

Chubb Marine Global Custom Made Policy No.006(15 Main Policies and 73 Additional Risks)

Main Clauses:

Institute Cargo Clauses (A) CL382 1/1/09
Institute Cargo Clauses (Air) (excluding sendings by Post) CL387 1/1/09
Institute Strikes Clauses (Cargo) CL386 1/1/09
Institute Strikes Clauses (Air Cargo) CL389 1/1/09
Institute War Clauses (Cargo) CL385 1/1/09
Institute War Clauses (Air Cargo) (excluding sendings by Post) CL388 1/1/09
Institute War Clauses (sendings by Post) CL390 1/3/09
Institute War Cancellation Clause CL359 1/1/95
Institute Replacement Clause CL161 1/1/34
Institute Classification Clause CL354 1/1/01
Institute Radioactive Contamination, Chemical, Biological, Bio-Chemical and Electromagnetic Weapons Exclusion Clause CL370 10/11/03
Institute Cyber Attack Exclusion Clause CL380 10/11/03
Institute Cargo Clauses (B) CL383 1/1/09
Institute Cargo Clauses (C) CL384 1/1/09
Institute Malicious Damage Clause CL266 1/8/82- Accumulation Clause (Transit Only)

Endorsements:

Additional Forwarding Costs Clause
Aircraft Clause
Airfreight Replacement Clause
Any One Event Clause
Arbitration Clause
Attachment And Termination Of Risk Clause
Automatic Cover For Acquisitions Clause
Brands Clause
Buyers' And/Or Sellers' Contingent Interest/Differences In Conditions Clause
Cancellation Clause
Cargo Classification Clause – Innocent Insured Admitted Clause
Cargo ISM Endorsement (JC 98/019 – 1/5/98)
Cargo ISM Forwarding Charges Clause (JC/98/023 – 4/6/98)
Cargo ISM Endorsement – Innocent Insured Admitted Clause
Cargo ISPS Endorsement
Cargo ISPS Forwarding Charges Clause
Claims Provisions Clause
Classification Clause Amendment
Claused Bills Of Lading Clause
Concealed Damage Clause
50/50 Clause (in conjunction with the Concealed Damage Clause)
Consequential Reduction In Value Clause
Container Clause

Container Damage Clause
Container Demurrage Charges Clause
Contingency Cover – Foreign Restrictions Clause
Contract Hire Agreements Clause
Contract Price Clause
Deliberate Damage – Customs Clause
Deliberate Damage – Pollution Hazard Clause
Depreciation In Value Clause
Differences In Conditions / Difference In Limits Acquisitions Clause
Differences In Conditions / Difference In Limits Clause
Duty And/Or Increased Value Clause
Errors And Omissions Clause
Exchange Rates Clause
Exhibition Risks Clause
Expediting Expenses Clause
Extra Expenses (Debris Removal, Stock Debris Removal, Discharge, Forwarding Charges And The Like)
Financial Loss Clause
Fumigation Clause
General Average In Full Clause
Labels Clause
Letter Of Credit And Certificates Clause
Location Reporting Procedure Clause
Loss Payee Clause
Mechanical And/Or Electrical Derangement Clause
Mysterious Disappearance Clause
Non-Delivery Clause
Other Insurance Clause
Packing Clause
Pairs, Sets, Lots and Ranges (Consequential Loss) Clause
Radioactive Contamination, Chemical, Biological, Bio-Chemical And Electromagnetic Weapons Exclusion Clause (USA)
Reconditioned Interest Clause
Rejection Costs Clause
Returned Goods And/Or Refused Shipments Clause
Samples Coverage Clause
Sanctions & Limitations Exclusion Clause
Seals Intact Clause
Second-Hand Machinery Clause
Shipments Clause
Subrogation Clause
Sue And Labour Clause
Termination Of Transit (Terrorism) Clause
Terrorism (Tria) Clause
Testing, Sorting And Segregation Clause
Uninsured Loss Recovery Clause
Unpacked Or Damaged Goods Clause
War Risks Cover
Wilful Misconduct Clause
Rights Of Third Parties Clause
Deductible Clause
Valuation Clause

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

Transit Clause

- 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 transhipment 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

Insurable Interest

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 subject-matter 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.

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CL382

01/01/2009

Institute Cargo Clauses (Air) (Excluding sendings by Post) 1/1/09 cl. 387

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 3, 4 and 5 below.

Salvage Charges

2. This insurance covers salvage charges incurred to avoid or in connection with the avoidance of loss from any cause except those excluded in Clauses 3, 4 and 5 below.

EXCLUSIONS

3. In no case shall this insurance cover

- 3.1 loss damage or expense attributable to wilful misconduct of the Assured
- 3.2 ordinary leakage, ordinary loss in weight or volume, or ordinary wear and tear of the subject-matter insured
- 3.3 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)
- 3.4 loss damage or expense caused by inherent vice or nature of the subject-matter insured
- 3.5 loss damage or expense arising from unfitness of aircraft conveyance or container 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. 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.
- 3.6 loss damage or expense caused by delay, even though the delay be caused by a risk insured against
- 3.7 loss damage or expense caused by insolvency or financial default of the owners managers charterers or operators of the aircraft where, at the time of loading of the subject-matter insured on board the aircraft, 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 transit 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

- 3.8 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.
4. In no case shall this insurance cover loss damage or expense caused by
- 4.1 war civil war revolution rebellion insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power
- 4.2 capture seizure arrest restraint or detainment (piracy excepted), and the consequences thereof or any attempt thereat
- 4.3 derelict mines torpedoes bombs or other derelict weapons of war.
5. In no case shall this insurance cover loss damage or expense
- 5.1 caused by strikers, locked-out workmen, or persons taking part in labour disturbances, riots or civil commotions
- 5.2 resulting from strikes, lock-outs, labour disturbances, riots or civil commotions
- 5.3 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
- 5.4 caused by any person acting from a political, ideological or religious motive.

DURATION

Transit Clause

6. 6.1 Subject to Clause 9 below, this insurance attaches from the time the subject-matter insured is first moved in the warehouse, premises 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
- 6.1.1 on completion of unloading from the carrying vehicle or other conveyance in or at the final warehouse, premises or place of storage at the destination named in the contract of insurance,
- 6.1.2 on completion of unloading from the carrying vehicle or other conveyance in or at any other warehouse, premises 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
- 6.1.3 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
- 6.1.4 on the expiry of 30 days after completion of unloading of the subject-matter insured from the aircraft at the final place of discharge, whichever shall first occur.
- 6.2 If, after unloading from the aircraft at the final place 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 6.1.1 to 6.1.4, 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.
- 6.3 This insurance shall remain in force (subject to termination as provided for in Clauses 6.1.1 to 6.1.4 above and to the provisions of Clause 7 below) during delay beyond the control of the Assured, any deviation, forced discharge, reshipment or transhipment and during any variation of the adventure arising from the exercise of a liberty granted to the air carriers under the contract of carriage.

Termination of Contract of Carriage

7. If owing to circumstances beyond the control of the Assured either the contract of carriage is terminated at a 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 6 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
- 7.1 until the subject-matter insured is sold and delivered at such place, or, unless otherwise specially agreed, until the expiry of 30 days after arrival of the subject-matter insured at such place, whichever shall first occur,
- or

- 7.2 if the subject-matter insured is forwarded within the said period of 30 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 6 above.

Change of Transit

8. 8.1 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.
- 8.2 Where the subject-matter insured commences the transit contemplated by this insurance (in accordance with Clause 6.1), but, without the knowledge of the Assured or their employees the aircraft leaves for another destination, this insurance will nevertheless be deemed to have attached at commencement of such transit.

CLAIMS

Insurable Interest

9. 9.1 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.
- 9.2 Subject to Clause 9.1 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

10. Where, as a result of the operation of a risk covered by this insurance, the insured transit is terminated at a 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 10, which does not apply to salvage charges, shall be subject to the exclusions contained in Clauses 3, 4 and 5 above, and shall not include charges arising from the fault negligence insolvency or financial default of the Assured or their employees.

Constructive Total Loss

11. 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

12. 12.1 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.
- 12.2 **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

13. This insurance
- 13.1 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,
- 13.2 shall not extend to or otherwise benefit the carrier or other bailee.

MINIMISING LOSSES

Duty of Assured

- 14.** It is the duty of the Assured and their employees and agents in respect of loss recoverable hereunder
- 14.1 to take such measures as may be reasonable for the purpose of averting or minimising such loss, and
 - 14.2 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

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

AVOIDANCE OF DELAY

- 16.** It is a condition of this insurance that the Assured shall act with reasonable despatch in all circumstances within their control.

LAW AND PRACTICE

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

NOTE:-Where a continuation of cover is requested under Clause 7, or a change of destination is notified under Clause 8, there is an obligation to give prompt notice to the Insurers and the right to such cover is dependent upon compliance with this obligation.

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CL387
01/01/2009

Institute Strikes Clauses (Cargo) 1/1/09 cl. 386

RISKS COVERED

Risks

1. This insurance covers, except as excluded by the provisions of Clauses 3 and 4 below, loss of or damage to the subject-matter insured caused by
 - 1.1 strikers, locked-out workmen, or persons taking part in labour disturbances, riots or civil commotions
 - 1.2 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
 - 1.3 any person acting from a political, ideological or religious motive.

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 a risk covered under these Clauses.

EXCLUSIONS

3. In no case shall this insurance cover
 - 3.1 loss damage or expense attributable to wilful misconduct of the Assured
 - 3.2 ordinary leakage, ordinary loss in weight or volume, or ordinary wear and tear of the subject-matter insured
 - 3.3 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 this Clause 3.3 "packing" shall be deemed to include stowage in a container and "employees" shall not include independent contractors)
- 3.4 loss damage or expense caused by inherent vice or nature of the subject-matter insured
 - 3.5 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)
 - 3.6 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
 - 3.7 loss damage or expense arising from the absence shortage or withholding of labour of any description whatsoever resulting from any strike, lockout, labour disturbance, riot or civil commotion
 - 3.8 any claim based upon loss of or frustration of the voyage or adventure
 - 3.9 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
 - 3.10 loss damage or expense caused by war civil war revolution rebellion insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power.
4. 4.1 In no case shall this insurance cover loss damage or expense arising from
- 4.1.1 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.
 - 4.1.2 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.
- 4.2 Exclusion 4.1.1 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.
- 4.3 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.

