

Freight Forwarder Liability Insurance

Contents

	Page
Schedule	1-2
Section A: Cargo Liability Coverage	4
Section B: Optional Extensions of Cover - Errors, Omissions and Financial Loss	5
(I) Errors & Omissions	
(II) Fines, Penalties & Other Costs	
Section C: Optional Extension of Cover - Third Party Liability	7
Section D: General Exclusions	8
Section E: General Conditions	13
Section F: Definitions	17

Please read the policy wording carefully, particularly the **EXCLUSIONS** highlighted.

If you are provided with both the English version and the Chinese version of this policy, both versions shall be equally enforceable. In case of any discrepancies between the Chinese and English, the Chinese version shall prevail.

In consideration of the payment of premium, CHUBB INSURANCE (CHINA) COMPANY LIMITED (“**Insurer**”) agrees with the **Insured** to provide the cover described in this **Policy**, subject to all the **Policy's** terms and conditions. In agreeing to provide this cover, The **Insurer** has relied upon the information provided as part of the **Insured's** application for cover under this **Policy**. That information forms part of, and is the basis of, this **Policy**.

Section A: Cargo Liability

1. Risks covered

Insurer agrees to provide cover up to the limit stated in Section A of the Schedule for:-

- 1.1. Legal liability incurred by the **Insured** in the normal course of the **Insured Services and Operations** and arising under a valid contract of carriage for : -
 - 1.1.1. Physical loss of or damage to **Cargo** occurring during the **Period of Insurance**;
 - 1.1.2. **Consequential Loss** which results from physical loss of or damage to **Cargo** which occurred during the **Period of Insurance**;
 - 1.1.3. The **Insured's** contribution to general average and/or salvage charges arising from an act of general average and/or salvage occurring during the **Period of Insurance**;
- 1.2. The provision of security in a reasonable amount for a legal liability incurred by the **Insured** during the **Period of Insurance** to contribute to general average and/or salvage charges.
- 1.3. **Claims Expenses** in relation to 1.1 and 1.2 above.

2. Special Condition

Where **Insurer** has provided security in relation to 1.1.3 above, the **Insured** shall not release or agree to release the **Cargo** to which **Insurer's** security relates without **Insurer's** prior written approval. The giving of such approval is at the sole and absolute discretion of **Insurer**, but shall, in any event, be withheld until the **Insured** obtains counter-security acceptable to **Insurer**. The **Insured** shall immediately pay **Insurer** as counter-security an amount equivalent to the security provided by **Insurer** in case the

Cargo is released without the approval of **Insurer** as aforesaid.

3. Special Exclusions

No cover shall be available under this Section for:-

- 3.1. **Legal liability incurred by the Insured as a result of any act, error or omission on the part of the Insured or the Insured's employees or agents.**
- 3.2. **Theft of Cargo if the theft occurs during road transportation where the vehicle, or any part of the vehicle, used to transport the Cargo is unlocked or left without reasonable efforts having been made by the Insured or the Insured's employees or agents, to ensure its security.**
- 3.3. **Legal liability for Cargo held at the Insured's Warehouse except where the Additional Insured Activity "Warehousing" is shown on the schedule.**
- 3.4. **Legal liability for Cargo being transported by an Ancillary Trucking Service except where the Additional Insured Activity "Ancillary Trucking Services" is shown on the schedule.**

Optional Extensions of Cover

Each Extension in the following Sections B and C is subject to all the terms and conditions of this **Policy**.

No cover is available under any Extension in Sections B and C unless and until the word "COVERED" appears against that specific Extension in the Schedule.

The availability of the cover provided by any Extension is at the sole and absolute discretion of **Insurer**, who reserves the right to charge an additional premium.

Section B: Optional Extension – Errors, Omissions and Financial Loss

B(I): Errors and Omissions

1. Risks Covered

Insurer agrees to provide cover up to the limit stated in Section B of the **Schedule** for:-

- 1.1. Legal liability incurred by the **Insured** solely as a result of a failure occurring during the **Period of Insurance**, on the part of the **Insured** or the **Insured's** employees or agents, to exercise reasonable care and skill in the normal course of the **Insured's**

Services and Operations, resulting in:-

- 1.1.1. The incorrect or inaccurate completion of documentation relating to a contract of carriage;
 - 1.1.2. A failure to perform the obligations stated in a contract of carriage within a reasonable period of time; and
 - 1.1.3. Release or delivery of **Cargo** without presentation of an original bill of lading or other document of title, or to an unauthorized person.
- 1.2. Reasonable extra costs in redirecting the **Cargo** to its correct destination by the same or similar mode of transport as the original carriage resulting from the mis-delivery of the **Cargo** to a place other than the destination stated in the contract of carriage.

