



IUMI webinar

10 February 2026

*“Freight Forwarders’ Liability
Insurance:
Insights and Perspectives from
China, Europe and the U.S.”*



Disclaimer AXA XL:

This publication does not replace legal advice and should not be considered binding. We accept no liability for the accuracy of the statements. Please understand this overview for what it is: merely an attempt to provide assistance and a rough initial guide. We recommend seeking further legal research or assistance in individual cases.



XL Insurance

Marine

Freight Forwarders' Liability Insurance:
Insights and Perspectives from
China, Europe and the U.S.

Christian Dierks / AXA XL | 10 February 2026



Agenda



1. Big Picture

- The Global Logistics Market
- Freight Forwarding Liability (FFL) Insurance:
Challenges, Advantages, Essential Requirements



2. FFL Insurance: Insights & Perspectives from Germany

- The Market
- Insurance Conditions
- Liability



3. FFL Insurance: Insights & Perspectives from China / USA



4. Q&A

Vision
Shift
from
“Marine-Cargo-Only-Approach”
to
more relevance of FFL





Big Picture

Global Logistics Market

The Global Logistics Market

Global Turnover
USD 8-10 trillion

Share of Gross Domestic Product
8 – 15 %

Trends

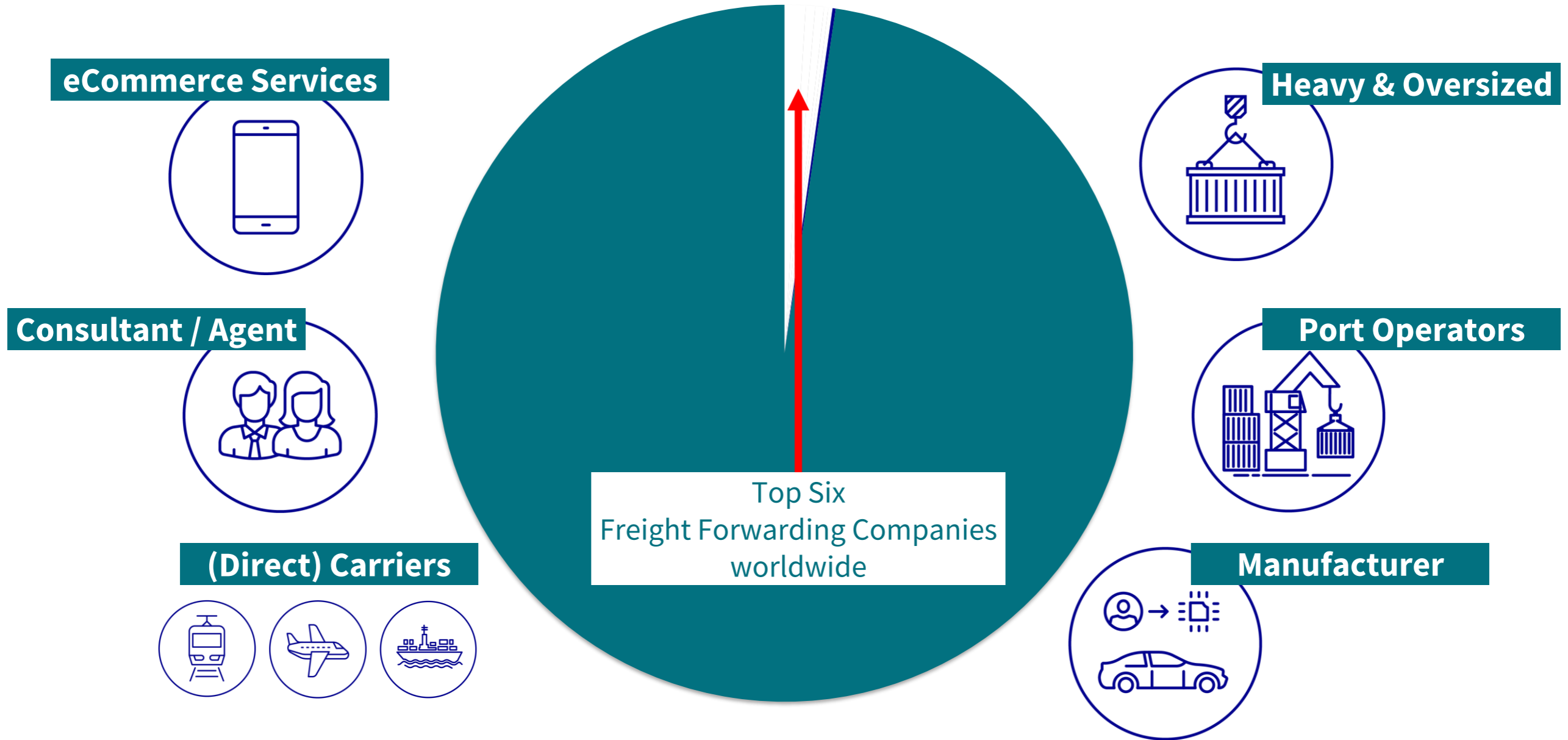
- ✓ **Fast growing**
- ✓ **Consolidation**
- ✓ **eCommerce demands fast & flexible solutions**

Key Drivers

- # Globalization**
- # Outsourcing**
- # Supply chain Certainty**
- # Speed: JiT / JiS**



The Global Logistics Market: Highly fragmented



FFL Insurance

FFL Insurance: Premium & Loss

Marine Cargo Premium
(IUMI figures, 2024)

USD 22.6 bn

FFL Insurance?

[No data available]



FFL Insurance: Premium & Loss

Marine Cargo Premium
(IUMI figures, 2024)

USD 22.6 bn



FFL Insurance?

[No data available]



Challenges of FFL Insurance



- ❖ High / unlimited / strict liability in logistics contracts between the insured and its clients
- ❖ Fire in warehouses
- ❖ High values concentrated on trucks (theft-prone goods with a high value), vessels, in ports, on compounds or in warehouses
- ❖ New services like manufacturing, fixing, checking, IT-services...
- ❖ Changing case law on liability for damage caused by war, natural disasters, confiscation, political risks, especially due to their increasing predictability and likeliness
- ❖ Long-tail line of business (compared to short-tail Marine Cargo)
- ❖ Organized crime, theft, robbery, fake carriers, fraud, embezzlement...

Challenges of FFL Insurance



- ❖ High / unlimited / strict liability in logistics contracts between the insured and its clients
- ❖ Fire in warehouses
- ❖ High values concentrated on trucks (theft-prone goods with compounds or in warehouses)
- ❖ New services like manufacturing, fixing, checking, IT-services
- ❖ Changing case law on liability for damage caused by war, risks, especially due to their increasing predictability and
- ❖ Long-tail line of business (compared to short-tail Marine)
- ❖ Organized crime, theft, robbery, fake carriers, fraud, em

IUMI Press Release
3 Feb 2026

IUMI & TAPA EMEA joint warning on fake carrier fraud and cargo crime risk

An alarming rise in cargo theft and freight fraud across global supply chains is being highlighted by the International Union of Marine Insurance (IUMI) and the Transported Asset Protection Association (TAPA) EMEA, with incidents escalating across Europe, the Americas and Africa. Latin America and several African nations are experiencing particularly severe and violent attacks.

According to TAPA's intelligence system, nearly 160,000 cargo-related crimes were recorded across 129 countries between 2022 and 2024, with total losses estimated to reach several billions of Euros (see joint statement referenced below for more detail). While traditional threats such as hijackings and theft remain a problem, both organisations warn that cargo crime is rapidly becoming more sophisticated and digitally enabled.

Thorsten Neumann, President & CEO of TAPA EMEA explained: "Although conventional theft from trucks and warehouses are still prevalent, cargo crime is evolving. We are seeing criminals using digital tools to conceal their true identities, the creation of shell companies and legitimate firms being cloned using stolen credentials. Forged email addresses, look-alike domains and fake insurance certificates are

Advantages of FFL Insurance



- ❖ Non-volatility – stable loss history
- ❖ Highly fragmented logistics market - diversified portfolio for insurers
- ❖ Logistics companies are increasingly well-organized in a highly professional manner and practice excellent risk management & claims handling
- ❖ Internationality and need for a global insurance program generates higher premium income, enabling loss mutualization.

FFL Insurance: Essential requirements

FFL is a very special niche!