DURATION

Transit Clause

5. 5.1 Subject to Clause 8 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
- 5.1.1 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,
 - 5.1.2 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
 - 5.1.3 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
 - 5.1.4 on the expiry of 60 days after completion of discharge overside of the subject-matter insured from the oversea vessel at the final port of discharge, whichever shall first occur.
- 5.2 If, after discharge overside from the oversea 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 5.1.1 to 5.1.4, 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.

- 5.3 This insurance shall remain in force (subject to termination as provided for in Clauses 5.1.1 to 5.1.4 above and to the provisions of Clause 6 below) during delay beyond the control of the Assured, any deviation, forced discharge, reshipment or transhipment 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

6. 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 5 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
- 6.1 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
- 6.2 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 5 above.

Change of Voyage

7. 7.1 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.
- 7.2 Where the subject-matter insured commences the transit contemplated by this insurance (in accordance with Clause 5.1), 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

Insurable Interest

8. 8.1 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.
- 8.2 Subject to Clause 8.1 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.

Increased Value

9. 9.1 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.

- 9.2 **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

10. This insurance

- 10.1 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,
- 10.2 shall not extend to or otherwise benefit the carrier or other bailee.

MINIMISING LOSSES

Duty of Assured

11. It is the duty of the Assured and their employees and agents in respect of loss recoverable hereunder

- 11.1 to take such measures as may be reasonable for the purpose of averting or minimising such loss, and
 - 11.2 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

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

AVOIDANCE OF DELAY

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

LAW AND PRACTICE

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

NOTE:-Where a continuation of cover is requested under Clause 6, or a change of destination is notified under Clause 7, there is an obligation to give prompt notice to the Insurers and the right to such cover is dependent upon compliance with this obligation.

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CL386

01/01/2009

Institute Strikes Clauses (Air Cargo) 1/1/09 Cl. 389

RISKS COVERED

Risks

- 1. This insurance covers, except as excluded by the provisions of Clause 3 below, loss of or damage to the subject-matter insured caused by**
 - 1.1 strikers, locked-out workmen, or persons taking part in labour disturbances, riots or civil commotions
 - 1.2 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
 - 1.3 any person acting from a political, ideological or religious motive.

Salvage Charges

- 2. This insurance covers salvage charges incurred to avoid or in connection with the avoidance of loss from**

any cause except those excluded in Clause 3 below.

EXCLUSIONS

- 3.** In no case shall this insurance cover
- 3.1 loss damage or expense attributable to wilful misconduct of the Assured
 - 3.2 ordinary leakage, ordinary loss in weight or volume, or ordinary wear and tear of the subject-matter insured
 - 3.3 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 this Clause 3.3 "packing" shall be deemed to include stowage in a container and "employees" shall not include independent contractors)
 - 3.4 loss damage or expense caused by inherent vice or nature of the subject-matter insured
 - 3.5 loss damage or expense arising from unfitness of aircraft conveyance or container 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. 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.
 - 3.6 loss damage or expense caused by delay, even though the delay be caused by a risk insured against
 - 3.7 loss damage or expense caused by insolvency or financial default of the owners managers charterers or operators of the aircraft where, at the time of loading of the subject-matter insured on board the aircraft, 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 transit
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
 - 3.8 loss damage or expense arising from the absence shortage or withholding of labour of any description whatsoever resulting from any strike, lockout, labour disturbance, riot or civil commotion
 - 3.9 any claim based upon loss of or frustration of the transit or adventure
 - 3.10 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
 - 3.11 loss damage or expense caused by war civil war revolution rebellion insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power.

DURATION

Transit Clause

- 4.** 4.1 Subject to Clause 7 below, this insurance attaches from the time the subject-matter insured is first moved in the warehouse, premises 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
- 4.1.1 on completion of unloading from the carrying vehicle or other conveyance in or at the final warehouse, premises or place of storage at the destination named in the contract of insurance,
 - 4.1.2 on completion of unloading from the carrying vehicle or other conveyance in or at any other warehouse, premises 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
 - 4.1.3 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
 - 4.1.4 on the expiry of 30 days after completion of unloading of the subject-matter insured from the aircraft at the final place of discharge,
- whichever shall first occur.
- 4.2 If, after unloading from the aircraft at the final place 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 4.1.1 to 4.1.4, 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.

- 4.3 This insurance shall remain in force (subject to termination as provided for in Clauses 4.1.1 to 4.1.4 above and to the provisions of Clause 5 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 the air carriers under the contract of carriage.

Termination of Contract of Carriage

5. If owing to circumstances beyond the control of the Assured either the contract of carriage is terminated at a 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 4 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
- 5.1 until the subject-matter insured is sold and delivered at such place, or, unless otherwise specially agreed, until the expiry of 30 days after arrival of the subject-matter insured at such place, whichever shall first occur,
- or
- 5.2 if the subject-matter insured is forwarded within the said period of 30 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 4 above.

Change of Transit

6. 6.1 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.
- 6.2 Where the subject-matter insured commences the transit contemplated by this insurance (in accordance with Clause 4.1), but, without the knowledge of the Assured or their employees the aircraft leaves for another destination, this insurance will nevertheless be deemed to have attached at commencement of such transit.

CLAIMS

Insurable Interest

7. 7.1 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.
- 7.2 Subject to Clause 7.1 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.

Increased Value

8. 8.1 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.

- 8.2 **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

9. This insurance

- 9.1 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,
- 9.2 shall not extend to or otherwise benefit the carrier or other bailee.

MINIMISING LOSSES

Duty of Assured

10. It is the duty of the Assured and their employees and agents in respect of loss recoverable hereunder

- 10.1 to take such measures as may be reasonable for the purpose of averting or minimising such loss, and
- 10.2 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

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

AVOIDANCE OF DELAY

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

LAW AND PRACTICE

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

NOTE:-Where a continuation of cover is requested under Clause 5, or a change of destination is notified under Clause 6, there is an obligation to give prompt notice to the Insurers and the right to such cover is dependent upon compliance with this obligation.

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CL389

01/01/2009

Institute War Clauses (Cargo) 1/1/09 Cl. 385

RISKS COVERED

Risks

- 1.** This insurance covers, except as excluded by the provisions of Clauses 3 and 4 below, loss of or damage to the subject-matter insured caused by
 - 1.1 war civil war revolution rebellion insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power
 - 1.2 capture seizure arrest restraint or detainment, arising from risks covered under 1.1 above, and the consequences thereof or any attempt thereat
 - 1.3 derelict mines torpedoes bombs or other derelict weapons of war.

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 a risk covered under these Clauses.

EXCLUSIONS

3. In no case shall this insurance cover
- 3.1 loss damage or expense attributable to wilful misconduct of the Assured
 - 3.2 ordinary leakage, ordinary loss in weight or volume, or ordinary wear and tear of the subject-matter insured
 - 3.3 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)
 - 3.4 loss damage or expense caused by inherent vice or nature of the subject-matter insured
 - 3.5 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)
 - 3.6 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
 - 3.7 any claim based upon loss of or frustration of the voyage or adventure
 - 3.8 loss damage or expense directly or indirectly caused by or arising from any hostile use of any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.
4. 4.1 In no case shall this insurance cover loss damage or expense arising from
- 4.1.1 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
 - 4.1.2 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.
- 4.2 Exclusion 4.1.1 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.
- 4.3 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.

DURATION

Transit Clause

5. 5.1 This insurance
- 5.1.1 attaches only as the subject-matter insured and as to any part as that part is loaded on an oversea vessel
and
 - 5.1.2 terminates, subject to 5.2 and 5.3 below, either as the subject-matter insured and as to any part as that part is discharged from an oversea vessel at the final port or place of discharge,
or
on expiry of 15 days counting from midnight of the day of arrival of the vessel at the final port or place of discharge,
whichever shall first occur;
nevertheless,
subject to prompt notice to the Insurers and to an additional premium, such insurance
 - 5.1.3 reattaches when, without having discharged the subject-matter insured at the final port or place of discharge, the vessel sails therefrom,
and
 - 5.1.4 terminates, subject to 5.2 and 5.3 below, either as the subject-matter insured and as to any part as that part is thereafter discharged from the vessel at the final (or substituted) port or place of discharge,
or
on expiry of 15 days counting from midnight of the day of re-arrival of the vessel at the final port or place of discharge or arrival of the vessel at a substituted port or place of discharge,

whichever shall first occur.

- 5.2 If during the insured voyage the oversea vessel arrives at an intermediate port or place to discharge the subject-matter insured for on-carriage by oversea vessel or by aircraft, or the subject-matter insured is discharged from the vessel at a port or place of refuge, then, subject to 5.3 below and to an additional premium if required, this insurance continues until the expiry of 15 days counting from midnight of the day of arrival of the vessel at such port or place, but thereafter reattaches as the subject-matter insured and as to any part as that part is loaded on an on-carrying oversea vessel or aircraft. During the period of 15 days the insurance remains in force after discharge only whilst the subject-matter insured and as to any part as that part is at such port or place. If the subject-matter insured is on-carried within the said period of 15 days or if the insurance reattaches as provided in this Clause 5.2
- 5.2.1 where the on-carriage is by oversea vessel this insurance continues subject to the terms of these Clauses,
- or
- 5.2.2 where the on-carriage is by aircraft, the current Institute War Clauses (Air Cargo) (excluding sendings by Post) shall be deemed to form part of the contract of insurance and shall apply to the on-carriage by air.
- 5.3 If the voyage in the contract of carriage is terminated at a port or place other than the destination agreed therein, such port or place shall be deemed the final port of discharge and this insurance terminates in accordance with 5.1.2. If the subject-matter insured is subsequently reshipped to the original or any other destination, then provided notice is given to the Insurers before the commencement of such further transit and subject to an additional premium, this insurance reattaches
- 5.3.1 in the case of the subject-matter insured having been discharged, as the subject-matter insured and as to any part as that part is loaded on the on-carrying vessel for the voyage;
- 5.3.2 in the case of the subject-matter not having been discharged, when the vessel sails from such deemed final port of discharge;
- thereafter this insurance terminates in accordance with 5.1.4.
- 5.4 The insurance against the risks of mines and derelict torpedoes, floating or submerged, is extended whilst the subject-matter insured or any part thereof is on craft whilst in transit to or from the oversea vessel, but in no case beyond the expiry of 60 days after discharge from the oversea vessel unless otherwise specially agreed by the Insurers.
- 5.5 *Subject to prompt notice to Insurers, and to an additional premium if required*, this insurance shall remain in force within the provisions of these Clauses during any deviation, or any variation of the adventure arising from the exercise of a liberty granted to carriers under the contract of carriage.

