs.
- Sales and purchase contracts must clearly specify which costs, during goods transfer, are borne by the buyer and/or seller.

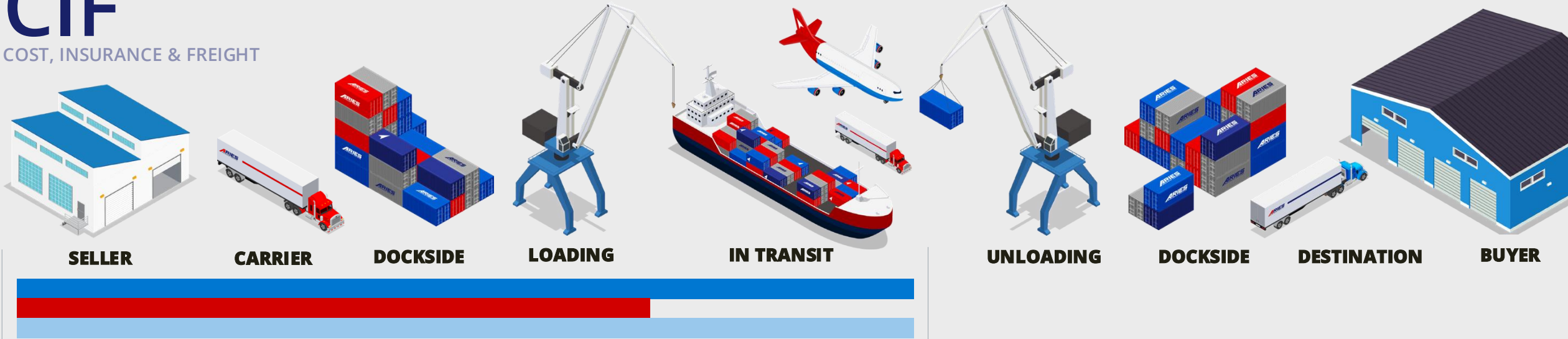
INSURANCE

- Transport insurance is the buyer's responsibility.

CIF

COST, INSURANCE & FREIGHT

SELLER COST SELLER RISK SELLER INSURANCE



- Risk transfers from seller to buyer when the shipment is fully loaded on board the transport vessel.
- The seller is responsible for arranging insurance for the main transport, providing the lower coverage level ICC C as required.

RISKS

- The chance that an event may cause loss or damage to goods is a "risk."
- Buyers and/or sellers can mitigate risks with transport insurance.

COSTS

- Covers all expenses except document costs.
- Sales and purchase contracts must clearly specify which costs, during goods transfer, are borne by the buyer and/or seller.

INSURANCE

- Transport insurance is the seller's responsibility.

ARE YOU COVERED?





THANK YOU

1501 EAST RICHEY RD, HOUSTON, TX 77073
888•50•ARIES • WWW.ARIESWW.COM

INTAM
INTERNATIONAL
TRANSPORTATION
MANAGEMENT



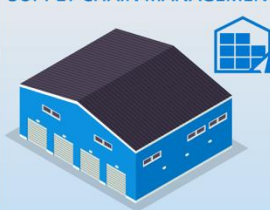
NORTAM
NORTH AMERICAN
TRANSPORTATION
MANAGEMENT



**CUSTOMS &
TRADE SERVICES**
IMPORT/EXPORT
COMPLIANCE



**WAREHOUSE
LOGISTICS**
COMPREHENSIVE
SUPPLY CHAIN MANAGEMENT



**CLIENT
CARE GROUP**
BEST-IN-CLASS



AIMS TRACKING & INFO MANAGEMENT SYSTEM