- ✓ **Profound knowledge needed**
- ✓ **Enough employees**
- ✓ **You need a lot of patience & endurance – and not a nervous management! - Stay cool**
- ✓ **Insurers and staff must absolutely be able to handle international business.**
 - ❖ **Language skills**
 - ❖ **a network of partners**
 - ❖ **IT tools**
 - ❖ **...**
- ✓ **Risk Expertise needed: Own Risk Consultants and/or Risk Engineers**



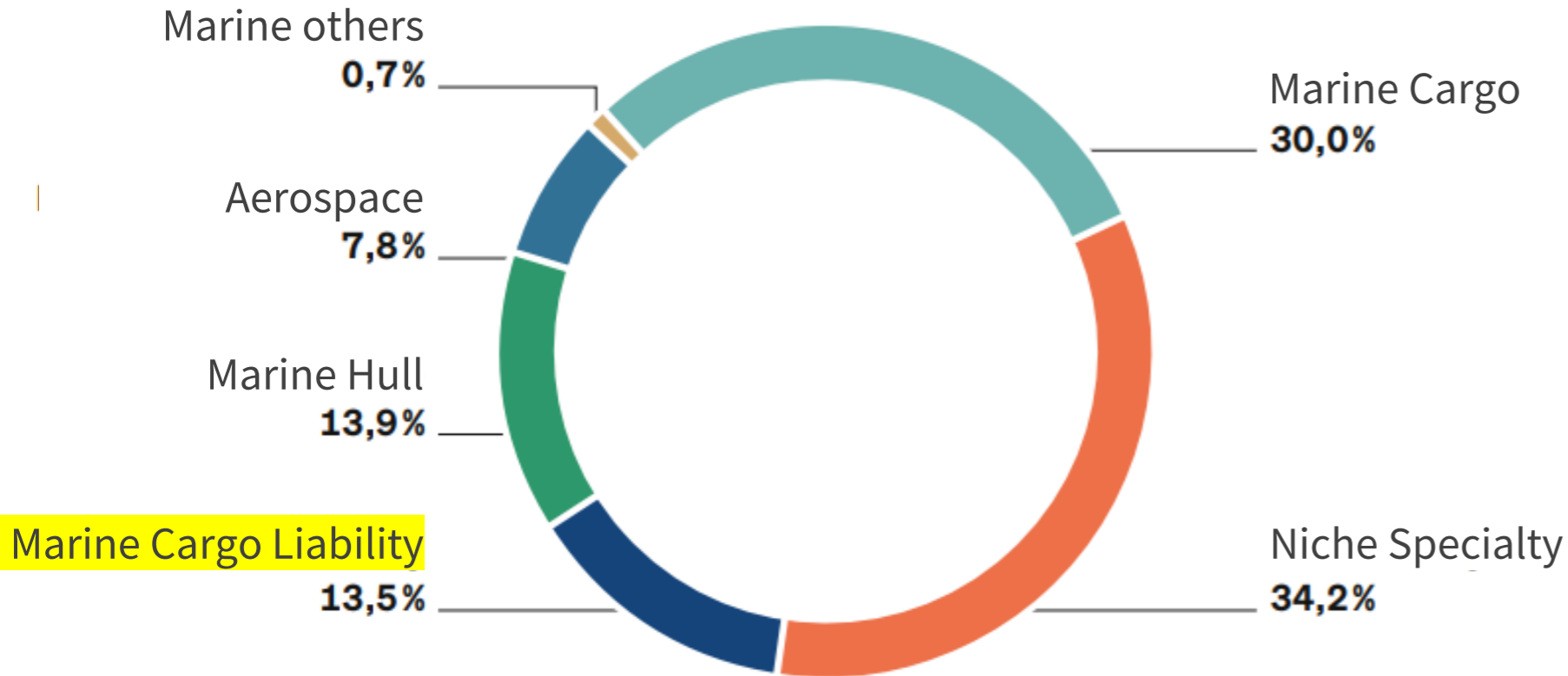
A large, light blue, stylized number '2' is centered in the background of the slide.

Insights & Perspectives from Europe / Germany

German Market



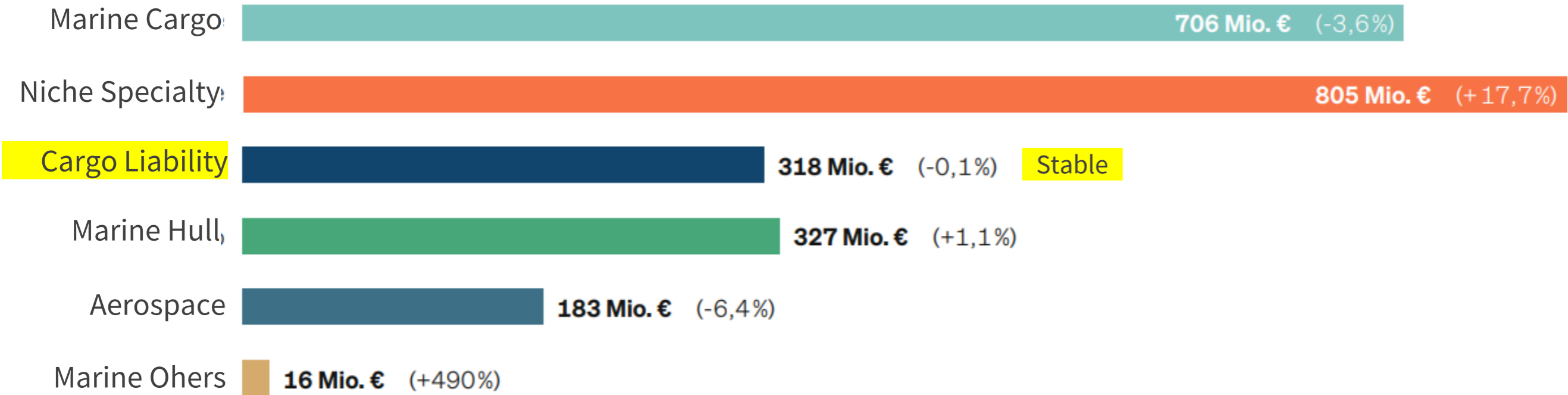
The German FFL Market 2024: 13,5% market share



