



CARGO REJECTION INSURANCE PRODUCT OVERVIEW



In today's global economy, businesses rely on complex supply chains and international trade to move high-value goods across borders. But with every shipment comes a risk that many overlook — rejection of cargo upon arrival. Whether it's due to regulatory issues, labeling errors, or unexpected spoilage, a single rejected shipment can result in significant financial loss. That's where Cargo Rejection Insurance steps in.

Unlike traditional marine cargo insurance, which covers damage or loss during transit, Cargo Rejection Insurance provides coverage when goods are denied entry or refused by buyers due to compliance or quality concerns. It is particularly valuable for industries that deal with perishable, temperature-sensitive, or highly regulated products — such as frozen food, pharmaceuticals, seafood, cosmetics, and chemicals.

Common rejection scenarios include contamination, the presence of unapproved additives, failure to meet import regulations (such as FDA or EU requirements), incorrect documentation, or improper labeling. When this happens, businesses face not only the loss of product value but also costs for disposal, re-export, storage, and even regulatory penalties.

This insurance provides peace of mind by covering:

- The insured value of rejected goods
- Destruction or disposal costs as required by authorities
- Demurrage and port storage charges
- Repatriation or redirection expenses
- Regulatory appeal or testing costs

WHO NEEDS CARGO REJECTION INSURANCE?

- Frozen food and seafood exporters
- Meat, poultry, and dairy processors
- Pharmaceutical and vaccine manufacturers
- Chemical, cosmetic, and regulated goods traders
- Freight forwarders handling temperature-sensitive cargo

CASE STUDY

A seafood exporter shipped USD 220,000 worth of frozen shrimp to Japan, only to have the cargo rejected by Japanese authorities due to the presence of an unapproved preservative. The shipment was ordered to be destroyed, incurring additional port and disposal charges. Fortunately, the exporter had Rejected Cargo Insurance, which covered the full cargo value, destruction costs, and legal fees. The claim was settled swiftly, helping the business avoid significant financial loss and maintain its relationship with the overseas buyer.

THE KEY UNDERWRITING INFORMATION TYPICALLY REQUIRED BY INSURERS:

- Type of goods: Detailed description (e.g., frozen shrimp, beef, vaccine vials)
- Packaging method (e.g., vacuum-sealed, palletized cartons, tamper-proof containers)
- Countries of origin and destination
- Mode of transport (sea, air, multimodal)
- Required certificates (health, phytosanitary, veterinary, FDA Prior Notice, EU TRACES, etc.)
- History of compliance or past rejections
- Years in business / exporting experience
- Previous cargo insurance loss history (especially claims related to rejections or spoilage)
- Quality control measures at origin (e.g., third-party lab testing, audits)
- Per shipment value
- Annual estimated shipment volume

With rising standards in global health, safety, and food regulations, especially in jurisdictions like the U.S., European Union, Japan, and China, the risk of rejection is greater than ever. Cargo Rejection Insurance is not just protection—it's preparation.

By investing in this specialized coverage, companies demonstrate not only prudence but professionalism. It shows buyers, regulators, and logistics partners that your business is ready for international standards—and protected against international risks.

CONTACT

For full details, please contact:



Karnt Pumiresnawan
Chief Executive Officer
karnt@amg.co.th
+66 (0) 2009-5961
+66 (0) 81-808-6338

ABOUT AMG

We are professional insurance broker and risk consultant. We advise businesses and individuals on how to prepare for the unexpected.

We provide risk management, risk consulting, insurance broking, insurance program management and claims advocacy services related advice, brokerage and associated services for clients across a wide range of business sectors.

We work with clients of all sizes to identify risks, create risk management, benefits optimization, insurance programs management and deliver innovative solutions to better qualify and manage risk.

LEARN MORE

For more information about AMG, visit amgib.com or contact your AMG representative.

AMG Insure Broker Company Limited
60 Amorn Building 5th Floor | Soi Chalermasuk
(Ratchadapisek 42) Chandrakasem | Chatuchak
Bangkok 10900 Thailand

Tel : +66 (0) 2-009-5955
Fax : +66 (0) 2-512-1511

www.amgib.com

This information contained in this publication provides only a general overview of subjects covered, is not intended to be taken as advice regarding any individual situation, and should not be relied upon as such. Insured should consult their insurance, legal and other advisors regarding specific coverage issues. All insurance coverage is subject to the terms, conditions, and exclusions of the applicable individual policies. amginsure cannot provide any assurance that insurance can be obtained for any particular client or for any particular risk.