

## **INSURANCE POLICY**

In consideration of premium at rates as agreed, does insure:

**1. INSURED:**

Corporations, partnerships and individuals as registered to and maintained under the CargoCover program on the OceanWide Network website at *www.oceanwide.com*, but only with respect to shipments which have been declared through CargoCover and where an electronic Certificate of Insurance has been successfully issued and confirmed by the CargoCover program.

**2. And/or for whom they have instructions to insure.**

**3. LOSS PAYABLE:**

Loss, if any, payable to the Insured or Order.

**4. SUBJECT MATTER INSURED:**

General Merchandise, not otherwise excluded by underwriters per the CargoCover program and as may be amended from time to time.

**5. ATTACHMENT DATE:**

This policy to attach only on shipments confirmed through the CargoCover program as booked to the Insured, or to whom the Insured has instructions to insure, on or after 12:01 a.m., Eastern Standard Time, December 1, 1997.

**6. CANCELLATION CLAUSE:**

This contract may be cancelled or amended as outlined in the Registration Agreement, Modification of Terms, as posted on the OceanWide website under the CargoCover program, Terms Of Use. Cancellation of this Policy shall not prejudice any risk or risks which shall have already attached. Notice to Insured may be provided electronically to the e-mail address indicated upon registration to CargoCover, with no further notice required by Underwriters. Cancellation of War, Strikes, Riots and Civil Commotions and Malicious Damage Risks provided, shall be seven (7) days notice at any time but in respect of sendings to or from the United States of America, Strikes, Riots and Civil Commotions and Malicious Damage Risks shall be subject to forty-eight (48) hours notice.

**7. VALUATION:**

All shipments to be valued at Cost, Insurance and Freight, including any prepaid and/or advanced and/or guaranteed freight plus 10% (C.I.F. plus 10%) unless otherwise agreed in writing prior to shipment.

**8. DUTY AND/OR COLLECT FREIGHT:**

This insurance also covers, subject to the policy terms of average, the risks of partial loss by reason of perils insured against on import duties imposed on property insured hereunder and collect freight (unless guaranteed or payable "vessel loss or not lost"), it being understood and agreed, however, that when the risk upon the goods continues beyond the time of landing from the overseas vessel, the increased value, consequent upon the payment of such duties and/or freight, shall attach as an additional insurance upon the goods from the time such import duty and/or

freight is paid or becomes due, to the extent of the amounts thereof actually paid or payable.

Any limit of liability expressed in this policy shall be applied separately to such increased value.

The Assured warrants that on all such risks insured hereunder a separate amount shall be reported sufficient to cover said import duty and/or freight and upon which the rate of premium shall be an agreed percentage of the merchandise rate.

The Assured will, in all cases, use reasonable efforts to obtain abatement or refund of import duties paid or claimed in respect to goods lost, damaged or destroyed. It is further agreed that the Assured shall, when this Assurer so elects, surrender the merchandise to the Customs Authorities and recover import duties thereon as provided by law, in which event the claim under this policy shall be only for a total loss of the merchandise so surrendered and expenses.

This insurance on import duty and/or freight shall terminate at the end of the import movement covered under this policy (including the Warehouse to Warehouse and/or Marine Extension Clauses) but nothing contained in these clauses shall alter or affect any coverage granted elsewhere in the policy during the storage or transit subsequent thereto.

#### **9. VOYAGE CLAUSE:**

At, from and between ports and/or places worldwide, excluding shipments to/from Iran, Iraq, Cuba, Vietnam, Cambodia, North Korea, and as may be amended per the coverage terms and conditions of the CargoCover program.

Cover to attach as indicated in the Certificate of Insurance and continues in transit and/or in store or wherever located and until finally delivered to final destination as indicated in the Certificate of Insurance, including the risks loading and unloading, as required.

#### **10. SOUTH AMERICA CLAUSE:**

The following clause shall apply in respect of shipments to South America:  
"Notwithstanding anything contained elsewhere to the contrary, the insurance provided hereunder shall continue to cover for sixty (60) days (ninety(90) days on shipments via the Magdalena River) after completion of discharge of the overseas vessel at port of destination or until goods are delivered to the final warehouse at destination whichever may first occur, and shall then terminate.

The time limit referred to above to be reckoned from Midnight of the day on which the discharge of the overseas vessel is completed".

Should the above be more restrictive than other conditions contained in this Policy wording, it is agreed that the South America Clause shall automatically become void.

#### **11. CONVEYANCES:**

Any conveyance land, sea or air.

#### **NOTE:**

Whenever the words "ship", "vessel", "seaworthiness", "Shipowner" or "Vessel Owner" appear in this Policy, they are deemed to include also the words "aircraft", "airworthiness", and "aircraft owner".

#### **CONVEYANCE WORTHINESS ADMITTED:**

The worthiness of the "conveyance" as between the Insured and the Insurers is

hereby admitted. In the event of loss, the Insureds right of recovery hereunder shall not be prejudiced by the fact the loss may have been attributable to the wrongful act or misconduct of the "conveyance" owners, charterer, their agents or their servants. The Insurer shall pay (subject to the same terms of coverage and other conditions of this Policy), to the innocent Insured the resulting loss.

#### **12. REPORTING SHIPMENTS:**

All declarations shall be per Certificates of Insurance issued under the CargoCover program and as maintained in the OceanWide Marine Network database. Should there be any discrepancy between the printed Certificate of Insurance and that information maintained on the OceanWide Marine Network database, the OceanWide Marine Network database shall be deemed correct.

#### **13. LIMIT OF LIABILITY:**

These Insurers are not to be liable for more than:

- US\$250,000 any one shipment.
- If the total value at risk exceeds the limit(s) of liability provided by this Policy, the Insured shall nevertheless report the full amount at risk to these assurers and shall pay full premium thereon. Acceptance of such reports and premium shall not alter or increase the limit(s) of liability of these Insurers but these Insurers shall be liable for the full amount of covered loss up to but not exceeding the applicable limit(s) of liability.

#### **14. CANADIAN LAW AND USAGE:**

This insurance is understood and agreed to be subject to Canadian Law and Usage as to liability for and settlement of any and all claims.

#### **15. PERILS:**

Touching the adventures and perils which we the Insurers are contented to bear and to take upon ourselves in this voyage, they are of the Seas, Men-of-War, Fire, Enemies, Pirates, Rovers, Thieves, Jettisons, Letters of Mart and Countermart, Surprisals, Takings at Sea, Arrests, Restraints and Detainments of all Kings, Princes and People, of what Nation, Condition or Quality soever, Barratry of the Master and Mariners, and of all other like Perils, Losses and Misfortunes that have or shall come to the Hurt, Detriment or Damage of the said Goods and Merchandises and Ship, etc. or any part thereof; and in case of any loss or misfortune, it shall be lawful for the Insured, their factors, servants and assigns, to sue, labour and travel for, in, and about the defence, safeguard and recovery of the said goods and merchandises and ship, etc., or any part thereof without prejudice to this insurance; to the charges whereof, we, the Insurers, will contribute, each one according to the rate and quantity of his sum herein insured. It is especially declared and agreed that no acts of the Insurers or Insured in recovering, saving, or preserving the property insured, shall be considered as a waiver or acceptance of abandonment.

#### **16. INCHMAREE, NEGLIGENCE, NAVIGATION MANAGERMENTS ETC.:**

This insurance also covers any loss, or damage to, the interests insured hereunder, caused by accidents in loading, discharging, or handling of cargo, or in bunkering, or in taking in fuel, or caused through the bursting and/or breakage and/or loose connections of boilers, pipes or shafts, or through any latent defect in the

machinery, hull, or appurtenances, or from faults or errors in the navigation or management of the vessel, craft or cargo for which the vessel, her owners, agents or charterers is or are relieved of responsibility; also including all risks of negligence, default or error in the judgement of or by the masters, mariners, mates, engineers, pilot, crew or stevedores, or other persons employed by the shipowners, or for whose acts he is responsible.

Claims under this clause payable irrespective of percentage.

**17. EXPLOSION CLAUSE:**

The risks covered by this insurance are to include loss, damage or expense resulting from explosion, howsoever occurring, irrespective of the percentage, whether the insurance be free from Particular Average or otherwise.