2,353
Billion Euro

Source: GDV

The German FFL Market 2024: € 318m GWP



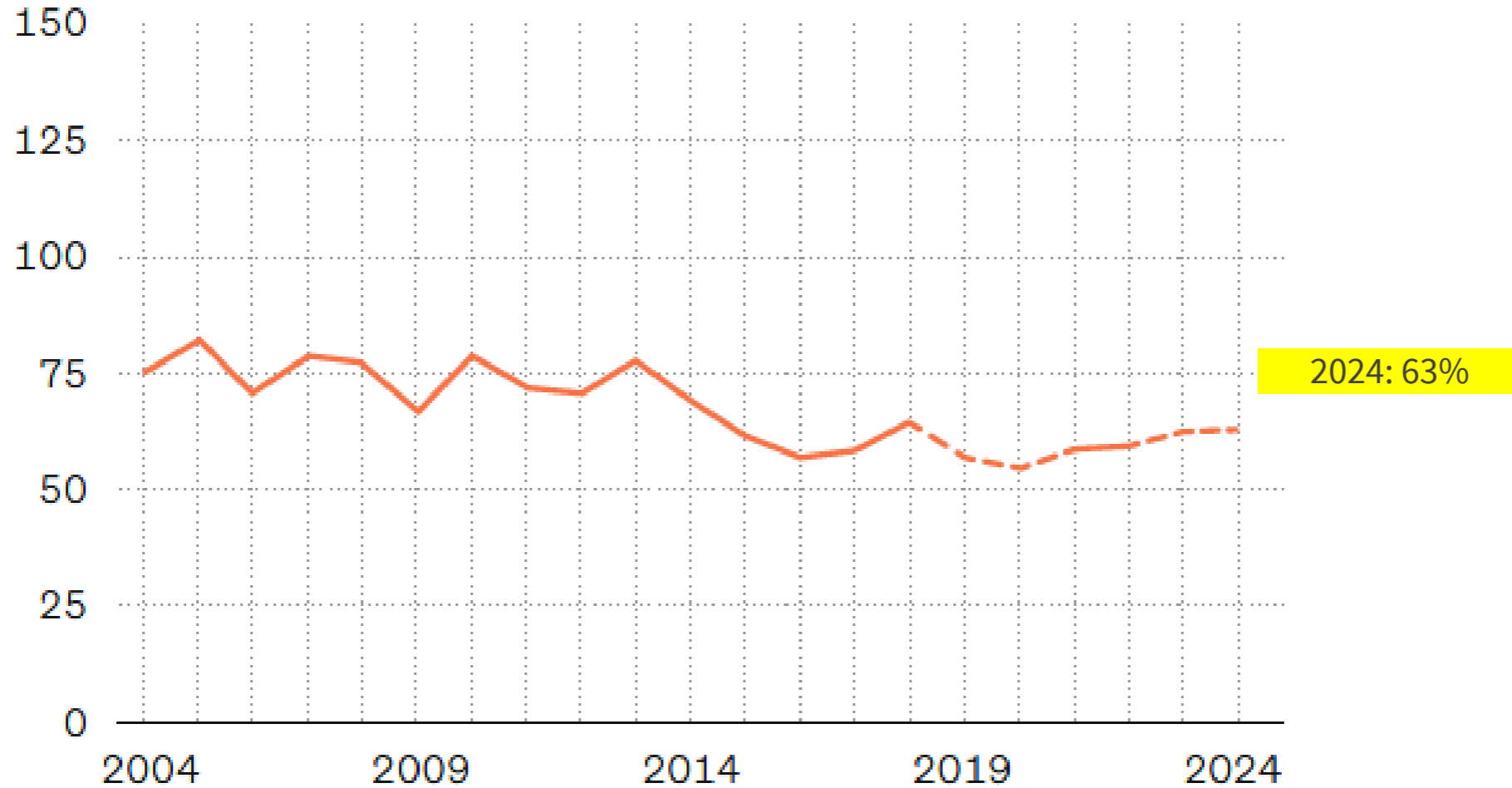
Source: GDV

The German FFL Market 2024: Split to categories



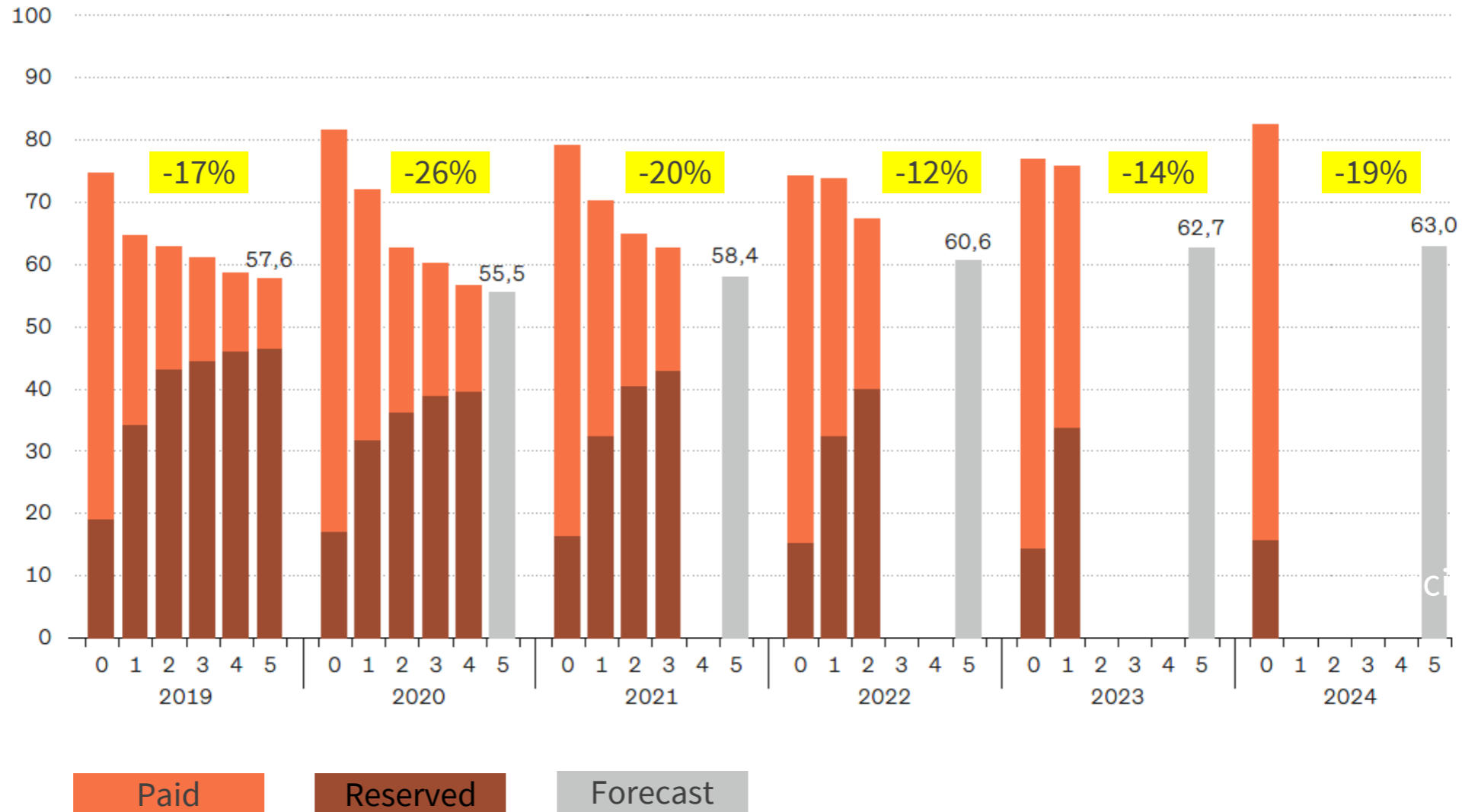
Source: GDV

The German FFL Market 2024: Loss Ratio non-volatile



Source: GDV

The German FFL Market 2024: Long-tail business



Source: GDV

Insurance Conditions

FFL Insurance: Scope

Freight Forwarder



Warehouse Operator



Exhibition Contractor



Road Carrier



Customs Agent



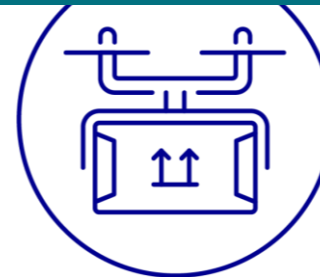
Logistics Provider



NVOCC



Parcel Service

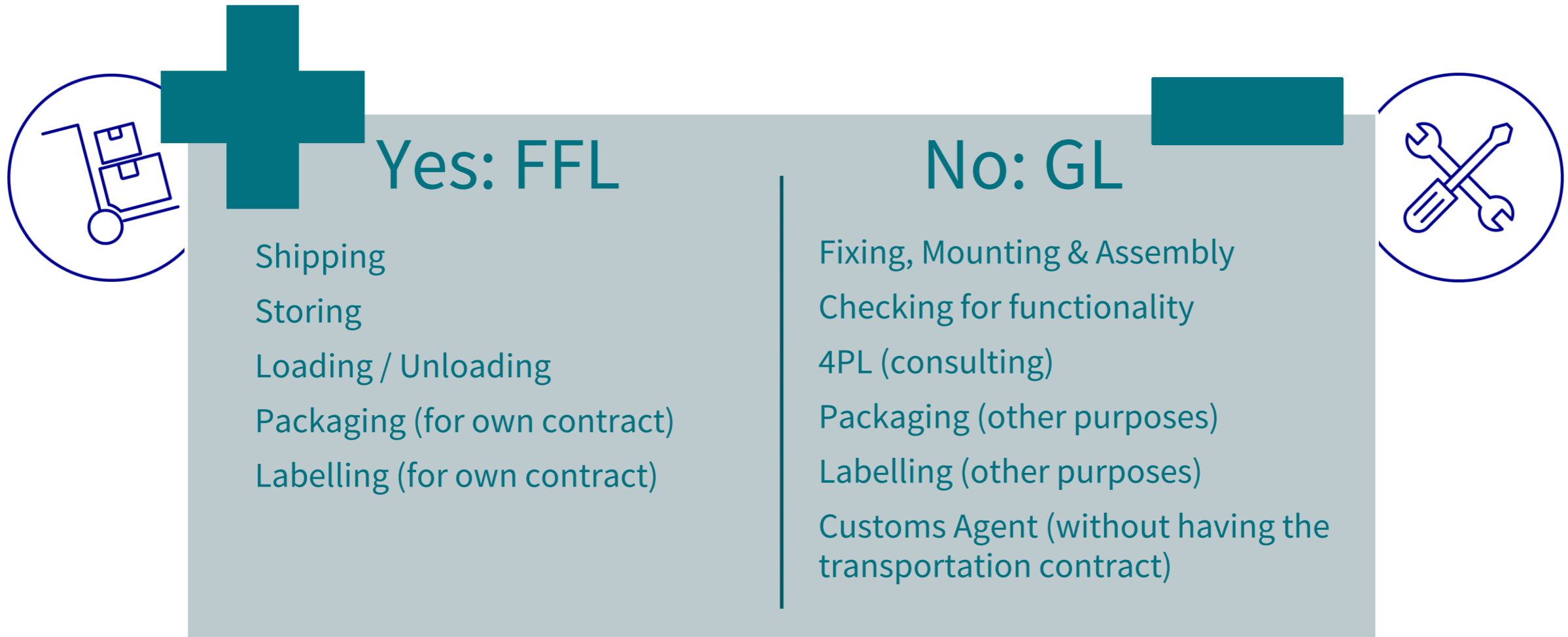


Towing & Removal



FFL Insurance: Delineation from General Liability Insurance

Rule of thumb: Does the activity serve to fulfil one's own transport and/or storage contract?



