

STANDARD POLICY CONDITIONS

IMPORTANT: Goods will only be insured on request and in writing

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INSTITUTE CARGO CLAUSES (A)

RISKS COVERED

RISKS

1. This insurance covers all risks of loss of or damage to the subject-matter insured except as excluded by the provisions of Clauses 4, 5, 6 and 7 below.

GENERAL AVERAGE

2. This insurance covers general average and salvage charges, adjusted or determined according to the contract of carriage and/or the governing law and practice, incurred to avoid or in connection with the avoidance of loss from any cause except those excluded in Clauses 4, 5, 6 and 7 below.

"Both to Blame Collision Clause"

3. This insurance indemnifies the Assured, in respect of any risk insured herein, against liability incurred under any Both to Blame Collision Clause in the contract of carriage. In the event of any claim by carriers under the said Clause, the Assured agree to notify the Insurers who shall have the right, at their own cost and expense, to defend the Assured against such claim.

EXCLUSIONS

4. In no case shall this insurance cover
 - 4.1. loss damage or expense attributable to wilful misconduct of the Assured
 - 4.2. ordinary leakage, ordinary loss in weight or volume, or ordinary wear and tear of the subject-matter insured
 - 4.3. loss damage or expense caused by insufficiency or unsuitability of packing or preparation of the subject-matter insured to withstand the ordinary incidents of the insured transit where such packing or preparation is carried out by the Assured or their employees or prior to the attachment of this insurance (for the purpose of these Clauses "packing" shall be deemed to include stowage in a container and "employees" shall not include independent contractors)
 - 4.4. loss damage or expense caused by inherent vice or nature of the subject-matter insured
 - 4.5. loss damage or expense caused by delay, even though the delay be caused by a risk insured against (except expenses payable under Clause 2 above)
 - 4.6. loss damage or expense caused by insolvency or financial default of the owners managers charterers or operators of the vessel where, at the time of loading of the subject-matter insured on board the vessel, the Assured are aware or in the ordinary course of business should be aware, that such insolvency or financial default could prevent the normal prosecution of the voyage. This exclusion shall not apply where the contract of insurance has been assigned to the party claiming hereunder who has bought or agreed to buy the subject-matter insured in good faith under a binding contract
 - 4.7. loss damage or expense directly or indirectly caused by or arising from the use of any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.
5.
 - 5.1. In no case shall this insurance cover loss damage or expense arising from
 - 5.1.1. unseaworthiness of vessel or craft or unfitness of vessel or craft for the safe carriage of the subject-matter insured, where the Assured are privy to such unseaworthiness or unfitness, at the time the subject-matter insured is loaded therein.
 - 5.1.2. unfitness of container or conveyance for the safe carriage of the subject-matter insured, where loading therein or thereon is carried out prior to attachment of this insurance or by the Assured or their employees and they are privy to such unfitness at the time of loading.
 - 5.2. Exclusion 5.1.1 above shall not apply where the contract of insurance has been assigned to the party claiming hereunder who has bought or agreed to buy the subject-matter insured in good faith under a binding contract.
 - 5.3. The Insurers waive any breach of the implied warranties of seaworthiness of the ship and fitness of the ship to carry the subject-matter insured to destination.
6. In no case shall this insurance cover loss damage or expense caused by
 - 6.1. war civil war revolution rebellion insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power

- 6.2. capture seizure arrest restraint or detainment (piracy excepted), and the consequences thereof or any attempt thereat
 - 6.3. derelict mines torpedoes bombs or other derelict weapons of war.
7. In no case shall this insurance cover loss damage or expense
- 7.1. caused by strikers, locked-out workmen, or persons taking part in labour disturbances, riots or civil commotions
 - 7.2. resulting from strikes, lock-outs, labour disturbances, riots or civil commotions
 - 7.3. caused by any act of terrorism being an act of any person acting on behalf of, or in connection with, any organisation which carries out activities directed towards the overthrowing or influencing, by force or violence, of any government whether or not legally constituted
 - 7.4. caused by any person acting from a political, ideological or religious motive.