**18. SHORE RISKS:**

This policy covers whilst on any land conveyances and/or docks and/or wharves and/or elsewhere on shore, against loss or damage caused by fire, lightning, windstorm, hail, explosion, earthquake, landslide, theft, strike, riot, civil commotion, malicious act, flood, rising waters, smoke, impact by vehicle or aircraft, sprinkler leakage, water escape, collision, upset, derailment or other accident to the land conveyance, collapse and/or subsidence of docks and/or wharves and/or bridges and/or viaducts and/or similar structures, even though these risks may be uninsured under the marine transit clause. Should the marine transit clause provide wider cover, then such cover shall apply.

Claims under this Clause payable irrespective of percentage.

**19. FUMIGATION:**

In the event of any vessel, conveyance, wharf, warehouse or premises being fumigated by order of a properly constituted authority, Insurers agree to indemnify the Insured for such cost of fumigation and any damage resultant therefrom to the goods hereby insured. The Insured hereby agrees to subrogate to Insurers any recourse that they may have for recovery of such damage from other.

**20. REPLACEMENTS BY AIR:**

It is agreed that where there is loss or damage which is the subject of a claim hereunder and the Insured considers it necessary to forward replacements by Air, Insurers will pay the extra costs so involved, to a maximum additional expense of 20% of sum insured, notwithstanding that the original consignment was not dispatched by Air.

**21. BRANDS CLAUSE:**

In case of damage to property bearing a brand or trademark, or the sale of which carries or implies a guarantee of the supplier or Insured, the salvage of such damaged property shall be determined after the removal of all brands or trademarks.

**22. LABELS AND CARTONS:**

In case of damage from perils insured against affecting labels and/or cartons only, loss to be limited to an amount sufficient to pay the cost of reconditioning, cost of new labels and/or cartons and relabelling and/or repacking of goods, provided the damage will have amounted to a claim under the terms of this Policy.

**23. PACKAGE CLAUSE:**

It is understood and agreed that should the outer package be damaged from any cause which renders the interest unfit for on-shipment or distribution, irrespective of final destination shown herein, the Insurer to pay the cost of reasonable repacking expenses, provided such damage occurred during the currency of this insurance.

**24. PACKING CLAUSE:**

Where the packing (including storage in any container or liftvan and stowage into any vessel, aircraft or conveyance) or preparation of the subject matter insured is carried out by a party other than the Insured then the Insurer agrees that the Policy is extended to cover loss, damage and additional expenses/charges caused by or alleged to have been caused by insufficiency or unsuitability of the packing or preparation of the subject matter insured.

Permission is also granted the Insured to issue a release and/or waiver of subrogation in favour of packers, stevedores and warehousemen as and when required but subject to such release and/or waiver being given prior to the loss under this Policy.

Where the insufficiency or unsuitability of the packing or preparation of the subject matter insured was with the privity and knowledge of the Insured, then the above extension of coverage will not apply.

**25. JASON CLAUSE:**

Including Insured's liability under Jason Clause (new or old) if in the Bill of Lading.

**26. FREIGHT RISKS CLAUSE:**

In the event of a loss occurring resulting in the vessel returning to point of origin where the shipowner terminates Contract of Affreightment in accordance with the Bill of Lading, it is agreed that in the event of goods being reforwarded to intended destination Insurers hereon shall be liable for any additional freight charges involved.

**27. BOTH TO BLAME CLAUSE:**

Where goods are shipped under a Bill of Lading containing the so-called "Both to Blame Collision" Clause, these Insurers agree as to all losses covered by this insurance, to indemnify the Insured for this Policy's proportion of any amount (not exceeding the amount insured) which the Insured may be legally bound to pay to the shipowners under each such clause. In the event that such liability is asserted, the Insured agrees to notify these Insurers who shall have the right, at their own cost and expense, to defend the Insured against such claim.

**28. CONTINUATION:**

In case of short shipment in whole or in part, or if the goods be shipped by, or transhipped to another vessel and/or vessels, to be carried beyond, or discharged short of destination, or in the event of deviation, change of voyage or vessel, or any interruption beyond the control of the Insured, or other variation beyond the control of the Insured, or other variation of the voyage or risk, this insurance shall nevertheless cover the goods until safe arrival and delivery at destination, provided prompt notice be given these Insurers when such facts are known to the Insured, and additional premium paid if required.

**29. SPECIAL LIGHTERAGE:**

Cargo held on lighters and/or craft and/or conveyances for a period in excess of the customary time to load or discharge is held covered subject to additional premium as may be mutually agreed upon.

**30. REFUSED OR RETURNED SHIPMENTS:**

This insurance to cover all shipments, subject to the original insurance conditions which may be refused at time of delivery and returned by the consignee and/or consignees, whilst awaiting shipment or re-shipment and until received by the Insured or otherwise disposed of, and the Insured warrants to report all such shipments as soon as practicable after they have knowledge of the refusal and to pay premium thereon at rates to be agreed.

**31. MACHINERY PARTS REPLACEMENT:**

(Including Used Machinery which for the purposes of this Clause shall be valued at new Replacement Value)

In the event of loss of or damage to any part or parts of an insured machine caused by a peril covered by the Policy the sum recoverable shall not exceed the cost of replacement or repair of such part or parts plus charges for forwarding and refitting, if incurred, but excluding duty unless the full duty is included in the amount insured, in which case loss, if any, sustained by payment of additional duty shall also be recoverable. Provided always that in no case shall the liability of Underwriters exceed the insured value of the complete machine.

It is agreed that the "term" charges for forwarding" appearing in the Institute Replacement Clause covers forwarding by sea or air.

**32. SECONDHAND REPLACEMENT CLAUSE:**

In the event of claim for loss or damage to any part of the Insured interest in consequence of a peril covered by the Policy, the amount recoverable hereunder shall not exceed such proportion of the cost of replacement of the parts lost or damaged as the insured value bears of the value of new machinery plus additional charges for forwarding and refitting the new part or parts if incurred.

**33. ON DECK CARGO CLAUSE:**

Any cargo shipped on deck with under deck Bill of Lading to be covered and rated as for under deck shipments.

**34. CONTAINERS ON DECK:**

Notwithstanding anything contained herein to the contrary, it is understood and agreed that goods and/or merchandise in containers and/or vans and/or lighters, whether stowed on or under deck, are subject to under deck insuring conditions and limits. Furthermore, coverage under this Clause shall include loss of or damage to goods and/or merchandise caused by jettison and/or loss overboard.

**35. SHORTAGE FROM CONTAINERS:**

It is agreed that the Insurer is to pay for shortage of contents (meaning thereby the difference between the number of packages as per Shippers and/or Suppliers Invoice and/or Packing List, loaded or alleged to have been loaded into the container

and the count of packages removed therefrom, taken by the Insured and/or their Agent at the time of emptying the container), howsoever, wheresoever and whensoever occurring without the privy or knowledge of the Insured.

**36. INSOLVENCY CLAUSE:**

This insurance covers loss, damage or expenses arising from insolvency or financial default of the owners, managers, charterers or operators of the vessel, where the Insured are able to show that, prior to the loading of the subject matter insured on board the vessel, all reasonable practicable and prudent measures were taken by the Insured, their servants and agents, to establish the financial reliability of the party in default.

**37. ADDITIONAL EXPENSE CLAUSE:**

This Policy is also to cover claims for any additional costs or expense in respect of additional handling, discharge, carriage or processing or reprocessing of such cargo which arrives in a damaged condition as a result of a peril insured hereunder.

**38. DELAYED OPENING CLAUSE:**

In the event of delay in opening containers, cartons, cases, packages, and any other storage receptacle, any loss or damage discovered shall be deemed to have occurred during the marine, air or land conveyance transit, provided that damage is discovered within 30 days from the date the goods arrive at site or destination and which can be reasonably attributed to have occurred during transit.