2. Special Conditions

- 2.1. In the event that **Cargo** is released or delivered without presentation of an original bill of lading or other document of title or to an unauthorized person, by the **Insured's** agent, **it shall be a condition precedent to Insurer's liability under 1.1 above that:**
- 2.1.1. **The agent's actions shall have been in breach of clear instructions given by the Insured to the agent that Cargo must not be released or delivered without presentation of an original bill of lading or other document of title; and**
 - 2.1.2. **The agent acted without the Insured's consent or knowledge; or**
 - 2.1.3. **The release or delivery of the Cargo without presentation of an original bill of lading or other document of title was not caused in whole or in part by the Insured's recklessness.**
- 2.2. **It is a condition precedent to Insurer's liability under 1.2 above that Insurer's prior written approval shall have been obtained by the Insured to the reasonable cost of redirecting Cargo being incurred.**

B(II): Fines, Penalties and Other Costs

1. Risks Covered

Where the law allows, **Insurer** agrees to provide cover up to the limit stated in Section B(II) of the **Schedule** for:-

- 1.1. Fines and/or penalties incurred by the **Insured** solely as a result of a failure occurring during the **Period of Insurance**, on the part of the **Insured** or the **Insured's** employees or agents, to exercise reasonable care and skill in the normal course of the **Insured Service and Operations** and in connection with:-

- 1.1.1. Breach of customs regulations in relation to the import and/or export of **Cargo**;
- 1.1.2. Breach of regulations in relation to immigration;
- 1.1.3. Breach of regulations in relation to safety at work;
- 1.1.4. Breach of regulations in relation to security/anti-terrorism measures including but not limited to ISPS. (International Ship and Port Facility Security Code)
- 1.2. Reasonable extra costs and expenses incurred by the **Insured** solely as a result of a failure occurring during the **Period of Insurance**, on the part of the consignee or the lawful holder of a bill of lading, to collect **Cargo** at the place of delivery stated in a contract of carriage.
- 1.3. Reasonable extra costs and expenses incurred by the **Insured** in completing obligations owed by the **Insured** to a **Customer** under a contract of carriage and in the normal course of the **Insured Service and Operations**, solely as a result of a failure occurring during the **Period of Insurance**, on the part of a **Sub-Contractor** or agent of the **Insured**, to perform their obligations to the **Insured** within a reasonable time.

2. Special Exclusions

No cover shall be available under this Optional Extension for: -

- 2.1. **Legal liability and costs caused by the Insured's or its employees' intentional, reckless or deliberate acts;**
- 2.2. **Legal liability or costs in relation to death, injury or illness to any party; and**
- 2.3. **Legal liability resulting from or arising out of or connected in any way whatsoever with ante-dating or post-dating any contract of carriage.**

Section C: Optional Extension - Third Party Liability

1. Risks covered

Insurer agrees to provide cover up to the limit stated in Section C of the **Schedule** for loss arising from a legal liability incurred by the **Insured** solely as a result of a failure occurring during the **Period of Insurance**, on the part of the **Insured** or the **Insured's** employees or agents, to exercise reasonable care and skill in the normal course of the **Insured's Services and Operations**, resulting in:

- 1.1. Physical loss of, or damage to, the property of a third party occurring during the **Period of Insurance**;
- 1.2. Death of, or **Bodily Injury** to, a third party occurring during the **Period of Insurance**.

2. Special Exclusions

No cover shall be available under this Optional Extension for: -

- 2.1. Legal liability for loss of or damage to any property owned by or leased to or licensed by the Insured;**
- 2.2. Legal liability for loss of or damage to any property leased to or given to a third party by the Insured;**
- 2.3. Legal liability in relation to death of or bodily injury to the Insured's employee, Sub-contractor or agent, who is acting in the course of employment at the time of accident; and**
- 2.4. Legal liability for loss of or damage to Cargo.**

Section D: General Exclusions

All the following conditions shall apply to this **Policy**, including any Optional Extension purchased.