(For the purpose of Clause 5

"arrival" shall be deemed to mean that the vessel is anchored, moored or otherwise secured at a berth or place within the Harbour Authority area. If such a berth or place is not available, arrival is deemed to have occurred when the vessel first anchors, moors or otherwise secures either at or off the intended port or place of discharge

"oversea vessel" shall be deemed to mean a vessel carrying the subject-matter from one port or place to another where such voyage involves a sea passage by that vessel)

Change of Voyage

6. 6.1 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.
- 6.2 Where the subject-matter insured commences the transit contemplated by this insurance (in accordance with Clause 5.1), 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.
7. Anything contained in this contract which is inconsistent with Clauses 3.7, 3.8 or 5 shall, to the extent of such inconsistency, be null and void.

CLAIMS

Insurable Interest

8. 8.1 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.
- 8.2 Subject to Clause 8.1 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.

Increased Value

9. 9.1 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.

9.2 **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

10. This insurance
- 10.1 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,
- 10.2 shall not extend to or otherwise benefit the carrier or other bailee.

MINIMISING LOSSES

Duty of Assured

11. It is the duty of the Assured and their employees and agents in respect of loss recoverable hereunder
- 11.1 to take such measures as may be reasonable for the purpose of averting or minimising such loss, and
- 11.2 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

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

AVOIDANCE OF DELAY

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

LAW AND PRACTICE

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

NOTE:-Where a reattachment of cover is requested under Clause 5, or a change of destination is notified under Clause 6, there is an obligation to give prompt notice to the Insurers and the right to such cover is dependent upon compliance with this obligation.

RISKS COVERED

Risks

1. This insurance covers, except as excluded by the provisions of Clause 3 below, loss of or damage to the subject-matter insured caused by
 - 1.1 war civil war revolution rebellion insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power
 - 1.2 capture seizure arrest restraint or detainment, arising from risks covered under 1.1 above, and the consequences thereof or any attempt thereat
 - 1.3 derelict mines torpedoes bombs or other derelict weapons of war.

Salvage Charges

2. This insurance covers salvage charges, incurred to avoid or in connection with the avoidance of loss from any cause except those excluded in Clause 3 below.

EXCLUSIONS

3. In no case shall this insurance cover
 - 3.1 loss damage or expense attributable to wilful misconduct of the Assured
 - 3.2 ordinary leakage, ordinary loss in weight or volume, or ordinary wear and tear of the subject-matter insured
 - 3.3 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)
 - 3.4 loss damage or expense caused by inherent vice or nature of the subject-matter insured
 - 3.5 loss damage or expense arising from unfitness of aircraft conveyance or container 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. 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.
 - 3.6 loss damage or expense caused by delay, even though the delay be caused by a risk insured against
 - 3.7 loss damage or expense caused by insolvency or financial default of the owners managers charterers or operators of the aircraft where, at the time of loading of the subject-matter insured on board the aircraft, 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 transit 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
 - 3.8 any claim based upon loss of or frustration of the transit or adventure
 - 3.9 loss damage or expense directly or indirectly caused by or arising from any hostile use of any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.

DURATION

Transit Clause

4. 4.1 This insurance
 - 4.1.1 attaches only as the subject-matter insured and as to any part as that part is loaded on the aircraft for the commencement of the air transit insured and
 - 4.1.2 terminates, subject to 4.2 and 4.3 below, either as the subject-matter insured and as to any part as that part is discharged from the aircraft at the final place of discharge or on expiry of 15 days counting from midnight of the day of arrival of the aircraft at the final place of discharge, whichever shall first occur; nevertheless, subject to prompt notice to the Insurers and to an additional premium, such insurance
 - 4.1.3 reattaches when, without having discharged the subject-matter insured at the final place of discharge, the aircraft departs therefrom, and

- 4.1.4 terminates, subject to 4.2 and 4.3 below, either as the subject-matter insured and as to any part as that part is thereafter discharged from the aircraft at the final (or substituted) place of discharge, or on expiry of 15 days counting from midnight of the day of re-arrival of the aircraft at the final place of discharge or arrival of the aircraft at a substituted place of discharge, whichever shall first occur.
- 4.2 If during the insured transit the aircraft arrives at an intermediate place to discharge the subject-matter insured for on-carriage by aircraft or oversea vessel, then, subject to 4.3 below and to an additional premium if required, this insurance continues until the expiry of 15 days counting from midnight of the day of arrival of the aircraft at such place, but thereafter reattaches as the subject-matter insured and as to any part as that part is loaded on an on-carrying aircraft or oversea vessel. During the period of 15 days the insurance remains in force after discharge only whilst the subject-matter insured and as to any part as that part is at such intermediate place. If the subject-matter insured is on-carried within the said period of 15 days or if the insurance reattaches as provided in this Clause 4.2
- 4.2.1 where the on-carriage is by aircraft this insurance continues subject to the terms of these Clauses, or
- 4.2.2 where the on-carriage is by oversea vessel, the current Institute War Clauses (Cargo) shall be deemed to form part of the contract of insurance and shall apply to the on-carriage by sea.
- 4.3 If the air transit in the contract of carriage is terminated at a place other than the destination agreed therein, that place shall be deemed to be the final place of discharge and this insurance terminates in accordance with 4.1.2. If the subject-matter insured is subsequently consigned to the original or any other destination, then, provided notice is given to the Insurers before the commencement of such further transit and subject to an additional premium, this insurance reattaches
- 4.3.1 in the case of the subject-matter insured having been discharged, as the subject-matter insured and as to any part as that part is loaded on the on-carrying aircraft for the transit;
- 4.3.2 in the case of the subject-matter insured not having been discharged, when the aircraft departs from such deemed final place of discharge; thereafter this insurance terminates in accordance with 4.1.4.
- 4.4 Subject to prompt notice to Insurers, and to an additional premium if required, this insurance shall remain in force within the provisions of these Clauses during any deviation, or any variation of the adventure arising from the exercise of a liberty granted to the air carriers under the contract of carriage.

(For the purpose of Clause 4

"oversea vessel" shall be deemed to mean a vessel carrying the subject-matter from one port or place to another where such voyage involves a sea passage by that vessel)

Change of Transit

5. 5.1 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.
- 5.2 Where the subject-matter insured commences the transit contemplated by this insurance (in accordance with Clause 4.1), but, without the knowledge of the Assured or their employees the aircraft leaves for another destination, this insurance will nevertheless be deemed to have attached at commencement of such transit.

6. Anything contained in this contract which is inconsistent with Clauses 3.8, 3.9 or 4 shall, to the extent of such inconsistency, be null and void.

CLAIMS

Insurable Interest

7. 7.1 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.
- 7.2 Subject to Clause 7.1 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.

Increased Value

8. 8.1 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.

8.2 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

9. This insurance

- 9.1 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,
- 9.2 shall not extend to or otherwise benefit the carrier or other bailee.

MINIMISING LOSSES

Duty of Assured

- 10. It is the duty of the Assured and their employees and agents in respect of loss recoverable hereunder
 - 10.1 to take such measures as may be reasonable for the purpose of averting or minimising such loss, and
 - 10.2 to ensure that all rights against carriers, bailees or other third parties are properly preserved and exercisedand 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

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

AVOIDANCE OF DELAY

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

LAW AND PRACTICE

- 13. This insurance is subject to English law and practice.

NOTE:-Where a reattachment of cover is requested under Clause 4, or a change of destination is notified under Clause 5, there is an obligation to give prompt notice to the Insurers and the right to such cover is dependent upon compliance with this obligation.

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CL388

01/01/2009

Institute War Clauses (sendings by Post) 1/3/09 Cl. 390

Risks covered

Risks

- 1. This insurance covers, except as excluded by the provisions of Clause 3 below, loss of or damage to the

Subject-Matter Insured caused by

- 1.1 war civil war revolution rebellion insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power
- 1.2 capture seizure arrest restraint or detainment, arising from risks covered under 1.1 above, and the consequences thereof or any attempt thereat
- 1.3 derelict mines torpedoes bombs or other derelict weapons of war.

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 a risk covered under these Clauses.

Exclusions

3. In no case shall this insurance cover
 - 3.1 loss damage or expense attributable to wilful misconduct of the Assured
 - 3.2 ordinary leakage, ordinary loss in weight or volume, or ordinary wear and tear of the Subject-Matter Insured
 - 3.3 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)
 - 3.4 loss damage or expense caused by inherent vice or nature of the Subject-Matter Insured
 - 3.5 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)
 - 3.6 any claim based upon loss of or frustration of the voyage or adventure
 - 3.7 loss damage or expense directly or indirectly caused by or arising from any hostile use of any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.

Duration

Transit Clause

4. 4.1 This insurance attaches only as the Subject-Matter Insured and as to any part as that part is first moved in the premises of the senders at the place named in the contract of insurance for the immediate commencement of the transit and continues, but with the exclusion of any period during which the Subject-Matter Insured is in packers' premises until the Subject-Matter Insured and as to any part as that part is delivered to the address on the postal package(s) when this insurance shall terminate.
- 5. Anything contained in this contract which is inconsistent with Clauses 3.6, 3.7 or 4 shall, to the extent of such inconsistency, be null and void.**

Claims

Insurable Interest

6. 6.1 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.
- 6.2 Subject to Clause 6.1 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.

Benefit of insurance

7. This insurance shall not extend to or otherwise benefit the carrier or other bailee.

Minimising losses

Duty of Assured

8. It is the duty of the Assured and their employees and agents in respect of loss recoverable hereunder
- 8.1 to take such measures as may be reasonable for the purpose of averting or minimizing such loss,
And
 - 8.2 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

9. Measures taken by the Assured or the Insurers with the object of saving, protecting or recovering the Subject-Matter Insured shall not be considered as a waiver or acceptance of abandonment or otherwise prejudice the rights of either party.

Avoidance of delay

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

Law and Practice

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

Institute War Cancellation Clause 1/1/95 Cl. 359

The cover against war risks (as defined in the relevant Institute War Clauses) may be cancelled by either the Underwriters or the Assured except in respect of any insurance which shall have attached in accordance with the conditions of the Institute War Clauses before the cancellation becomes effective. Such cancellation shall however only become effective on the expiry of 7 days from midnight of the day on which notice of the cancellation is issued by or to the Underwriters.

