Insurance for Trade and Transportation

Errors and Omissions Program for Customs Brokers

Industry Insights

Business Insurance

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Why Do I Need Errors and Omissions Insurance?

As a customs broker, your daily operations involve a large amount of documentation. Without the necessary protection, making a mistake when completing a document can have a devastating effect on your business. You need an Errors and Omissions policy to protect you from claims your client may file against your company should you or one of your employees make a mistake which causes your client to suffer a monetary loss.

What Types of Situations Are Covered by an E&O Policy?

Claims arising from errors or omissions you make while acting as a customs broker are covered under our policy. The following are examples of the types of mistakes that are covered by an E&O policy:

- Failure to follow instructions
- Failure to file protests in a timely manner
- Incorrect classification of goods
- Failure to properly complete documents
- Failure to file drawback in a timely manner
- Improper or unauthorized release of goods
- Misdirection
- Increased duty
- Failure to properly enter goods
- Failure to obtain adequate marine cargo insurance when instructed to do so
- Negligent selection of a trucker
- Failure to receive proper documentation before release
- Late delivery caused by your negligence
- Errors relating to merchandise that is subject to antidumping or countevailing duty
- Errors involving quota entries

What is an Example of an E&O Claim?

The following are actual claims covered by a policy offered by Roanoke Trade:

Improper Release

A customs broker arranged for two shipments of clothing to be transported from Israel to New York. An air waybill was issued with the buyer's bank noted as the consignee. The goods were released to the buyer. The customs broker failed to receive consent from the bank before releasing the goods. The buyer failed to pay the bank. The shipper held the customs broker responsible because the goods were improperly released.

More...

Failure to Properly Enter Goods

A customs broker made an error in processing the amount of duty for an entry; a decimal point was misplaced causing the declared duty to be greater than the actual duty. The customs broker discovered the error and prepared a protest to correct the situation. While waiting to receive the final liquidation date of the entry so the protest could be filed, the employee handling the protest left the company. The protest was never filed. A claim was filed against the customs broker for failing to properly enter goods and failing to file protest in a timely manner.

What Benefits Will I Receive From an E&O Policy?

With an E&O policy, you can be confident your business is protected from costly lawsuits. In addition, with most Roanoke Trade E&O policies, you won't have to pay any attorney fees or other claims investigation expenses. We pay all of these costs for you.

How Much Does an E&O Policy Cost?

We rate our policy according to the number of employees in your company and other factors related to your business exposures.

For more information on E&O coverage, or to receive a no-obligation quotation, contact a Roanoke Trade Account Representative.