

PLEASE READ THE ENTIRE WORDING CAREFULLY, ESPECIALLY THE HIGHLIGHTED PARTS WHICH EXEMPT THE INSURER FROM LIABILITY UNDER THIS POLICY.

Shipment Insurance Policy

In consideration of the payment of the premium and in reliance upon all statements and declarations made and information provided to CHUBB INSURANCE (CHINA) COMPANY LIMITED and subject to all the terms, conditions and limitations of this **Policy**, **CHUBB** agrees with the **Policyholder** as follows:

SECTION 1 – WHAT WE COVER AND WHAT WE PAY

- 1.1 If, during the **Policy Period**, the **Insured's Property** is accidentally **Lost**, stolen, damaged or destroyed while being **Transported** by a **Transport Operator**, **We** will either, at **Our** sole discretion, pay the **Insured**:
- (a) where the **Property** is damaged, the reasonable cost of repairing the damaged **Property** or where **We** consider it uneconomical to repair, the replacement cost; or
 - (b) where the **Property** is **Lost**, stolen or destroyed, the replacement cost of the **Lost**, stolen or destroyed **Property** up to the **Sum Insured**.
- 1.2 **We** will pay to the **Insured General Average** and salvage charges arising from incidents occurring during the **Policy Period**, adjusted or determined according to the **Consignment Note** and/or the governing law and practice, incurred to avoid or in connection with the avoidance of **Loss**, damage or destruction of **Insured's Property** (except where such **Loss**, damage or destruction would be excluded under this **Policy**).
- 1.3 **We** will pay to the **Insured** such amount against liability incurred under any '*Both to Blame Collision Clause*' in the **Consignment Note**. In the event of any claim brought against the **Insured** under the said clause, the **Insured** shall notify **CHUBB** who shall have the right (but not the obligation), to defend the **Insured** against such claim up to the value of the **Sum Insured**. The costs and expenses to defend the **Insured** against such claim shall form part of and are not in addition to the **Sum Insured**.

In no event shall the total amount(s) **We** pay under this **Policy** exceed the **Sum Insured**.

SECTION 2 - DEFINITIONS

Wherever appearing in this **Policy**, the following definitions apply:

- 2.1 **CHUBB, We, Us, or Our** means CHUBB INSURANCE (CHINA) COMPANY LIMITED.
- 2.2 **Act of Terrorism** means any act, including but not limited to the use of force or violence and/or threat thereof, of any person or group of persons, whether acting alone or on behalf of or in connection with any organisation or government which from its nature or context is done for, or in connection with, political, religious, ideological or similar purposes or reasons, including the intention to influence any government and/or to put the public, or any section of the public, in fear.
- 2.3 **China** means the People's Republic of China (excluding the Hong Kong SAR, the Macau SAR and Taiwan).
- 2.4 **Consigned Address** means the address in the **Policy Territory** to which the **Transport Operator** has been instructed to deliver the **Insured's Property**.
- 2.5 **Consignment Note** means a document containing the **Transport Operator's** terms and conditions of carriage and which provides proof that the **Property** has been received by the **Transport Operator**.
- 2.6 **Excluded Property** means
- (a) bullion;

