

MARINE CARGO INSURANCE POLICY TERMS & CONDITIONS



Swiss Re International SE, Rappresentanza per l'Italia

About Swiss Re

Swiss Re Corporate Solutions provides a wide range of traditional and non-traditional commercial insurance products and risk transfer solutions through a dedicated global team of commercial insurance experts. Our solutions are broad, our expertise is deep.

Swiss Re Corporate Solutions is part of the Swiss Re Group, which is a leading and highly diversified global re/insurer, founded in Zurich (Switzerland) in 1863. The company offers traditional re/insurance products and related services for property and casualty, as well as for life and health businesses.

POLICY SCHEDULE

1. **Insured:** As declared per shipment
2. **Insured Interest:** As declared per shipment (in fully enclosed container)
3. **Excluded Interest:** Specie, Cash-In-Transit (Cash, Currency Notes, Coins, Store Value Cards, Negotiable Instruments, Cash Cards and similar), Bonds, Raw Precious Metals (Gold, Silver and similar), Documents, Livestock/Bloodstock/Fish Catch, Blood Products, Blood Plasma, Cord Blood Stem Cell, Biological, chemical and cluster weapons, anti-personnel mines, radioactive/Nuclear Material Weapons, Nuclear reactors and Ammunition, Container and Thermal Coal.
4. **Period of Insurance:** The Policy provides cover for shipments while on transit under the <Distribution Partner name>'s Bill of Lading and commences when the goods lifted from the ground at the place of the named departure for the loading operations, continues during the ordinary course of transit, including incidental storage and remains in force until the goods are placed on the ground in the named place of destination, subject at all times to the Duration of transit provision of the Institute Cargo Clause (A).
5. **Currency:** Euros (€)
6. **Limits of Liability:** As declared under shipment value, up to the equivalent of €200, inclusive of premium taxes
7. **Geographical Limits:** Worldwide excluding the Afghanistan, Central African Republic, Congo (DR), Eritrea, Libya, North Korea, Somalia, Sudan (North), South Sudan, Syria, Yemen, Cuba, Venezuela, Iran, Russia, Ukraine and Belarus
8. **Premium:** Equivalent to the declared cargo insurable value x applicable rate determined by factors namely commodity type, route and other risk considerations
9. **Deductible:** As selected
10. **Choice of Law:** English Law
11. **Premium Payment:** Within 15 days from declared Shipment departure date
12. **All other Notices to:** Insurer: Swiss Re International SE, Rappresentanza per l'Italia
Piazza Vetra 17, 20123 Milan, Italy
Marine_DigitalCargo@swissre.com

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PREAMBLE

In consideration of payment of the premium, subject to the Limits of Liability, Exclusions and Conditions contained herein; and, in reliance upon the statements made and information provided by the Insured to the Insurer, the Insured and the Insurer agree as follows:

SECTION 1: GENERAL CONDITIONS

1.1 Interest Insured

Insurer agree to cover all goods and merchandise related to the Insured's business, as specified in the Policy certificate.

1.2 Conveyance

Insurer agrees to cover all shipments in fully enclosed containers, including transshipments, or handling of the subject matter insured carried out by sea or inland waterways.

1.3 Duration of Cover

Insurer agrees to cover all shipments for which transit begins during the Period of Insurance as indicated in the Policy Schedule and such cover ceases upon completion of the same and as provided under Duration of Cover in the Institute Cargo Clause (A).Ed. 2009.

1.4 Shipment Cancellation Clause

Insurance for a shipment may be cancelled by the Insurer or Insured due only to the following:

- 1) non-payment of premium
- 2) the risk never materialized at inception
- 3) there is no insurable interest at inception
- 4) as per war/strikes risk clauses

Any paid premium for the cancelled certificate will be refunded, less applicable admin fees, to the Insured.

1.5 Limit of Liability

The Limit of Liability is as shown in the Policy Schedule and is the maximum amount the Insurer will pay for any one loss or series of losses arising out of the same event per any one shipment and/or storage in ordinary course of transit.

1.6 Basis of Valuation

Unless otherwise stated in Policy Schedule, the following applicable bases of valuation shall apply:

- a) Imports and Exports:
invoice cost or CIF plus 10% plus duty if incurred
- b) Inland Transits (sales and purchases) including FOB, C&F and similar terms:
invoice cost to the buyer
- c) Used goods: market value at the time of loss and at place of delivery

1.7 Geographical Scope

Cover is provided for all shipments carried out within Item 9. Geographic Limits of the Policy Schedule, subject always to section 2.4 Sanction Limitation and Exclusion Clause of this policy.

1.8 Premium payment

Premium must be paid as per agreed payment terms provided in Policy Schedule. In the absence of payment, the Insurer is released of his obligation to indemnify any insured event which occurs before the payment is made.

1.9 Other Insurance

The Insurer shall not be liable for any loss or damage if, at the time when the loss or damage occurs, the subject-matter insured is, or would be, but for this insurance, covered by any other similar insurance. If, however, the Agreed Value of the Goods covered by this Policy is greater than the insured value provided in such other policies, Insurer shall, subject to the terms and conditions of the Policy, pay the difference.