**39. SHUT-OUT CLAUSE:**

In the event of the interest being "shut-out" due to any strike, labour disturbance, withholding of labour or any other reason, from the carrying vessel, aircraft or conveyance, this Policy is extended to cover the interest while waiting on the wharf, quay, pier, warehouse or other storage/transportation point or during transfer to and whilst at any other wharf, quay, pier, warehouse or other storage/transportation point, provided prompt notice be given these Insurers when such facts are known to the Insured and additional premium paid if required.

**40. DELIBERATE DAMAGE CLAUSE - POLLUTION HAZARD:**

(A) This insurance is extended to cover, but only while the interest insured is on board a waterborne conveyance, loss of or damage to said property directly caused by governmental authorities acting for the public welfare to prevent or mitigate a pollution hazard or threat thereof, provided the accident or occurrence creating the situation which required such governmental action would have resulted in a recoverable claim under the Policy (subject to all of its terms, conditions and warranties) if the interest insured would have sustained physical loss or damage as a direct result of such accident or occurrence.

This agreement shall not increase the Limits of Liability provided for elsewhere in this Policy.

**(B) DELIBERATE DAMAGE - CUSTOMS SERVICE:**

This insurance is also specially to cover, notwithstanding the Free of Capture and Seizure warranty contained herein, physical loss of or damage to the goods insured arising out of the performance of inspection duties by Customs Service Agents or other duly constituted governmental agencies who are performing inspection duties of or for the Customs Service.

**41. CONTAINER DEMURRAGE CHARGES:**

This policy shall cover demurrage charges and/or late penalties assessed against, and paid by, the Assured for late return of containers when said container are retained by the Assured at the instruction of these Insurers for inspection by the Insurers Surveyor in investigation of loss or damage recoverable under this policy. The time period for which the Insurers shall be liable for said charges and/or penalties shall begin at the time these Insurers instructs the Assured to retain the containers for inspection and end at the time the Insurers Surveyor instructs the Assured to return the containers.

**42. CONFIRMATION OF NON-DELIVERY CLAUSE:**

Where the subject matter insured hereunder (or any apportionable part) becomes missing and after the lapse of a reasonable time has not been located, an actual total loss of the subject-matter insured (or any apportionable part) may be presumed.

For the purposes of this insurance, there shall be deemed to have been the lapse of a reasonable time, where delivery to the consignees' or other final warehouse or place of storage at the destination named herein has not been effected within 180 Days of the expected date of such delivery.

If, after the payment by the insurers of an actual total loss as provided for above, the subject-matter insured or whatever may remain thereof is located, the ownership and all proprietary rights incidental thereto shall be vested in the insurers. The insured hereunder shall nevertheless have the option of (re-)purchasing from the insurers the subject matter insured or whatever may remain thereof.

**43. GENERAL AVERAGE AND SALVAGE CHARGES:**

General Average and/or Salvage Charges and/or Special Charges and Sue and Labour, if incurred, are payable in accordance with the contract of affreightment or, if there be no contract of affreightment, payable in accordance with either the laws and usages prevailing at the port of destination or at the termination of the voyage or in accordance with Canadian law and usage.

Notwithstanding anything herein to the contrary, these Insurers shall pay any claim covered under this section in full irrespective of any comparison between the insured value and the contributory value.

**44. DEBRIS REMOVAL CLAUSE:**

This insurance includes expenses incurred in the removal of all debris of or from the property insured hereunder which may be occasioned by loss caused by any of the perils insured against. However, the total liability under this clause shall not exceed ten percent (10%) of the insured value of the involved cargo.

**45. SUBROGATION AND RELEASE CLAUSE:**

Including Waiver of Subrogation against Insured, subsidiary, associated and/or affiliated companies and/or any parties given a Waiver of Subrogation by the Insured in the course of their business. It is further understood and agreed that this insurance shall not be prejudiced by the Insured accepting released, or limited liability bills of lading or shipping receipts.

**46. PERMISSION TO SIGN AND COUNTERSIGN:**

Permission is hereby granted the Insured to issue and countersign Certificates of Insurance in respect to merchandise covered under this Policy.

**47. LANGUAGE OF POLICY:**

It is specifically understood and agreed that the language of this Policy is the language of the Insurers.

**48. INSTITUTE RADIOACTIVE CONTAMINATION EXCLUSION CLAUSE:**

This Clause shall be paramount and shall override anything contained in the insurance inconsistent therewith.

1. In no case shall this insurance cover loss damage liability or expense directly or indirectly caused by or contributed to by or arising from:

1.1 ionizing radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel;

1.2 the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof;

1.3 any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.

RADIOACTIVE CONTAMINATION EXCLUSION CLAUSE ENDORSEMENT:

This insurance is subject to the Institute Radioactive Contamination Exclusion (above) provided that, if fire is an insured peril, and where the subject matter insurance or, in the case of a reinsurance, the subject matter insured by the original insurance, is within the U.S.A. and/or Canada, their islands, onshore territories or possessions, and a fire arises directly or indirectly from one or more of the causes detailed in Sub-Clauses 1.1 and 1.2 of the Institute Radioactive Contamination Exclusion (above), any loss or damage arising directly from that fire shall, subject to the provisions of the insurance, be covered, EXCLUDING, however, any loss, damage, liability or expense causes by nuclear reaction, nuclear radiation or radiation contamination arising directly or indirectly from that fire.

**49. TITLES OF PARAGRAPHS**

The titles of the various paragraphs of this Policy (and of Endorsements, if any, now or hereafter hereto) are inserted solely for the convenience of reference and shall not be deemed to extend or limit in any way the provisions to which they relate.

(a) PRINTED CONDITIONS:

- Wherever the printed Conditions of this Policy conflict with or are at variance with the typewritten Conditions or vice versa, the coverage most beneficial to the Insured shall always prevail.
- The word "Insurer" shall be substituted for the word "Underwriter" and the word "Insured" shall be substituted for the word "Assured" in all

printed forms that are part of this insurance.

(b) OVERLAPPING CLAUSE:

- It is understood and agreed that should any Clauses conflict with each other, the broader Terms and Conditions are deemed to apply in all cases, to inure to the benefit of the Insured.
- Notwithstanding this clause, with respect to War Risks, it is understood that the Waterborne Agreement shall apply.

**50. INSTITUTE CLAUSES :**

- Institute Cargo Clauses (A) 1/1/82
- Institute Cargo Clauses (Air) 1/1/82
- Institute Frozen Foods Clauses (A) 1/1/86 including Frozen Food Extension Clauses 1/1/86

SPECIAL CONDITIONS

**Automobile Clause**

- This insurance attaches from the moment the vehicle is delivered to the steamship company or freight forwarder and covers continuously until delivered by the steamship company or freight forwarder to the owner or his representative; or on expiry of 72 hours after landing of the vehicle on the dock at the final destination, or on destuffing of the container whichever comes first.

Excluding wear and tear.

- Against all loss or damage as per Institute Cargo Clauses (A) subject to a pre-shipment survey or excluding claims for scratching, denting, marring, chipping, rust, oxidation and discolourization, subject to a deductible of \$300 or \$150 each and every claim as declared prior to shipment.
- For no reason will the Assurer(s) be liable for any loss or damage that occurs to the vehicle whilst under its own power.
- Excluding loss and/or damage arising from freezing of water in the radiator and/or cooling system.

**Household Goods and Personal Effects**

- To be insured under this policy subject to the Institute Cargo Clauses (A), the goods must be professionally packed by an independent third party. If this is not the case the Institute Cargo Clauses (C) shall apply.
- It is warranted that all certificates or declarations for insurance of household goods and/or personal effects must be accompanied by a valued inventory.
- Each claim will be subject to a deductible of \$300 or \$150 each and every claim as declared prior to shipment.

**51. ON DECK CARGO:**

Shipments on deck under an On Deck Bill of Lading (unless containers and/or otherwise specified herein) are insured: Warranted free from particular average in accordance with current Institute Cargo Clause (C) 1/1/82 including the risks of jettison and loss overboard irrespective of percentage.

**52. CLASSIFICATION CLAUSE:**

Per regular line iron or steel steamers or motor vessel not less than 1,000 tons net register operating in their regular trade. Per other iron or steel steamers or motor vessels not over 20 years of age nor less than 1,000 tons net register, and classed A-1 American Record or 100 A-1 Lloyd’s register or equivalent, but excluding, however:

- 1. Vessels built solely for service on the Great Lakes; and
- 2. Vessels built for military or naval service.

