

Marine Cargo Section

Definitions applicable to this Section

Agreed value

means the value of the **goods** fixed by the terms of this Section

Insured/you/yours

means the person or corporate body or organisation detailed in the **appendix** and any other person or corporate body or organisation to whom the benefit has been legally assigned

Basis of valuation

means the method of establishing the **agreed value** of the **goods** for the purpose of agreeing the basis upon which premium is calculated and claims adjustment

Unless otherwise stated in the **appendix** the following apply

- 1) imports exports or cross voyages –
cost insurance and freight plus 10% and where applicable increased value by payment of Duty and or other similar charges if incurred
- 2) inland **transit** –
invoice price
- 3) FOB or CFR and similar exports –
the invoice value plus 10%.
- 4) stock -
cost of replacement on the date of loss
- 5) exhibitions and or inter-company movements and or other **goods** not intended for sale -
new **goods** - new replacement value plus all carriage
used **goods** - current market value plus all carriage

unless otherwise agreed by **us** prior to known or reported **event** and stated in the **appendix**

Conveyance

means the method of transport of the **goods** as stated in the **appendix**

Insured peril

means those risks that are a direct cause of loss or **damage** to the **goods** and for which insurance is provided

Location

means any one place or building or area in which **goods** are consolidated excluding the **conveyance** during the course of the **voyage** or **transit**

Maximum value

means the maximum amount of **agreed value** for the **goods** on any one **conveyance** or at any one **location** at any one time

Period of insurance

means the period set out in the **schedule** or **appendix** during which **we** insure the **goods**

Voyage or transit

means the geographical movements of the **goods** for which insurance is provided as stated in the **schedule** or **appendix** beginning and ending in accordance with the definition of **transit** and the appropriate Institute Clauses

Marine Cargo Section

Insurance Provided

If **goods** suffer **damage** or are lost before **you** have declared to **us** the **agreed value** will be the **basis of valuation** stated in the **appendix**

Limit of Liability

Our liability under this Section any one **event** will not exceed the **maximum value** as stated in the **appendix**

Conditions additional to the policy Conditions

Basis of premium

The following premium methods apply when stated in the **appendix**

1) Declaration

You are required to provide details of all actual shipments covering the specified period agreed with **us** within 30 days of the expiry of such period. If **you** do not provide this information **we** may at **our** option

1.1) cancel the insurance from the date of the last shipment for which details have been received

1.2) make an assessment of outstanding premium due based on the best information available to **us** of the individual shipments **you** should have declared. Any premium due to **us** based upon an assessment is to be paid by **you** within 14 days of giving the notice of assessment

You will not be prejudiced by an unintentional omission error incorrect valuation or description of the **goods conveyance** or **voyage** upon declaration to **us** of an individual shipment provided notice is given to **us** within 14 days of discovery of any such omission error incorrect valuation or description of the **goods**

2) Deposit premium

You pay a sum fixed at the commencement of any **conveyance** or **voyage** based upon estimated

shipments. If the deposit premium is stated as being a minimum premium this represents the lowest sum acceptable to **us** for the insurance provided

If the insurance is cancelled or concludes prior to the natural expiry **we** will be entitled to retain the minimum premium stated in the **appendix**

You agree to provide a declaration of all actual shipments made within 30 days of the expiry of the **period of insurance**

If **you** do not provide a declaration **we** may at **our** option make an assessment of outstanding premium due based on the best information available to **us** of the shipments that have been made

Any premium due to **us** based upon an assessment is to be paid by **you** within 14 days of giving the notice of assessment

3) Flat

You pay a non adjustable fixed amount based on the original declared **agreed value** or as may be agreed by **us**

Certificates

When **we** provide certificates and authorise their issue it is a **condition precedent** to **our** liability to indemnify **you** in relation to any claim under this **Marine Cargo Section** that **you**

- 1) will only issue certificates for shipments which are covered by this Section
- 2) do not amend the conditions that are pre printed on the certificate or exceed the shipment Limit stated in the **appendix**
- 3) will ensure each certificate is properly countersigned by an authorised person
- 4) will provide **us** with a copy of each completed certificate in accordance with the basis of premium and return to **us** any spoilt copies
- 5) will never complete a certificate after known **damage** without **our** prior written approval
- 6) will keep safe the stock of certificate or electronic version and either return or destroy them immediately upon **our** request