- (b) cash securities and other cash equivalents;
 - (c) goods which are banned, prohibited or otherwise excluded by any law, regulation or statute of any jurisdiction from which the **Property** is collected, delivered, or through which the **Property** is **Transported**;
 - (d) live animals or plants;
 - (e) precious jewellery, metals, stones
 - (f) temperature sensitive goods;
 - (g) perishable goods;
 - (h) any property which the **Transport Operator** specifically excludes from shipment under the **Consignment Note**, and any liability arising from the shipment of such excluded property.
- 2.7 **General Average** means the amount the **Insured** is legally liable to pay when an extraordinary sacrifice or expenditure is reasonably incurred for the common safety and purpose of preserving the **Property** from loss or damage when it is involved in a common maritime adventure.
- 2.8 **Input Tax** shall have the same meaning as defined under the laws of China as from time to time amended.
- 2.9 **Insured** means the **Policyholder**.
- 2.10 **Lost** or **Loss** means the **Property** has not arrived at the **Consigned Address** 30 days after the scheduled delivery date advised by the **Transport Operator**.
- 2.11 **Policy** means the contract of insurance between the **Insured** and **Us** which comprises this policy wording and any endorsement **We** issue varying the policy cover.
- 2.12 **Policyholder** means a person who:
- (a) elects to have its **Property Transported** by the **Transport Operator**; and
 - (b) elects to have its **Property** insured under this **Policy** and in respect of which **Premium** has been paid.
- 2.13 **Policy Period** means the period starting from the time when the **Transport Operator** collects the **Property** from anywhere in **China** and shall continue whilst the **Property** is **Transported** and during all loading and unloading operations, and shall terminate at the time the **Property** is delivered to the **Consigned Address** or 30 days after the **Transport Operator** is scheduled to deliver, in accordance with the **Consignment Note**, the **Property** to the **Consigned Address**, whichever is earlier.
- 2.14 **Policy Territory** means worldwide from **China** subject always to Exclusion 3.3 (Compliance) and Exclusion 3.4 (Sanctions).
- 2.15 **Premium** means the premium to be paid by the **Policyholder** to insure the **Property** for coverage under this **Policy**.
- 2.16 **Property** means the property of the **Insured** as declared in the **Consignment Note**.
- 2.17 **Sum Insured** means the value of the **Property** as declared in the **Consignment Note**, subject to a maximum of **USD<insert>** (or equivalent currency). The **Sum Insured** is the maximum liability of **CHUBB** under this **Policy**.
- 2.18 **Transported** means the transportation of **Property** by road, rail, vessel or air from anywhere within **China** to anywhere within the **Policy Territory** by the **Transport Operator** and for which a **Consignment Note** has been issued.
- 2.19 **Transport Operator** means a company or entity carrying on business as a professional transport operator and undertaking the transportation of **Property** either directly or through a sub-contractor carrying on business as a professional transport operator.
- 2.20 **VAT** means any value added tax payable on goods and services under the laws of China as from time to time amended.

SECTION 3 - EXCLUSIONS

- 3.1 **We will not indemnify the Insured for any Loss, theft, damage or destruction to its Property or for any other amounts insured under this Policy arising out of or in any way connected with:**
- (a) **Civil Commotion**
any civil commotion, labor disturbances, locked out workers, riots or strikes;
 - (b) **Conditions of Carriage**
any non-compliance with or breach by the Insured of any condition of carriage set out in the **Consignment Note**;
 - (c) **Cyber Attack**
any use or operation of any computer, computer system, computer software programme, malicious code, computer virus or process or any other electronic system, as a means for inflicting harm or causing damage to the **Insured's Property**;
 - (d) **Delay**
any damage caused by delay even if such delay was caused by a risk insured against;
 - (e) **Faulty Workmanship**
any fault, defect, failure, error or omission in design or faulty workmanship or materials;
 - (f) **Fraud, Dishonesty and Intentional Conduct**
the **Insured** committing or condoning or allegedly committing or condoning any:
 - (i) dishonest or fraudulent act or omission; or
 - (ii) any malicious, criminal or intentional breach of the law;
 - (g) **Inherent Vice**
any inherent vice or latent defect in the **Property**;
 - (h) **Insufficiency of Packaging and Incorrect Address**
any insufficiency or deficiency of packing and/or packaging including but not limited to:
 - (i) fragile goods not being labelled as fragile; or
 - (ii) failure to provide accurate or correct **Consigned Address**

This exclusion will not apply if the insufficiency, deficiency or failure did not contribute to the **Loss, damage or destruction of the Property**;
 - (i) **Lawful Seizure**
the lawful seizure, confiscation or detention of all or any part of the **Insured's Property**;
 - (j) **Mechanical, Electrical or Electronic Failure**
any mechanical, electrical or electronic failure unless there is visible external physical damage that occurred while being **Transported**;
 - (k) **Ordinary Leakage**
any ordinary leakage, ordinary loss in weight or volume, or ordinary wear and tear;
 - (l) **Radioactive Contamination, Chemical Biological, Bio-Chemical and Electromagnetic Weapons**
 - (i) any ionising radiation from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel;
 - (ii) any radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof;

- (iii) any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter;
 - (iv) any radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter; or
 - (v) any chemical, biological, bio-chemical, or electromagnetic weapon.
- (m) **Rust, Oxidisation and/or Discolouration**
- any rust, oxidation and/or discolouration unless caused by visible external physical damage that occurred while being **Transported**;
- (n) **War and Terrorism**
- (i) any war, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power or confiscation or nationalisation or requisition or destruction of or damage to property by or under the order of any government, public or local authority; or
 - (ii) any **Act of Terrorism** regardless of any other cause or event contributing concurrently or in any other sequence to the **Loss**, theft, damage, or destruction to the **Property**.