Institute Replacement Clause 1/1/34 Cl. 161

In the event of loss of or damage to any part or parts of an insured machine caused by a peril covered by the Policy the sum recoverable shall not exceed the cost of replacement or repair of such part or parts plus charges for forwarding and refitting, if incurred, but excluding duty unless the full duty is included in the amount insured, in which case loss, if any, sustained by payment of additional duty shall also be recoverable.

Provided always that in no case shall the liability of Underwriters exceed the insured value of the complete machine.

Institute Classification Clause 01/01/2001 CL. 354

Qualifying Vessels:

1. This insurance and the marine transit rates as agreed in the policy or open cover apply only to cargoes and/or interests carried by mechanically self-propelled vessels of steel construction classed with a Classification Society which is:
 - 1.1. a Member or Associate Member of the International Association of Classification Societies (IACS), or
 - 1.2. a National Flag Society as defined in Clause 4 below, but only where the vessel is engaged exclusively in the coastal trading of that nation (including trading on an inter-island route within an archipelago of which that nation forms part).

Cargoes and/or interests carried by vessels not classed as above must be notified promptly to underwriters for rates and conditions 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 commercial market terms.

Age Limitation:

2. Cargoes and/or interests carried by Qualifying Vessels (as defined above) which exceed the following age limits will be insured on the policy or open cover conditions subject to an additional premium to be agreed.

Bulk or combination carriers over 10 years of age or other vessels over 15 years of age unless they:

- 2.1. have been used for the carriage of general cargo on an established and regular pattern of trading between a range of specified ports, and do not exceed 25 years of age, or
- 2.2. were constructed as containerships, vehicle carriers or double-skin open-hatch gantry crane vessels (OHGCs) and have been continuously used as such on an established and regular pattern of trading between a range of specified ports, and do not exceed 30 years of age.

Craft Clause:

3. The requirements of this Clause do not apply to any craft used to load or unload the vessel within the port area.

National Flag Society:

4. A National Flag Society is a Classification Society which is domiciled in the same country as the owner of the vessel in question which must also operate under the flag of that country.

Prompt Notice:

5. Where this Insurance requires the assured to give prompt notice to the Underwriters, the right to cover is dependent upon compliance with that obligation.

Law and Practice:

6. This insurance is subject to English law and practice.
 - For a current list of IACS Members and Associate Members please refer to the IACS website at www.iacs.org.uk

Institute Radioactive Contamination, Chemical, Biological, Bio-Chemical and Electromagnetic Weapons Exclusion Clause 10/11/2003 CL 370

This clause shall be paramount and shall override anything contained in this insurance inconsistent therewith

1. In no case shall this insurance cover loss damage liability or expense directly or indirectly caused by or contributed to by or arising from
 - 1.1 ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel
 - 1.2 the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof
 - 1.3 any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter
 - 1.4 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
 - 1.5 any chemical, biological, bio-chemical, or electromagnetic weapon.

Institute Cyber Attack Exclusion Clause 10/11/03 CL 380

- 1.1 Subject only to clause 1.2 below, in no case shall this insurance cover loss damage liability or expense directly or indirectly caused by or contributed to by 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.

- 1.2 Where this clause is endorsed on policies covering risks of war, civil war, revolution, rebellion, insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power, or terrorism or any person acting from a political motive, Clause 1.1 shall not operate to exclude losses (which would otherwise be covered) arising from the use of any computer, computer system or computer software programme or any other electronic system in the launch and/or guidance system and/or firing mechanism of any weapon or missile.

INSTITUTE CARGO CLAUSES (C) 1/1/09 CL384

RISKS COVERED

Risks

1. This insurance covers, except as excluded by the provisions of Clauses 4, 5, 6 and 7 below,
 - 1.1 loss of or damage to the subject-matter insured reasonably attributable to
 - 1.1.1 fire or explosion
 - 1.1.2 vessel or craft being stranded grounded sunk or capsized
 - 1.1.3 overturning or derailment of land conveyance
 - 1.1.4 collision or contact of vessel craft or conveyance with any external object other than water
 - 1.1.5 discharge of cargo at a port of distress,
 - 1.2 loss of or damage to the subject-matter insured caused by
 - 1.2.1 general average sacrifice
 - 1.2.2 jettison.

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 deliberate damage to or deliberate destruction of the subject-matter insured or any part thereof by the wrongful act of any person or persons

- 4.8 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, 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

Transit Clause

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 overseaside of the subject-matter insured from the overseas vessel at the final port of discharge, whichever shall first occur.
- 8.2 If, after discharge overseaside 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 transhipment 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

Insurable Interest

- 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 subject-matter 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.

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CL384
01/01/2009

INSTITUTE CARGO CLAUSES (B) 1/1/09 CL383

RISKS COVERED

Risks

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

- 1.1.1 fire or explosion
- 1.1.2 vessel or craft being stranded grounded sunk or capsized
- 1.1.3 overturning or derailment of land conveyance
- 1.1.4 collision or contact of vessel craft or conveyance with any external object other than water
- 1.1.5 discharge of cargo at a port of distress
- 1.1.6 earthquake volcanic eruption or lightning,
- 1.2 loss of or damage to the subject-matter insured caused by
 - 1.2.1 general average sacrifice
 - 1.2.2 jettison or washing overboard
 - 1.2.3 entry of sea lake or river water into vessel craft hold conveyance container or place of storage,
- 1.3 total loss of any package lost overboard or dropped whilst loading on to, or unloading from, vessel or craft.

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 **deliberate damage to or deliberate destruction of the subject-matter insured or any part thereof by the wrongful act of any person or persons**

4.8 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, 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

Transit Clause

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

Insurable Interest

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 subject matter 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.

Institute Malicious Damage Clause

In consideration of an additional premium, it is hereby agreed that the exclusion "deliberate damage to or deliberate destruction of the subject-matter insured or any part thereof by the wrongful act of any person or persons" is deemed to be deleted and further that this insurance covers loss of or damage to the subject-matter insured caused by malicious acts vandalism or sabotage, subject always to the other exclusions contained in this insurance.

Accumulation Clause (Transit Only)

The vessel and conveyance limits of liability expressed herein shall not apply in the event of or during transshipment or after the arrival of the overseas vessel or conveyance at the port or place of discharge provided always the accumulation of interests beyond such limits of liability shall have arisen in the ordinary course of transit from circumstances beyond the control of the Insured.

Any other accumulation of interests beyond the transit limits of liability expressed herein by reason of transit interruption and/or other circumstances beyond the control of the Insured, Insurers shall, provided notice be given in all such cases as soon as known to the Insured, hold covered such excess amount and be liable for the full amount at risk but in no event shall Insurers be liable hereunder for more than double the transit limits of liability expressed herein.

Additional Forwarding Costs Clause

Notwithstanding anything contained herein to the contrary this Policy includes any extra charges and/or expenses properly and reasonably incurred in unloading, storing and forwarding the Subject Matter to the original destination or re-forwarding to any alternative destination at the Insured's option, when the insured transit is frustrated, interrupted or is terminated at a port or place other than that to which the Subject Matter was originally consigned or, in the event of rejection or prohibition enacted after the commencement of transit by a governmental body or authority.

Claims under this clause are limited to USD 150,000 any one loss or series of losses arising out of one event.

Aircraft Clause

Wherever the words "ship" "vessel", "seaworthiness", "shipowner", or "vessel owner" appear in this Policy, they are deemed to include also the words "aircraft", "airworthiness" and "aircraft owner".

Airfreight Replacement Clause

In the event of loss of or damage to subject matter covered hereunder, Insurers agree to pay costs of

airfreighting the damaged subject matter to manufacturers for repair and return and/or the airfreighting of replacement goods to destination notwithstanding that the subject matter was not originally dispatched by airfreight.

The indemnity provided by this clause shall be in addition to the indemnity provided elsewhere herein.

Any One Event Clause

In case of losses of and/or damages to and/or sue and labour and other charges for the subject-matter insured covered under this Policy the sum recoverable, in respect of any one event defined as below shall not exceed the limit specified in this Policy, unless a request is made by the Insured, prior to the attachment of the risk or before any known or reported loss or accident, for the increase of such limit(s) and the special agreement thereto of Insurers is obtained.

Definition of any one event:

(1) "any one event" as applied to the perils of tornado, typhoon, windstorm, cyclone, earthquake, volcanic eruption and tidal wave shall mean all losses occasioned by those perils which arise out of one event during a continuous period of seventy-two (72) hours.

(2) Otherwise the term "any one event" shall mean all losses, disasters, conflagration or happenings arising out of one accident.

Arbitration Clause

If any difference or dispute of any kind whatsoever shall arise as to the meaning and/or effect of any part of the Policy, provided it is mutually agreed between Insurers and the Insured, such difference or matter in dispute shall be referred to two Arbitrators (one appointed by the Insurers and the other by the Insured) and to such third Arbitrator as may be appointed by these Arbitrators in all respects conforming to the statutory provisions in force at the time.

The resulting findings to be binding on both parties.

Attachment and Termination of Risk Clause

Notwithstanding the limitations of the "Duration" Clauses in the Institute Cargo and Institute Strikes Clause, this insurance hereunder attaches from the time the subject matter becomes at the Insured's risk or the Insured assumes interest anywhere in the world and continues whilst the subject matter is in transit and/or in store or elsewhere including during delays within or beyond the Insured's control and including whilst held as stock (including whilst undergoing processing, assembly, manufacture, renovation, reconditioning, servicing or repair and/or on exhibition, whether or not in the ordinary course of transit, and further including any interest held for the purpose of packing and/or preparation and/or consolidation and/or deconsolidation) and until finally delivered to intended final destination and/or the Insured's responsibility ceases anywhere in the world, irrespective of terms and purchase and/or sale.

Including risks in customs and transhipments, craft and barge risks, whether customary or otherwise.

Further including the risks of loading, lifting, hoisting prior to despatch and unloading, lifting, hoisting after arrival of Insured's or consignee's premises, including containers and/or contents where covered hereunder, in the case of containers, during the stuffing and unstuffing.

With respect to storage risks provided hereunder, it is understood and agreed that claims, if any, for loss or damage which are discovered after inception date be recoverable hereunder unless it can be clearly established that such loss or damage occurred prior to inception of cover hereunder.

War Risks cover (as provided for by the inclusion of the relevant Institute Clauses specified above) shall always be subject to the provisions regarding attachment and termination of risk incorporated in the said clauses.