Contracts (Rights of Third Parties) Act 1999 Exclusion Clause (Cargo) JC - 2000/02

The provisions of the contracts (Right of Third Parties) Act 1999 do not apply to this insurance or to any certificate of insurance issued hereunder. Neither this Section nor any certificate issued hereunder confer any benefits on any third parties. No third party may enforce any term of this insurance or of any certificate issued hereunder. This clause shall not affect **your** rights as assignee or otherwise or the rights of any loss payee

Declaration of sendings

We are entitled at **our** option to avoid this insurance if **you** do not fully declare all sendings that are due to be declared in connection with the **goods** insured under this Section

We are bound to accept all declarations up to but not exceeding the Limits stated the **appendix**

Institute Clauses

The Institute Clauses referred to are those current at the inception of this insurance and should the Clauses be revised during the **period of insurance** and provided **we** give 30 days written notice thereof then the revised Institute Clauses shall apply to **goods** first sent forward after the date of expiry of the notice

Institute and Joint Cargo Committee Clause

Unless **we** state otherwise in the **appendix** the following Institute Clauses are deemed to form part of this Section

The insurance provided by these clauses is subject to the Section Conditions

Institute Clauses

Institute Cargo Clauses (A) - 1.1.82 – CL.252

Institute Cargo Clauses (Air) - 1.1.82 – CL.259

Institute War Clauses (Cargo) - 1.1.82 – CL.255

Institute War Clauses (Air Cargo) - 1.1.82 – CL.258

Institute War Clauses (Sendings by Post) -1.1.82 – CL.257

Institute Strikes Clauses (Cargo) - 1.1.82 – CL.256

Institute Strikes Clauses (Air Cargo) -1.1.82 – CL.260

Institute Classification Clause - 1.1.01 – CL.354

Institute Replacement Clause - 1.1.34 – CL.161

Institute English Jurisdiction Clause - 1.11.91 - CL 358

Institute Radioactive Contamination, Chemical, Biological, Bio-chemical, Electromagnetic Weapons Clause - 10.11.03 – CL.370

Institute Cyber Attack Exclusion Clause - 10.11.03 – CL.380

Joint Cargo Committee Clauses

Cargo ISM Endorsement JC98/019

Applicable to shipments on board all cargo ships including oil tankers chemical tankers gas carriers and cargo high speed craft of 500gt or more to all passenger vessels transporting more than 12 passengers and to mobile offshore drilling units of 500gt or more

In no case shall this insurance cover loss or damage where the **goods** are 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 **goods** on board the vessel the **insured** was aware or in the ordinary course of business should have been aware:-

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

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

Cargo ISM Forwarding Charges Clause only applicable to JCC Cargo ISM Endorsement JC98/019

This insurance is extended to reimburse **you** for any extra charges properly and reasonably incurred in unloading storing and forwarding the **goods** 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 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 Section

Termination Of Transit Clause (Terrorism)

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

It is agreed that in so far as this Section covers loss of or damage to the **goods** caused by any terrorist (that for the purpose of this clause shall mean any person acting on behalf of or in connection with any organisation that is directed towards the overthrowing or influencing of any government de jure or de facto by force or violence) such cover is conditional upon the **goods** being in the ordinary course of **transit** and in any event shall terminate either:-

1.1) as per the **transit** clauses contained within the Section

or

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

or

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

or

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

or

1.5) in respect of air transit on the expiry of 30 days after unloading the goods from the aircraft at the final place of discharge

whichever shall first occur

If this Section or the Clauses referred to herein specifically provide cover for inland or other further **transit** 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 1.1) to 1.5) above

Marine Insurance Act 1906

The conditions and warranties prescribed by this Act shall apply to all the **voyages** covered by this Section

Other Insurances

We will not pay for any **damage** if at the time the **goods** are or would but for this insurance be covered by any other insurance. If however the **agreed value** of the **goods** covered by this Section is greater than the value insured by such other insurance **we** will subject to the warranties and other terms of this Section pay the difference

Extensions

The terms Conditions and Exclusions of this **policy** or Section apply to these Extensions

Where no Limit or maximum liability is stated in the Extensions the Section Limit of Liability applies