FFL Insurance: Insured Legal Liability

✓ National Law

- China: Regulations on the Transportation of Goods (运输货物的规定)
- Germany: Commercial Code
- USA: Carmack Amendment (49 U.S.C. § 14706)

✓ International Conventions (such as CMR, Hague-Visby-Rules etc.)

✓ Common Terms & Conditions, e.g., from Freight Forwarding Associations

- | | | |
|-----------------|----------------------|------------------------|
| • Austria: AÖSp | • Germany: ADSp | • United Kingdom: BIFA |
| • Belgium: ABEV | • Netherlands: Fenex | • USA: none |
| • China: CFLP | • Nordics: NASB | |



FFL Insurance: Insured Contractual Liability?

- **Not insured:**

Liability arising from Individual Logistics Contracts

Going beyond legal liability, exceeding it

(unless the Insurer approved coverage on a case-by-case basis)

- Be aware!

It is a business opportunity for freight forwarders if they accept high or even unlimited liability. However, it cannot be automatic that the FFL insurer will cover this. It is also not correct that “all freight forwarders do this” and “no one has to pay extra premiums for it” (customer feedback). Covering risk costs money. Better still, the freight forwarding industry should consider whether it is right for shippers to transfer their risk to them. Market power, consolidation, and consistent management help.

- Solution:

Pre-defined and levelled system for the coverage of ‘Enhanced Liability’



FFL Insurance: Insured Claims

Loss & damage to Goods

- physical damage or total destruction
- (total) loss

Examples transportation

- truck accident
- fire
- falling during (un)loading
- burglary, theft, robbery, misappropriation, fraud, fake carrier

Examples warehouse

- fire (71%)
- shelf collapse
- crash with a forklift
- burglary, theft, robbery, misappropriation, fraud



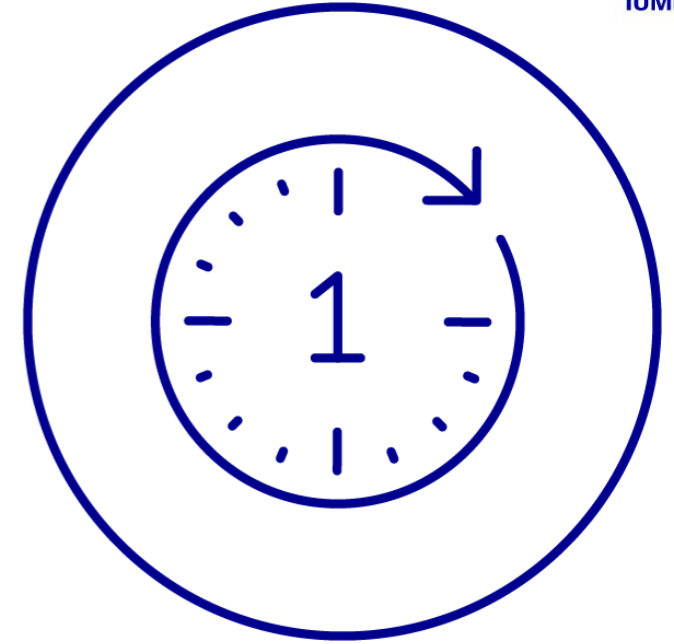
FFL Insurance: Insured Delay

Delay

- Exceeding the agreed or usual shipping time...
- ...which results in a financial loss.

Examples

- waiting costs
 - interim storage
 - production stoppage,
business interruption
- ...or which triggers the presumption of total loss after a certain number of days (7 air / 20 or 30 road / 45 or 60 sea).



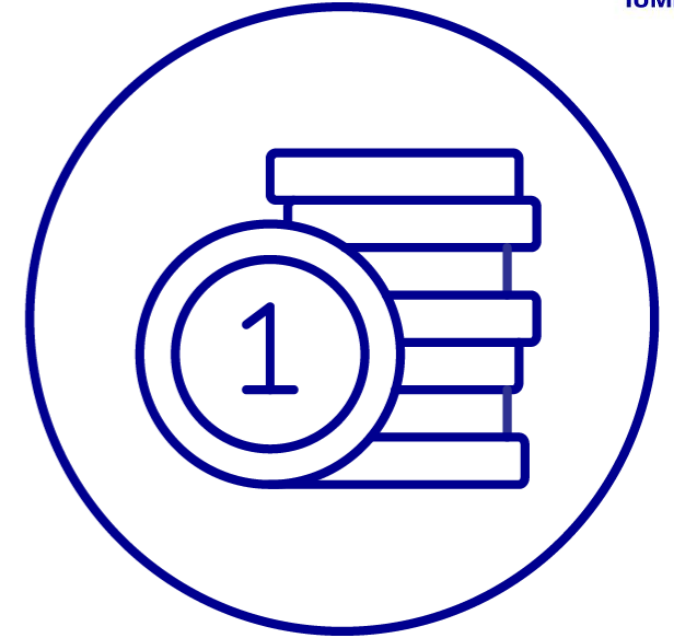
FFL Insurance: Insured (Direct) Consequential Loss

(Direct) Consequential loss

- Financial loss ...
- ...that is solely and directly the consequence of the damage to or loss of the goods or the delay

Examples

- mixing damaged with undamaged goods
- salvage costs
- contamination from leaking goods



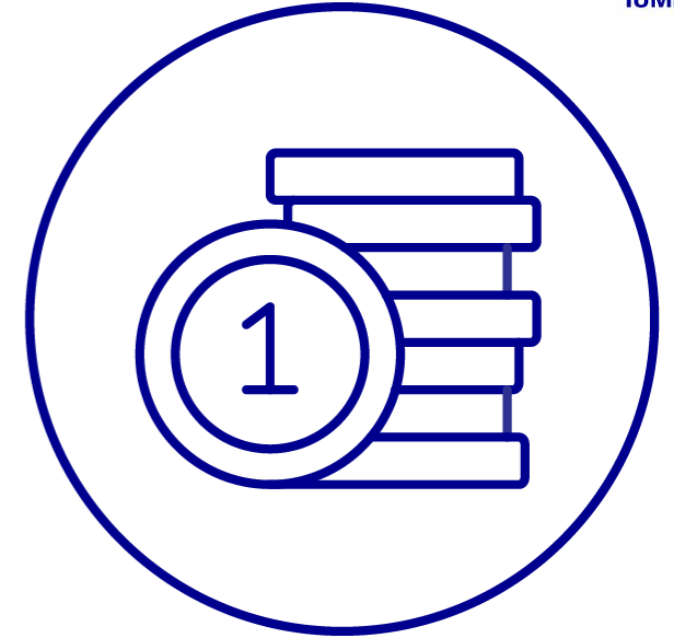
FFL Insurance: Insured (Indirect) Consequential Loss

(Indirect) consequential loss

- Financial loss ...
- ...that is not the consequence of the damage to or loss of the goods or the delay.

Examples

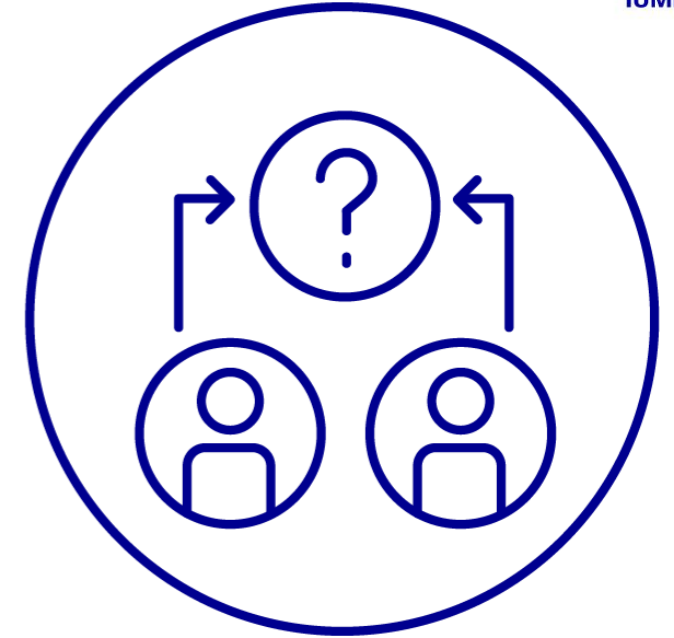
- Loss of business, profit, contract, production, reputation, goodwill
- extra costs such as due to misdirection
- Business interruption, line stoppage, liquidated damages (USD x / minute)



FFL Insurance: Insured Errors & Omissions

What is Errors & Omissions (E&O)?