1.10 Contracts (Rights of third Parties) Ordinance Exclusion Clause

The provisions of the Contracts (Rights of Third Parties) Ordinance do not apply to this Policy or to any certificate(s) of insurance under it and neither this Policy nor any certificate issued hereunder confer any benefits on any third parties except a bona fide assignee in the ordinary course of business of a certificate of insurance issued hereunder.

The provisions of the Contracts (Rights of Third Parties) Ordinance do not apply to this Policy or to any certificate(s) of insurance under it and neither this Policy nor any certificate issued hereunder confer any benefits on any third parties except an additional insured as listed in Item 3 of the Policy Schedule or a bona fide assignee in the ordinary course of business of a certificate of insurance issued hereunder.

1.11 Choice of Law

The Policy shall be governed and construed in accordance with the laws specified in the Policy Schedule.

1.12 Insurance Premium Tax Clause

The Insurer will calculate the tax liability of the Insured, where obliged to, who agrees to pay all amounts due to the Insurer. Late notification by the Insurer of tax due as a result of de-minimis rules being exceeded or any other reason will not reduce or negate the liability of the Insured to pay the tax.

1.13 Sue & Labor

In case of loss or damage, or threatened loss or damage under this policy, it shall be lawful and necessary for the insured, their factors, servants or assigns, to sue, labour and travel for, in and about the defence, safeguard and recovery of the property insured hereunder, or any part thereof, without prejudice to this insurance. The insurers will pay the charges so incurred subject to the limit of liability stated herein. The acts of the insured or the insurers in recovering, saving and preserving the property insured in case of loss or damage shall not be considered a waiver or an acceptance of abandonment.

1.14 Currency Conversion Clause

Any premium and claim settlements effected in a currency other than the currency specified in the Policy Schedule shall be payable in the same currency specified in the Policy Schedule at the rate(s) of exchange published in the Wall Street Journal on the date of loss, or, if the Wall Street Journal was not published on the date of loss, then on the next publication date.

1.15 Arbitration and Dispute Resolution Clause

Any dispute, controversy, difference or claim arising out of or relating to this Policy shall be referred to and finally resolved by arbitration under the Arbitration Rules specified in the Policy Schedule in force at the time of applying for arbitration. The arbitral award is final and binding upon both parties.

The seat of arbitration shall be as provided in the Policy Schedule.
All arbitration proceedings shall be conducted in English.

1.17 Policy Termination Clause

This Policy may be terminated by the Insurer or by the Insured under the following conditions

Marine and Transit Risks :	By 30 days' notice in writing.
War Risks :	By 48 hours' notice in writing.
Strikes, Riots and Civil :	By 7 days' notice in writing.

Any such cancellation shall be effective from the date specified in the notice of cancellation, provided that all premiums due up to the effective date of cancellation have been paid in full.

Notice of cancellation shall be deemed to be properly given if sent by email or any other method agreed by Insured and Insurer.

In the event of cancellation, the Insurer shall refund any unearned premiums to the Insured as soon as practicable.

SECTION 2: GENERAL EXCLUSIONS

2.1 Termination of Transit clause (Terrorism)

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

Notwithstanding any provision to the contrary contained in the contract of insurance or the Clauses referred to therein, it is agreed that in so far as the contract of insurance covers loss of or damage to the subject-matter insured 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 or

any person acting from a political, ideological or religious motive,

such cover is conditional upon the subject-matter insured being in the ordinary course of transit and, in any event, **SHALL TERMINATE:**

either

2.1.1 as per the transit clauses contained within the contract of insurance, **or**

2.1.2 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,

2.1.3 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

2.1.4 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

2.1.5 in respect of marine transits, 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

2.1.6 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.

If the contract of insurance 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.

2.2 Marine Cyber Exclusion

This clause shall be paramount and shall override anything in this insurance inconsistent therewith. In no case shall this insurance cover any loss, damage, liability or expense directly or indirectly caused by, contributed to, by or arising from:

2.2.1 the failure, error or malfunction of any computer, computer system, computer software

programme, code, or process or any other electronic system, or

2.2.2 the use or operation, as a means for inflicting harm, of any computer, computer system, computer programme, malicious code, computer virus or process or any other electronic system

2.2 Institute Radioactive, Contamination, Chemical, Biological, Bio-chemical and Electromagnetic Weapons Exclusion Clause

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

- 2.3.1 In no case shall this Policy cover loss damage liability or expense directly or indirectly caused by or contributed to by or arising from
- 2.3.2 ionizing radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel
- 2.3.3. the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof
- 2.3.4 any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter
- 2.3.5 the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter. The exclusion in this sub-clause does not extend to radioactive isotopes, other than nuclear fuel, when such isotopes are being prepared, carried, stored, or used for commercial, agricultural, medical, scientific or other similar peaceful purposes
- 2.3.6 any chemical, biological, bio-chemical, or electromagnetic weapon.

2.4. Sanction Limitation and Exclusion Clause

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 any jurisdiction applicable to that (re) insurer.

2.5. Electrical and Mechanical Derangement (as applicable)

This Policy will not cover loss, damage or expense caused by electrical, electronic or mechanical breakdown or derangement, unless caused by a peril insured under the Institute Cargo Clauses (C) CL384 01/01/2009.