Additional discharge expenses

Upon the occurrence of **damage** to the **goods** giving rise to a claim under this Section **we** will pay any additional expenses necessarily and reasonably incurred in discharging handling storing unloading or transporting sound and or **damaged goods** and to reload and forward the **goods** to the destination by any means whatsoever

We will be credited with the recovery where such charges are recoverable either in general average or from third party carriers

Brands

In circumstances where the **damaged goods** bear **your** name or brand or trademark **you** can decide

- 1) that the **goods** are unfit for marketing or other disposal in which case **we** will pay the **agreed value** upon destruction or
- 2) to return the **damaged goods** to the factory in which case **we** will pay all reasonable costs associated with returning the **goods** to a saleable condition but limited to the **agreed value** or
- 3) to sell the **goods** after removal of the name or brand or trademark in which case **we** will pay the **agreed value** plus reasonable costs less the proceeds of sale

Buyer's interest

We will pay for **damage** to the **goods** that would otherwise be recoverable under this Section if the seller fails to arrange insurance in accordance with the contractual obligations or the terms of any insurance so arranged are more restrictive than the insurance and **agreed value** provided by this Section

We will regard the insurance as attaching at the commencement of **transit** but will only be responsible for settling claims provided there is **damage** to the **goods** and **you**

- 1) have suffered a pecuniary loss

- 2) have taken all reasonable steps to invoke the contract of sale and the obligations under it
- 3) have attempted to recover the loss from the seller or the seller's insurers
- 4) have not divulged the existence of this insurance to the seller or to the seller's insurers
- 5) subrogate to **us** all rights and benefits against carriers and other third parties

Concealed damage

It is agreed that any **damage** discovered on opening containers cases and or packages shall be deemed to have occurred during the **voyage** and irrespective of attachment of **your** interest will be paid for accordingly unless conclusive proof to the contrary be established

It is a **condition precedent** to any liability of **ours** to indemnify **you** in relation to any claim for **damage** under this **Marine Cargo Section** Extension that

- 1) any containers cases and or packages showing signs of **damage** are to be opened immediately on the termination of the **voyage**
- 2) the time between delivery of the **goods** to the receiver and the notification of the **damage** to **us** does not exceed 60 days

Delays beyond **your** control

If the **goods** are threatened to become uninsured by reason of a delay that terminates cover under the **transit** Clause of the Institute Cargo Clause such delay being beyond the **your** control **we** agree to provide insurance at a rate and on Conditions to be arranged provided notice is given to **us** within 14 days on realisation of the delay

Destruction by Governmental authorities

We will pay for **damage** to the **goods** directly caused by Governmental authorities acting for the public welfare to prevent or mitigate a pollution hazard or threat provided a recoverable claim would have resulted under this Section had the **goods** been **damaged** as a result of the occurrence giving rise to the pollution hazard or threat

Duty

Provided the value of duty has been added to the **agreed value** and declared to **us** in the **event** of **damage** to the **goods** that is recoverable under this Section **we** will pay any excise duty that **you** are unable to recover and for duty relating to general average salvage and salvage charges arising prior to the duty becoming payable

In calculating the claim for duty **we** will benefit from any rebate or refund of duty that may become allowable

Exhibitions and demonstrations

If stated in the **appendix** **we** will pay for **damage** to the **goods** happening in **transit** to and from an exhibition or demonstration site and while at the site including during the period of packing and unpacking assembly and dismantling

In addition **we** will insure display materials and stands and fixtures and fittings and equipment but excluding mobile phones or plasma screens and laptop computers unless specifically stated in the **appendix**

It is a **condition precedent** to **our** liability to indemnify **you** in relation to any claim for **damage** under this **Marine Cargo Section** that the **goods** are re-packed after the exhibition to the same standard as applied to the original **transit** and such re-packing is to be supervised by a responsible official of **yours** or **your** appointed agent

Our maximum liability is £25,000 for fees and expenses when the **goods** suffers **damage** in **transit** to the exhibition or demonstration site provided that such **damage** is recoverable under this Section and as a consequence attendance at the exhibition or demonstration site is cancelled.