Insured shipments carried on vessels which are in conflict with the above are automatically held covered at additional premium to be agreed.

**RATE SCHEDULE**

**FROM/TO:**

**PER \$100.00 VALUE**

As Per CargoCover Program Calculations, and as may be modified, adjusted or amended at the discretion of the Underwriters in conjunction with Marsh Canada Limited.

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**WAR RISKS**

**WAR RISKS:**

Institute War Clauses, as applicable to Insuring Clauses.

**WAR CANCELLATION CLAUSE:**

The inclusion in this Contract of Insurance against War Risks (as defined in Clause No. 1 of the Institute War Clauses) may be cancelled by either the Underwriters or the Insured giving seven days’ notice.

Such cancellation shall become effective on the expiry of seven days from Midnight of the day on which notice of cancellation is issued by or to Insurers, but shall not apply to:

- (a) Any insurance against the said risks which shall have attached in accordance with the conditions of the Institute War Clauses before the cancellation becomes effective.
- (b) Any declaration of goods for shipment by a named vessel or of specified goods to be shipped by a vessel to be named later accepted by Insurers before the time at which the cancellation becomes effective, such goods not having been loaded on board the overseas vessel before that time, provided the goods be loaded on board the overseas vessel and the vessel sails within 15 days from Midnight of the day on

which the cancellation becomes effective, but if the insurance shall have attached and the vessel does not sail within the said 15 days the insurance shall end on the expiry of that period notwithstanding anything to the contrary contained in the provisions of this contract of insurance.

Nothing in this Clause shall operate to cause a declaration to attach to this contract if such declaration would be excluded owing to the vessel not having sailed within the period stated in the contract.

### **STRIKES, ETC., RISKS**

#### **STRIKES, RIOTS, CIVIL COMMOTIONS, ETC.**

Institute Strikes, Riots and Civil Commotions Clauses, as applicable to insuring clauses.

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### **IMPORTANT CLAIMS NOTICE**

Examine your cargo promptly after delivery from carrier.

When cargo is received from the carrier in short or damaged condition at destination, it is necessary for you to take the following action:

1. Immediately file general notice of claim against the carriers by either endorsing the delivery receipt or by letter.
2. As soon as a complete examination of the goods has been made, notify the carriers in writing of the actual items lost or damaged, specifying values, etc.

Filing claim against the carrier will protect what rights you may have under the Bill of Lading and will not affect your rights under your insurance policy.

#### **SUGGESTIONS TO FACILITATE HANDLING OF CLAIMS AGAINST INSURERS.**

##### 1. Claims for Loss or Damage:

(a) Notify the Insurer or nearest agent at once, or if there be no agent of the Insurer in the vicinity, the Institute of London Underwriters' Agent or Lloyd's Agent, and supply the following documents:

- (I) Statement of Claims in detail.
- (ii) Original Bill of Lading if available, otherwise a copy.
- (iii) Original commercial invoice, or certified copy thereof, if original not available.
- (iv) Paid expense bills.
- (v) Full set of insurance policies or certificates if issued.
- (vi) Copy of claim against carrier and copy of their reply.

##### 2. Claim for General Average:

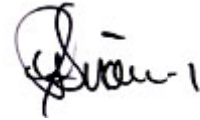
(a) Before signing any average bond or agreement communicate with the Insurer or its nearest agent, or if there be no agent of the Insurer in the vicinity, the Institute of London Underwriters' Agents or Lloyd's Agent.

(b) Do not make any cash deposit, but call upon the Insurer to furnish the usual guarantee. However, if the Insurer has no representative at point of delivery it may save time to pay a cash deposit and apply promptly to the Insurer for refund.

(c) Supply certified copies of commercial invoices in duplicate.

In witness whereof, this Insurer has executed and attested these presents, but this Policy shall not be valid until countersigned by a duly authorized representative of the Insurer.

*Signed On Behalf Of The Company*



*President, Eastern Marine Underwriters*

**TERMINATION OF TRANSIT CLAUSE (terrorism)**

To be attached to and form a part of Policy Number 110550

**COMPANY :** ...Maritime Insurance Company

**EFFECTIVE DATE :** January 1st, 2002

It is understood and agreed that this Termination of Transit Clause shall be paramount and absolute, overriding any clause or clauses, or any other provisions stamped or endorsed to this open cargo policy.

1. Notwithstanding any provisions to the contrary contained in this policy, its endorsements, or the clauses referred to therein, it is understood and agreed that in so far as this policy covers loss of or damage to the subject matter insured directly caused by the act or acts of one or more persons, whether or not agents of a sovereign power, carried out for political, terroristic or ideological purposes and whether any loss, damage or expense resulting therefrom is accidental or intentional, such cover is conditional upon the subject matter insured being in the ordinary course of transit and, in any event, shall terminate:

1.1 As per the transit clauses within or any other provisions stamped on or endorsed to this open cargo policy.

Or

1.2 on delivery to the Consignees or other final warehouse or place of storage at the destination named herein;

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

Or

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

1.5in respect of overland transits, not considered to be transshipments as part of 1.4, on the expiry of 60 days after commencement of the overland conveyance,

1.6in respect of air transits, on the expiry of 30 days after unloading the subject matter from the aircraft at the place of discharge,

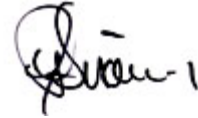
whichever shall first occur.

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

3.This clause is subject to Canadian law and practice.

ALL OTHER TERMS AND CONDITIONS REMAINING UNCHANGED.

*Signed On Behalf Of TheCompany*



*President, Eastern Marine Underwriters*

### **INLAND TRANSIT ENDORSEMENT**

It is hereby understood and agreed that effective March 1st, 1999, the above policy has been extended to include inland shipments as follows:

This insurance covers against all risks of physical loss or damage arising from any external cause, except as hereinafter provided, while the insured property is in the custody of:

- a. any railroad or railroad express company (including the risk while on ferries and/or in cars on transfers or lighters);
- b. public truckmen, transfer and/or other transportation companies;
- c. registered mail and/or airmail and/or parcel post and/or air parcel post.

This insurance also covers while on docks, wharves, piers, bulkheads, in stations and/or on platform, but only while in the custody of common carrier incidental to transportation described above.

This insurance attaches from the time the goods leave the factory, store or warehouse at initial point of shipment, and covers thereafter continuously in normal course of transportation, until same are delivered at store or warehouse at

destination.

This insurance does not cover

(a) Against loss and/or damage caused by strikers, locked-out workmen, or persons taking part in labour disturbances, or arising from riot, civil commotion, capture, seizure, or detention, or from any attempt thereat or the consequences therefrom, or loss or damage arising from war, invasion, hostilities, rebellion, insurrection, seizure or destruction under quarantine or customs regulations, confiscation by order of any government or public authority, or risks of contraband or illegal transportation and/or trade.

(b) Against loss or damage caused by the neglect of the insured to use all reasonable means to save and preserve the property at and after any disaster insured against.

(c) Shipments that have been either refused or are returned by the receiver thereof;

(d) Export or import shipments unless specifically stated herein;

(e) Risks by mail unless specifically stated herein;

(f) Loss arising from delay or loss or market.

(g) Loss or damage caused by vermin or insects, inherent vice, gradual deterioration, or wear and tear.

(h) Loss or damage resulting from nuclear reaction or nuclear radiation or radioactive contamination, all whether controlled or uncontrolled, and whether such loss be direct or indirect, proximate or remote, or be in whole or in part caused by contribution to, or aggravated by the peril(s) insured against in this policy.

(i) Infidelity of the Insured's employees.

If the total value at risk exceeds the limit(s) of liability provided by this Policy, the Insured shall nevertheless report the full amount at risk to these Assurers and shall pay full premium thereon. Acceptance of such reports and premium shall not alter or increase the limit(s) of liability of these Insurers but these Insurers shall be liable for the full amount of covered loss up to but not exceeding the applicable limit(s) of liability.