- Insured is the liability from a breach of professional duty
- by reason of a negligent act, error or omission, e.g.,
 - failure to comply with an instruction or to give an information, and/or
 - faulty arrangement, and/or
 - clerical error or clerical omission, and/or
 - provision of incorrect advice or information



FFL Insurance: Exclusions

Natural catastrophes

**Intervention by authorities such as
confiscation,
deprivation,
nationalization**

Market exclusions such as

- cyber & blackout claims
- communicable disease
- five-powers-war-clause
- sanctions exclusion clause

**Political risks such as
War & warlike,
unrest, strike, terror,
use of weapons,
nuclear energy**

**Shipments to, from,
through and/or
within certain
countries**

Certain goods such as

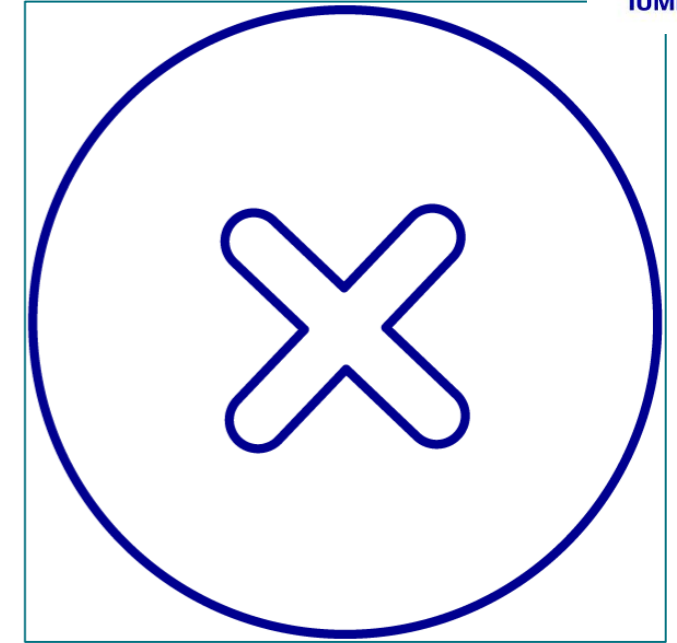
- Living animals and plants
 - Work of art
- Precious stones / metals
 - Cash, coins, pearls,
securities, documents
- Military goods and/or
weapons

**Uncommon contractual
agreements such as**

- Penalties, fines
- Punitive damages
- Declared value

Certain services such as

- Direct Air-, Sea-Carrier, shipping companies
 - Heavy-lift and oversized goods
 - Towing and salvage truck



Vision

Global FFL Wording (like ICC)



Liability in Germany

Germany	Transport
	(all conveyances (Road, Rail, Air, Inland Water))
Source	art. 407 - 450 Commercial Code ('HGB')
Principle	liability regardless of negligence or fault
Scope	a) damage to/loss of goods b) delay c) pure financial losses (only when negligence or fault)
Limits	a) 8,33 SDR**/kg (ca. € 9-10 / kg) b) 3 times the freight amount c) three time the damage/loss amount
Inapplicability of Limits	Caused by wilful misconduct or frivolous and under awareness that a claim will most likely happen
Exclusions	inevitability***, packaging, nature of goods, inherent vice... consequential losses
Time for complaints	a) externally visible damage/loss: at delivery not externally visible damage/loss: 7 days after delivery b) 21 days after (planned) delivery (extinction of entitlement!) c) some pure financial losses: no limitation
Limitation of Time	1 year 3 years in case of qualified negligence (art. 435 HGB) in all cases: suspension of limitation by written complaint
International (cross-border) transports	Road: CMR Rail: CIM Air: Warsaw & Montreal Convention Inland Water ('brown water'): CMNI Sea ('blue water'): art. 476 - 905 Commercial Code ('HGB') / Hague-Visby-Rules

Status: 01.01.2026
non-binding information only!
see disclaimer

- * "International Transports" means crossborder from or to the home country
- ** SDR = Special Drawing rights (daily fixed price by the International Monetary Fund)
<http://www.tis-gdv.de/tis/bedingungen/szr/szr.htm>
- *** inevitability is not likely to be accepted by German courts

Germany	Warehouse Operation
Source	art. 467 - 475h Commercial Code ('HGB') additionally: Civil Code ('BGB')
Principle	assumed liability for negligence and intention with exculpability
Scope	a) damage to / loss of goods (HGB) b) all other: BGB
Limits	unlimited
Inapplicability of Limits	
Exclusions	exculpation & inevitability
Time for complaints	no limitation
Limitation of Time	1 year 3 years in case of qualified negligence (art. 435) in all cases: suspension of limitation by written complaint

Status: 01.01.2026
non-binding information only!
see disclaimer

- * "International Transports" means crossborder from or to the home country
- ** SDR = Special Drawing rights (daily fixed price by the International Monetary Fund)
<http://www.tis-gdv.de/tis/bedingungen/szr/szr.htm>
- *** inevitability is not likely to be accepted by German courts

Vision Global Liability Database



An aerial photograph of a large port facility. On the left, there are numerous stacks of colorful shipping containers (red, blue, white, orange) arranged in neat rows. Several yellow gantry cranes are positioned over these stacks. In the center, a large container ship is docked at a pier, with its deck also covered in stacks of containers. Three large white gantry cranes are visible on the ship's deck. To the right of the ship, the dark blue water of the harbor is visible, with a white wake trailing behind another ship. The overall scene depicts a highly organized and active maritime logistics hub.