We will not pay for **damage** directly arising from the use testing or demonstration of the **goods** or from theft or attempted theft or pilferage unless following violent and or forcible entry into or exit from the exhibition or demonstration building

FOB Clause

The Institute Cargo Clauses Duration (No 8) as referred to in this Section is amended to read

“This insurance attaches from the time the **goods** leave the warehouse or place of storage for the commencement of **transit** and continues during the ordinary course of **transit** until delivered on board the export vessel or aircraft at the port or airport of shipment including the risk whilst remaining on quays or wharfs and or warehouses (other than packers warehouses) or sheds whilst awaiting shipment for a period of not exceeding 30 days. Any period in excess of 30 days will be considered for insurance at rates and conditions to be agreed subject to notice to **us** within 14 days of the expiry of the preceding 30 day period”

FOB and or CFR purchases clause

Irrespective of the terms of purchase that make the consignor responsible for insurance up to the port of despatch this Section attaches for the benefit of the named **insured** in accordance with Institute Cargo Clauses – Transit Clause 8.

We will be subrogated to all rights against the supplier or suppliers insurers or other third parties and **you** undertake to provide **us** with every assistance as may be required.

It is a **condition precedent** to **our** liability to indemnify **you** in relation to any claim for **damage** under this **Marine Cargo Section** Extension that the existence of this Extension is not divulged to the consignor

Fumigation expenses

We will pay for fumigation expenses incurred to minimise or avoid **damage** recoverable under this Section

We will also pay for **damage** arising from fumigation provided that such fumigation is not customary

General average

General average and salvage charges shall be payable under this Section in full without reference to **goods** and contributory values

Insolvency exclusion clause

It is hereby agreed that the exclusion “loss damage or expense arising from insolvency or financial default of the owners managers charterers or operators of the vessel or aircraft” as incorporated in the Institute Clauses herein is amended to read as follows

“In no case shall this insurance cover loss damage or expense arising from insolvency or financial default of the owners managers charterers or operators of the vessel or aircraft where **you** are unable to show that prior

to the loading of the **property** on board the vessel or aircraft all reasonable practicable and prudent measures were taken by **you** or **your** servants and agents to establish the financial solvency of the party in default ”

Letter of credit

It is agreed that Certificates and or Policies may be issued hereunder to enable **you** to comply with the insurance requirements of any Letter of credit and or sales contract concerned. Such agreement being conditional on the payment of any additional premium which may be required in the event that the insurance required is wider than that provided by the Section

Loading and unloading clause

We will extend the Transit Clause of the Institute Cargo Clauses to include the period during loading and unloading of the **goods** onto or from the **conveyance**

Non-delivery losses

Provided **you** have taken all reasonable steps to locate the **goods** if a claim for the non-delivery of the **goods** happens **we** agree to make settlement as if the **goods** had been lost if the **goods** have not been located after the expiration of 60 days counting the date of arrival of the overseas vessel at the port of discharge or 30 days counting from the date of arrival of the aircraft at the airport of discharge or 60 days counting from the date that the **goods** should have arrived at final destination via land **conveyance** as applicable

Own vehicle security

We will not be liable for **damage** caused by malicious persons and or theft or attempted theft whilst the **property** is on or contained in any **unattended conveyance** vehicle and or trailer owned or operated by **you**

1) unless at the time of being left loaded and **unattended**

1.1) all doors and openings are locked the ignition and any other security keys are removed

1.2) windows and other means of access adequately and properly secured

1.3) any audible alarm and or immobiliser is set in operation

1.4) whenever possible the **property** is kept in the boot or secure compartment of an **unattended conveyance** or where no boot or secure compartment exist the **property** must be covered over and hidden from view

and

2) during these periods

2.1) after the completion of the driver's working day

2.2) between the hours of 21.00 hours or when the **conveyance** vehicle and or trailer was last occupied whichever is the earlier and until the **conveyance** vehicle and or trailer is first used or 06.00 hours whichever is the later

2.3) on non- working days

unless the **unattended conveyance** vehicle and or trailer is

a) garaged in a fully enclosed and securely locked building

- b) in a secure park which provides 24 hour human surveillance and perimeter gates and other entrances locked
- c) in a public car park while under surveillance by the driver or other responsible person authorised by **you**

or when the **property** is removed from the **unattended conveyance** vehicle and or trailer to a private dwelling house or hotel room or securely locked building and **damage** is caused by malicious persons and or theft or attempted theft from the private dwelling house or hotel room or securely locked building

Packing

If a claim is made for **damage** which is alleged to be contributed to by insufficiency or unsuitability of packing or preparation of the **goods** **we** agree that **we** will not use such alleged insufficiency or unsuitability as a defence against the claim in any case where the packing or preparation was carried out by a party other than **you** and the insufficiency or unsuitability arose entirely without **your** knowledge

For the purpose of this Extension packing includes stowage in a container and or other similar intermodal methods of unit load.