Insurer is not liable to make any payment under this Policy for the following:-

1. Excluded Cargo

- 1.1. Gold, silver or platinum, bullion or other precious metals or alloys;**
- 1.2. Jewellery, watches with an individual value of more than USD250 or precious stones, known by the Insured to be in its care, custody and control;**
- 1.3. Currency, coins, bank notes, cheques, securities or credit cards;**
- 1.4. Accounts, bills, deeds, bonds, negotiable documents or other evidence of debt;**
- 1.5. Antique, works of art, fine arts, paintings, sculptures and similar interests;**
- 1.6. Live animals, livestock, birds, reptiles or fish; and**
- 1.7. Dangerous Goods or hazardous commodities.**

2. Radioactive Contamination, Chemical Biological, Bio-Chemical and Electromagnetic Weapons Exclusion

- 2.1. Ionising radiation from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel;**

- 2.2. The radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof;
- 2.3. Any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter;
- 2.4. The radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter. The exclusion in this sub-clause does not extend to radioactive isotopes, other than nuclear fuel, when such isotopes are being prepared, carried, stored, or used for commercial, agricultural, medical, scientific or other similar peaceful purposes;
- 2.5. Any chemical, biological, bio-chemical, or electromagnetic weapon;

3. Pollution

- 3.1 Any environmental damage, seepage, pollution, or contamination and the dredging or dumping of any spoil except where such environmental damage, seepage, pollution, or contamination:-
 - 3.1.1 is caused by an event which is sudden and accidental and is neither expected nor intended by the Insured; and
 - 3.1.2 first commences on an identified specific date during the Period of Insurance; and
 - 3.1.3 became known to the Insured within 7 days after its occurrence and is reported to Insurer within 30 days thereafter; and
- 3.2 Should the Insured be found legally liable for pollution so caused and reported, the maximum compensation payable by Insurer in relation to liability for pollution under this Policy shall not exceed USD 50,000 in the aggregate regardless of the limits expressed in the Schedule.

4 Restricted Trade Area

Cargo and/or containers carried to, from and/or via countries against which the United States of America, United Kingdom, European Union or the United Nations applies economic and trade sanctions.

5 United States Related Fines or Penalties

Any fine or penalty resulting from or in relation to a breach of any law, regulation or order enforced by the United States government or public authority or governmental subdivisions in the United States of America.

6 Unexplained Loss Upon Taking Inventory

Unexplained loss or mysterious disappearance of Cargo or containers discovered only upon taking inventory or during stock control procedures.

7 Inherent Vice

Any inherent vice, deterioration, decay, rotting, fault or weakness in relation to Cargo or any property.

8 Lien

The exercise of a lien, whether or not wrongful, against any property by any party.

9 Pure Commercial Disputes

9.1 The inability or intentional failure of the Insured or any other party to pay or collect payments, including but not limited to service, freight charges, demurrage, storage charges, tariff or debts;

9.2 Any disputes involving any fee, charges, tariff, debt of the Insured, its parent, sister or subsidiary company;

9.3 Any disputes involving funds or monies held by the Insured in its fiduciary capacity;

9.4 Any commercial fines or penalties in respect of tariff or freight competition or structure of operation of the Insured's business; and

9.5 Any loss of profit suffered by the Insured, its agents, Sub-contractors or Customers.

10 Agreed transit time, declared value and increased limitation terms

Increased liability resulting from the Insured:-

10.1 Agreeing or guaranteeing a deadline for the delivery of Cargo;

10.2 Accepting a special declaration of value for Cargo or any special interest in the delivery of Cargo;

10.3 Agreeing with its Customer an exclusion or limit of liability which is higher than the limit of liability pre-approved by Insurer (see General Condition 9) or otherwise available to the Insured under its contract of carriage or standard trading conditions.

11 Waiver of rights or defence

Any additional liability resulting from the Insured waiving its right of recourse or waiving any defence, which the Insured would otherwise be entitled to rely on

against any third party.

