

Air Transportation Cargo Insurance Clauses

PLEASE READ THE ENDORSEMENT CAREFULLY ESPECIALLY THE UNDERLINED PARTS WHICH EXEMPT THE COMPANY FROM LIABILITY UNDER THIS POLICY.

I. Scope of Cover

This insurance is classified into two conditions --Air Transportation Risks and Air Transportation All Risks. Where the insured goods sustain loss or damage, the Company shall undertake to indemnify therefor according to the Insured Condition specified in the policy and the provisions of these Clauses:

1. Air Transportation Risks

This insurance covers:

- (1) Total or partial loss of the insured goods caused in the course of transportation by lighting, fire, explosion, jettison due to the aircraft encountering bad weather or other perils, collision, overturning, crashing or missing of the aircraft and other accidents.
- (2) Reasonable cost incurred by the Insured in salvaging the goods or averting or minimizing a loss recoverable under the policy, provided that such cost shall not exceed the value of the consignment so saved.

2. Air Transportation All Risks

Aside from the risks covered under the Air Transportation Risks conditions as above, this insurance also covers all risks of loss of or damage to the insured goods whether partial or total, arising from external causes in the course of transit.

II. Exclusions

This Insurance does not cover:

1. Loss or damage caused by the intentional act or fault of the Insured.
2. Loss or damage falling under the liability of the consignor.
3. Loss or damage arising from the quality or shortage of the insured goods prior to the attachment of this insurance.
4. Loss or damage arising from normal loss, inherent vice or nature of the insured goods, loss of market and/or delay in transit and any expenses arising therefrom.
5. Risks and liabilities covered and excluded by the Air Transportation War Risks Clause and Strikes, Riots and Civil Commotions Clause of the Company.

III. Commencement and Termination of Cover

1. Warehouse to Warehouse Clause:

This insurance attaches from the time the goods hereby insured leave the warehouse or place of storage named in the Policy for the commencement of the transit and continues in force in the ordinary course of transit until the insured goods are delivered to the consignee's final warehouse or place of storage at the destination named in the Policy or to any other place used by the Insured for allocation or distribution of the goods or for storage other than in the ordinary course of transit. This insurance shall, however, be limited to thirty (30) days after completion of discharge of the insured goods from the aircraft at the final airport of discharge before they reach the above mentioned warehouse or place of storage if prior to the expiry of the above mentioned thirty (30) days, the insured goods are to be forwarded to a destination other than that named in the Policy, this insurance shall terminate at the commencement of such transit.

2. If, owing to delay, deviation, forced discharge, reshipment or transshipment beyond the control of the Insured or any change or termination of the voyage arising from the exercise of a liberty granted to the carrier under the contract of carriage, the insured goods arrive at a place other than that named in the Policy, subject to immediate notice being given to the Company by the Insured and an additional premium being paid, if required, this insurance shall remain in force and shall terminate as hereunder:

- (1) If the insured goods are sold at a place not named in the Policy, this insurance shall terminate on delivery of the goods sold, but in no event shall this insurance extend beyond thirty (30) after completion of discharge of the insured goods from the carrying aircraft at such place.
- (2) If the insured goods are to be forwarded to the final destination named in the Policy or any other destination, this insurance shall terminate in accordance with Section (I) above.

IV. Duty of the Insured

It is the duty of the Insured to attend to all matters as specified hereunder, failing which the Company reserves the right to reject his claim for any loss if and when such failure prejudice the rights of the Company:

1. The Insured shall take delivery of the insured goods in good time upon their arrival at the port of destination named in the Policy. In the event of any damage to the goods, the Insured shall immediately apply for survey to the Survey and/or Settling Agent stipulated in the Policy. If the insured goods are found short in entire package or packages or to show apparent traces of damage, the Insured shall obtain from the carrier, bailer or other relevant authorities (Customs and Airport Authorities etc.) a certificate of loss or damage and/or short landed memo. Should the carrier, bailer or the other relevant authorities be responsible for such shortage or damage, the Insured shall lodge a claim with them in writing and, if necessary, obtain their confirmation of an extension of the time limit of validity of such

claim. The Company shall not be liable for any part of the loss enlarged due to the Insured's failure in performing the duties mentioned above.

2. The Insured shall, and the Company may also, take reasonable measures immediately in salvaging the goods or preventing or minimizing loss or damage thereto. The measures so taken by the Insured or by the Company shall not be considered respectively, as a waiver of abandonment hereunder or as an acceptance thereof. The Company shall not be liable for any part of the loss enlarged due to the Insured's failure in performing the duties mentioned above.
3. The following documents should accompany any claim hereunder made against this company: Original Policy, Airway Bill, Invoice, Packing List, Survey Report and Statement of Claim. If any third party is involved documents relative to pursuing of recovery from such party should also be included.

The Company shall not be liable for any part of the loss which can not be verified as a result of the Insured's failure in submitting the documents required above.

V. Handling of Claims

Upon receiving the claim notice and the full supporting documentation, the Company will make a determination as to the coverage position with respect to such claim in a timely fashion. If, due to the complexity of the claim, the Company is unable to determine such coverage position within thirty (30) days of receipt of such notice, and supporting documentation, then the Company shall negotiate with the Insured for a reasonable longer period required based on the actual situation, and notify the Insured once the determination is made within that period. Any claim that is finally determined as covered under this policy, the Company shall pay the loss within ten (10) days of its final disposition.

VI. Time Limit

The time limit for the Insured to commence formal proceedings under this policy against the Company is two years from the date the insured is aware or should be aware of the claim or suit covered by this policy.