Let's talk

 **Marine**



IUMI
International
Union of
Marine Insurance

Munich RE

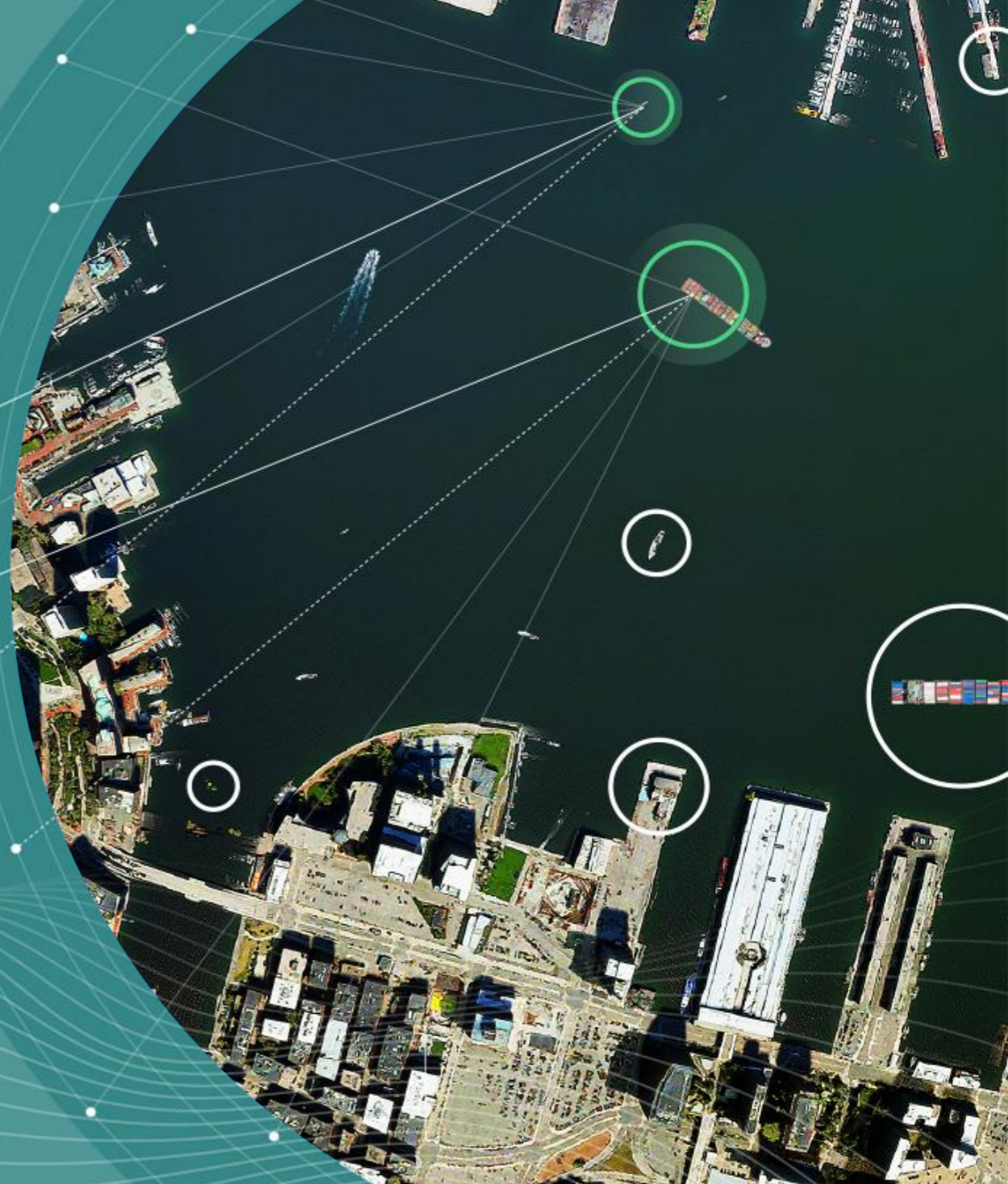


Logistics liability insurance in China

Max Liu

Munich Reinsurance Company Beijing Branch

10 Feb 2026



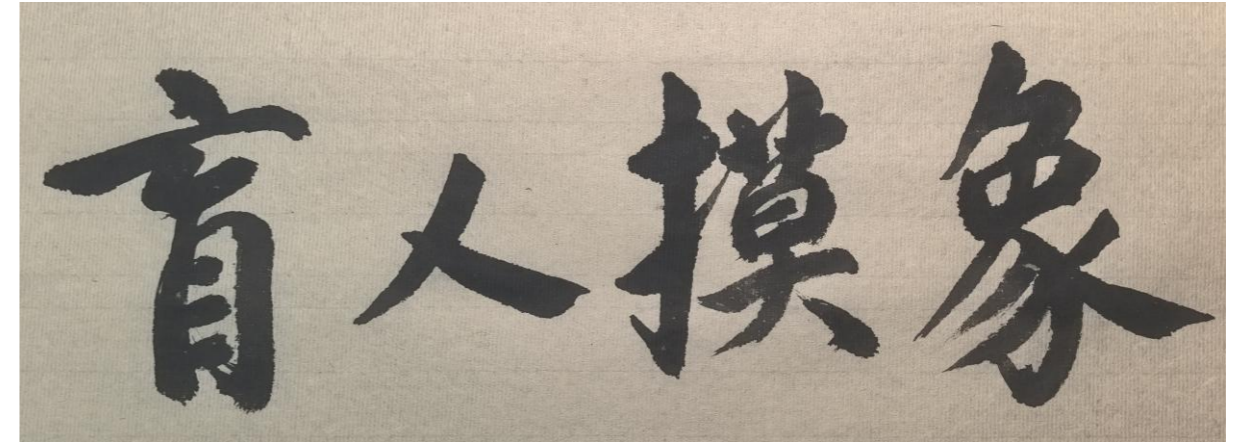
Four blind men “see” the elephant for the first time, they tried to describe it:

Blind men A: it is like a pillar (touched leg)

Blind men B: It is like a fan (touched ear)

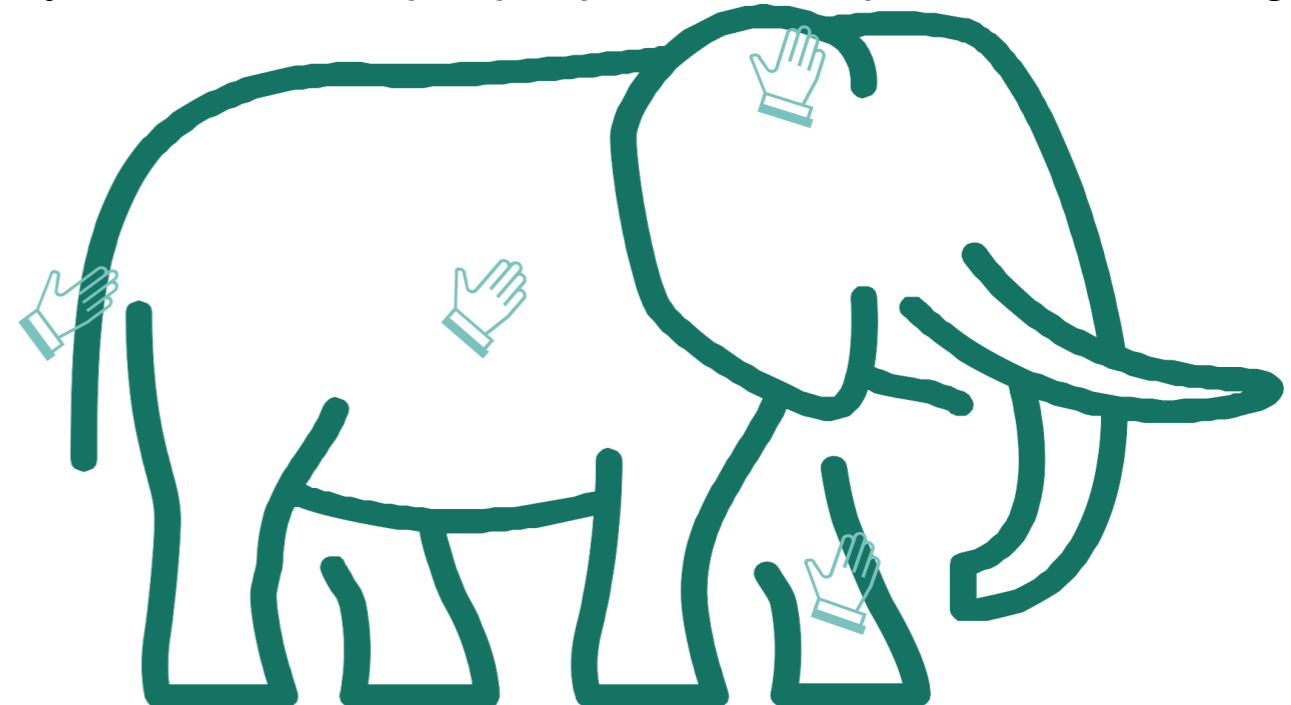
Blind men C: it is like a wall (touched body)

Blind men D: it is like a whip (touched tail)



Calligraphy by Wang Huang

Literally means “Blind people perceive elephant via touching”





Overview of logistic liability in China

Image: suratoho / Getty images



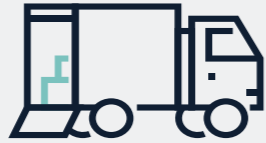
Main Coverage in China

Image: sbinkski / Getty images



Moving Forward

43
Image: Zephyr18 / Getty images



Domestic

(estimated premium USD200mio to 400mio)

- Inland truck logistic liability – Hauliers
- Inland water way logistic

Majority of domestic cargo insurance are bought by Hauliers



International

(very hard to estimate, much smaller)

- Freight forwarders – Agents
- International logistic operators – can be carrier