DURATION

RISKS

- 8.
- 8.1. Subject to Clause 11 below, this insurance attaches from the time the subject-matter insured is first moved in the warehouse or at the place of storage (at the place named in the contract of insurance) for the purpose of the immediate loading into or onto the carrying vehicle or other conveyance for the commencement of transit,

continues during the ordinary course of transit

and terminates either
 - 8.1.1. on completion of unloading from the carrying vehicle or other conveyance in or at the final warehouse or place of storage at the destination named in the contract of insurance,
 - 8.1.2. on completion of unloading from the carrying vehicle or other conveyance in or at any other warehouse or place of storage, whether prior to or at the destination named in the contract of insurance, which the Assured or their employees elect to use either for storage other than in the ordinary course of transit or for allocation or distribution, or
 - 8.1.3. when the Assured or their employees elect to use any carrying vehicle or other conveyance or any container for storage other than in the ordinary course of transit or
 - 8.1.4. on the expiry of 60 days after completion of discharge overseas of the subject-matter insured from the overseas vessel at the final port of discharge, whichever shall first occur.
 - 8.2. If, after discharge overseas from the overseas vessel at the final port of discharge, but prior to termination of this insurance, the subject-matter insured is to be forwarded to a destination other than that to which it is insured, this insurance, whilst remaining subject to termination as provided in Clauses 8.1.1 to 8.1.4, shall not extend beyond the time the subject-matter insured is first moved for the purpose of the commencement of transit to such other destination.
 - 8.3. This insurance shall remain in force (subject to termination as provided for in Clauses 8.1.1 to 8.1.4 above and to the provisions of Clause 9 below) during delay beyond the control of the Assured, any deviation, forced discharge, reshipment or transshipment and during any variation of the adventure arising from the exercise of a liberty granted to carriers under the contract of carriage.

Termination of Contract of Carriage

9. If owing to circumstances beyond the control of the Assured either the contract of carriage is terminated at a port or place other than the destination named therein or the transit is otherwise terminated before

unloading of the subject-matter insured as provided for in Clause 8 above, then this insurance shall also terminate unless prompt notice is given to the Insurers and continuation of cover is requested when this insurance shall remain in force, subject to an additional premium if required by the Insurers, either

- 9.1. until the subject-matter insured is sold and delivered at such port or place, or, unless otherwise specially agreed, until the expiry of 60 days after arrival of the subject-matter insured at such port or place, whichever shall first occur,
or
- 9.2. if the subject-matter insured is forwarded within the said period of 60 days (or any agreed extension thereof) to the destination named in the contract of insurance or to any other destination, until terminated in accordance with the provisions of Clause 8 above.

Change of Voyage

10.

- 10.1. Where, after attachment of this insurance, the destination is changed by the Assured, this must be notified promptly to Insurers for rates and terms to be agreed. Should a loss occur prior to such agreement being obtained cover may be provided but only if cover would have been available at a reasonable commercial market rate on reasonable market terms.
- 10.2. Where the subject-matter insured commences the transit contemplated by this insurance (in accordance with Clause 8.1), but, without the knowledge of the Assured or their employees the ship sails for another destination, this insurance will nevertheless be deemed to have attached at commencement of such transit.

CLAIMS

11.

- 11.1. In order to recover under this insurance the Assured must have an insurable interest in the subject-matter insured at the time of the loss.
- 11.2. Subject to Clause 11.1 above, the Assured shall be entitled to recover for insured loss occurring during the period covered by this insurance, notwithstanding that the loss occurred before the Contract of insurance was concluded, unless the Assured were aware of the loss and the Insurers were not.

Forwarding Charges

- 12.** Where, as a result of the operation of a risk covered by this insurance, the insured transit is terminated at a port or place other than that to which the subject-matter insured is covered under this insurance, the Insurers will reimburse the Assured for any extra charges properly and reasonably incurred in unloading storing and forwarding the subject-matter insured to the destination to which it is insured.

This Clause 12, which does not apply to general average or salvage charges, shall be subject to the exclusions contained in Clauses 4, 5, 6 and 7 above, and shall not include charges arising from the fault negligence insolvency or financial default of the Assured or their employees.

Constructive Total Loss

- 13.** No claim for Constructive Total Loss shall be recoverable hereunder unless the subject-matter insured is reasonably abandoned either on account of its actual total loss appearing to be unavoidable or because the cost of recovering, reconditioning and forwarding the subject-matter insured to the destination to which it is insured would exceed its value on arrival.

Increased Value

14.

14.1. If any Increased Value insurance is effected by the Assured on the subject-matter insured under this insurance the agreed value of the subject-matter insured shall be deemed to be increased to the total amount insured under this insurance and all Increased Value insurances covering the loss, and liability under this insurance shall be in such proportion as the sum insured under this insurance bears to such total amount insured. In the event of claim the Assured shall provide the Insurers with evidence of the amounts insured under all other insurances.