Automatic Cover for Acquisitions Clause

It is hereby noted and agreed that there shall be automatic cover for any Company acquired by the Fung Group, either on a full cover basis (where current Insurance arrangements are terminated immediately or notice of cancellation is given) or on a Difference in Conditions/ Difference in Limit basis (where current Insurance arrangements are left to run to a natural expiry date), subject to prompt notification to the insurer within 60 days of acquisition.

Brands Clause

The Insured shall have full rights of possession of all subject matter bearing embossed or indented brands or labels or other permanent markings identifying the manufacturer and/or distributor and/or supplier thereof, or the sale of which carries or implies a guarantee of the supplier or of the Insured or exclusive and/or secret formula(e) that may be involved in any loss hereunder, and shall retain control of all such subject matter.

On shipments covered under this Policy, Insurers are to pay a total loss on any and all subject matter and/or containers involved in any loss hereunder, which the Insured elects to either destroy or return or re-condition, Insurers being entitled to such salvage as may be obtained.

The Insured exercising reasonable care shall be the sole judge as to whether the subject matter involved in any loss hereunder is suitable for use in any manufacturing process and/or marketing and no subject matter deemed by the Insured to be unfit for manufacturing and/or marketing shall be sold or otherwise disposed of except by the Insured or with their consent, but the Insured shall allow to Insurers any salvage obtained on any sale or other disposition of such subject matter.

Where the Insured decides to scrap the subject matter insured, in their filing the claim the Insured shall submit to the Insurer a certificate stating the following contents:

- (a) The judgment of the Insured's department which has the responsibility for quality control of the subject matter insured confirming that it is physically or economically impossible to repair the subject matter insured to recover its original function as the product.
- (b) The subject matter insured shall be scrapped under the responsibility of the Insured, any part of which shall not be used.

Where the Insured decides to sell a part or parts of the subject matter insured and scrap the rest, the Insurer shall pay the claim deducting the amount that the Insured could obtain by the sale of a part or parts of the subject matter insured. In their filing the claim the Insured shall submit to the Insurer a certificate stating the following contents:

- as per (a) above
- the document proving the sales price of a part or parts of the subject matter insured.

Where the Insured decides to repair the subject matter insured, the Insurer shall pay the following charges or fees in addition to repair costs within the limits of the amount insured.

- (a) Forwarding charge in case where the subject matter insured is to be returned to the factory for inspection and/or repair.
- (b) Inspection fees in case where the subject matter insured is to be inspected.
- (c) Costs and charges incurred, if any, in case where the subject matter insured is to be re-shipped.

Buyers' and/or Sellers' Contingent Interest/Differences in Conditions Clause

This Policy extends to cover the Insured's contingent interest in any goods where the Insured has no responsibility to insure under the terms of sale or purchase or which should have been insured elsewhere or where the cover provided is more restrictive than that afforded under this Policy, in terms of conditions or duration of cover, or where the Insured is unable to obtain settlement of legitimate claims under the insurance arranged elsewhere or which are lost or damaged in transit due to perils covered by this Policy and for which the Insured cannot obtain payment in accordance with the Contract of Sale.

Also where interest in the goods reverts to the Insured for any reason, such goods shall be covered continuously whilst awaiting resale or return including any additional transit resultant upon such resale or return.

When required by the Insured, Insurers agree to supply General Average Guarantee or refund General Average deposits.

The cover provided is however limited to loss and/or damage and expense which would otherwise be recoverable under the terms and conditions of this Policy but only up to the extent that the Insured is unable to recover such loss and/or damage and/or expense under the insurance effected by the buyer or seller or which should have been effected by the buyer or seller but was not, as may be applicable provided that:

- the existence of this extension is not to be disclosed to any other interested parties
- notice to be given to Insurers as soon as practicable after the Insured become aware that they may have a claim under this extension
- the Insured must in the first instance take all reasonable steps to invoke the terms of the Contract of Sale and obtain reimbursement from the buyers and/or sellers and/or any other interested parties
- in the event of any claim settlement under this extension, all the Insured's rights of recovery against buyers and/or sellers and/or any other interested parties will be subrogated to Insurers

This extension is for the benefit of the Insured and is not to be deemed a double insurance.

Cancellation Clause

This Policy may be reviewed and/or cancelled as follows: -

- War Risks - 7 days' notice.
- Strikes, Riots and Civil Commotions Risks - 7 days' notice but 48 hours in respect of sendings to or from U.S.A.
- All other risks - 90 days by Insurers
- 90 Days by the Insured

Cancellation shall become effective on the expiry of the appropriate number of days from midnight of the day on which notice of cancellation is issued by or to the Insurers but shall not apply to any transit insurance that shall have been declared or attached in accordance with Contract terms and conditions before the cancellation becomes effective.

Insurers shall receive and retain pro-rata or earned premium, whichever is the greater. If any period of notice herein is prohibited or nullified by any law governing the construction of this clause, such period shall be deemed to be amended so as permitted by such law.

In the event of this Policy being lapsed as a result of the Insured going into receivership or liquidation and premium not having been paid, a pro-rata return of premium will be allowed. Such return will not exceed the difference between

- a. premium owed or paid
- and
- b. claims paid or outstanding for the relevant period

Cargo Classification Clause – Innocent Insured Admitted Clause

Notwithstanding the provisions of Clause 1, Qualifying Vessels, within the Institute Classification Clause CL.354 1/01/01 herein, the Insured hereon is not to be prejudiced in the event they are not aware of the carrying vessel failing to comply with such requirements at the time of loading.

Cargo ISM Forwarding Charges Clause (JC/98/023 – 4/6/98)

This insurance is extended to reimburse the Insured, up to the limit of the sum insured for the voyage, for any extra charges properly and reasonably incurred in unloading, storing and forwarding the subject matter to the destination to which it is insured hereunder following release of cargo from a vessel arrested or detained at or diverted to any port or place (other than the intended port of destination) where the voyage is terminated due either:

to such vessel not being certified in accordance with the ISM Code or

to a current Document of Compliance not being held by her owners or operators

as required under the SOLAS Convention 1974 as amended.

This clause, which does not apply to General Average or Salvage Charges, is subject to all other terms and conditions and exclusions contained in the Policy.

Cargo ISM Endorsement JC 98/019 (1 May 1998)

Application to shipments on board Ro-Ro passenger ferries.

Applicable with effect from 1 July 1998 to shipments on board :

1. passenger vessels transporting more than 12 passengers and
2. oil tankers, chemical tankers, gas carriers, bulk carriers and cargo high-speed craft of 500gt or more.

Applicable with effect from 1 July 2002 to shipments on board all other cargo ships and mobile offshore drilling units of 500gt or more.

In no case shall this insurance cover loss, damage or expense where the subject matter insured is carried by a vessel that is not ISM Code certified or whose owners or operators do not hold an ISM Code Document of Compliance when, at the time of loading of the subject matter insured on board the vessel, the Assured were aware, or in the ordinary course of business should have been aware:-

- (a) Either that such vessel was not certified in accordance with the ISM Code.
- (b) Or that a current Document of Compliance was not held by her owners or operators.

As required under the SOLAS Convention 1974 as amended.

This exclusion shall not apply where this 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.

Cargo ISM Endorsement – Innocent Insured Admitted Clause

It is hereby noted and agreed that with reference to the Cargo ISM Endorsement (JC 98/019 1 May 1998) Insurers accept that in the ordinary course of business, the Insured would not be expected to be aware:

- (a) either that the vessel was not certified in accordance with the ISM Code, or
- (b) that a current Document of Compliance was not held by her owners or operators as required under the SOLAS Convention 1974 as amended.

Cargo ISPS Endorsement

In no case shall this Policy cover loss, damage or expense where the Subject Matter is carried by a vessel that does not hold a valid International Ship Security Certificate as required under the International Ship and Port Facility Security (ISPS) Code when, at the time of loading of the Subject Matter on board the vessel, the Insured were aware, or in the ordinary course of business should have been aware that such vessel was not certified in accordance with the ISPS Code as required under the SOLAS Convention 1974 as amended.

This exclusion shall not apply where this insurance has been assigned to the party claiming hereunder who has bought or agreed to buy the Subject Matter in good faith under a binding contract.

Cargo ISPS Forwarding Charges Clause

This Policy is extended to reimburse the Insured, up to the limit of the sum insured for the voyage, for any extra charges properly and reasonably incurred in unloading, storing and forwarding the Subject Matter to the destination to which it is insured hereunder following release of cargo from a vessel arrested or detained at or diverted to any other port or place (other than the intended port of destination) where the voyage is terminated due to such vessel not being certified in accordance with ISPS Code as required under the SOLAS Convention 1974 as amended.

This clause, which does not apply to General Average or Salvage or Salvage Charges, is subject to all other Terms conditions and exclusions contained in the Policy and to Cargo ISPS Endorsement shown above.

Claims Provisions Clause

Damage Repair Costs

In respect of damage claims recoverable hereunder where the Insured is appointed to affect such repairs on behalf of Insurers, it is agreed that such repair costs shall be based on the Insured's normal commercial rate for such repairs including the Insured's normal element of profit.

Failure to Notify Loss

Failure of the Insured's customers or other interested parties or inadvertent omission of the Insured to notify loss or damage and lodge claims on carriers or other responsible parties within the time limits allowed shall not prejudice the Insured's or, with the approval of the Insured, the assignee's rights of full recovery under this Policy.

Nomination of Repairers

It is hereby noted and agreed the Insured may repair the subject matter or nominate repairers where repairs by any other party may or would compromise prejudice or invalidate any guarantee and/or warranty and/or like assurance or undertaking given by the manufacturers or suppliers of the subject matter insured.

'On Account' Payments

It is agreed that for losses where liability is admitted but the loss cannot be quantified Insurers shall make an "on account" payment to the Insured of 80% of the anticipated net claim, subject to final adjustment within the terms of the Policy.

Preparation Costs

This Policy covers the actual costs incurred by the Insured, of reasonable fees payable to the Insured's accountants, auditors, lawyers or other professionals and the cost of using the Insured's employees, for producing and certifying any particulars or details contained in the Insured's books or documents, or such other proofs, information or evidence as may be required by Insurers for the purposes of investigating or verifying any claim.

This clause is limited to USD 25,000 per loss and USD 50,000 in the aggregate for the Period of this Policy, which is inclusive of the limits expressed elsewhere herein.

Furthermore it may only be utilised for a warehouse incident with an estimated loss amount in excess of USD

500,000.