2.6. Rust, Oxidation and Discoloration Exclusion (as applicable)

Excluding Rusting, Oxidation and Discoloration unless caused by the perils insured under Institute Cargo Clauses (C) CL384 01/01/2009.

2.7 Communicable Disease Exclusion Clause

Notwithstanding any provision to the contrary in this (re)insurance, it is hereby agreed that this (re)insurance excludes absolutely all Communicable Disease Loss, save where the conditions of the Infected Individual Exception are met.

2.7.1 “Communicable Disease Loss” shall mean all loss, damage, liability, or expense of whatsoever nature, proximately caused by or significantly caused by or contributed to by or resulting from or arising out of or in connection with any of the Excluded Circumstances, those Circumstances being

- a) a Communicable Disease, and/or

- b) the fear or threat, whether actual or perceived, of a Communicable Disease, and/or
- c) any recommendation, decision or measure, made or taken to restrict, prevent, reduce or slow the spread of infection of a Communicable Disease or to remove or minimise legal liability in respect of such a disease, whether made or taken by a public authority or a private entity and/or
- d) any recommendation, decision or measure made or taken to alter, reverse or remove any circumstance falling within (c) above, whether made or taken by a public authority or a private entity regardless of any other cause or circumstance contributing concurrently or in any other sequence thereto.

Without prejudice to the effect of Clauses 2.7.1 (a), (b) and (d), recommendations, decisions and measures by whomsoever taken to tie-up, lay-up or maintain at anchor, in port or elsewhere, any vessel, conveyance, rig or platform pending resumption of cruising, operation, trading, cargo loading or discharge or other customary use shall not constitute Excluded Circumstances, notwithstanding they or any of them may have been taken for the reasons set out in 2 (c) above.

2.7.2 “**Communicable Disease**” shall mean any disease, known or unknown, which can be transmitted by means of any substance or agent from one organism to another where:

- a) the substance or agent includes but is not limited to a virus, bacterium, parasite or other organism or any variation or mutation of any of the foregoing, whether deemed living or not, and
- b) the method of transmission, whether direct or indirect, includes but is not limited to human touch or contact, airborne transmission, bodily fluid transmission, transmission to or from or via any solid object or surface or liquid or gas and
- c) the disease, substance or agent may, acting alone or in conjunction with other co-morbidities, conditions, genetic susceptibilities, or with the human immune system, cause death, illness or bodily harm or temporarily or permanently impair human physical or mental health or adversely affect the value of or safe use of property of any kind.

2.7.3 The **Infected Individual Exception** shall apply where (1) the actions or decisions of any individual infected or allegedly infected with a Communicable Disease cause or contribute to an alleged loss event and (2) neither such action nor decision nor the alleged cause of the loss event itself was a recommendation, decision or measure as defined at 2.1 (c) or 2.1 (d) above.

2.7.4 Where those conditions are met, the fact or possibility that the individual’s action(s) or decision(s) were impaired or affected by or caused by that individual’s alleged or actual infection shall not exclude recovery of a Loss otherwise recoverable hereon provided always that there shall be no cover for loss, damage, liability, or expense arising from any increase in the spread, incidence, severity or recurrence of a Communicable Disease consequent on that individual’s actions or decisions. (JH2020–007 4/08/2020)

SECTION 3: COVER CLAUSES

3.1 Cargo Clauses

Insurer will provide cover based on standard Institute Clauses, unless otherwise shown in the Policy Schedule or amended by a specific clause within the Policy, as follows:

- d) in respect of shipments by sea
Institute Cargo Clauses (A) CL382 01/01/2009
Institute War Clauses (Cargo) CL385 01/01/2009
Institute Strikes Clauses (Cargo) CL386 01/01/2009
Institute Classification Clause CL354 01/01/2001
- e) in respect of shipments by air
Institute Cargo Clauses (AIR) (excluding sendings by Post) CL387 01/01/2009
Institute War Clauses (Air Cargo) (excluding sendings by Post) CL 388 01/01/2009
Institute War Clauses (Sendings by Post) CL390 01/01/2009
Institute Strikes Clauses (Air Cargo) CL389 01/01/2009
- f) in respect of shipments by land
Institute Cargo Clauses (A) CL382 01/01/09
Institute Strikes Clauses (Cargo) CL386 01/01/09

For purposes of the referenced Institute Clauses, the words 'Insured' and 'Assured' are deemed to be the same. Wherever the word 'Assured' appears hereon or within the clauses hereon it is deemed to read 'Insured'.

In the event any of the terms and conditions of the referenced Institute Clauses conflicts with the other terms of this Policy, said other terms shall control.

3.2 Additional Forwarding Costs

In the event of frustration, interruption or termination of the insured transit from causes beyond the control of the Insured, cover provided by this Policy is to continue while the subject matter insured is held in storage, awaiting release, and in the course of onward transit to the original destination or any alternative destination at the Insured's option, subject always to the terms and conditions of this Policy.