14.2. **Where this insurance is on Increased Value the following clause shall apply:** The agreed value of the subject-matter insured shall be deemed to be equal to the total amount insured under the primary insurance and all Increased Value insurances covering the loss and effected on the subject-matter insured by the Assured, and liability under this insurance shall be in such proportion as the sum insured under this insurance bears to such total amount insured. In the event of claim the Assured shall provide the Insurers with evidence of the amounts insured under all other insurances.

BENEFIT OF INSURANCE

15. This insurance

- 15.1. covers the Assured which includes the person claiming indemnity either as the person by or on whose behalf the contract of insurance was effected or as an assignee,
15.2. shall not extend to or otherwise benefit the carrier or other bailee.

MINIMISING LOSSES

Duty of Assured

- 16.** It is the duty of the Assured and their employees and agents in respect of loss recoverable hereunder
16.1. to take such measures as may be reasonable for the purpose of averting or minimising such loss, and
16.2. to ensure that all rights against carriers, bailees or other third parties are properly preserved and exercised and the Insurers will, in addition to any loss recoverable hereunder, reimburse the Assured for any charges properly and reasonably incurred in pursuance of these duties.

Waiver

17. Measures taken by the Assured or the Insurers with the object of saving, protecting or recovering the subjectmatter insured shall not be considered as a waiver or acceptance of abandonment or otherwise prejudice the rights of either party.

AVOIDANCE OF DELAY

18. It is a condition of this insurance that the Assured shall act with reasonable despatch in all Circumstances within their control.

LAW AND PRACTICE

19. This insurance is subject to English law and practice.

NOTE:- Where a continuation of cover is requested under Clause 9, or a change of destination is notified under Clause 10, there is an obligation to give prompt notice to the Insurers and the right to such cover is dependent upon compliance with this obligation.

IN CASE OF DAMAGE / THEFT:

In the event of a claim.

The following instructions are the terms of conduct to be adopted by the insured, or those acting on their behalf, in the event of damage or loss to the goods transported, constituting obligations for the insured. Failure to comply with these instructions may result in the reduction or loss of insurance coverage, with no right to reimbursement of the premium.

In the event of a claim:

- a) the insured must notify our Company immediately;
- b) In the case of a container delivery, the insured or a party acting on their behalf must immediately examine the condition of the container and the seals affixed to it. If the container is delivered damaged or with the seals broken or missing, or with seals other than those specified on the loading document, the insured party or the party acting on their behalf must list the irregularities on the delivery receipt, photograph the irregularities and keep any imperfect or irregular seals for subsequent identification;
- c) in the event of visible damage to the load units (pallets, containers, boxes, crates), or to the cartons (anomalies in the packaging) the insured party must list the necessary reservations on the delivery documents accompanying the goods (exceptions on the POD - Proof of Delivery). The insured party, under no circumstances, should give the carrier/port and/or customs authorities, etc. receipts without due written observations; nor "generic" reservations "subject to further inspection" which have no legal value according to current law. The insured must therefore make "specific" observations, i.e. describing in detail the non-conformity detected upon delivery.
- d) Any visible damage to the container or loading units or cartons must be adequately documented by means of photographic evidence. The same is required for damaged goods.
- e) The insured party must send us without delay an initial, approximate estimate of the damage, which is necessary to determine whether a surveyor's intervention and report is required;
- f) The insured party will not, except for the purpose of salvaging the goods or for justifiable reasons, make any alteration to the state of the vehicle or load or to the evidence of the loss or damage prior to the intervention of the loss adjuster or surveyor appointed by the insurance company who will ascertain the nature, cause and extent of the damage;
- g) The insured party will arrange for the salvage and preservation of the goods transported and all associated packaging, whilst also making every effort to contain the loss or damage;
- h) The insured party will take the necessary measures to limit or reduce the damage;
- i) The insured party will without delay, complete all acts and provide all documents that are deemed necessary and appropriate at the request of the insurer, the insurance broker, the appointed loss adjuster or surveyor;
- j) The policyholder will refrain from settling and/or collecting any form of compensation from liable third parties without the prior written consent of the insurance company or insurance broker;
- k) In the event of damage that is not visible at the time of delivery (i.e. concealed damage), the above must be carried out as soon as the damage is discovered and, in all cases, no later than the claim period timelines.

The claim period timelines commence upon receipt of the goods and are governed by the international rulings regulating shipping and transport and are:

- 3 calendar days from delivery of the goods for international ocean freight shipments;
- 7 calendar days from delivery of the goods for international and national shipments via truck or rail;
- 14 calendar days from delivery of the goods for international air freight shipments.

The above timelines are peremptory and failure to comply with them may result in the reduction or total loss of insurance coverage, without any right to reimbursement of the premium.