Surveys

No survey is necessary for claims amounting up to USD.2,500 net of Policy Deductible (or equivalent in other currencies) and the Insured may submit the claim by providing the following information:

- Incident report form
- Copy of invoice, B/L, Packing List, Damage Report, and Photo;
- Correspondence with Carriers.
- Statement of Claim

When a survey is called for following a report of loss of or damage to subject matter, which is likely to result in a claim hereunder, fees are recoverable even when no claim eventually results.

Translation

It is hereby noted and agreed the Insured and/or Aon and/or nominated Loss Adjusters, Surveyors or Solicitors are authorised to procure the translation of any document(s) necessary to the investigation defence or settlement of any claim that may be recoverable under this Policy. The reasonable cost of any authorised translation shall be met in full by Insurers without prejudice to liability or regard to any provision in this Policy limiting or excluding liability.

Classification Clause Amendment

The Institute Classification Clause as incorporated herein shall not prejudice any claim under the Policy when presentation of the advice of such claim to the Insurer is the first indication that shipment or transshipment beyond the control of the Insured or their servants has been made on a vessel not covered by the Institute Classification Clause.

Claused Bills of Lading Clause

This Policy is not to be prejudiced solely by reason of the marking of the Bill of Lading (or like document) with a clause indicating items insufficiently packed.

Concealed Damage Clause

The Insured shall not be prejudiced by delay in opening up packages and/or examination of subject matter up to a maximum of 60 days after delivery. It is agreed that any loss or damage discovered on opening containers and/or cases and/or packages shall be deemed to have occurred during the transit insured hereunder (and irrespective of attachment of Insured's interest) and shall be paid for accordingly unless proof conclusive to the contrary be established, it being understood that any containers and/or cases and/or packages showing external signs of damage are to be opened promptly. The benefit of this clause shall not be deemed to pass under assignment.

50/50 Clause (In Conjunction with The Concealed Damage Clause)

It is agreed that in the event of loss or damage to the Property Insured due to a peril insured against being discovered after the risk has terminated under this insurance and, if after proper investigation, it is not possible to ascertain whether the cause of such damage happened prior to the termination of this insurance or subsequently, it is understood and agreed that Insurers shall contribute 50% of the properly adjusted claim, such contribution to be without prejudice to subsequent final appointment of the claim as may be agreed between Insurers and the Property Insurers in the light of the terms and conditions of the respective policies.

It is further agreed that in the event of the deductible under this insurance being different from the deductible under the Property Policy, in settling claims as described above each Insurer shall deduct 50% of its appropriate deductible from its 50% share of the adjusted claim.

It is hereby understood and agreed that the rights of the Insured shall not be prejudiced by the failure of any surveyors nominated by Insurers to protect Insurers rights of subrogation.

Consequential Reduction in Value Clause

In the event of a partial loss which cannot be repaired to the original condition, this Policy will respond for the reduction in value due to the loss of the original manufacturer's warranty.

But in no event shall Insurers be liable for more than the insured value of the subject matter insured.

Container Clause

Where Goods insured hereunder are carried in containers, Insurers agree that the seaworthiness and the fitness of the containers are admitted.

Container Damage Clause

This Policy extends to include the Insured's legal liability in respect of physical loss or damage to containers and/or railwagons supplied to the Insured by vessel owners, aircraft owners or others for the insured transit whilst in the custody of the Insured or their agent and whilst at their risk.

The indemnity provided by this clause shall be in addition to the indemnity provided elsewhere under the Policy but claims under this clause are limited to USD 150,000 any one loss or series of losses arising out of one event.

Container Demurrage Charges Clause

In the event the Insured is assessed a demurrage charge for holding an intermodal container past its return date at the instruction of the Insurer, the Insurer will pay the demurrage charge. The amount the Insurer will pay is limited to the charge assessed from the time the Insurer directed the Insured to hold the container until the time the Insurer informs the Insured that the container can be released.

Contingency Cover – Foreign Restrictions Clause

In respect of shipments to or from a country which has restrictive legislation or regulation that requires all shipments into and/or from that country to be insured locally (i.e. where CIF imports and/or FOB exports from a country are prohibited), this insurance shall extend to cover on Policy conditions the contingent insurable interest of the Insured (in their respective capacity as either a Buyer or a Seller).

It is a condition of the Insured's right of recovery hereunder that:

- 1) This insurance and any money payable hereunder is not transferable nor assignable nor shall it inure to the benefit of any other person whatsoever.
- 2) Any claim recoverable hereunder shall be payable to the order of the Insured in their country of domicile or in London at the sole discretion of the Insured.
- 3) The existence of this insurance will not be revealed by the Insured to the Buyer/Seller or any other person whatsoever, failing which it shall be void and of no force and effect.
- 4) The Insured must undertake all reasonable and usual care skill and forethought and take all practical measures including measures which may be required by the Insurer to prevent or minimise loss and to enforce the contract of sale/purchase.
- 5) In order to recover under this insurance the Insured shall, if applicable demonstrate to the Insurer that the Seller/Buyer has formerly assigned all their interests in the goods without limitation to the Insured.
- 6) If required, the Insured shall provide all necessary documentation information and assistance to the Insurer prior to settlement to enable a dual insurance recovery.
- 7) The Insured shall pursue all rights and benefits against the Seller/Buyer and/or the Seller's/Buyer's Insurers and/or carrier and/or other party under the instruction of the Insurer including by legal means as necessary.

Notwithstanding the above, this clause shall only operate to the greatest extent permitted by law.

Contract Hire Agreements Clause

In respect of contract hire agreements, where the Insured is supplied with vehicle(s) and driver(s) and under which the registered owner(s) or keeper of the vehicle(s) and driver have no contractual liability in respect of the Subject Matter carried, cover is provided under this Policy. For the purpose of this Policy such vehicle(s) and/or driver(s) shall be deemed to be outside the control of the Insured and therefore any Policy conditions relating to vehicles owned or operated by the Insured shall not apply.

Contract Price Clause

Subject always to the limits of liability contained herein, it is hereby agreed and declared that in respect of any subject matter sold or pre-sold but not delivered and with regard to which the Sales Contract is cancelled by reason of loss hereby insured against either wholly or to the extent of the loss, the liability of Insurers shall be based on the sales or pre-agreed contract sales price or the Policy Basis of Valuation whichever is the greater.

Deliberate Damage – Customs Clause

Cover is extended to include the physical loss of or damage to the Goods insured arising out of the performance of inspection duties by the relevant Customs and/or Immigration Authorities or any other duly constituted governmental agency of any State or Territory who are performing inspection duties in accordance with any governmental law, statute, mandate, rule or regulation covering the import or export of said Goods.

Deliberate Damage – Pollution Hazard Clause

Cover is extended to include the physical loss of or damage to the Goods insured caused by governmental authorities acting for the public welfare to prevent or mitigate a pollution hazard or threat thereof provided that the accident or occurrence creating the situation which required such governmental action is an insured peril hereunder.

This Clause does not extend to include any third party liability that may arise from such an occurrence.

Depreciation in Value Clause

Following the operation of a peril insured against resulting in the loss of a consignment in part or in full, should the consignment be subsequently recovered before Insurers have settled their full liability for the loss, Insurers agree to pay the Insured the difference between:

- The current market value after recovery. Allowing for any sorting, testing, repacking and/or reprogramming deemed necessary by the Insured including subsequent redelivery.
- The value of the recovered goods calculated in accordance with the appropriate Policy basis of valuation, on the date of loss. In the event that exact date of loss cannot be established, the date of shipment shall be used.

Any such payment to be in addition to Insurers liability for any actual loss of or damage to the Goods insured and any expenses incurred in recovering and/or sorting, testing, repacking, reprogramming and/or redelivering the Goods.

In no event shall Insurers liability extend to cover any further depreciation in market value caused by unreasonable delay whilst recovered goods are in the care custody or control of the Insured.

Differences in Conditions / Difference in Limits Acquisitions Clause

Coverage for acquisitions will automatically apply on a difference in conditions/difference in limits basis subject always to Policy terms, and conditions from date of acquisition for a period of 90 days.

After expiry of 90 days the Insured may elect to continue coverage on a difference in conditions/difference in

limits basis, or on full Policy terms and conditions, at an additional premium to be agreed.

Differences in Conditions / Difference in Limits clause

This insurance is a Master Policy and reflects the agreed terms and conditions for all insured entities irrespective of their domicile.

Where required by local legislation and/or as may have been specifically requested by the Insured, local policies shall be issued in the name of the relevant local subsidiary or associated company (hereinafter called "Underlyers"). Such Underlyers shall be arranged by the Insurer and shall be issued by member companies of the Insurer wherever possible.

Underlyers shall provide insurance in the manner and extent afforded by this Master Policy, but subject always to any mandatory cover specifications required in terms of the local legislation prevailing in the country of issuance.

However, in the event that the scope of cover afforded under an Underlyer is more restrictive than the cover afforded under this Master Policy, then this Master Policy shall insure the subsidiary or associated company on a Difference in Conditions and/or Limits basis to the greatest extent permitted in terms of the local legislation prevailing in the country of issuance. Thereafter, this Master Policy shall indemnify the Insured's ultimate parent company for their financial interest in the local subsidiary or associated company.

Notwithstanding the above, where a local Policy has not been issued for any reason, then this Master Policy will insure the local subsidiary or associated company to the greatest extent permissible in terms of the local legislation of that country. Thereafter, this Master Policy shall indemnify Insured's ultimate parent company for their financial interest in the local subsidiary or associated company.

In the event that the total combined amount recoverable under this Master Policy and all Underlyers as a consequence of the same loss accident or occurrence or series of losses accidents or occurrences arising out of one event exceeds the Limits of Liability as set forth herein then the Insurer's limit of liability under this Master Policy shall in all cases be reduced by the amount(s) recoverable under such Underlyers.

Duty and/or Increased Value Clause

This Policy covers the additional or increased value of the subject matter, whether such subject matter is insured herein or otherwise, by reason of payment of Duty and/or Levy and/or Freight and/or Charges and/or VAT at the port or place of destination or during storage.

Including the Insured's liability for the payment of Duty and/or Levy imposed by duly appointed Authority of any country through which the subject matter may transit prior to coming within the jurisdiction of the country of destination.

Subject to the same clauses and conditions as the Policy on subject matter and to pay the same percentage of loss as may be paid thereon.

In ascertaining the amount of claim recoverable hereunder, credit shall be given for any rebates or refunds that may become allowable.

Insurers shall reimburse any expenses incurred by the Insured occasioned by circumstances outside their control to substantiate any claim for rebate of Duty.