Insurer also agrees to reimburse the Insured for any extra charges or legal fees incurred in unloading, storing and forwarding the subject matter insured as a direct result of any frustration, interruption or termination of the insured transit from causes beyond the control of the Insured. The amount recoverable under this clause shall be in addition to any sue and labor or other expenses which may be recoverable elsewhere under this contract, subject always to policy limit

3.3 Deliberate Damage Pollution

This Policy is extended to cover loss or damage to the subject matter insured directly caused by governmental authorities acting for the public welfare to prevent or mitigate a pollution hazard or threat thereof provided always that a covered claim would have resulted under this policy had the subject matter insured suffered physical loss or damage as a direct result of the accident or occurrence which gave rise to the threatened pollution hazard.

3.4 Cutting Clause

In the event of a claim for breakage, the Insurer shall only be liable for the broken or damaged part, and this Policy shall only pay for such broken part or parts, unless the damage is such that it is impractical to use the sound portion or portions for the purpose for which they were originally intended.

3.5 Demurrage Charges

If the Insured is instructed by the Insurer to hold an intermodal container, and if the Insured is assessed a demurrage charge for holding the intermodal container past the return date, the Insurer will pay the demurrage charges. The amount the Insurer will pay shall be the charges assessed from the time the Insurer directs the Insured to hold the container until the time the Insurer informs the Insured that the container can be released.

3.6 Cargo ISM endorsement (JC 98/019 1/5/98)

Applicable to shipments on board Ro-Ro passenger ferries

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

- a) passenger vessels transporting more than 12 passengers and
- b) oil tankers, gas carriers, bulk carriers and cargo high speed craft of 500 GT or more.

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

In no case shall this Policy 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
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.

The exclusion shall not apply where this Policy has been assigned to the party claiming hereunder who has bought or agreed to buy the subject matter insured in good faith under binding contract

3.7 Cargo ISM Forwarding Charges

This Policy is extended to reimburse the Assured, up to 10% of the limit of the sum insured for the voyage or USD25,000, whichever is the lesser, 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 either

- a) to such vessel not being certified in accordance with the ISM Code
or
- b) 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 or Salvage Charges, is subject to all other terms conditions and exclusions contained in the policy and to JCC Cargo ISM Endorsement JC 98/019

3.8 Cargo ISPS Endorsement (JC 2004/050 04/11/01)

In no case shall this Policy cover loss, damage or expense where the subject matter insured is carried by a vessel that does not hold a valid International Ship Security Certificate as required under the International Ship and Port Security (ISPS) Code when, at the time of loading of the subject matter insured 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 Policy has been assigned to the party claiming hereunder who has bought or agreed to buy the subject matter insured in good faith under the binding

contract.

3.9 Cargo ISPS Forwarding Charges

This Policy is extended to reimburse the Insured, up to 10% of the limit of the sum insured for the voyage or USD25,000, whichever is the lesser, 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 the 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 JCC Cargo ISPS Endorsement (JC 2004/050)

3.10 Labels and Packaging (as applicable)

In the event of loss or damage to the subject matter insured covered under this Policy affecting labels, capsules, wrappers or packaging, Insurer's liability will not exceed the cost of new labels, capsules, wrappers or packaging and the cost of re-labelling and packaging and reconditioning the subject matter insured.

3.11 Non-Delivery

Where there is a non-delivery of the entire subject-matter insured such that the subject-matter insured has not been located after the expiry of 60 days from the anticipated delivery date, Insurer agrees to pay the Insured the insured value of the subject matter insured, subject to Insured having suffered a financial loss. Should the subject matter insured subsequently be recovered, the Insured agrees to assist Insurer in arranging any salvage sale.

3.12 Packers and Forwarders

Insurer agrees to cover the subject-matter insured in transit to or from and while at packers, forwarders, consolidators and similar premises while being packed and/or unpacked by professional logistics operators for up to 30 days which is deemed within the ordinary course of transit as defined within the relevant part of the Institute Clauses.

Cover attaches and terminates in accordance with the provisions contained in the Duration Clause of the Institute Clauses as applicable to the relevant Transit/Voyage

3.13 Replacement Clause

In the event of loss of or damage to any part or parts of an insured machine caused by a peril covered by this Policy, the sum recoverable shall not exceed the cost of replacement or repair of such part or parts plus ordinary 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 the Insurer exceed the insured value of the complete machine.

3.14 Seals Intact

In respect of shipments in containers, trailers or full vehicle loads, claims will not be invalidated by the fact that the container and/or trailer seals appear intact at the final destination.

3.15 Pairs & Sets Clause

If the subject matter insured consists of articles which form a pair or set, Insurer will only pay for the proportionate sum insured of the article lost or damaged without reference to any special value the damaged article may have as part of a pair or set.

3.16 General Average and Salvage

For the purpose of claims for General Average Contributions and Salvage Charges recoverable under this Policy the subject matter insured shall be deemed to be insured for their full contributory value.

3.17 Fumigation

Should the subject matter insured require fumigation, Insurer will pay the Insured the cost of fumigating cargo provided such fumigation was outside of or additional to normal procedures and/or regulations.

Insurer further agrees that in the event of the subject matter insured requiring fumigation by order of a properly constituted authority, provided such fumigation was outside of or additional to normal procedures and/or regulations and loss or damage to the subject matter results, Insurer will pay for such loss or damage to the subject matter insured

Limit of Liability under this clause is limited to 10% of the value or USD25,000, whichever is the lesser.

