CIF - the buyer and seller are agreeing to the seller organizing insurance as an automatic condition of the contract of sale.

There are some more incoterms you should know:

- CFR Cost and Freight
- CPT Carriage Paid To
- CIP Carriage and Insurance Paid To
- DAT Delivered At Terminal
- DAP Delivered At Place
- DDP Delivered Duty Paid

CFR AKA C&F defines two responsibilities. C is about the actual cost of the merchandise, while F defines the freight costs to a destination. The seller has to take the goods to the port of destination but the buyer has to cover insurance from the port of origin. With CPT the seller has the same obligations as in CIF but with the addition that he has to pay for cargo insurance. CIP is primarily for multimodal transport, with heavy reliance on the carrier's insurance. **Keep in mind - FAS, FOB, CFR and CIF are MARITIME-ONLY! With CPT, CIP, CFR or CIF, the risk goes to the buyer when the seller passes the goods to the carrier at the port of origin. DDP and nothing else requires the seller to be responsible for US Customs entry declarations.**

If you are buying hazardous material you should have your supplier retain the ownership of goods while in transit. You also want to ensure this supplier is properly licensed and insured.