Errors and Omissions Clause

The Insured hereunder is not to be prejudiced by any unintentional delay in reporting hereunder or by any error, omission, incorrect valuation or incorrect description of subject matter, conveyance or voyage, provided notice is given to Insurers as soon as is practicable on discovery of such error or omission. However, in no case shall cover exceed the limits stated herein. The Policy shall not be affected by the failure of the Insured to

comply with any of the warranties or conditions over which they have no control.

Exchange Rates Clause

In respect of claims submitted, claims settlements will be in the currency of the country where the claim is submitted. In the event the premium was paid in another currency, the Insured may elect to receive claim settlement in that currency.

For the purposes of claims adjustment, the exchange rate utilised will be that published in The Financial Times on the date the sales invoice or repair invoice in respect of the subject matter was either paid or should have been paid in accordance with the Contract of Sale, the 'on board' date for transit risks and/or date of loss for storage risks, at the Insured's option.

Exhibition Risks Clause

Cover is extended to include the Insured's property or that hired or loaned to them whilst in transit to and from exhibition and/or demonstration and/or training site and/or display and/or seminar and/or similar events including whilst on such premises during unpacking, assembly, awaiting and on exhibition, dismantling, re-packing and lifting for removal from the exhibition site. Subject to a limit any one exhibition as shown in the Schedule.

Notwithstanding anything contained herein to the contrary this Policy excludes:

- wear, tear and gradual deterioration
- loss or damage arising from latent defect or arising from faulty assembly or construction
- loss or damage resulting directly from mechanical, electrical or manual operation of the Subject Matter for demonstration or other purposes.

It is a condition that the Subject Matter is re-packed for the return transit to not less than the same standard as for the outward journey and that re-packing is supervised by a responsible official of the Insured.

Including computer equipment and audio-visual equipment the property of the Insured or that hired or loaned to them.

In addition to the Exhibition limit shown in the Schedule it is agreed to include loss of incurred exhibition expenses up to but not exceeding USD 50,000 each exhibition arising from failure of the exhibitor to exhibit the Subject Matter due to the operation of a peril insured hereunder or due to the abandonment of the exhibition by the exhibitor or cancellation of the exhibition by the promoter due in either case to the operation of a peril covered hereunder. In no circumstances does this Policy cover:

- loss of expenses arising from withdrawal of labour
- cancellation of the exhibition due to an outbreak of war or through fear of hostilities.

Expediting Expenses Clause

In consideration of the premium paid hereunder, Insurers agree to indemnify the Insured in respect of extra charges including but not limited to overtime work, night work, work on a public holiday(s) and express freight.

Provided always:

1. that such extra charges are incurred in connection with any loss of or damage to the property insured for which indemnity is granted under this insurance, and
2. that such extra charges are limited to 150% of the normal charges in the aggregate in respect of each and every happening giving rise to a claim under this insurance, but
3. the cumulative costs of repairs plus other charges do not exceed the insured value of the damaged item(s).

Extra Expenses (Debris Removal, Stock Debris Removal, Discharge, Forwarding Charges and The Like)

(a) Where following a peril insured under this Policy, extra expenses are incurred to destroy, dump or otherwise dispose of the damaged Goods, or where extra expenses are incurred in discharging from the vessel and/or craft and/or conveyance, such expenses will be recovered in full in addition to the damage to the Goods.

In respect of Storage risks, then subject to the operation of a peril insured by this Policy, Insurers will also pay in addition to the above any costs and expenses reasonably incurred by the Insured in connection with dismantling and/or demolishing, shoring up and/or propping, and, in the event of damage to the original premises, the transfer of Goods covered hereunder to alternative premises.

Nothing contained in this clause shall be construed to cover:

- (1) any expenses incurred in consequence of or to prevent or mitigate pollution liability there for;
- (2) the cost of removal of cargo from any vessel or craft.

(b) In the event of frustration, interruption and/or termination of the insured voyage from causes beyond the control of the Insured, this Policy will pay all extra expenses incurred by the Insured forwarding the goods to the original or substituted final destination.

But in no event shall Insurers be liable for more than 15% of the insured value of the Goods.

Financial Loss Clause

This policy includes cover for Financial and/or Consequential Loss incurred, under contract or otherwise, by the Insured up to a First Loss limit of USD 75,000 any one loss or series of losses following loss or damage to the Goods due to a peril insured against or delay to the Goods in transit caused by an accident to the carrying conveyance.

The maximum amount payable in the annual aggregate under this clause is limited to USD 250,000.

Fumigation Clause

Subject to the Insured complying with all necessary import requirements of the destination country, including but not limited to inspection, cleaning and drying of pallets, should subject matter be fumigated cover shall include:

- the costs incurred in the fumigation operation provided such operation is outside of or additional to any normal procedure
- damage resulting from the fumigation operation
- The above shall be payable irrespective of whether actual contamination or infestation has been identified as being in existence.

General Average in Full Clause

General Average and Salvage Charges shall be payable under this Policy in full without reference to insured and contributory values and exempt from the Policy deductible.

Labels Clause

In case of damage from perils insured against, irrespective of the final destination shown herein, affecting outer packaging, labels, or wrappers only, loss to be limited to an amount sufficient to pay the cost of new packaging, labels, or wrappers, the costs of applying such to the subject matter, the cost of re-conditioning, re-cartoning, re-packaging, repalletising the subject matter, irrespective of whether or not the subject matter has suffered damage.

But in no event shall Insurers be liable for more than the insured value of the damaged merchandise.

Letter of Credit and Certificates Clause

Permission is granted for the Insured to issue Certificates of Insurance under this Policy, as required, including on a "claims payable abroad" basis.

Notwithstanding the conditions of this Policy it is agreed that Certificates and/or Policies may be issued hereunder to enable the Insured to comply with the insurance requirements of any Letter of Credit and/or Sales Contract concerned, such agreement being conditional on the payment of any additional premium which may be required in the event that the cover required is wider than that provided by the current Policy wording.

It is also agreed that regardless of the conditions or voyage on which any Certificates and/or Policies may be issued, the Insured named herein shall continue to have the full protection of this Policy.

Where the sum insured required by a Letter of Credit and/or Sales Contract exceeds the stated Policy Basis of Valuation, cover is subject to agreement by Insurers prior to the commencement of transit.

Where the sum insured required by a Letter of Credit and/or Sales Contract is lower than the stated Policy Basis of Valuation, Insurers will settle claims in accordance with the Policy. However, any excess over and above such required value shall be payable to the Insured named within this Policy.

Any amounts paid as part of a settled claim and which would normally fall within the Policy deductible to be reimbursed by the Insured.

Location Reporting Procedure Clause

New location(s) intended to be covered under this Policy as Named Locations are automatically covered subject to declaration to Insurers in writing as soon as possible but no later than 90 days from risk attachment, after which they shall be deemed un-named locations.

Loss Payee Clause

Agreed that any Lender(s) and/or Financiers and/or any other party whom the Insured give instructions to include hereunder as a Loss Payee, are incorporated into this contract as a Loss Payee, for their respective rights and interest but only so far as any losses which may be recoverable under the terms, conditions and clauses of this contract.

Aon Risk Solutions may confirm to the relevant party involved that they are incorporated hereunder as a Loss Payee, for their respective rights and interest but only so far as any losses which may be recoverable under the terms, conditions and clauses of this contract.

Mechanical and/or Electrical Derangement Clause

Excluding Mechanical and/or Electrical Derangement unless caused by an insured peril.

Mysterious Disappearance Clause

Insurers shall not be liable for any loss, other than for nondelivery, that constitutes a mysterious disappearance or unexplained shortages and losses, discovered upon taking inventory.

Non-Delivery Clause

In the event of a claim for theft, non-delivery or shortage of the subject matter and after the Insured has taken all reasonable steps to locate the subject matter, Insurers agree that they shall make settlements to the

Insured if the subject matter has not been located after the expiry of:

- (i) 30 days from the date of discharge or unloading at port or airport of discharge for Air and/or Ocean shipments, or
- (ii) 30 days from the date the subject matter should have arrived at intended destination via land conveyance.

Other Insurance Clause

This Policy does not cover any loss or damage to the subject matter insured which, at the time of the happening of such loss or damage is insured by, or would be but for the existence of this Policy, be insured elsewhere.

Packing Clause

Notwithstanding the description of the subject matter of this Policy in the event of a claim being made for loss or damage which is alleged to be caused by insufficiency or unsuitability of packing or preparation of the subject matter insured, Insurers hereby agree that they will not use such alleged insufficiency or unsuitability as a defence against the claim in any case where the packing or preparation was carried out by a party other than the Insured and the insufficiency or unsuitability arose entirely without the privity or knowledge of the Insured. For the purpose of this clause "packing" shall be deemed to include stowage in a container and/or other inter-modal method of unit load.

The Insured agrees to assist Insurers in all respects to pursue rights of recovery against sellers and/or other responsible third parties.

The above agreement is not to interfere with rights of subrogation against packers and/or their Insurers.

Pairs, Sets, Lots and Ranges (Consequential Loss) Clause

It is hereby understood and agreed that if any part of parts of a pair, set, lot or range are lost or damaged within the coverage of this Policy, thereby rendering the remaining undamaged part or parts unmerchantable, this Policy will pay the difference between:

- (i) The amount for which it would be liable per the Basis of Valuation had all parts of the subject matter insured been lost or damaged, and
- (ii) The realisable value of the remaining undamaged part or parts of the subject matter insured.

Subject to such subject matter being clearly identifiable and customarily sold as a component part or parts of a single order, consignment or shipment.

No claim shall be payable under this Clause unless the Insured has, for a period of 15 days from the date of loss or damage, made a bona fide effort to replace the lost or damaged goods and to re-fill or complete the lots or ranges of sizes or colours, which effort the Insured hereby agrees to make. The Insurers may at their option require the Insured to surrender the remaining property damaged or undamaged, upon paying or offering to pay any loss in accordance herewith.

Radioactive Contamination, Chemical, Biological, Bio-Chemical And Electromagnetic Weapons Exclusion Clause (USA)

This insurance is subject to the Institute Radioactive Contamination, Chemical, Biological, Bio-chemical and Electromagnetic Weapons Exclusion Clause 10/11/03 provided that

if fire is an insured peril
and

where the subject matter insured is within the USA, its islands, onshore territories or possessions and a fire arises directly or indirectly from one or more of the causes detailed in Sub-Clauses 1.1, 1.2 and 1.4 of the Institute Radioactive Contamination, Chemical, Biological, Bio-chemical and Electromagnetic Weapons Exclusion Clause 10/11/03,

any loss or damage arising directly from that fire shall, subject to the provisions of this insurance be covered, excluding however any loss damage liability or expense caused by nuclear reaction, nuclear radiation or radioactive contamination arising directly or indirectly from that fire.

