

# OEC NEWS

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# CARRIER STRUGGLES FORCE THEM TO CONSIDER TAKING AWAY POPULAR PERKS

*Historic consumer demand, scarcity of carrier space and the lack of equipment to transport goods has caused shipping companies to take a hard look at what they promise and deliver.*

Shippers are struggling to accommodate consumer demand, and carriers are having difficulty moving record-setting amounts of inventory, which is causing severe and consistent delays. The latest statistics show that global overseas shipment schedules are just 34.9% reliable.

These delays are forcing carriers to reconsider all the promises they have made to clients because they are having a difficult time delivering. As a result, most perks that importers have come to expect over the years are being taken away in order to streamline the services offered during the surge in volume. Some of the incentives carriers are eliminating in order to alleviate unnecessary burdens include free storage, guaranteed chassis, door delivery, and the handshake deals between longtime collaborators.

*"The pandemic has changed the way business in the industry is done," said Peter Hsieh, Vice President of Sales and Marketing for OEC Group's Northeast Region. "Unfortunately, customers can no longer expect the reliable services they have grown so accustomed to in prior years without paying a significant premium."*





But there is some hope for importers. OEC Group has already started offering their own priority product service that helps expedite many of the bottlenecks currently being experienced by importers in the market. Some of the services include priority on-board, faster ocean freight release, dedicated customer service and cargo insurance.

*“The way volumes have risen during the past year, carriers are no longer willing to provide extra services,” said Anthony Fullbrook, president of OEC Group's North American region. “While we cannot offer clients all the services carriers provided in the past, we can use our considerable buying power and influence to make the loss easier to handle.”*



**JOE KLOBUS**

OEC Group's Lead Claims Analyst  
and Insurance Specialist

## INTERVIEW WITH AN EXPERT

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*Joe Klobus, OEC Group's Lead Claims Analyst and Insurance Specialist, is one of the industry's experts on Cargo Insurance. He shares his views on the recent spate of container losses in the industry and offers advice on what clients should be doing to protect themselves.*

**Q: Based on industry standards, total or partial loss of goods by theft or damage is a frequent occurrence. How do you help clients protect inventory in transit, especially when the costs to ship their goods are at historic highs?**

A: At this moment there seems to be just one solution for protecting inventory, and that is cargo insurance. This is especially true today because the increase in costs associated with shipping further drive the need to insure cargo. However, insurance does not only protect cargo. Using certain policies, associated freight and duty costs can also be recovered along with the cost of goods. This helps shippers protect their entire investment.

**Q: What are some common misconceptions importers have about insurance for overseas shipping?**

A: Many importers assume that the carrier will cover their losses, which is often not the case. Carriers have many legal protections that limit their liability. Maritime law is often very clear on those limits, meaning if an incident occurs and a client does not have insurance, then that client will legally suffer the entire loss.





**Q: What are your thoughts on the investigation process associated with cargo loss incidents?**

A: On the ground, professionals will be dispatched to conduct thorough investigations, and on the back end, loss adjusters will analyze all the data that has been gathered. The process can be very slow and arduous, often taking many months to conclude. When everything is finished, the findings of these investigations are not always made public. This standard practice leaves many shippers wondering what caused the loss and if that issue has been addressed for future shipments. However, proper insurance coverage alleviates that burden. The right policy affords shippers peace of mind that coverage and settlement is not contingent on the results of an investigation.

**Q: What's the most important thing for shippers to know about these thorough inspections?**

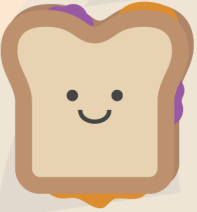
A: The biggest impact that shippers will experience is further delays of their cargo. Investigations will remove their inventory from production or secondary sale that they're conducting in the U.S. or elsewhere. Lengthy delays can bring any future plans for your goods to a halt.

**Q: Why is it more advantageous to use an in-house insurer rather than a third party?**

A: When a customer chooses to insure in-house, there is a more connected one-on-one relationship. Your partner will have a vested interest in neutralizing every shipping risk. There is extra incentive to act and settle all claims quickly and extensively. Also, consolidating your shipping operations in one place is very effective. Your customized information is at the fingertips of experts across every logistical team, including the insurance department. In-house insurers can organize a formal claim on your behalf with minimal involvement on your part. Your partner will take the burden of organizing even the most complex claim.

# PEANUTS

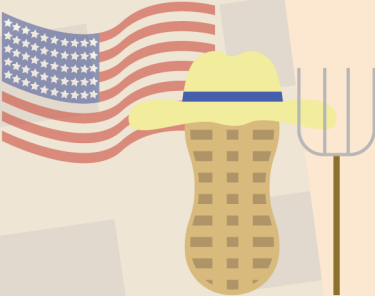
## Fun Facts



The average person will eat almost 3,000 peanut butter and jelly sandwiches in their lifetime



Peanuts are legumes, not nuts



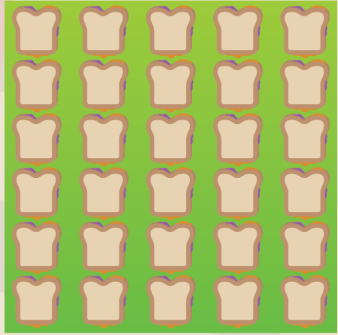
Former US Presidents Thomas Jefferson and Jimmy Carter were both peanut farmers



Arachibutyrophobia is the fear of peanut butter sticking to the roof of your mouth



Every year Americans eat enough peanut butter to coat the floor of the Grand Canyon



There are enough peanuts in one acre to make 35,000 peanut butter and jelly sandwiches



There are more than 500 peanuts in every jar of peanut butter



In the US, people who live on the East Coast tend to prefer creamy peanut butter, while those on the West Coast tend to prefer crunchy



# ABOUT OEC GROUP

At OEC Group, we have demonstrated our commitment to customer service in trans-Pacific trade for more than 35 years. Founded in 1981, OEC Group had a vision to provide comprehensive logistics services to clients. Today OEC Group serves destinations throughout the world and has grown into one of the leading logistics providers in North America. With over fifty offices worldwide, we take pride in being close to your cargo at all times.

OEC Group is monitoring and adapting to the changing market. We are well positioned to make continuous improvements to your supply chain using the fastest, most efficient and cost-effective services available. We work tirelessly to stay on top of the ever-changing logistics industry with the goal of delivering the most current information and services to you, our customer.

Our business is making our logistics expertise, your competitive advantage.