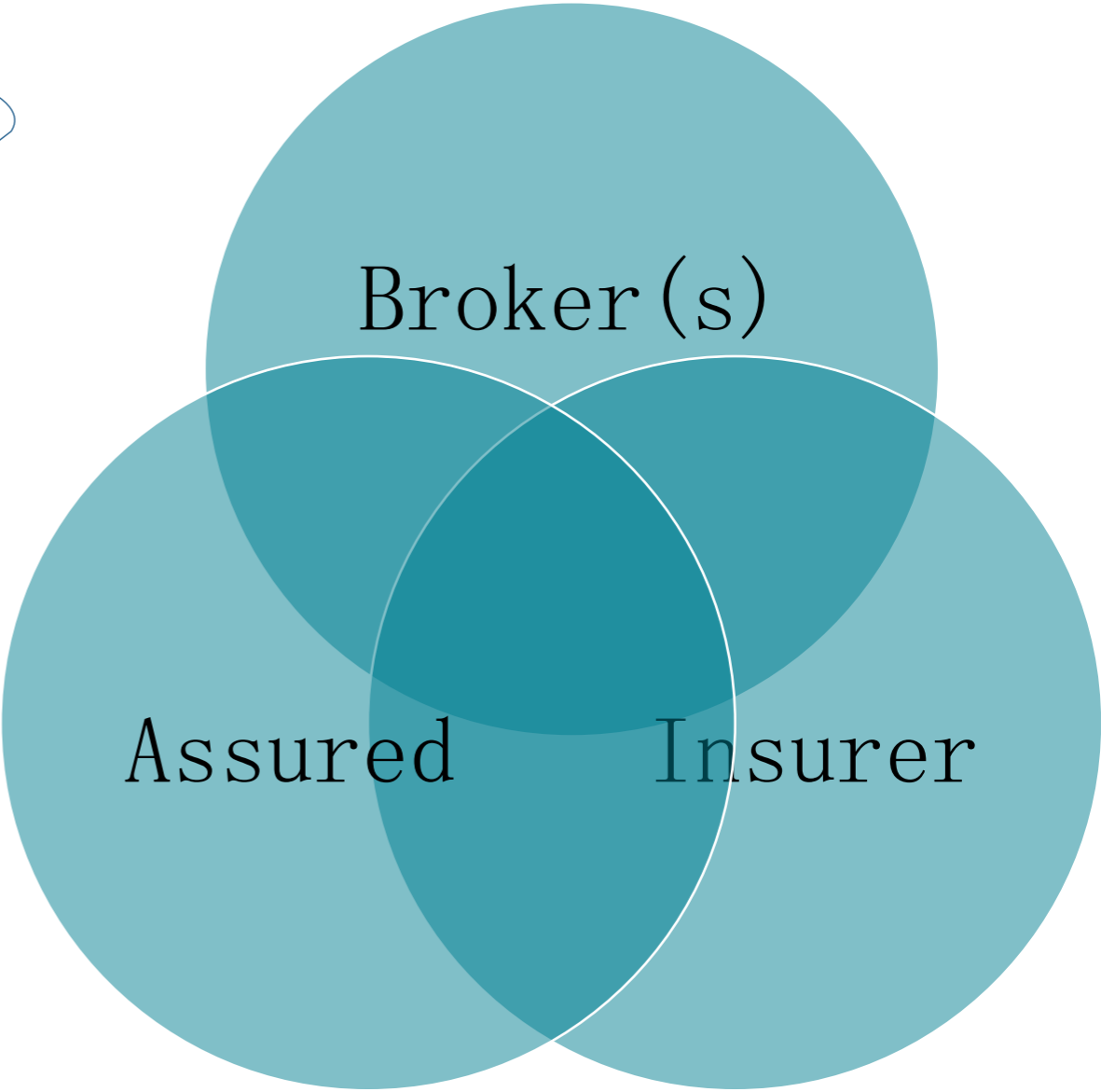
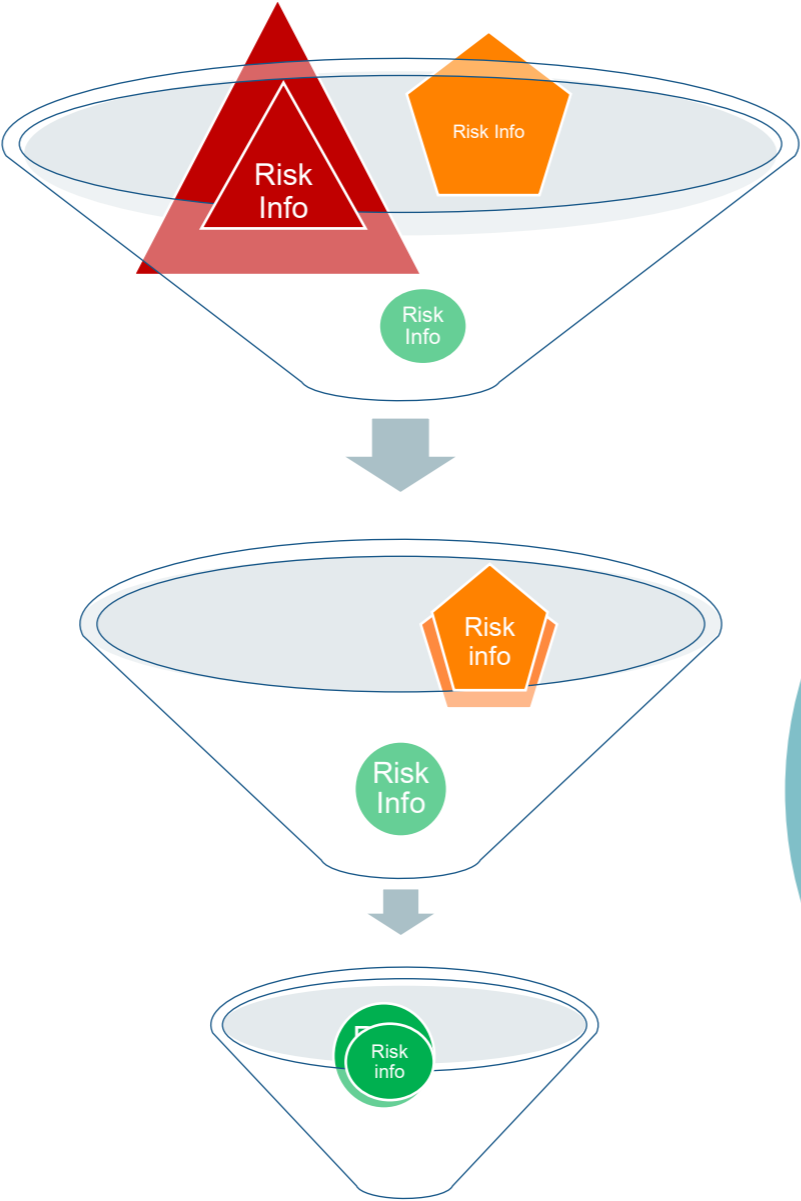
Tendency of “value added service” to shipper

Information attenuates

Assureds

Broker(s)

Insurers



Annual Policy, not much exposure data from submission

Convenient for clients

Loss Record in Questionnaire is usually left empty

Shipment certificates can be anti-dated



Only estimated annual income is declared, without year end adjustment

Premium related to revenue,
Revenue related to volume and weight,
Loss related to cargo value

Insurers lack exposure data

**As a result Haulier's
liability LR 80%~100%+**



Overview of logistic liability in China

Image: suratoho / Getty images



Main Coverage in China

Image: sbinkski / Getty images



Moving Forward

Image: Zephyr18 / Getty images

Legal (minimum)

- Domestic is strict liability (presumed fault)
- May have limitation
- Certain immunities
- What constitute delivery delay
- Time bar



Contractual (can add up)

- Can agree non-fault based liability in some cases
- Can agree higher limitation
- Can waiver immunities given by law
- Can agree stricter terms of indemnity due to delay

- Civil law code
- Maritime law code
- Civil Aviation law
- Railway Law
- Jurisdiction provisions

Local Law

Logistic liability
Insurance to
swallow
the mismatch

Foreign Law and International Conventions

- Road – China not party to CMR
- Rail – China not official party to COTIF/CIM
- Air - Montreal Convention – China approved
- Sea – not party to Hague Visby Rules, but similar provisions in maritime law

Coverage

– liability result from (whether statutory or contractual)

Physical loss of and/or
damage to Cargo, and
Consequential Loss
directly resulted from

Unrecoverable GA

Damage to Hull

Fine, duty and other
expense

Errors and Omissions

Debris removal

Third Party Liability

If everything goes
well, only legal
expense will incur



Common Exclusions

Excluded cargo: cash, jewellery etc.