12 Electronic Systems

- 12.1 Defect in or malfunction of computers hardware, software, peripheral or electronic device or the corruption or loss of data; and**
- 12.2 Loss and/or damage and/or any liability and/or expense directly or indirectly caused by or contributed to or arising from the use or operation, as a means for inflicting harm, of any computer, computer system, computer software programme, malicious code, computer virus or process or any other electronic system.**

13 Employer's liability

- 13.1 Any dispute relating to anything to which an Employee, Sub-Contractor or agent claims to be entitled in connection with their employment, contract for services or appointment;**
- 13.2 Bodily Injury or death of any person arising out of, or in the course of, their employment by the Insured;**
- 13.3 Any liability incurred by the Insured in its capacity as employer, including, but not limited to, workers' compensation or its equivalent.**

14 Uncontrolled and special circumstances

- 14.1 Act of foreign enemy or power, military hostilities, usurped power, war, civil war, riot, revolution, rebellion, insurrection, terrorism, strike or civil strife;**
- 14.2 Labour disputes, strikers, locked-out workmen, labour disturbance, civil commotions;**
- 14.3 Piracy, capture, seizure, restraint or detainment; or**
- 14.4 Arrest, confiscation, seizure, expropriation, nationalization, requisition, detainment; destruction of or damage to property under the order of any government, public or local authority including customs authority for whatever reason.**

15 Fraud, Criminality and Illegality

- 15.1 Illegal trade or trade of contraband Cargo;**
- 15.2 Criminal liability resulting from breach of any law or regulation by the Insured or its Employee;**
- 15.3 Fraudulent conduct by the Insured in its trade practice or business transactions;**

15.4 False or fraudulent claims made by the Insured, its Employee or its authorized representative to any party; or

15.5 Deliberate, reckless, or willful misconduct or omission of the Insured or its Employee.

16 Civil wrong

16.1 Racial, sexual or any form of discrimination;

16.2 Infringement of personal rights, human rights, civil liberty, wrongful or false imprisonment;

16.3 Defamation, libel, slander or malicious falsehood;

16.4 Nuisance;

16.5 Breach of confidence, infringement of trade marks, copyright, passing off of patent;

16.6 Bodily Injury or death of any person other than as provided under Section C where this extension is purchased and noted to be covered in Schedule;

16.7 Any liability arising from loss of, or damage to, any property owned by, leased to, or licensed by, the Insured;

16.8 Any liability arising from loss of, or damage to, any property leased to, or given to, a third party by the Insured.

17 Damages

Punitive, exemplary, aggravated, compound or multiplied damages against the Insured.

18 Asbestos & toxic mould

Asbestos or materials containing asbestos or toxic mould.

19 Chartering activities

The Insured's involvement in the operation, management or chartering (including slot charters) of vessel or aircraft.

20 Exclusions Applicable to Additional Insured Activities

Where Additional Insured Activities is/are shown on the Schedule, Insurer shall not be liable to make any payment under this Policy in respect of such Additional Insured Activities for:-

- 20.1 **Legal liability arising out of any defect or lack of proper maintenance or structural or mechanical problem of the premises or vehicle;**
- 20.2 **Legal liability arising out of any lease or license agreement or contract in relation to any premises or vehicle;**
- 20.3 **Legal liability which falls under the scope of coverage of any motor insurance policy; and Legal liability arising from the registered carrying capacity of any vehicle or equipment being exceeded.**
- 20.4 **Legal liability arising from breaching of regulations in relation to related safe transportation regulations / statutes issued by ministry sector of communications / transportation.**

21 Miscellaneous

- 21.1 **Liability under any contract or agreement between the Insured and its Customer which has not been pre-approved by Insurer (see General Condition 9);**
- 21.2 **Additional liability of the Insured where the Insured's position in relation to a Claim is jeopardized or prejudiced by the Insured or by the Insured's breach of the terms or conditions of this Policy.**
- 21.3 **Any Claim against the Insured (whether made in contract, tort or otherwise howsoever) arising out of, caused or contributed by, or connected with (directly or indirectly) insolvency (whether or not officially declared) and/or financial default of the Insured or a party with whom the Insured has contracted.**

Section E: General Conditions

All the following conditions shall apply to this **Policy**, including any Optional Extension purchased:

1 Aggregate and Sub-Aggregate Limits (Sections B & C)

- 1.1 The overall limit of **Insurer's** liability for all **Claims Settlements** and/or **Claims Expenses** paid under Sections B and C of this **Policy** shall be the amount stated against the heading "Aggregate Limit" in Sections B and C of the **Schedule**.
- 1.2 The overall limit of **Insurer 's** liability for all **Claims Settlements** and/or **Claims Expenses** paid under Section B(II) of this **Policy** shall be the amount stated against the heading "Sub-Aggregate Limit" in Section B(II) of the Schedule.
- 1.3 All **Claims Settlements** and/or **Claims Expenses** paid by **Insurer** under:

1.3.1 Sections B and C of this **Policy** shall be deducted from the amount stated against the respective heading "Aggregate Limit" in Sections B and C of the **Schedule**.