3.18 Subrogation waiver

Insurer agrees that the Insured may, with the Insurer's prior written agreement, waive all rights of subrogation and/or recourse against any third party.

3.19 Duty & Taxes Clause

If the insured value of the subject matter insured includes the custom duties and other charges which would be incurred after discharge of the subject matter insured at the final port of discharge and in the event of loss of or damage to the subject matter insured before payment of duty and other charges so that the Insured and/or the consignee is thereby relieved from payment of that duty or other charges in part or in whole, such amount of duty and charges thereby relieved will be deducted in arriving at Insurer's liability.

In the event of a rebate being granted by the appropriate authorities then:

- a) if such rebate is granted by the customs authorities after payment by Insurer, such amount of rebate will be remitted by the Insured to Insurer; or
- b) if a rebate is granted by the appropriate authorities prior to any payment by Insurer, the Insured's claim shall be reduced by the amount of such rebate.

3.20 Local Legislation

The Insurer does not cover voyages or transits to or from any country where local legislation prohibits the insurance from being placed outside that country or requires the insurance to be placed within that country.

3.21 Payment on Account

The Insurer agrees that where the claim papers submitted demonstrate that only the quantum of the claim is in question, the Insurer will make a "payment on account" equal to 80% of the lower of the amounts claimed and agreed to by Insured, no later than 30 days after the date the full claim papers were submitted or the determination of Insurer's liability, whichever shall occur last.

3.22 Unpacked/Unprotected and/or Used Goods

In respect of unpacked, unprotected, second-hand and/or used goods, Insurer will not pay for any loss or damage reasonably attributable to rust, oxidation, discoloration, paint work damage scratching, bruising, denting, chipping or marring, unless caused by a peril insured under the Institute Cargo Clauses (C) CL384 01/01/2009.

This exclusion shall not apply to second-hand or used machinery that has been fully reconditioned and/or

if a pre-shipment survey is undertaken by a suitably qualified marine surveyor at the Insured's expense and that report is submitted to and accepted by Insurer prior to attachment of cover.

3.23 Refrigeration Breakdown Clause

This Policy is extended to cover loss or damage to the subject matter insured carried or stored under temperature-controlled conditions, caused by:

- a) breakdown of refrigerating machinery resulting in its stoppage for a period of not less than 12 consecutive hours;
- b) fire or explosion;
- c) vessel or craft being stranded, grounded, sunk or capsized;
- d) overturning or derailment of land conveyance;
- e) collision or contact of vessel, craft or conveyance with any external object other than water;
- f) discharge of cargo at a port of distress.

3.24 Motor Vehicles Clause

Coverage provided by this Policy is extended to cover shipments of motor cars, motorcycles, recreational vehicles and similar in fully enclosed containers subject to the terms and conditions of this Policy, but the basis of valuation and/or loss settlement under this policy will be as follows:

- a) New cars: new replacement value in the country of destination, plus any additional freight and packing costs;
- b) Used cars: second-hand replacement value in the country of destination, plus any additional freight and packing costs;

In no case will Insurer be liable for:

- a) Loss or damage whilst the vehicles are under their own power;
- b) Damage to tires and/or brakes and/or suspension;
- c) Loss or damage reasonably attributable to atmospheric conditions and/or freezing of water in the radiator and/or cooling system.
- d) Solely aesthetic loss or damage that do not compromise normal function of the motor vehicle
- e) Damage to any glass parts

3.25 Shipment of Dangerous Goods

The transportation of dangerous goods shall be subject to compliance with the International Maritime Dangerous Goods (IMDG) Code. All parties involved in the transportation, including the shipper, carrier, and consignee, shall adhere to the requirements and guidelines outlined in the IMDG Code to ensure the safe handling, stowage, and transportation of dangerous goods. Non-compliance with the IMDG Code may result in the refusal of liability for loss or damage by the Insurer

3.26 Household Goods and Personal Effects

This Policy is extended to cover shipments of household goods and personal effects subject to the terms and conditions of this policy, provided a full itemized inventory has been provided by the Insured to the Insurer prior to shipment.

SECTION 4: CLAIM PROCEDURES

4.1 Duty of Insured

It is the duty of the Insured and its employees and agents in respect of loss covered hereunder, to take such measures as may be reasonable for the purpose of averting or minimizing a loss and to ensure that all rights against carriers, bailees or other third parties are properly preserved and exercised.

In particular, the Insured and its employees and agents will:

- a) claim immediately on the carriers, port authorities or other bailees for any missing, package and/or damaged cargo;
- b) not under any circumstances give clean receipts where goods are in doubtful condition, except under written protest; to.
- c) when delivery is made by container, ensure that the container and its seals are examined immediately by its responsible official And, if the container is delivered damaged or with seals broken or missing or with seals other than as stated in the shipping documents, then clause or note the delivery receipt accordingly and retain all defective or irregular seals for subsequent identification;
- d) apply immediately for survey by carriers' or other bailees' representatives if any loss or damage is apparent and claim on the carriers or other bailees for any actual loss or damage found at such survey;
- e) give notice in writing to the carriers or other bailees within 3 days of delivery if the loss or damage was not apparent at the time of taking delivery.

NOTE - The consignees or their agents are recommended to make themselves familiar with the regulations of the port authorities at the port of discharge.