### **RATE SCHEDULE**

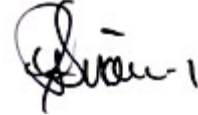
#### **FROM/TO: PER \$100.00 VALUE**

As per CargoCover program calculations, and as may be modified, adjusted or amended at the discretion of the Underwriters in conjunction with Marsh Canada Limited

**ALL OTHER TERMS AND CONDITIONS REMAINING UNCHANGED**

Dated Toronto, Ontario on March 1st, 1999

**EASTERN MARINE UNDERWRITERS**



AUTHORIZED REPRESENTATIVE

**INSTITUTE CARGO CLAUSES (A)**

**RISKS COVERED**

**1** This insurance covers all risks of loss of or damage to the subject-matter insured except as provided in Clauses 4, 5, 6 and 7 below.

**Risks Clause**

**2** This insurance covers general average and salvage charges, adjusted or determined according to the contract of affreightment 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 or elsewhere in Clause

**General Averages Clause**

**3** This insurance is extended to indemnify the Assured against such proportion of Liability under the contract of affreightment "Both to Blame Collision" Clause as is in respect of a loss recoverable hereunder. In the event of any claim by shipowners under the said Clause the Assured agree to notify the Underwriters who shall have the right, at their own cost and expense, to defend the Assured against such claim.

**"Both to Blame Collision" Clause**

**EXCLUSIONS**

**4** In no case shall this insurance cover

- 4.1 loss damage or expense attributable to wilful misconduct of the Assured Exclusions
- 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 (for the purpose of this Clause 4.3 "packing" shall be deemed to include stowage in a container or liftvan but only when such stowage is carried

**General Exclusions Clause**

out prior to attachment of this insurance or by the Assured or their servants)

4.4 loss damage or expense caused by inherent vice or nature of the subject-matter insured

4.5 loss damage or expense proximately 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 arising from insolvency or financial default of the owners managers charterers or operators of the vessel.

4.7 loss damage or expense arising from the use of any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.

## **5**

5.1 In no case shall this insurance cover loss damage or expense arising from unseaworthiness of vessel or craft, unfitness of vessel craft conveyance container or liftvan for the safe carriage of the subject-matter insured, where the Assured or their servants are privy to such unseaworthiness or unfitness, at the time the subject-matter insured is loaded therein.

### **Unseaworthiness and Unfitness Exclusion Clause**

5.2 The Underwriters 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, unless the Assured or their servants are privy to such unseaworthiness or unfitness.

**6** In no case shall this insurance cover loss damage or expense caused by

6.1 war civil war revolution rebellion insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power.

### **War Exclusion Clause**

6.2 capture seizure arrest restraint or detainment (piracy excepted), and the consequences thereof or any attempt thereat

6.3 derelict mines torpedoes bombs or other derelict weapons of war.

**7** In no case shall this insurance cover loss damage or expense

7.1 caused by strikers, locked-out workmen, or persons taking part in labour disturbances, riots or civil commotions

### **Strikes Exclusion Clause**

7.2 resulting from strikes, locked-out labour disturbances, riots or civil commotions

7.3 caused by any terrorist or any person acting from a

political motive.

## **DURATION**

### **8**

8.1 This insurance attaches from the time the goods leave the warehouse or place of storage at the place named herein for the commencement of the transit, continues during the ordinary course of transit and terminates either

8.1.1 on delivery to the Consignees' or other final warehouse or place of storage at the destination named herein.

8.1.2 on delivery to any other warehouse or place of storage, whether prior to or at the destination named herein,

8.1.2.1 for storage other than in the ordinary course of transit

or

8.1.2.2 for allocation or distribution

or

8.1.3 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, whichever shall first occur.

8.2 If, after, discharge overseas from the overseas vessel at the final port of discharge, but prior to termination of this insurance, the goods are to be forwarded to a destination other than that to which they are insured hereunder, this insurance, whilst remaining subject to termination as provided for above, shall not extend beyond the commencement of transit to such other destination.

8.3 This insurance shall remain in force (subject to termination as provided for 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 shipowners or charterers under the contract of affreightment.

### **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 delivery of the goods as provided for in Clause 8 above, then this insurance shall also terminate *unless prompt notice is given to the Underwriters and continuation of cover is*

## **Transit Clause**

## **Termination of Contract of Carriage Goods Clause**

*requested when the insurance shall remain in force, subject to an additional premium if required by the Underwriters, either.*

**9.1** until the goods are sold and delivered at such port or place, or, unless otherwise specially agreed, until the expiry of 60 days after arrival of the goods hereby insured at such port or place, whichever shall first occur, or

**9.2** if the goods are forwarded within the said period of 60 days (or any agreed extension thereof) to the destination named herein or to any other destination, until terminated in accordance with the provisions of Clause 8 above.

**10** Where, after attachment of this insurance, the destination is changed by the Assured, *held covered at a premium and on conditions to be arranged subject to prompt notice being given to the Underwriters.*

**Change of Voyage Clause**

**CLAIMS**

**11**

11.1 In order to recover under this insurance the Assured must have an insurable interest in the subject-matter insured at the time of the loss.

11.2 Subject to 11.1 above, the Assured shall be entitled to recover for insured loss occurring during the period covered by this insurance, notwithstanding that the loss occurred before the contract of insurance was concluded, unless the Assured were aware of the loss and the Underwriters were not.

**Insurable Interest Clause**

**12** Where, as a result of the operation of a risk covered by this insurance, the insured transit is terminated at a place other than that to which the subject-matter is covered under this insurance, the Underwriters will reimburse the Assured 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. 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 servants.

**Forwarding Charges Clause**

**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

**Constructive Total Loss Clause**

loss appearing to be unavoidable or because the cost of recovering, reconditioning and forwarding the subject-matter to the destination to which it is insured would exceed its value on arrival.

## **14**

14.1 If any Increased Value insurance is effected by the Assured on the cargo insured herein the agreed value of the cargo shall be deemed to be increased to the total amount insured under this insurance and all Increased Value insurances covering the loss, and liability under this insurance shall be in such proportion as the sum insured herein bears to such total amount insured.

In the event of claim the Assured shall provide the Underwriters with evidence of the amounts insured under all other insurances.

**14.2 Where this insurance is on Increased Value the following clause shall apply:**

- The agreed value of the cargo 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 cargo by the Assured, and liability under this insurance shall be in such proportion as the sum insured herein bears to such total amount insured.
- In the event of claim the Assured shall provide the Underwriters with evidence of the amounts insured under all other insurances.

### **Increased Value Clause**

## **BENEFIT OF INSURANCE**

**15** This insurance shall not inure to the benefit of the carrier or other bailee.

### **Not to Insure Clause**

## **MINIMISING LOSSES**

**16** It is the duty of the Assured and their servants 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 Underwriters will, in addition to any loss recoverable hereunder, reimburse the Assured for any

### **Duty of Assured Clause**

charges properly and reasonably incurred in pursuance of these duties.

**17** Measures taken by the Assured or the Underwriters 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.

**Waiver Clause**

**AVOIDANCE OF DELAY**

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

**Reasonable Despatch Clause**

**LAW AND PRACTICE**

**19** This insurance is subject to English law and practice.

**English Law and Practice Clause**

NOTE:- *It is necessary for the Assured when they become aware of an event which is "held covered" under this insurance to give prompt notice to the Underwriters and the right to such cover is dependent upon compliance with this obligation.*

**INSTITUTE CARGO CLAUSES (C)**

**RISKS COVERED**

**1** This insurance covers except as provided in Clauses 4, 5, 6 and 7 below, Risks

1.1 loss of or damage to the subject-matter insured attributable to Clause

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

**2** This insurance covers general average and salvage charges, adjusted or determined according to the contract of affreightment 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 or elsewhere in this insurance.

**General Average  
Clause**

**3** This insurance is extended to indemnify the Assured against such proportion of Liability under the contract of affreightment "Both to Blame Collision" Clause as is in respect of a loss recoverable hereunder. In the event of any claim by shipowners under the said Clause the Assured agree to notify the Underwriters who shall have the right, at their own cost and expense, to defend the Assured against such claim.