Reconditioned Interest Clause

Provided always that the following conditions are met reconditioned or refurbished or remanufactured interests or interests which have been subject to a similar restoration process shall for the purposes of this Policy deemed to be new:

- the Subject Matter has not been in operation other than for testing purposes since having been subject to such process, and
- such process was carried out by a reputable company whose workmanship carries a guarantee.

Rejection Costs Clause

Coverage is hereby extended to cover additional costs and expenses as a result of the Insured rejecting the subject matter insured by reason that the subject matter may be unfit for the purpose intended and consequential damage may follow. Claims recoverable under this clause must be following an incident or peril insured hereunder.

Returned Goods and/or Refused Shipments clause

In the event of shipments insured under this Policy being rejected or returned for any reason, such shipments are covered, subject to the insuring conditions applicable to the original voyage, continuously hereunder, including whilst temporarily warehoused pending return shipment until returned to the Insured's and/or supplier's premises or other specified delivery point.

Cover provided by this Policy is extended to include the subject matter insured being returned by the Insured to manufacturers or repairers for the purpose of refurbishment, reconditioning or repair, including periods whilst at manufacturers or repairers, and subsequent return to the Insured. Excluding loss of or damage to the subject matter arising directly out of any process, manufacture, conversion, treatment and the like. Shipments are insured for the current market value until refurbishment, reconditioning or repair has been completed, at which point the subject matter insured is deemed to be insured for its market value after refurbishment.

Samples Coverage Clause

This Policy is extended to cover promotional material of the Insured, not intended for sale, which does not appear on the shipment invoice. The value of such promotional material shall be the actual cash value or the cost to reproduce the same, whichever the lesser.

Sanctions & Limitations Exclusion Clause JC2010/14

No (re)insurer shall be deemed to provide cover and no (re)insurer shall 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 that (re)insurer to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America.

Seals Intact Clause

It is agreed in respect of purchases made by the Insured of subject matter shipped in containers, trailer or full vehicle loads, that claims will not be invalidated by the fact that the container, trailer and/or seals appear intact and the production of discharge tally sheets and/or claused delivery notes will be sufficient evidence of loss or damage.

Second-Hand Machinery Clause

Second-hand machinery shipments are insured hereunder at Policy conditions, however excluding:

- rust, oxidation and discolouration
- scratching, bruising, denting, chipping or cost of repainting or repolishing
- wear, tear and gradual deterioration

Unless: an Engineer's or Surveyor's Report is made prior to shipment of the Subject Matter when cover shall be subject to normal Policy conditions but excluding damage noted in said report. This report should be forwarded to Insurer(s) as required.

Obsolete Parts Clause

In the event of a claim arising under this Policy necessitating the manufacture of any new parts or accessories the liability of Insurer(s) in respect of such parts or accessories shall be limited to the manufacturer's latest available list price of identical parts or accessories of the year of manufacture of the machine plus an uplift of up to 20% to cover inflation.

Shipments Clause

Shipments are covered hereunder whether containerised or otherwise and whether on or under deck all irrespective of Bill of Lading instructions including jettison and loss overboard.

Subrogation Clause

The Insured shall, unless otherwise agreed herein, at the request of Insurers or their agents, assign and subrogate to Insurers hereon at the time of payment, up to an amount not exceeding the sum paid by these Insurers, all their rights and claims against others and permit suit to be brought in the Insured's name but at these Insurers' expense; the Insured further agrees to render all reasonable assistance in the prosecution of said suit or suits.

Any loss to be settled without reference to liability or nonliability of the Carrier and/or Bailee, whether under special agreement between the Insured and the Carrier and/or Bailee or otherwise, the Insured transferring all rights against the Carrier and/or Bailee to the Insurers.

Insurers agree to waive all rights of subrogation and/or recourse against the Insured and/or any party given a waiver of subrogation and/or recourse by the Insured in the course of their business. Provided that Insurers are notified of any such waiver of subrogation as soon as practicable.

Where the Insured is obliged as a result of subrogation proceedings on the part of Cargo Insurers to indemnify third parties and/or defend themselves against third party claims, such amount that the Insured is obliged to pay and/or all related costs of defences shall be reimbursed by Insurers.

Sue and Labour Clause

In case of any imminent or actual loss or misfortune arising from a peril covered hereunder, it shall be lawful for the Insured, their factors, servants and assigns, to sue, labour and travel for, in and about the defence, safeguard a recovery of the subject matter, or any part thereof without prejudice to this Policy, and Insurers shall meet all such costs.

In the event of damage to subject matter giving rise to a claim hereunder Insurers shall pay, in addition to any loss recoverable hereunder, any additional expenses incurred by the Insured in discharging, handling, storing,

reloading or transporting sound and/or damaged subject matter by any means notwithstanding the original mode of conveyance.

Termination of Transit (Terrorism) Clause

This clause shall be paramount and shall override anything contained in this insurance inconsistent therewith.

1. Notwithstanding any provision to the contrary contained in this Policy or the Clauses referred to therein, it is agreed that in so far as this Policy covers loss of or damage to the subject-matter insured caused by any terrorist or any person acting from a political motive, such cover is conditional upon the subject-matter insured being in the ordinary course of transit and, in any event, **SHALL TERMINATE:**

either

1.1 As per the transit clauses contained within the Policy,

or

1.2 on delivery to the Consignee's or other final warehouse or place of storage at the destination named herein,

1.3 on delivery to any other warehouse or place of storage, whether prior to or at the destination named herein, which the Assured elect to use either for storage other than in the ordinary course of transit or for allocation or distribution,

or

1.4 in respect of marine transits, on the expiry of 60 days after completion of discharge overseas of the goods hereby insured from the overseas vessel at the final port of discharge,

1.5 in respect of air transits, on the expiry of 30 days after unloading the subject-matter insured from the aircraft at the final place of discharge,

whichever shall first occur.

2. If this Policy or the Clauses referred to therein specifically provide cover for inland or other further transits following on from storage, or termination as provided for above, cover will re-attach, and continues during the ordinary course of that transit terminating again in accordance with clause 1.
3. This clause is subject to English law and practice.

Terrorism (Tria) Clause

This Policy extends to include the risks of Terrorism within the United States or whilst in USA territorial waters in accordance with the USA Federal Terrorism Risk Insurance Act of 2002 coverage, known as TRIA.

Testing, Sorting and Segregation Clause

In the event of loss of or damage to the subject matter insured or in the event of external signs of damage to the subject matter or packing, Insurers agree to meet the costs of testing, sorting and segregating the subject matter including any Surveyor's fees and additional storage charges whether or not any actual damage is subsequently found including the cost of transporting the subject matter to or from a test facility plus the cost of updating software and repacking and shipment to destination after completion.

The indemnity provided by this clause shall be in addition to the indemnity provided elsewhere herein but is limited to 25% of the insured value of the goods damaged.

Uninsured Loss Recovery Clause

Where the Insured bears a proportion of the loss, either by way of deductible, franchise or co-insurance, Insurers agree that they shall include such uninsured loss within their recovery action against responsible third parties. The net recovery amount, after deduction of recovery expenses, to be shared by Insurers and Insured, in the same proportion as each bore of the loss, as shall any salvage.

Unpacked or Damaged Goods Clause

This Policy covers loss of and damage to unpacked or damaged goods whilst in transit subject to Policy terms and conditions but excluding:

- rust, oxidation, discolouration and corrosion
- breakage, scratching, denting, bruising, chipping and cost of repainting
- testing, bending and distortion
- pre-existing damage

unless attributable to the carrying conveyance being involved in an accident or casualty.

War Risks Cover

Notwithstanding anything contained herein to the contrary, War Risks cover (as provided for by the inclusion of the relevant Institute Clauses specified herein) shall always be subject to the provisions regarding attachment and termination of risk incorporated in the said clauses.

Wilful Misconduct Clause

Notwithstanding anything to the contrary contained herein or in the law and practice to which this Policy is subject, this insurance shall not exclude loss, damage or expense attributable to wilful misconduct of any person or persons committed without the privity of the directors and/or officers or whoever is considered the alter ego of the Insured.

Rights of Third Parties Clause

Other than the policyholder or the insured / insured persons, or as expressly provided to the contrary, a person who is not a party to this policy has no right to enforce or to enjoy the benefit of any term of this policy. Any legislation in relation to third parties' rights in a contract shall not be applicable to this policy. Notwithstanding any terms of this policy, the consent of any third party is not required for any variation (including any release or compromise of any liability under) or termination of this policy.

Deductible Clause

USD 500 any one event, but nil in respect of losses recoverable under Institute Cargo Clauses (C) CL384 1/1/09, the Institute War and Strikes Clauses herein, General Average, Salvage and Sue and Labour charges.

For the avoidance of doubt, "one event" shall be as defined within the Any One Event Clause of this Policy."

Valuation Clause

Transit Risks:

If Sold Prior to Shipment:

Insured's selling price, plus any pre-paid and/or advanced and/or guaranteed freight if not included within the sales price, less all discounts and unincurred expenses.

Otherwise:

As per the Insured's invoice including all charges and including prepaid and/or advanced and/or guaranteed freight and insurance premium, if any, plus 10%.

Finished Stock:

Insured's Selling Price

"Finished Stock" is defined as the Insured's products which have been manufactured, converted, tested, labeled and is ready for packing, shipment and/or sale.

Raw Materials and Materials in the course of Process and/or Assembly:

Insured's selling price less unincurred expenses.

Exhibition Risks:

New replacement cost (including duty and/or Duty Liability, if applicable) plus carriage, exhibition and ancillary costs as incurred.

Machinery & Equipment Risks less than 5 years of age:

New replacement cost (including duty and/or Duty Liability, if applicable) plus all charges.

It is noted that the Insured may transfer machinery & equipment under an invoice which reflects depreciated book value, regardless of such, the above Basis of Valuation shall be paramount.

Machinery & Equipment Risks 5 years of age and older:

Replacement cost for a machine of like age (including duty and/or Duty Liability, if applicable) plus all charges.

It is noted that the Insured may transfer machinery & equipment under an invoice which reflects depreciated book value, regardless of such, the above Basis of Valuation shall be paramount.

Other Risks:

Replacement cost (including duty and/or Duty Liability, if applicable) plus all charges.

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