4.2 Survey and Claim Settlement

In the event of loss or damage believed covered by this Policy, the Insured must immediately report loss through the First Notification of Loss tool provided in the insurance certificate, and if deemed necessary, arrange for survey with, the Insurer's nearest Claims or Settling Agent, or if none nearby, to the nearest Lloyd's Agent. (Survey fee is customarily paid by claimant and included in any claim against Insurer).

4.3 Documentation of Claims

The Insured, the Claimant or their Agents are to provide the following documents, as applicable, in support of any claim for loss:

1. original of policy/Certificate of Insurance;
2. a) original or non-negotiable copy of the bill of lading, or;
b) true copy of the master airwaybill (where applicable), or;
c) original of house airwaybill (where applicable), or;
d) true copy of face and reverse of the Consignment Note;
3. copy of full set of invoices;
4. packing list (where applicable);
5. a) true copy of dock receipt, or;
b) true copy of delivery receipt, or;
c) true copy of weight note, at port of discharge/final destination;
6. copy of letter of claim on:

- a) ocean carriers, or;
 - b) air carriers, and/or;
 - c) forwarders and/or truckers and/or;
 - d) stevedores;
- 7. original reply to letter of claim when received;
 - 8. instructions/booking with the carriers;
 - 9. any other relevant document" (e.g. a police report in case of road accident or theft).

4.4 Claims Notification Clause

Notwithstanding anything to the contrary contained in this Policy, it is a condition precedent to Insurers' liability under this Policy that:

- a) the Insured shall give to the Insurer written notice, via the specified digital tool, immediately of any claim made against the Insured in respect of the subject matter insured hereby or of its being notified of any circumstances which could give rise to such a claim; and
- b) the Insured shall furnish the Insurer with all information known to the Insured in respect of claims or possible claims notified in accordance with a) above and shall thereafter keep the Insurer fully informed as regards all developments relating thereto as soon as reasonably practicable.

SECTION 5: STANDARD INSTITUTE CLAUSES

Institute Cargo Clause (A) 1/1/2009

RISKS COVERED

Risks

1. This Policy 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 Policy 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 Policy 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 Insurer 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 Policy cover
 - 4.1 loss damage or expense attributable to willful 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 Policy (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 Policy 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 Policy 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 Insurer waives 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 Policy 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 Policy 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 Policy 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 Policy, the subject-matter insured is to be forwarded to a destination other than that to which it is insured, this Policy, 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 Policy 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 Policy shall also terminate unless prompt notice is given to the Insurer and continuation of cover is requested when this Policy shall remain in force, subject to an additional premium if required by the Insurer, 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

7. 10.1 Where, after attachment of this Policy, the destination is changed by the Assured, this must be notified promptly to Insurer 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 Policy (in accordance with Clause 8.1), but, without the knowledge of the Assured or their employees the ship sails for another destination, this Policy will nevertheless be deemed to have attached at commencement of such transit.

CLAIMS

Insurable Interest

10. 11.1 In order to recover under this Policy 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 Policy, notwithstanding that the loss occurred before the contract of insurance was concluded, unless the Assureds were aware of the loss and the Insurers were not.

Forwarding Charges

9. Where, as a result of the operation of a risk covered by this Policy, the insured transit is terminated at a port or place other than that to which the subject-matter insured is covered under this Policy, the Insurer 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 Policy, then the agreed value of the subject-matter insured shall be deemed to be increased to the total amount insured under this Policy and all Increased Value insurance covering the loss, and liability under this Policy shall be in such proportion as the sum insured under this Policy bears to such total amount insured.
In the event of claim, the Assured shall provide the Insurer with evidence of the amounts insured under all other insurance.
- 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 insurance covering the loss and effected on the subject-matter insured by the Assured, and liability under this Policy shall be in such proportion as the sum insured under this Policy bears to such total amount insured.

In the event of claim, the Assured shall provide the Insurer with evidence of the amounts insured under all other insurance.

BENEFIT OF INSURANCE

15. This Policy
- 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 Insurer 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 Insurer 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 Policy that the Assured shall act with reasonable dispatch in all circumstances within their control.

LAW AND PRACTICE

19. This Policy 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 Insurer and the right to such cover is dependent upon compliance with this obligation.

CL382 1/1/2009

Institute War Clauses (Cargo) 1.1.09

RISKS COVERED

Risks

1. This Policy covers, except as excluded by the provisions of Clauses 3 and 4 below, loss 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 Policy 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 Policy cover
 - 3.1 loss damage or expense attributable to willful 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 Policy (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 Policy 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 Policy 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 Insurer waives 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 Policy

- 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 Policy 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 Policy 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 Policy reattaches as provided in this Clause 5.2
- 5.2.1 where the on-carriage is by oversea vessel this Policy 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 Policy 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 Policy 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 Policy 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 overseas vessel, but in no case beyond the expiry of 60 days after discharge from the overseas vessel unless otherwise specially agreed by the Insurers.
- 5.5 Subject to prompt notice to Insurers, and to an additional premium if required, this Policy 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 with the vessel first anchors, moors or otherwise secures either at or off the intended port or place of discharge "overseas 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 Policy, 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 Policy (in accordance with Clause 5.1), but, without the knowledge of the Assured or their employees the ship sails for another destination, this Policy 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 Policy 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 Policy, notwithstanding that the loss occurred before the contract of insurance was concluded, unless the Assured were aware of the loss and the Insurer was not.