3.2 This **Policy** does not cover:

(a) **Excluded Property**

any **Excluded Property**;

(b) **Reduction In Value**

any reduction in value arising from the repair or restoration of damaged **Property** or any depreciation as a result thereof.

3.3 **Compliance**

We shall not be deemed to provide cover and **We** shall not be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would amount to a contravention of any law, regulation or statute of any jurisdiction from which the **Property** is collected, delivered, or through which the **Property** is **Transported**, including but not limited to any law, regulation or statute prohibiting the insurance of such **Property** by an insurer not authorised to offer or provide insurance cover in such jurisdiction.

3.4 **Sanctions**

We shall not be deemed to provide cover and **We** shall not be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose **Us**, or **Our** parent to any sanction, prohibition or restriction implemented pursuant to resolutions of the United Nations or the trade and economic sanctions, laws or regulations of **China**, the European Union, United Kingdom, or United States of America.

SECTION 4 – CLAIMS CONDITIONS

4.1 **How To Make A Claim**

- (a) The **Insured** must, as soon as practicable, give written notice to **CHUBB** at **<email address to be inserted>** of any **Loss**, theft, damage or destruction of the **Insured's Property**, but always no later than **<INSERT NUMBER OF DAYS>** days after the delivery of the **Insured's Property** at the **Consigned Address** or **<INSERT NUMBER OF DAYS>** days after the **Insured's Property** is deemed **Lost**.
- (b) The **Insured** must include the following information in its notification:
 - (i) a copy of the **Consignment Note** and itemised packing list;

- (ii) where the **Property** is damaged or destroyed, photos of the damaged or destroyed **Property** and packaging;
 - (iii) where the **Property** is **Lost** or stolen, written confirmation from the **Transport Operator** that the **Property** has been **Lost** or stolen;
 - (iv) invoice for the **Lost**, stolen, damaged or destroyed **Property** and/or any other valuation documents;
 - (v) the **Insured's** bank account details where claim settlement by electronic transfer is required.
- (c) Upon receipt of a claim from the **Insured**, **We** shall, in a timely manner, confirm whether it is covered under this **Policy**. If **We** believe that the proofs and documents provided by the **Insured** are not sufficient to prove the **Insured's** claim, **We** shall have the right to request the **Insured**, once and for all, to provide such additional proofs and/or documents as **We** may require to consider the **Insured's** claim under this **Policy**. The **Insured** shall, in a timely manner, provide such additional proofs and/or documents as may be requested by **Us** and such other proofs and documents as may be necessary for **Us** to consider whether the **Insured's** claim is covered under this **Policy**. If, within 30 days of **Our** receipt of the **Insured's** claim, **We** are unable to confirm whether the claim is covered, **We** will notify the **Insured** of the time frame within which **We** reasonably anticipate is required for **Us** to make the decision and **We** shall notify the **Insured** of **Our** decision in a timely manner. If the claim is covered under this **Policy**, **We** will pay the indemnity within 10 days after the amount of indemnity is agreed with the **Insured** or within a period otherwise agreed with the **Insured**. If the claim is not covered under this **Policy**, **We** shall, within 3 days after the decision is made, issue a declination letter and explain the reasons to the **Insured**.
- (d) **We** shall allow an advance payment of indemnity which can be determined by the available proofs or documents if the final indemnity amount cannot be determined within 60 days after receipt of a claim and the balance amount of the indemnity will be paid the **Insured** after the same has been adjusted.

4.2 General Mitigation and Co-operation

The **Insured** must at its own expense take all reasonable steps and precautions in doing all things reasonably practicable to preserve and avoid or minimise any actual or potential **Loss**, theft, damage or destruction of the **Property**.

4.3 Verification and Salvage

We reserve the right to inspect and/or to collect any damaged or destroyed **Property** and where a claim has been fully paid by **Us**, **We** have the right to retain any salvageable **Property** or part thereof.