You agree to assist **us** in all respects to pursue the rights of recovery against sellers and or their insurers. **We** agree not to interfere with rights of subrogation against packers and or their insurers

Packing costs

We will pay the reasonable costs of re-packing re-bailing re-bagging re-cartoning and or re-palletising where the **goods** or packing has sustained **damage** by an **insured peril** and where such re-packing is considered necessary to safeguard the **goods** during any further **voyage** covered by this Section

Packer's premises

We will insure the **property** for a period of up to 30 days whilst at the premises of packers and consolidators for the purposes of packing or consolidation. **We** agree that such packing will not interrupt the ordinary course of **transit** provided the **goods** are suitably packed for **transit** to the place of packing in accordance with Institute Cargo Clauses

We will not be liable for any **damage** to the **goods** arising from the process of packing

Postal sendings

For postal sendings the insurance commences from the time of leaving the office of the sender or senders until safely delivered to the person or parties to whom they are addressed at their final destination

Presentation packing

We will pay the reasonable costs of repair or the reasonable costs of replacement of any presentation packing of the **goods** if **damage** happens during the **voyage** provided that the presentation packing is itself protected to withstand the normal rigours of the **voyage**

Removal of debris

We agree to pay the costs and expenses reasonably incurred in connection with

- 1) removal of debris and or destruction of **damaged goods**
- 2) dismantling and or demolishing the **damaged goods**

- 3) shoring up and or propping
- 4) the transfer of the **goods** from one **conveyance** to another

following an accident to the original **conveyance** where there has been **damage** to the **goods** or there would have been but for the action taken **damage** to the **goods** which is recoverable under this Section but excluding

- a) any expense incurred in consequence of or to prevent or mitigate **pollution or contamination** or any threat or liability thereof
- b) the cost of removal of the **goods** from any vessel or craft
- c) costs incurred in respect of obligations under pollution statutes or the actions of Governmental or other executive body

Our maximum liability is limited to £10,000 or 20 % of the **goods** Item stated in the **appendix** whichever is the greater any one loss

Replacement by air

The Institute Replacement Clause is extended to cover the costs of air freighting replacement or **damaged goods** to or from suppliers customers or repairers even though the **goods** were not originally dispatched by air freight

Returned goods

If the **goods** are insured for their outward **voyage** and are unexpectedly returned to **you** **we** will consider insurance to be continuous provided that

- 1) such return commences within 30 days from the time of delivery
- 2) the **goods** remain unused and not subject to any process
- 3) the insurable interest has remained with or reverts to **insured**

The insurance provided will be in accordance with this Section but excludes rust oxidisation and or discolouration or electrical and mechanical derangement unless caused by an **insured peril** covered by this Section during the **voyage**

Ropes and sheets

We will indemnify **you** against **damage** to tarpaulins sheets trailer curtains ropes chains webbing straps and packing materials excluding wear and tear and or gradual deterioration belonging to **you** whilst on any vehicle owned or operated by **you** in connection with **your** business

An **excess** of £50 applies to each and every claim

Second-hand machinery

When insured for new replacement cost at the time of shipment **our** conditions and rates for new machinery will apply but subject to the Obsolete parts below and an exclusion of wear and tear and or gradual deterioration

Obsolete parts

When a claim happens under this Section and necessitates the manufacture of any new parts or accessories **our** liability in respect of such part or accessories shall be limited to the manufacturers latest available list price of identical parts or accessories of the year of manufacture of the machine plus a reasonable uplift to cover inflation between the date of issue of the latest available list price and the date of shipment

When insured for second-hand value at the time of shipment **our** conditions and rates for new machinery will apply but subject to Second-hand replacement below

Second-hand replacement

When **damage** occurs to any part or parts of an insured machine caused by an **insured peril** covered by this Section the sum recoverable shall not exceed the cost of replacement or repair of such part or parts plus charges for forwarding and refitting if incurred but excluding Duty unless the full Duty is included in the amount insured in which case loss if any sustained by payment of the additional Duty shall also be recoverable