1.3.2 Section B(II) of this **Policy** shall be deducted from the amount stated against the heading "Sub-Aggregate Limit" in Section B(II) of the **Schedule** and, for the avoidance of doubt, shall also be deducted from the amount stated against the heading "Aggregate Limit" in Section B of the **Schedule**.

1.4 **Insurer's liability under Sections B and C of this Policy shall cease once the respective amount stated against the heading "Aggregate Limit" in Sections B and C of the Schedule has been exhausted by the payment of Claims Settlements and/or Claims Expenses.**

2 Deductibles

2.1 Each and every **Claim** made against the **Insured** shall attract a **Deductible**. The amount of that **Deductible** shall be determined according to which section of this **Policy** covers the **Claim** in question and the corresponding amount stated in the **Schedule** against that section.

2.2 The Insured shall be responsible for **Claims Settlement** and/or **Claims Expenses** up to the amount of the specified **Deductible**. **Insurer shall only be liable for that part of any Claims Settlement and/or Claims Expenses which exceeds the specified Deductible.**

2.3 **Where two or more Claims are attributable to, or arise out of, the same cause or event, those Claims shall be deemed to constitute a single Claim under this Policy and shall attract a single Deductible.**

2.4 **Where a Claim (including a Claim deemed to constitute a single Claim under 2.3 above) is covered by more than one section of this Policy, the highest specified Deductible shall apply to that Claim.**

3 Obligations of the Insured

If, during the **Period of Insurance**, the **Insured** becomes aware of any fact or circumstance that may give rise to a **Claim** under this **Policy**, the **Insured** shall comply with the following obligations:-

3.1 Without prior consent from **Insurer**, the **Insured** shall not, either expressly or implicitly:-

3.1.1 admit liability;

3.1.2 agree to a compromise;

3.1.3 agree to effect any claim settlement or claim related payment;

- 3.1.4 agree to grant an extension in respect of any statutory or contractual time limit;
- 3.1.5 submit to any law or jurisdiction; or
- 3.1.6 make any statement or commit to anything which may prejudice or jeopardize the Insured's position in relation to the **Claim** or **Insurer's** position under this Policy.
- 3.2 The **Insured** shall take all reasonable steps to minimize or mitigate its liability, including but not limited to giving proper and timely notice to any other relevant party and ensuring that any time limit is observed or protected in order to preserve the Insured's and **Insurer's** legal rights.
- 3.3 The **Insured** shall provide **Insurer** with all information and documents requested by **Insurer** or its representatives in the course of handling a **Claim**.
- 3.4 The **Insured** shall take all actions at the request of **Insurer** to defend a **Claim**, to enforce any rights or remedies and to claim an indemnity from other parties.
- 3.5 The **Insured** shall not waive any defence or right of recourse against any party without prior written consent from **Insurer**. **Where the Insured waives such defence or rights after a Claim occurs, the Insurer shall not be liable to make any payment for loss in connection with such Claim. Any such waiver made without the Insurer's prior consent after the Insurer makes such payment is void. If the Insurer is not able to exercise its rights of recovery as a result of any Insured's intentional act or gross negligence, the Insurer may reduce its payment for damages, loss, cost or expense, or request a refund of any such payment made.**
- 3.6 The **Insured** shall act as if uninsured and in good faith at all times.
- 3.7 Upon **Insurer's** request, the **Insured** shall allow **Insurer** to inspect the books and records relating to this **Policy** and in respect of any **Claim** covered by this **Policy** within thirty (30) days from the date the written notice is issued.