**"Both to Blame  
Collision" Clause**

**EXCLUSIONS**

**4** In no case shall this insurance cover

4.1 loss damage or expense attributable to wilful misconduct of the Assured Clause

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 (for the purpose of this Clause 4.3 "packing" shall be deemed to include stowage in a container or liftvan but only when such stowage is carried out prior to attachment of this insurance or by the Assured or their servants)

**General Exclusions  
Clause**

4.4 loss damage or expense caused by inherent vice or nature of the subject-matter insured

4.5 loss damage or expense proximately 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 arising from insolvency or financial default of the owners managers charterers or operators of the vessel.

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 arising from the use of any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.

**5**

**Unseaworthiness and  
Unfitness Exclusion  
Clause**

5.1 In no case shall this insurance cover loss damage or

expense arising from unseaworthiness of vessel or craft, unfitness of vessel craft conveyance container or liftvan for the safe carriage of the subject-matter insured, where the Assured or their servants are privy to such unseaworthiness or unfitness, at the time the subject-matter insured is loaded therein.

5.2 The Underwriters 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, unless the Assured or their servants are privy to such unseaworthiness or unfitness.

**6** In no case shall this insurance cover loss damage or expense caused by

6.1 war civil war revolution rebellion insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power.

6.2 capture seizure arrest restraint or detainment (piracy excepted), and the consequences thereof or any attempt thereat

6.3 derelict mines torpedoes bombs or other derelict weapons of war.

#### **War Exclusion Clause**

**7** In no case shall this insurance cover loss damage or expense

7.1 caused by strikers, locked-out workmen, or persons taking part in labour disturbances, riots or civil commotions

7.2 resulting from strikes, locked-out labour disturbances, riots or civil commotions

7.3 caused by any terrorist or any person acting from a political motive.

#### **Strikes Exclusion Clause**

### **DURATION**

#### **8**

8.1 This insurance attaches from the time the goods leave the warehouse or place of storage at the place named herein for the commencement of the transit, continues during the ordinary course of transit and terminates either

#### **Transit Clause**

8.1.1 on delivery to the Consignees' or other final warehouse or place of storage at the destination named herein.

8.1.2 on delivery to any other warehouse or place of storage, whether prior to or at the destination named

herein,

8.1.2.1 for storage other than in the ordinary course of transit or

8.1.2.2 for allocation or distribution

or

8.1.3 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, whichever shall first occur.

8.2 If, after, discharge overseas from the overseas vessel at the final port of discharge, but prior to termination of this insurance, the goods are to be forwarded to a destination other than that to which they are insured hereunder, this insurance, whilst remaining subject to termination as provided for above, shall not extend beyond the commencement of transit to such other destination.

8.3 This insurance shall remain in force (subject to termination as provided for 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 shipowners or charterers under the contract of affreightment.

**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 delivery of the goods as provided for in Clause 8 above, then this insurance shall also terminate *unless prompt notice is given to the Underwriters and continuation of cover is requested when the insurance shall remain in force, subject to an additional premium if required by the Underwriters*, either

9.1 until the goods are sold and delivered at such port or place, or, unless otherwise specially agreed, until the expiry of 60 days after arrival of the goods hereby insured at such port or place, whichever shall first occur, or

9.2 if the goods are forwarded within the said period of 60 days (or any agreed extension thereof) to the destination named herein or to any other destination, until terminated in accordance with the provisions of Clause 8 above.

**10** Where, after attachment of this insurance, the destination is changed by the Assured, *held covered at a*

**Termination of  
Contract of Carriage  
Clause**

**Change of Voyage  
Clause**

*premium and on conditions to be arranged subject to prompt notice being given to the Underwriters.*

## **CLAIMS**

### **11**

11.1 In order to recover under this insurance the Assured must have an insurable interest in the subject-matter insured at the time of the loss.

#### **Insurable Interest Clause**

11.2 Subject to 11.1 above, the Assured shall be entitled to recover for insured loss occurring during the period covered by this insurance, notwithstanding that the loss occurred before the contract of insurance was concluded, unless the Assured were aware of the loss and the Underwriters were not.

**12** Where, as a result of the operation of a risk covered by this insurance, the insured transit is terminated at a place other than that to which the subject-matter is covered under this insurance, the Underwriters will reimburse the Assured 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. 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 servants.

#### **Forwarding Charges Clause**

**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 to the destination to which it is insured would exceed its value on arrival.

#### **Constructive Total Loss Clause**

### **14**

14.1 If any Increased Value insurance is effected by the Assured on the cargo insured herein the agreed value of the cargo shall be deemed to be increased to the total amount insured under this insurance and all Increased Value insurances covering the loss, and liability under this insurance shall be in such proportion as the sum insured herein bears to such total amount insured.

#### **Increased Value Clause**

In the event of claim the Assured shall provide the Underwriters with evidence of the amounts insured under

all other insurances.

**14.2 Where this insurance is on Increased Value the following clause shall apply:**

- The agreed value of the cargo 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 cargo by the Assured, and liability under this insurance shall be in such proportion as the sum insured herein bears to such total amount insured.
- In the event of claim the Assured shall provide the Underwriters with evidence of the amounts insured under all other insurances.

**BENEFIT OF INSURANCE**

**15** This insurance shall not inure to the benefit of the carrier or other bailee.

**Not to Insure Clause**

**MINIMISING LOSSES**

**16** It is the duty of the Assured and their servants 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 Underwriters will, in addition to any loss recoverable hereunder, reimburse the Assured for any charges properly and reasonably incurred in pursuance of these duties.

**Duty of Assured Clause**

**17** Measures taken by the Assured or the Underwriters 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.

**Waiver Clause**

**AVOIDANCE OF DELAY**

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

**Reasonable Despatch Clause**

## LAW AND PRACTICE

This insurance is subject to English law and practice.

**English Law and  
Practice Clause**

## **INSTITUTE CARGO CLAUSES (AIR) (excluding sendings by Post)**

### RISKS COVERED

**1** This insurance covers all risks of loss of or damage to the subject-matter insured except as provided in Clauses 2,3 and 4 below

**Risks Clause**

### EXCLUSIONS

**2** In no case shall this insurance cover

2.1 loss damage or expense attributable to wilful misconduct of the Assured

2.2 ordinary leakage, ordinary loss in weight or volume, or ordinary wear and tear of the subject-matter insured

2.3 loss damage or expense caused by insufficiency or unsuitability of packing or preparation of the subject-matter insured (for the purpose of this Clause 2.3 "packing" shall be deemed to include stowage in a container or liftvan but only when such stowage is carried out prior to attachment of this insurance or by the Assured or their servants)

2.4 loss damage or expense caused by inherent vice or nature of the subject-matter insured

2.5 loss damage or expense arising from unfitness of aircraft conveyance container or liftvan for the safe carriage of the subject-matter insured, where the Assured or their servants are privy to such unfitness at the time the subject-matter insured is loaded therein.

2.6 loss damage or expense proximately caused by delay, even though the delay be caused by a risk insured against

2.7 loss damage or expense arising from insolvency or financial default of the owners managers charterers or operators of the aircraft.

2.8 loss damage or expense arising from the use of any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter

**General Exclusions  
Clause**

**3** In no case shall this insurance cover loss damage or expense caused by

**War Exclusion Clause**

3.1 war civil war revolution rebellion insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power

3.2 capture seizure arrest restraint or detainment (piracy excepted), and the consequences thereof or any attempt thereat

3.3 derelict mines torpedoes bombs or other derelict weapons of war.

**4** In no case shall this insurance cover loss damage or expense

4.1 caused by strikers, locked-out workmen, or persons taking part in labour disturbances, riots or civil commotions

4.2 resulting from strikes, lock-outs, labour disturbances, riots or civil commotions

4.3 caused by any terrorist or any person acting from a political motive.

