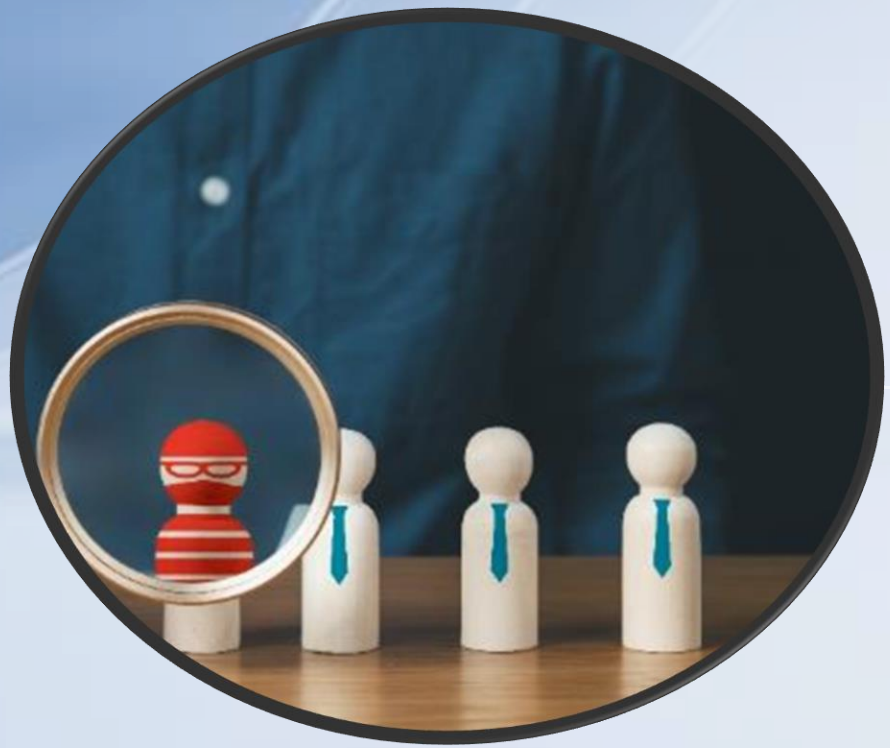


THIEVES HAVE TAKEN IT TO THE NEXT LEVEL

May 8, 2025
Marine Insurance Issues Seminar

Today's Presenter

Teresa Dooley
Casey & Barnett, LLC
305 Broadway, Ste 1202
New York, New York 10007
(646) 362-8926
td@caseybarnett.com

Agenda

- Case
- Coverage Considerations
- Liability Considerations
- Blind Shipments

Expensive Car

- Shipper hires a freight broker to arrange transport from San Deigo to Chicago
- Freight broker posts the shipment on Central Dispatch
- Thieves steal the identity of an actual carrier, It Wasn't Me
- Thieves then hack into It Wasn't Me's Central Dispatch account
- Thieves respond to the freight broker's post
- Freight broker unknowingly tenders the shipment to thieves

- **Is the expensive car picked up by the thieves?**

- The thieves hack into another freight broker's Central Dispatch account
- The thieves use that freight broker's Central Dispatch account to post the shipment for transport from San Diego to Sacramento
- Another actual carrier, It Stinks To Be You, responds to the post
- The thieves tender this altered shipment to It Stinks to Be You
- It Stinks to Be You then picks up the expensive car and transports the expensive car under an electronic bill of lading

- **Does It Stinks To Be You deliver the expensive car to Sacramento?**

- The thieves call/text the driver for It Stinks To Be You and instructs him to deliver the expensive car to San Jose, instead of Sacramento
- It Stinks To Be You transports the expensive car to San Jose
- It Stinks To Be You enters delivery information onto the bill of lading
- It Stinks To Be You also takes photographs of the expensive car at the time of delivery
- It Stinks To Be You then releases the expensive car
- In the meantime, the thieves string along the freight broker
- The freight broker then discovers the expensive car was never delivered in Chicago

- **Panic ensues!**

Coverage – It Wasn't Me

Key Terms

- We pay for loss or damage to covered property
- For liability of the insured
- As a common or contract carrier
- Under a bill of lading
- Issued by or on behalf of the insured
- While in the insured's care, custody, or control
- While in transit