4 Claims Notification Period

- 4.1 The **Insured** must give to **Insurer** written notice as soon as practicable of any **Claim**. This obligation applies even if, after applying the limitation provisions under a contract of carriage or standard trading conditions, the **Claim** may appear to fall within the specified **Deductible**.
- 4.2 If, during the **Period of Insurance**, an **Insured** becomes aware of any fact or circumstance that may give rise to a **Claim** under this **Policy**, the **Insured** shall give notice of that fact or circumstance in writing to **Insurer** as soon as reasonably practicable and in any event within sixty (60) days.
- 4.3 In any event where the **Insured** reasonably expects that **Insurer** may wish to conduct a survey or an investigation into any fact or circumstance that may give rise to a

Claim under this **Policy**, the **Insured** shall give notice of that fact or circumstance as soon as practicable.

4.4 **Where the Insured, intentionally or due to its gross negligence, fails to perform its notification obligation as provided in the preceding paragraphs, which makes the nature, causes, the extent of losses etc of the insured accident difficult to be determined, the Insurer shall not be liable to pay the indemnities for the portion that is impossible to be determined, unless the Insurer learnt or ought to have learnt of the insured accident in a timely manner by other means.**

4.5 Upon receipt of claim by the Insured, the Insurer shall render its determination in a timely manner; For complicated cases, it is hereby agreed to allow an extension of no more than 180 days, or further extension if needed subject to the agreement by both parties.

5 Investigation, Defence, Right to Settle and Indemnity

5.1 **The Insured shall not, without Insurer's prior written approval instruct a lawyer, surveyor, consultant or expert or incur any Claims Expenses.**

5.2 **Insurer** shall have full control of and final decision over any investigation, defence, **Claim Settlement** or recovery of any **Claim**.

5.3 The **Insured** shall comply with **Insurer's** instructions in respect of the investigation, defence, settlement of any claims or any recovery.

6 Subrogation

In the event that **Insurer** makes a payment under this **Policy**, **Insurer** shall be subrogated to the extent of such payment to all the **Insured's** rights of recovery. The **Insured** agrees to execute all papers required and do everything necessary to secure and preserve **Insurer's** rights, including the execution of documents necessary to enable **Insurer** effectively to bring suit in its own name or in the name of the **Insured**.

7 Recovery

Any amount recovered against a third party shall be credited to **Insurer** to the full extent of any **Claims Expenses** and **Claim Settlement** paid by **Insurer** and any balance thereafter will be credited to the **Insured**.

8 Fraudulent Claims

The Insurer is entitled to terminate the Policy and is not liable for the loss or to refund the premiums that have been collected for any loss which did not occur but falsely claimed by the Insured to the Insurer for the payment of indemnities.

If the Policyholder or the Insured intentionally causes any loss under this Policy, the Insurer is entitled to terminate this Policy and is not liable for the loss or to

refund the premiums that have been collected.

In the event of a loss under this Policy, if the Policyholder or the Insured forges or alters relevant proofs, information or other evidence to fabricate false causes of or to overstate the extent of such loss, the Insurer is not liable for the payment of indemnities for the false portion.

9 Provision of Contract Documents

If, during the **Period of Insurance**, the **Insured** intends to adopt for use in the course of the **Insured Services and Operations** and/or **Additional Insured Activities** (if applicable) any contract document which has not previously received **Insurer's** approval, **it shall be a condition precedent to Insurer's liability under this Policy that the Insured must first obtain Insurer's approval to the use of that document. Failure to obtain agreement will entitle insurer to reject any claim arising under such Conditions of Trade or Conditions of Carriage or any amendments thereto.** For the avoidance of doubt, contract documents may include, but shall not be limited to:

- 9.1 Bill of Lading, Air and/or Sea Waybill;
- 9.2 Standard Trading Conditions;
- 9.3 Connecting Carrier Agreements;
- 9.4 Any other contract and/or services/agency agreement.

10 Premium

If the Policyholder does not pay the required premium as specified in the Schedule within the required payment period, the Insurer has the rights to cancel the Policy immediately by a written notification sent to the Policyholder.

11 Policy Cancellation

The **Insured** or **Insurer** may cancel this **Policy** by giving 30 days notice in writing to the other party, unless other agreement is made under the contract or otherwise stipulated by laws and regulations. If the **Policy** is so cancelled **Insurer** will refund the premium to the **Insured** on a pro-rata basis after deduction of administration costs of 15% of the annual premium.