Provided always that **our** liability will not exceed the insured value of the complete machine

When a claim happens under this replacement clause **we** will only pay such proportion of the claim as the insured value bears to the cost of the machine when new

Segregation

We will pay for necessary and reasonable costs incurred by **you** to sort and segregate and or test **damaged** and undamaged **goods** following a loss recoverable under this Section and include the cost of transporting the **goods** to or from the test facility and the cost of repacking and shipment to destination after completion

Our maximum liability is limited to £10,000 for any one loss

Shortage from containers

In respect of shipments in full containers provided documentary evidence is produced to substantiate the quantity loaded into the container the fact that the container's seal is intact at unloading point shall not invalidate claims for theft or attempted theft or pilferage or shortage and non-delivery

Seller's interest clause

We agree to cover **your** interest as the seller of the **goods** when the terms of sale do not place responsibility upon **you** for insurance up to arrival at the intended port of discharge

This clause will apply if

- 1) title reverts to **you** by reason of the buyer failing to accept or being prevented from accepting the **goods** take up the documents of title or pay for the **goods** as contracted and invoiced

or

- 2) **you** exercise a lien on the **goods** interrupt the **transit** or suspend the contract of sale in order to safeguard **your** interest

and this clause will remain operative until

2.1) the **goods** are accepted by the buyer or

2.2) the **goods** are sold to an alternative buyer or

2.3) the **goods** are returned to **you** or

2.4) termination in accordance with Institute Cargo Clauses unless **we** receive an advice of a contingency likely to cause this clause to become operative in which case insurance will continue for up to 90 days from the date of arrival of the overseas vessel or aircraft at the port of discharge

whichever of 2.1) – 2.4) above is the first to occur provided that **you**

- a) notify **us** immediately of any circumstance that may give rise to the operation of this clause
- b) take all reasonable steps to protect the **goods** to enforce the contract of sale to expedite an alternative sale or to arrange the return of the **goods**
- c) do not disclose the existence of this insurance to any buyer or interested party
- d) pay an initial premium as stated on the **appendix** and upon the mentioned contingencies pay an appropriate additional premium to be agreed
- e) subrogate to **us** all rights and benefits of any action that **you** may possess or acquire against the buyer or the buyers insurers carriers and other third parties

Trademark cartons

We will indemnify **you** for **damage** to trademarked cartons by an **insured peril** covered by this Section but claims payable will be limited to an amount sufficient to pay the cost of new cartons including forwarding charges of the new cartons and charges of re-packing

Our liability under this Extension is limited to the **agreed value** of the **goods**

Claims Conditions additional to the policy Conditions
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Claims – amount payable

The amount payable in the **event** of **damage** to **goods** will be as follows

1) Total loss

We will pay the **agreed value** of the **goods** if

- 1.1) they are totally lost or destroyed
- 1.2) the cost of recovering and or repairing **goods** exceeds the **agreed value**

in the event of constructive total loss caused by loss of use

- 1.3) **you** are deprived of the free use and disposal of the **goods** for a period of 12 consecutive months commencing during the **period of insurance** or such earlier period as **we** agree except in cases of malicious persons and or theft or attempted theft when the period will be as per Non-delivery losses

2) Partial loss

If partial **damage** happens **we** will pay

- 2.1) where part of the **goods** are totally lost such proportion of the **agreed value** stated in the **appendix** as the sound value of that part lost bears to the sound value of the whole

2.2) at **our** option either

- a) where the whole or any part of the **goods** has been delivered **damaged** at their destination such proportion of the **agreed value** as the difference between the gross sound and damaged values at the place of arrival bears to the gross sound value or
- b) the reasonable cost of recovering the **goods** and the reasonable cost of effecting repair

Claims procedure

You and **your** agents will take such measures as may be reasonable for the purposes of averting or minimising **damage** and to ensure that all rights against the carriers bailees and other third parties are properly preserved and exercised. In particular **you** and **your** agents are required