### **Strikes Exclusion Clause**

## **DURATION**

### **5**

5.1 This insurance attaches from the time the subject-matter insured leaves the warehouse, premises or place of storage at the place named herein for the commencement of the transit, continues during the ordinary course of transit and terminates either

5.1.1 on delivery to the Consignees' or other final warehouse, premises or place of storage at the destination named herein,

5.1.2 on delivery to any other warehouse, premises or place of storage, whether prior to or at the destination named herein, which the Assured elect to use either

### **Transit Clause**

5.1.2.1 for storage other than in the ordinary course of transit or

5.1.2.2 for allocation or distribution, or

5.1.3 on expiry of 30 days after unloading the subject-matter insured from the aircraft at the final place of discharge, whichever shall first occur;

5.2 If, after unloading from the aircraft at the final place of discharge, but prior to termination of this insurance, the subject-matter insured is forwarded to a destination other than that to which they are insured hereunder, this insurance, whilst remaining subject to termination as provided for above, shall not extend beyond the

commencement of transit to such other destination.

5.3 This insurance shall remain in force (subject to termination as provided for above and to the provisions of Cause 6 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.

**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 delivery of the subject-matter insured as provided for in Clause 5 above, then this insurance shall also terminate *unless prompt notice is given to the Underwriters and continuation of cover is requested when the insurance shall remain in force, subject to an additional premium if required by the Underwriters*, either

**Termination of  
Contract of Carriage  
Clause**

6.1 until the subject-matter is sold and delivered at such place, or, unless otherwise specially agreed, until the expiry of 30 days after arrival of the subject-matter hereby insured at such place, whichever shall first occur, or  
6.2 if the subject-matter is forwarded within the said period of 30 days (or any agreed extension thereof) to the destination named herein or to any other destination, until terminated in accordance with the provisions of Clause 5 above.

**7** Where, after attachment of this insurance, the destination is changed by the Assured, *held covered at a premium and on conditions to be arranged subject to prompt notice being given to the Underwriters.*

**Transit Clause**

**CLAIMS**

**8**

8.1 In order to recover under this insurance the Assured must have an insurable interest in the subject-matter insured at the time of the loss

8.2 Subject to 8.1 above, the Assured shall be entitled to recover for insured loss occurring during the period covered by this insurance, notwithstanding that the loss occurred before the contract of insurance was concluded, unless the Assured were aware of the loss and the Underwriters were not.

**Insurable Interest  
Clause**

**9** Where, as a result of the operation of a risk covered by this insurance, the insured transit is terminated at a place other than that to which the subject-matter is covered under this insurance, the Underwriters will reimburse the Assured 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. This Clause 9, which does not apply to general average or salvage charges, shall be subject to the exclusions contained in Clauses 2,3 and 4 above, and shall not include charges arising from the fault negligence insolvency or financial default of the Assured or their servants.

**Forwarding Charges Clause**

**10** 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 to the destination to which it is insured would exceed its value on arrival.

**Constructive Total Loss Clause**

**11**

11.1 If any Increased Value insurance is effected by the Assured on the cargo insured herein the agreed value of the cargo shall be deemed to be increased to the total amount insured under this insurance and all Increased Value insurances covering the loss, and liability under this insurance shall be in such proportion as the sum insured herein bears to such total amount insured. In the event of claim the Assured shall provide the Underwriters with evidence of the amounts insured under all other insurances.

**11.2 Where this insurance is on Increased Value the following clause shall apply:**

**Increased Value Clause**

- The agreed value of the cargo 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 cargo by the Assured, and liability under this insurance shall be in such proportion as the sum insured herein bears to such total amount insured.
- In the event of claim the Assured shall provide the Underwriters with evidence of the amounts insured under all other insurances.

## **BENEFIT OF INSURANCE**

**12** This insurance shall not inure to the benefit of the carrier or other bailee.

**Not to Inure Clause**

## **MINIMISING LOSSES**

**13** It is the duty of the Assured and their servants and agents in respect of loss recoverable hereunder

13.1 to take such measures as may be reasonable for the purpose of averting or minimising such loss, and  
13.2 to ensure that all rights against carriers, bailees or other third parties are properly preserved and exercised and the Underwriters will, in addition to any loss recoverable hereunder, reimburse the Assured for any charges properly and reasonably incurred in pursuance of these duties.

**Duty of Assured Clause**

**14** Measures taken by the Assured or the Underwriters 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.

**Waiver Clause**

## **AVOIDANCE OF DELAY**

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

**Reasonable Despatch Clause**

## **LAW AND PRACTICE**

**16** This insurance is subject to English law and practice.

**English Law and Practice Clause**

*NOTE:- It is necessary for the Assured when they become aware of an event which is "held covered" under this insurance to give prompt notice to the Underwriters and the right to such cover is dependent upon compliance with this obligation.*

## **INSTITUTE WAR CLAUSES (CARGO)**

## **RISKS COVERED**

**1** This insurance covers, except as provided in Clauses 3

**Risks Clause**

and 4 below, loss of or damage to the subject-matter insured caused by

1.1 war civil war revolution rebellion insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power

1.2 capture seizure arrest restraint or detainment, arising from risks covered under 1.1 above, and the consequences thereof or any attempt thereat

1.3 derelict mines torpedoes bombs or other derelict weapons of war.

**2** This insurance covers general average and salvage charges, adjusted or determined according to the contract of affrieghtment 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.

**General Average  
Clause**

**EXCLUSIONS**

**3** In no case shall this insurance cover

3.1 loss damage or expense attributable to wilful misconduct of the Assured

3.2 ordinary leakage, ordinary loss in weight or volume, or ordinary wear and tear of the subject-matter insured

3.3 loss damage or expense caused by insufficiency or unsuitability of packing or preparation of the subject-matter insured (for the purpose of this Clause 3.3 "packing" shall be deemed to include stowage in a container or liftvan but only when such stowage is carried out prior to attachment of this insurance or by the Assured or their servants)

3.4 loss damage or expense caused by inherent vice or nature of the subject-matter insured

3.5 loss damage or expense proximately 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 arising from insolvency or financial default of the owners managers charterers or operators of the vessel

3.7 any claim based upon loss of or frustration of the voyage or adventure

3.8 loss damage or expense arising from the use of any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter

**General Exclusions  
Clause**

**4**

4.1 In no case shall this insurance cover loss damage or

**Unseaworthiness and  
Unfitness Exclusion  
Clause**

expense arising from unseaworthiness of vessel or craft, unfitness of vessel craft conveyance container or liftvan for the safe carriage of the subject-matter insured, where the Assured or their servants are privy to such unseaworthiness or unfitness, at the time the subject-matter insured is loaded therein.

4.2 The Underwriters 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, unless the Assured or their servants are privy to such unseaworthiness or unfitness.

## **DURATION**

### **5**

#### 5.1 This insurance

5.1.1 attaches only as the subject-matter insured and as to any part as that part is loaded on an oversea vessel and

5.1.2 terminates, subject to 5.2 and 5.3 below, either as the subject-matter insured and as to any part as that part is discharged from an oversea vessel at the final port or place of discharge, or on expiry of 15 days counting from midnight of the day of arrival of the vessel at the final port or place of discharge, whichever shall first occur; nevertheless, *subject to prompt notice to the Underwriters 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 goods are discharged from the vessel at a port or place of refuge, then, subject to 5.3 below and to an additional premium if required, this insurance continues until the expiry of 15 days counting from midnight of the day of arrival of the vessel at such port or place, but thereafter reattaches as the subject-matter insured and as

## **Change of Voyage Clause**

to any part as that part is loaded on an on-carrying  
oversea vessel or aircraft. During the period of 15 days the  
insurance remains in force after discharge only whilst the  
subject-matter insured and as to any part as that part is at  
such port or place. If the goods are on-carried within the  
said period of 15 days or if the insurance reattaches as  
provided in this Clause 5.2

5.2.1 where the on-carriage is by oversea vessel this  
insurance continues subject to the terms of these clauses,  
or

5.2.2 where the on-carriage is by aircraft, the current  
Institute War Clauses (Air Cargo) excluding sendings by  
Post) shall be deemed to form part of this 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 such insurance terminates in accordance  
with 5.1.2. If the subject-matter insured is subsequently  
reshipped to the original or any other destination, then  
*provided notice is given to the Underwriters before the  
commencement of such further transit and subject to an  
additional premium*, such insurance reattaches

5.3.1 in the case of the subject-matter insured having  
been discharged, as the subject-matter insured and as to  
any part as that part is loaded on the on-carrying vessel  
for the voyage;

5.3.2 in the case of the subject-matter not having been  
discharged, when the vessel sails from such deemed final  
port of discharge; thereafter such insurance terminates in  
accordance with 5.1.4.