12 Double Insurance or other Insurance

Where the law allows, the cover this Policy provides shall only apply over and above the valid and collectible or otherwise limit of liability available to the Insured under any other liability insurance policy.

13 Severability

If any part of this **Policy** is held to be unenforceable or invalid, the remainder of the other parts of this **Policy** shall remain in force.

14 Assignment

This **Policy** cannot be assigned and/or transferred without **Insurer's** prior written approval.

15 Changes

No change in, or modification of, or assignment of any interest under, this **Policy** will take effect unless it is by written endorsement to this **Policy** and signed by one of **Insurer's** authorized representatives.

16 Law and Jurisdiction

The governing law of this **Policy** is the law of P.R.China. This **Policy** shall be construed in accordance with the law of P.R.China. Any dispute arising out of or in connection with this **Policy** shall be determined exclusively by the courts of P.R.China.

17 Interpretation of Policy

In this Policy, the singular includes plural and vice versa. Headings and sub-headings are for identification purposes only and do not form part of this Policy for the purpose of its construction or interpretation.

Section F: Definitions

The following definitions shall be an integral part of this **Policy**. The words below should be construed in accordance with the specified meanings set out herein.

Insurer CHUBB INSURANCE (CHINA) COMPANY LIMITED

Additional Insured Activities **Ancillary Trucking Service** and/or **Warehousing**

Ancillary Trucking Service Road haulage or trucking service ancillary to sea and/or air carriage directly operated by the **Insured**

AOC The maximum amount of **Insurer's** liability under this **Policy** for any one **Claim**

AOP Any one period of insurance

Bodily Injury Any physical injury or condition, or mental anguish or emotional distress, or disease or death suffered by a third party resulting from physical injury

Cargo Goods or merchandise including anything attached thereto for the purpose of packing or labeling or protection, which is lawfully carried or handled by the **Insured**, its employees or agents under a valid contract of carriage

Claim A written or verbal demand for compensation made by a third party against an **Insured** or a writ, statement of claim, summons, application or other originating legal or arbitral process, cross-claim, counter-claim or third or similar party notice received by an **Insured**

Claims Settlement The payment by **Insurer** to or on behalf of the **Insured** in settlement of a **Claim**

Claims Expenses The expenses, including legal costs and disbursements, incurred either by **Insurer** or, with **Insurer's** prior written agreement, by the **Insured** in the investigation, defence or settlement of any **Claim**. The cost of instructing a surveyor or loss adjuster shall be treated as **Claims Expenses** and shall not attract a **Deductible**

Consequential Loss Quantifiable indirect loss caused by or arising from a risk covered under this **Policy** including but not limited to loss of profit, loss of use and loss of opportunity

Customer Any person or company with whom the **Insured** has entered into a contract to provide **Insured Services and Operations**

Dangerous Goods Goods or merchandise listed or defined as dangerous goods by IATA (International Air Transportation Association) or which are listed in the current edition of the International Maritime Dangerous Goods Code or list in classification and code of dangerous goods (GB6944-86/GB12268) of PRC Standards or any Cargo list in other IMO publication as dangerous for carriage by sea or any other substance or goods which have properties which may be dangerous if carried by sea

Employee Any person employed by the **Insured** under a contract of employment

Endorsement	Formal document named "Endorsement", which shall be read together with the Schedule and Policy as a single contract
Extension	Any optional insurance cover purchased by the Insured as specified in the Schedule
Insured	The party or parties identified in the Schedule under the heading "Named Insured"
Insurance Policyholder	The party identified in the Schedule under the heading "Insurance Policyholder", who applies for procuring insurance with the Insurer and is responsible for paying the premium
Insured Services and Operations	The activity or activities described in the Schedule against the heading "Insured Services and Operations"
Insured's Warehouse	Any warehouse directly operated by the Insured whose address is stated in the Schedule
Policy	Collectively, the Schedule , all terms and conditions of Cargo Liability Coverage, all terms and conditions of any optional Extensions purchased, General Conditions, General Exclusions and the Definitions
Schedule	The formal document named "Schedule", which shall be read together with the Policy as a single contract
Sub-contractor	The service provider to whom the Insured sub-contracts any part of the Insured Services and Operations
Warehousing	The storage of Cargo by the Insured at the Insured's Warehouse

*****END*****