Increased Value

9. 9.1 If any Increased Value insurance is effected by the Assured on the subject-matter insured under this Policy the agreed value of the subject-matter insured shall be deemed to be increased to the total amount insured under this Policy and all Increased Value insurance covering the loss, and liability under this Policy shall be in such proportion as the sum insured under this Policy 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 Policy 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 Policy shall be in such proportion as the sum insured under this Policy 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 insurance.

BENEFIT OF INSURANCE

10. This Policy

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 Policy that the Assured shall act with reasonable dispatch in all circumstances within their control.

LAW AND PRACTICE

14. This Policy 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.

CL385

01/01/2009

Institute Strike Clauses (Cargo) 1.1.09

RISKS COVERED

Risks

1. This Policy covers, except as excluded by the provisions of Clause 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 commotion

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 Policy 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 Policy cover

- 3.1 loss damage or expense attributable to willful 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 Policy (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 Policy 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 Policy 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 Policy 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 overseas vessel at the final port of discharge,

whichever shall first occur.

5.2 If, after discharge overside from the overseas vessel at the final port of discharge, but prior to termination of this Policy, the subject-matter insured is to be forwarded to a destination, other than that to which it is insured, this Policy, 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 Policy 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 Policy shall also terminate unless prompt notice is given to the Insurers and continuation of cover is requested when this Policy 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 is 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 Policy, 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 Policy (in accordance with Clause 5.1), but, without the knowledge of the Assured or their employees the ship sails for another destination, this Policy will nevertheless be deemed to have attached at commencement of such transit.

CLAIMS

Insurable Interest

8. 8.1 In order to recover under this Policy 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 Policy, 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 Policy the agreed value of the subject-matter insured shall be deemed to be increased to the total amount insured under this Policy and all Increased Value insurances covering the loss, and liability under this Policy shall be in such proportion as the sum insured under this Policy 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 insurance.
- 9.2 Where this Policy 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 Policy shall be in such proportion as the sum insured under this Policy 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 insurance.

BENEFIT OF INSURANCE

10. This Policy
- 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 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 Policy that the Assured shall act with reasonable dispatch in all circumstances within their control.

LAW AND PRACTICE

14. This Policy 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.

CL386

01/01/2009

Institute Classification Clause 1.1.01

QUALIFYING VESSELS

1. This Policy 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 containerhips, 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 Policy 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 Policy 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.*

CL354

01/01/2001

Institute Cargo Clause (B) 1.1.09 Cover Clause or ICC

RISKS COVERED

Risks

1. This Policy 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 Policy 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 Policy 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 Policy 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 Policy (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 Policy 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 Policy 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 Policy 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 Policy 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 Policy 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 Policy, the subject-matter insured is to be forwarded to a destination other than that to which it is insured, this Policy, 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 Policy 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 Policy shall also terminate *unless prompt notice is given to the Insurers and continuation of cover is requested when this Policy 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 Policy, 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 Policy (in accordance with Clause 8.1), but, without the knowledge of the Assured or their employees the ship sails for another destination, this Policy will nevertheless be deemed to have attached at commencement of such transit.

CLAIMS

Insurable Interest

11.11.1 In order to recover under this Policy 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 Policy, 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 Policy, the insured transit is terminated at a port or place other than that to which the subject-matter insured is covered under this Policy, the Insurer 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 Policy the agreed value of the subject-matter insured shall be deemed to be increased to the total amount insured under this Policy and all Increased Value insurance covering the loss, and liability under this Policy shall be in such proportion as the sum insured

under this Policy 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 insurance.

14.2 Where this Policy 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 insurance covering the loss and effected on the subject-matter insured by the Assured, and liability under this Policy shall be in such proportion as the sum insured under this Policy 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 insurance.

BENEFIT OF INSURANCE

15. This Policy

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 Policy that the Assured shall act with reasonable dispatch in all circumstances within their control.

LAW AND PRACTICE

19. This Policy 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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London
(IUA).

CL383
01/01/2009

Institute Cargo Clause (C) 1.1.09 Cover Clause or ICC.

RISKS COVERED

Risks

1. This Policy 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 Policy 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 Policy 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 Policy 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 Policy (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 Policy 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 Policy 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 Policy 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 Policy 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 Policy 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 Policy, the subject-matter insured is to be forwarded to a destination other than that to which it is insured, this Policy, 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 Policy 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 Policy shall also terminate unless prompt notice is given to the Insurers and continuation of cover is requested when this Policy 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 Policy, 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 Policy (in accordance with Clause 8.1), but, without the knowledge of the Assured or their employees the ship sails for another destination, this Policy will nevertheless be deemed to have attached at commencement of such transit.

CLAIMS

Insurable Interest

11. 11.1 In order to recover under this Policy 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 Policy, 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 Policy, the insured transit is terminated at a port or place other than that to which the subject-matter insured is covered under this Policy, the Insurer 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 Policy the agreed value of the subject-matter insured shall be deemed to be increased to the total amount insured under this Policy and all Increased Value insurance covering the loss, and liability under this Policy shall be in such proportion as the sum insured under this Policy 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 insurance.