4.4 Subrogation

If any payment is made by **Us** in respect of **Lost**, stolen, damaged or destroyed **Property** under this **Policy**, **We** will be subrogated to all rights of indemnity, contribution or recovery the **Insured** has in relation to such **Property**. The **Insured** may not waive or surrender any right, without **Our** prior written consent. If the **Insured** waives any right to claim against any third party liable or **We** are not able to exercise the rights of subrogation due to the **Insured's** negligence, **We** will deduct a corresponding amount when calculating the amount of indemnity.

If the **Insured** has already been indemnified by the third party liable for the **Loss**, theft, damage or destruction to its **Property**, **We** will reduce any amount **We** pay by an amount equal to the amount of indemnity paid by such third party.

4.5 Value Added Tax

If the **Insured** is registered for **VAT** and would be entitled to a credit to **Input Tax** if it were to incur the cost to which a claim under this **Policy** relates, **We** will reduce any amount **We** pay in respect of any such claim by an amount equal to the credit to **Input Tax** which the **Insured** is entitled.

SECTION 5 – GENERAL CONDITIONS

5.1 In order to recover under this **Policy** the **Insured** must have an insurable interest in the **Property**.

5.2 Premium Payment

The **Policyholder** shall pay the **Premium** by the date when the **Consignment Note** is issued.

5.3 Deductible

We will only pay under this **Policy**, in respect of **Loss**, theft, damage or destruction of each individual **Property**, the amount of loss which is in excess of the deductible amount of **USD (or equivalent currency)**<insert>.

5.4 Cancellation

(a) The **Insured** may cancel this **Policy** at any time prior to the **Transport Operator** collecting the **Property** by giving **Us** written notice of such cancellation to:

<insert address>

Such cancellation shall take effect immediately upon us receiving such written notice.

(b) **We** may cancel this **Policy**, at any time in any circumstances permitted by law by giving the **Insured** written notice at the address of the **Insured** in the **Consignment Note**. Such cancellation shall take effect immediately upon the **Insured** receiving such written notice unless otherwise provided by law.

5.5 Governing Law

This **Policy** is governed by, and shall be interpreted in accordance with the laws of the People's Republic of China (except laws of the Hong Kong SAR, the Macau SAR, and Taiwan).

5.6 Dispute Resolution

If any dispute or difference arises between **Us** and the **Insured** concerning any matter arising out of this **Policy**, such dispute or difference shall be settled subject to the exclusive jurisdiction of the courts of People's Republic of China (except for the Hong Kong SAR, the Macau SAR, and Taiwan)

5.7 Currency

Premiums and any amount payable under this **Policy** shall be in the Chinese currency or other currency as agreed with **Us**.

5.8 Notice of Trust or Assignment and Third Party Rights

Except as otherwise provided in this **Policy**, **We** will not be bound or affected by any notice of any trust, charge, lien, assignment or other dealing with or related to this **Policy**.

A person who is not a party to this **Policy** shall have no right under the **Policy** to enforce any of its terms.

5.9 Assignment and Benefit of Insurance

Notwithstanding clause 5.8 above, cover provided to the **Insured** under this **Policy** shall extend to such person claiming indemnity as an assignee of the **Insured**. This **Policy** shall not extend to or otherwise benefit any carrier (including the **Transport Operator**) or other bailee.

The **Insured** may assign their benefit under this **Policy**. Any benefit to such assignee shall be no greater than the benefit to the **Insured** conferred under this **Policy**.

5.10 Clerical Error

Clerical errors made by **Us** shall not invalidate insurance otherwise validly in force, nor continue insurance otherwise not validly in force.

5.11 Legal Action

No legal action may be brought after two (2) years from the date the **Insured** is aware of or should have been aware of the insured event.

5.12 Policy Construction and Interpretation

In this **Policy**, unless the context otherwise requires:

- (a) the singular includes the plural and vice versa;
- (b) headings are merely descriptive and not to aid interpretation;
- (c) if a word or expression is given a definite meaning, any part of speech or other grammatical form of that word or phrase has a corresponding meaning; and
- (d) bolded words used in this **Policy** have the meanings set out in Section 2 (Definitions) of this **Policy**.

Chubb Insurance (China) Company Limited
Sample