Waiver of subrogation

Deliberate actions / illegal

Unattended cargo/vehicle

Punitive

procuring Cargo insurance

EL, own property, Motor TPL, PL

Increased contractual liability
(value / delivery time / limit)

Charter party disputes

Sanctions, CL.370 and Cyber

Unexplained Loss of Cargo
during Storage

War, Strike, Piracy,
confiscation, act of God



May also have
excluded areas in
the slip wording



Overview of logistic liability in China

Image: suratoho / Getty images



Main Coverage in China

Image: sbinski / Getty images



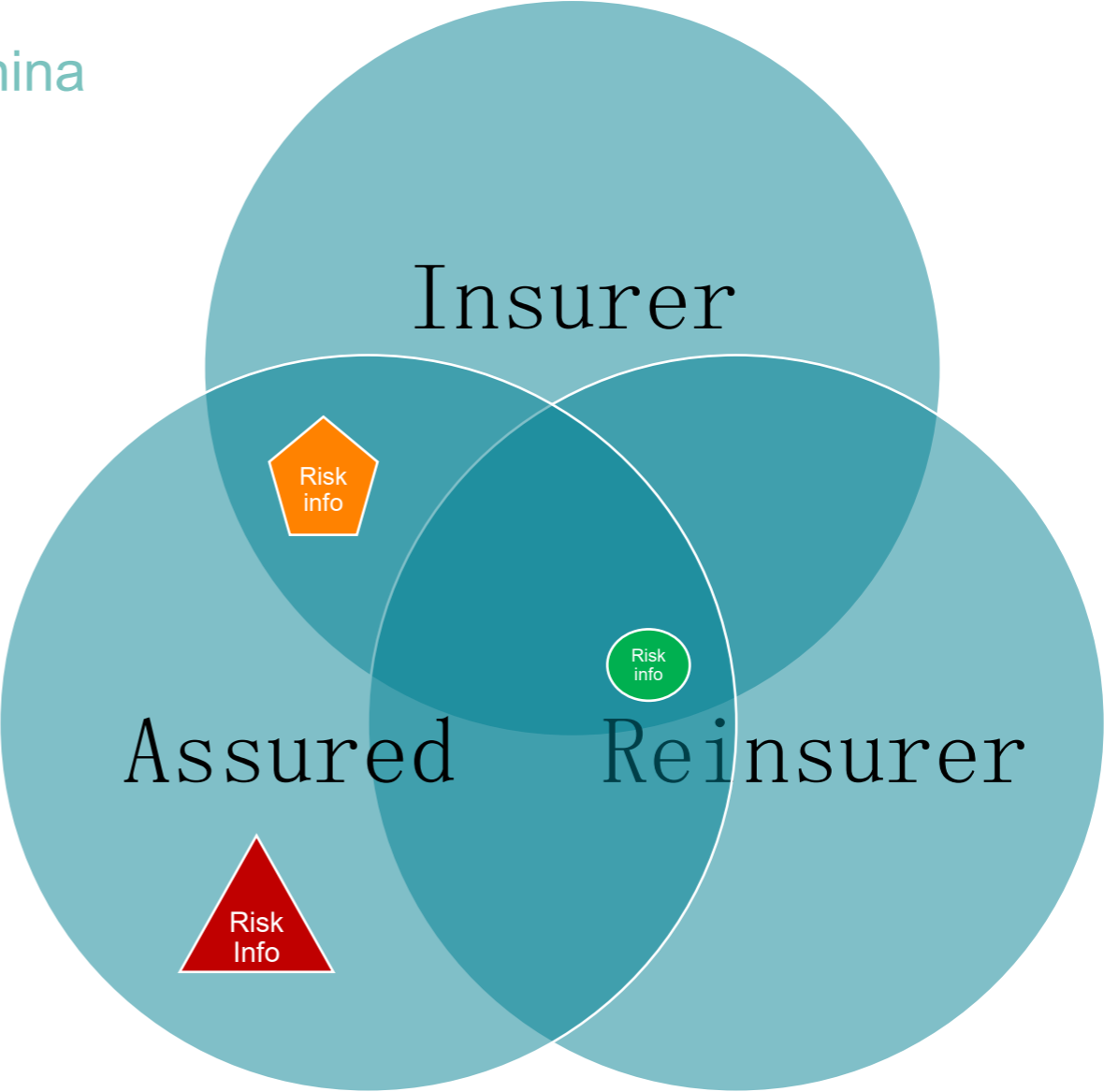
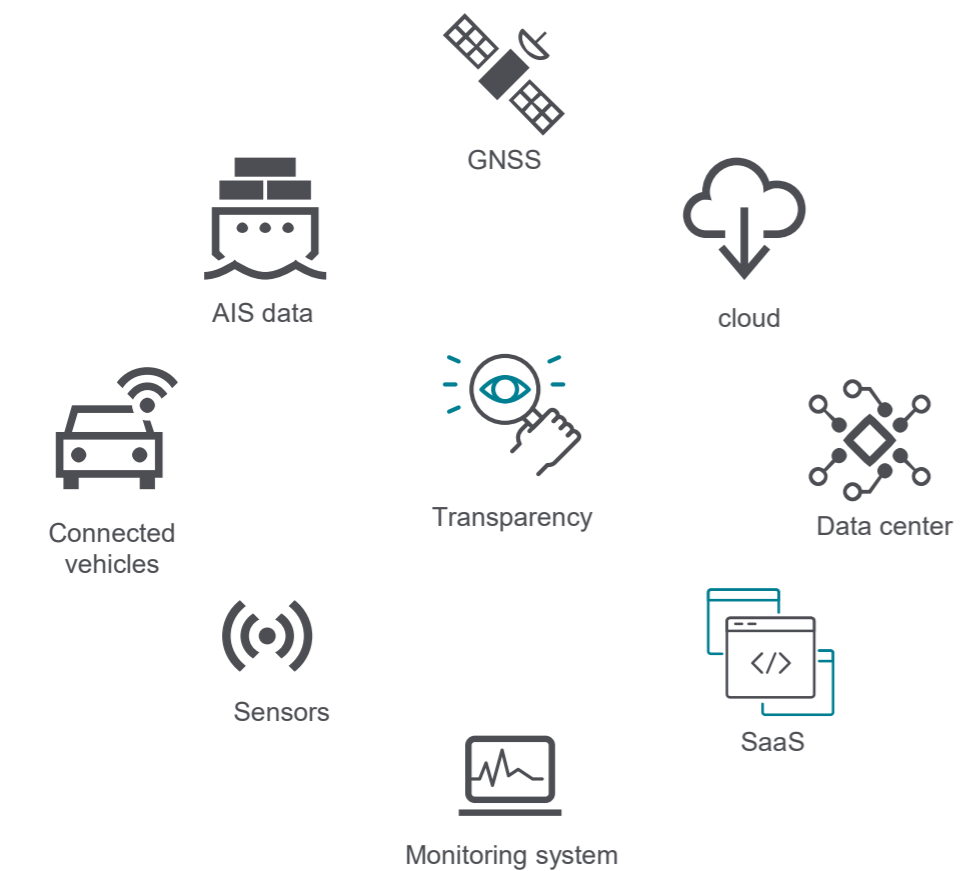
Moving Forward

Image: Zephyr18 / Getty images

Moving Forward

Utilizing enhanced data infrastructure in China

spend extra effort to obtain exposure data



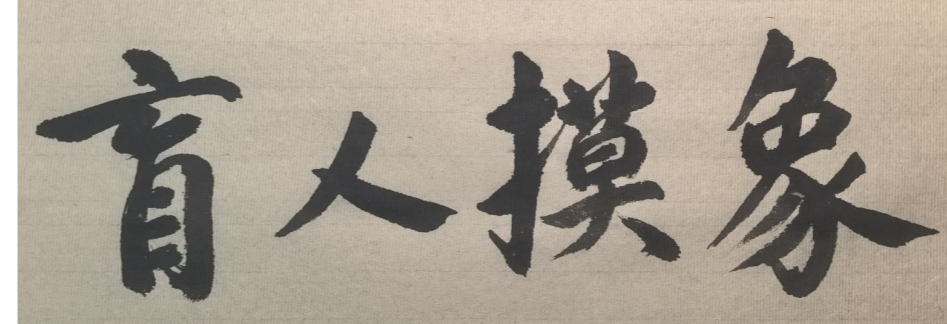
Collect more exposure data?

Review Contract?

“Educate” clients?

There is no stop to the
Elephant

the riders evolved to
serve the elephant



Calligraphy by Wang Huang





IUMI
International
Union of
Marine Insurance

Munich RE



Love Cargo, Love Logistics

Max Liu

mliu@munichre.com.cn

© Copyright 2026 Munich Reinsurance Company Beijing Branch. All rights reserved. "Munich Re" and the Munich Re logo are internationally protected registered trademarks. The material in this presentation is provided for your information only, and is not permitted to be further distributed without the express written permission of Munich Reinsurance America, Inc. or Munich Re. This material is not intended to be legal, underwriting, financial, or any other type of professional advice. Examples given are for illustrative purposes only. Each reader should consult an attorney and other appropriate advisors to determine the applicability of any particular contract language to the reader's specific circumstances.

Thank you!

- ✓ Feedback survey
- ✓ First Masterclass Cargo Asia in Singapore,
14-17 April 2026