14.2 Where this Policy 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 insurance covering the loss and effected on the subject-matter insured by the Assured, and liability under this Policy shall be in such proportion as the sum insured under this Policy 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 insurance .

BENEFIT OF INSURANCE

15. This Policy

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 minimizing 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 Policy that the Assured shall act with reasonable dispatch in all circumstances within their control.

LAW AND PRACTICE

19. This Policy 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 Clause (Air) 1.1.09 excluding sendings by Post

RISKS COVERED

Risks

1. This Policy 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 Policy 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 Policy cover
 - 3.1 loss damage or expense attributable to willful 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 Policy (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 Policy 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 Policy 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 Policy 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 Policy 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
 - 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 Policy, the subject-matter insured is to be forwarded to a destination other than that to which it is insured, this Policy, 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 Policy 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 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

- 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 Policy shall also terminate *unless prompt notice is given to the Insurers and continuation of cover is requested when this Policy shall remain in force, subject to an additional premium if required by the Insurer,* 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 Policy, 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 Policy (in accordance with Clause 6.1), but, without the knowledge of the Assured or their employees the aircraft leaves for another destination, this Policy will nevertheless be deemed to have attached at commencement of such transit.

CLAIMS

Insurable Interest

9. 9.1 In order to recover under this Policy 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 Policy, 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 Policy, the insured transit is terminated at a place other than that to which the subject-matter insured is covered under this Policy, 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 Policy the agreed value of the subject-matter insured shall be deemed to be increased to the total amount insured under this Policy and all Increased Value insurance covering the loss, and liability under this Policy shall be in such proportion as the sum insured under this Policy 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 insurance .

- 12.2 **Where this Policy 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 insurance covering the loss and effected on the subject-matter insured by the Assured, and liability under this Policy shall be in

such proportion as the sum insured under this Policy 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 insurance.

BENEFIT OF INSURANCE

13. This Policy

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 Policy that the Assured shall act with reasonable dispatch in all circumstances within their control.

LAW AND PRACTICE

17. This Policy 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 Strike Clauses (Air Cargo) 1.1.09

RISKS COVERED

Risks

1. This Policy 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 Policy 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 Policy 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 Policy (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 Policy 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 Policy 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 Policy, the subject-matter insured is to be forwarded to a destination other than that to which it is insured, this Policy, 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 Policy 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 Policy shall also terminate unless prompt notice is given to the Insurers and continuation of cover is requested when this Policy 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 Policy, 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 Policy (in accordance with Clause 4.1), but, without the knowledge of the Assured or their employees the aircraft leaves for another destination, this Policy will nevertheless be deemed to have attached at commencement of such transit.

CLAIMS

Insurable Interest

7. 7.1 In order to recover under this Policy 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 Policy, 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 Policy and all Increased Value insurance covering the loss, and liability under this Policy shall be in such proportion as the sum insured under this Policy 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 insurance.

8.2 Where this Policy 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 insurance covering the loss and effected on the subject-matter insured by the Assured, and liability under this Policy shall be in such proportion as the sum insured under this Policy 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 insurance.

BENEFIT OF INSURANCE

9. This Policy

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 Policy that the Assured shall act with reasonable dispatch in all circumstances within their control.

13. This Policy 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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01/01/2009
CL389

Institute War Clauses (Air Cargo) (excluding sendings by post) 1.1.09

RISKS COVERED

Risks

1. This Policy 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 Policy 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 Policy 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 Policy (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 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 Policy 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.
 - 3.5 loss damage or expense caused by delay, even though the delay be caused by a risk insured against
 - 3.6 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

3.7 any claim based upon loss of or frustration of the transit 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.

Transit Clause

4. 4.1 This Policy

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 Policy

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 Policy 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 Policy 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 Policy reattaches as provided in this Clause 4.2

- 4.2.1 where the on-carriage is by aircraft this Policy 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 Policy 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 Policy 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 Policy terminates in accordance with 4.1.4.
- 4.4 Subject to prompt notice to Insurers, and to an additional premium if required, this Policy 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 Policy, 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 Policy (in accordance with Clause 4.1), but, without the knowledge of the Assured or their employees the aircraft leaves for another destination, this Policy 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 Policy 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 Policy, 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 the total amount insured under this Policy and all Increased Value insurances covering the loss, and liability under this Policy shall be in such proportion as the sum insured under this Policy 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 insurance.

- 8.2 Where this Policy 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 insurance 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 Policy 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 insurance.

BENEFIT OF INSURANCE

9. This Policy

- 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 Policy that the Assured shall act with reasonable dispatch in all circumstances within their control.

LAW AND PRACTICE

13. This Policy 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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01/01/2009
CL388

Institute War Clauses (Sendings by post) 1.3.09

RISKS COVERED

Risks

1. This Policy 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 Policy 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 Policy 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 Policy (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 Policy 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 Policy 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 Policy 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 Policy, 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 Policy 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 minimising 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 Policy that the Assured shall act with reasonable dispatch in all circumstances within their control.

LAW AND PRACTICE

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

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01/03/2009