Coverage – It Wasn't Me

Definition of "Transit"

- The shipment of covered property
- By the insured

- The shipment begins when the insured accepts property
- For transport

Coverage – It Stinks To Be You

Exclusion – Voluntary Parting

- Voluntary parts
- Title to or possession of any property
- Fraudulent scheme, trick, or false pretense

Coverage – It Stinks To Be You

Coverage Extension – Fraud and Deceit

- Fraudulently induced
- To part with property

- To a person who falsely represents it is the proper party to receive the property
- By the acceptance of a fraudulent bill of lading
- As a result of the use of electronic data processing hardware/software

Coverage – Shipper

Key Terms

- Covers property of the insured
- At a scheduled location
- Property in transit not covered
- Voluntary parting exclusion

Coverage – Shipper

Additional Coverage – Transit Coverage

- Pay for voluntary parting
- By the insured
- By anyone else the insured has entrusted the property
- If induced to
- By a fraudulent scheme, trick, false pretense

- Applies to loss of property by acceptance of fraudulent bills of lading

Liability – It Wasn't Me

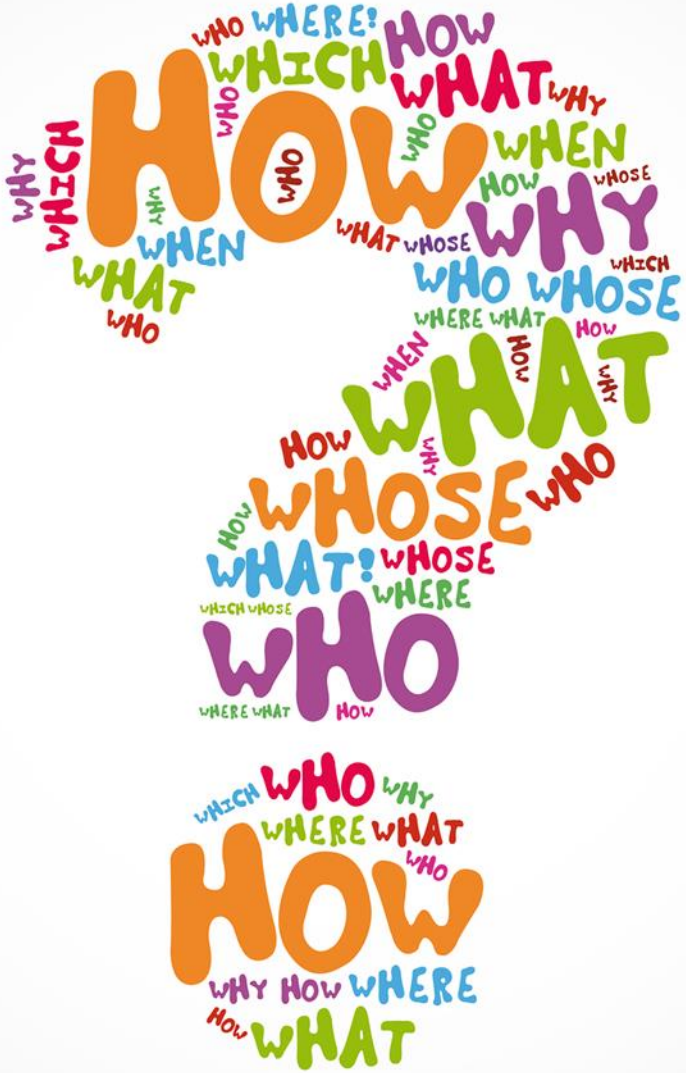
- Identity stolen
- Even so, suit may be filed
- And then what?

Liability – It Stinks To Be You

- Possession
- Bill of lading
- Strict liability
- Free from negligence

Is It Really A Blind Shipment?

Q&A


WHO WHERE! HOW
WHICH
WHAT WHY
WHICH HOW WHEN
WHEN WHOSE
WHY
WHAT WHOSE
WHO WHOSE
WHERE WHAT HOW
WHEN HOW WHAT WHY
HOW WHOSE WHO
WHAT! WHOSE
WHERE
WHICH WHOSE
WHO
WHERE WHAT HOW
WHICH WHO WHY
WHERE WHAT
HOW
WHY HOW WHERE
HOW WHAT

Thank
You!