- 1) to claim on the carriers or port authorities or other bailees for any missing packages immediately
- 2) not to give clean receipts where the **goods** are in doubtful condition except under written protest
- 3) when delivery is made by container to ensure that the container and its seals are examined immediately by a responsible official of **yours**. If the container is delivered **damaged** or with seals broken or missing or with seals other than as stated in the shipping document **you** or **your** agents will endorse the delivery receipt accordingly and retain all defective or irregular seals for subsequent identification
- 4) to immediately request a survey be completed by the carrier or other bailees representatives if any **damage** is apparent and claim against the carriers or other bailees for any actual **damage** found at such survey
- 5) to give notice in writing to the carriers or other bailees within 3 days of delivery if the **damage** is not apparent at the time of taking delivery

Note:

You and **your** agents are recommended to make yourselves familiar with the Regulations of the Port Authority at the Port of Discharge and the conditions of trade used by the carriers and other relevant bailees

Documentation of claims

You or **your** agents must submit all available supporting documentation without delay to **us** or to **your** insurance advisors including when applicable

- 1) the original certificate of insurance if issued
- 2) the original or copy shipping invoices together with shipping specifications and or weight notes
- 3) the original Bill of lading and or other contract of carriage
- 4) a survey report or other documentary evidence to show the extent of **damage**
- 5) a landing account and weight notes to final destination
- 6) all correspondence exchanged with the carriers and other parties regarding their liability for the **damage**
- 7) all receipts issued during **transit** particularly those evidencing shortage or **damage**

Legal proceedings

- 1) **We** will have the right at **our** expense to commence or take over and conduct
 - 1.1) the defence of any claim arising out of an **event** which might give rise to a claim under this Section
 - 1.2) any claim brought in **your** name to recover sums which are or which might be payable under this Section
 - 1.3) **your** representation at any inquest enquiry or similar proceeding which might give rise to a claim under this Section
- 2) **you** will give **us** such assistance as **we** may reasonably request for the purposes of exercising their rights under this Section
- 3) **you** must pass on to **us** all communications from third parties relating to any matter which might give rise to a claim under this Section immediately and unanswered
- 4) **you** must not without **our** prior written consent
 - 4.1) admit liability
 - 4.2) agree to accept an offer of settlement from a third party which might give rise to a claim under this Section

Notice

The relevant **insured** must -

- 1) notify **us** immediately of any **event** which might give rise to a claim under this Section
- 2) hold liable any responsible carrier bailee or other third party in accordance with their particular terms of trade
- 3) provide **us** with a written report of the **event** as soon as possible
- 4) notify the Police as soon as possible of any malicious damage theft or attempted theft or other crime involving the **goods**

Repair

We will have the right to decide whether the **damaged goods** are to be repaired

Exclusions additional to the policy Exclusions

Date recognition clause

We will not provide indemnity in respect of any loss destruction or **damage** directly or indirectly caused or contributed to by or consisting of or arising from the failure of any

- 1) computer data processing equipment or media **microchip** integrated circuit or similar device or
 - 2) other equipment or system for processing storing or retrieving data
- or
- 3) computer software

whether **your** property or not to

- a) recognise correctly any date as its true calendar date
- b) capture save retain or correctly manipulate interpret or process any data information command or instruction as a result of treating any date otherwise than as its true calendar date
- c) capture save retain or correctly process any data as a result of the operation of any programmed command which causes the loss or the inability to capture save retain or correctly to process such data on or after any date

This Exclusion does not apply to

- 1) claims for loss of or **damage** to the **goods** reasonably attributable to
 - 1.1) fire or explosion
 - 1.2) vessel or craft being stranded grounded sunk or capsized
 - 1.3) overturning or derailment of land conveyance
 - 1.4) collision or contact of vessel craft aircraft or conveyance with any external object other than water
 - 1.5) total loss of aircraft in flight
 - 1.6) discharge of cargo at a port of distress
 - 1.7) total loss of any package lost overboard or dropped whilst loading on to or unloading from vessel craft or aircraft
 - 1.8) general average sacrifice
 - 1.9) jettison or washing overboard
 - 1.10) entry of sea lake or river water into vessel craft hold conveyance lift van or place of storage
- 2) claims for general average and salvage charges adjusted or determined according to the contract of affreightment or the governing law and practice incurred to avoid or in connection with the avoidance of loss from any cause except those excluded elsewhere in this insurance

Excess

We will not provide indemnity in respect of the **excess** amount stated in the **appendix**