5.4 The insurance against the risks of mines and derelict  
torpedoes, floating or submerged, is extended whilst the  
subject-matter insured or any part thereof is on craft  
whilst in transit to or from the oversea vessel, but in no  
case beyond the expiry of 60 days after discharge from the  
oversea vessel unless otherwise specially agreed by the  
Underwriters.

5.5 *Subject to prompt notice to Underwriters, and to an  
additional premium if required*, this insurance shall remain  
in force within the provisions of these Clauses during any  
deviation, or any variation of the adventure arising from  
the exercise of a liberty granted to shipowners or  
charterers under the contract of affreightment.

(For the purpose of Clause 5, "arrival" shall be deemed to  
mean that the vessel is anchored, moored or otherwise

secured at a berth or place within the Harbour Authority area. If such a berth or place is not available, arrival is deemed to have occurred when the vessel first anchors, moors or otherwise secures either at or off the intended port or place of discharge. "oversea vessel" shall be deemed to mean a vessel carrying the subject-matter from one port or place to another where such voyage involves a sea passage by that vessel)

**6** Where, after attachment of this insurance, the destination is changed by the Assured, *held covered at a premium and on conditions to be arranged subject to prompt notice being given to the Underwriters.*

**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**

### **8**

8.1 In order to recover under this insurance the Assured must have an insurable interest in the subject-matter insured at the time of the loss.

#### **Insurable Interest Clause**

8.2 Subject to 8.1 above, the Assured shall be entitled to recover for insured loss occurring during the period covered by this insurance, notwithstanding that the loss occurred before the contract of insurance was concluded, unless the Assured were aware of the loss and the Clause underwriters were not.

### **9**

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

#### **Increased Value Clause**

In the event of claim the Assured shall provide the Underwriters with evidence of the amounts insured under all other insurances.

**9.2 Where this insurance is on Increased Value the following clause shall apply:**

- The agreed value of the cargo 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 cargo by the Assured, and liability under this insurance shall be in such proportion as the sum insured herein bears to such total amount insured.

- In the event of claim the Assured shall provide the Underwriters with evidence of the amounts insured under all other insurances.

### **BENEFIT OF INSURANCE**

**10** This insurance shall not inure to the benefit of the carrier or other bailee.

### **Not to Inure Clause**

### **MINIMISING LOSSES**

**11** It is the duty of the Assured and their servants 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 Underwriters will, in addition to any loss recoverable hereunder, reimburse the Assured for any charges properly and reasonably incurred in pursuance of these duties.

### **Duty of Assured Clause**

**12** Measures taken by the Assured or the Underwriters 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.

### **Waiver Clause**

### **AVOIDANCE OF DELAY**

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

### **Reasonable Despatch Clause**

### **LAW AND PRACTICE**

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

### **English Law and Practice Clause**

NOTE:- *It is necessary for the Assured when they become aware of an event which is "held covered" under this insurance to give prompt notice to the Underwriters and the right to such cover is dependent upon compliance with this obligation.*

**INSTITUTE WAR CLAUSES (AIR CARGO)  
(excluding sendings by Post)**

**RISKS COVERED**

**1** This insurance covers, except as provided in Clause 2 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.

**Risks Clause**

**EXCLUSIONS**

**2** In no case shall this insurance cover

2.1 loss damage or expense attributable to wilful misconduct of the Assured

2.2 ordinary leakage, ordinary loss in weight or volume, or ordinary wear and tear of the subject-matter insured

2.3 loss damage or expense caused by insufficiency or unsuitability of packing or preparation of the subject-matter insured (for the purpose of this Clause 2.3 "packing" shall be deemed to include stowage in a container or liftvan but only when such stowage is carried out prior to attachment of this insurance or by the Assured or their servants)

2.4 loss damage or expense caused by inherent vice or nature of the subject-matter insured

2.5 loss damage or expense arising from unfitness of aircraft conveyance container or liftvan for the safe carriage of the subject-matter insured, where the Assured or their servants are privy to such unfitness at the time the subject-matter insured is loaded therein

2.6 loss damage or expense proximately caused by delay, even though the delay be caused by a risk insured against

2.7 loss damage or expense arising from insolvency or financial default of the owners managers charterers or

**General Exclusions  
Clause**

operators of the aircraft

2.8 any claim based upon loss of or frustration of the voyage or adventure

2.9 loss damage or expense arising from the use of any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter

## **DURATION**

### **3**

3.1 This insurance

3.1.1 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

3.1.2 terminates, subject to 3.2 and 3.3 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 Underwriters and to an additional premium*, such insurance

3.1.3 reattaches when, without having discharged the subject-matter insured at the final place of discharge, the aircraft departs therefrom.

and

3.1.4 terminates, subject to 3.2 and 3.3 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.

3.2 If during the insured transit the aircraft arrives at an intermediate place to discharge the subject-matter insured for on-carriage by aircraft or by oversea vessel, then, subject to 3.3 below and to an additional premium if required, this insurance continues until the expiry of 15 days counting from midnight of the day of arrival of the aircraft at such place, but thereafter reattaches as the subject-matter insured and as to any part as that part is loaded on an on-carrying aircraft or oversea vessel. During the period of 15 days the insurance remains in force after discharge only whilst the subject-matter insured and as to

## **Transit Clause**

any part as that part is at such intermediate place. If the goods are on-carried within the said period of 15 days or if the insurance reattaches as provided in this Clause 3.2

3.2.1 where the on-carriage is by aircraft this insurance continues subject to the terms of these clauses,  
or

3.2.2 where the on-carriage is by oversea vessel, the current Institute War Clauses (Cargo) shall be deemed to form part of this insurance and shall apply to the on-carriage by sea.

3.3 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 the final place of discharge and such insurance terminates in accordance with 3.1.2. If the subject-matter insured is subsequently consigned to the original or any other destination, then *provided notice is given to the Underwriters before the commencement of such further transit and subject to an additional premium*, such insurance reattaches

3.3.1 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;

3.3.2 in the case of the subject-matter insured not having been discharged, when the aircraft departs from such deemed final place of discharge; thereafter such insurance terminates in accordance with 3.1.4.

3.4 *Subject to prompt notice to Underwriters, and to an additional premium if required*, this insurance shall remain in force within the provisions of these Clauses during any deviation, or any variation of the adventure arising from the exercise of a liberty granted to the air carrier under the contract of carriage. (For the purpose of Clause 3 "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)

**4** Where, after attachment of this insurance, the destination is changed by the Assured, *held covered at a premium and on conditions to be arranged subject to prompt notice being given to the Underwriters.*

#### **Change of Transit Clause**

**5** Anything contained in this contract which is inconsistent with Clauses 2.8, 2.9 or 3 shall, to the extent of such inconsistency, be null and void.

## **CLAIMS**

### **6**

6.1 In order to recover under this insurance the Assured must have an insurable interest in the subject-matter insured at the time of the loss.

#### **Insurable Interest Clause**

6.2 Subject to 6.1 above, the Assured shall be entitled to recover for insured loss occurring during the period covered by this insurance, notwithstanding that the loss occurred before the contract of insurance was concluded, unless the Assured were aware of the loss and the Clause and the underwriters were not.

### **7**

7.1 If any Increased Value insurance is effected by the Assured on the cargo insured herein the agreed value of the cargo shall be deemed to be increased to the total amount insured under this insurance and all Increased Value insurances covering the loss, and liability under this insurance shall be in such proportion as the sum insured herein bears to such total amount insured.

In the event of claim the Assured shall provide the Underwriters with evidence of the amounts insured under all other insurances.

**7.2 Where this insurance is on Increased Value the following clause shall apply:**

#### **Increased Value Clause**

- The agreed value of the cargo 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 cargo by the Assured, and liability under this insurance shall be in such proportion as the sum insured herein bears to such total amount insured.
- In the event of claim the Assured shall provide the Underwriters with evidence of the amounts insured under all other insurances.

## **BENEFIT OF INSURANCE**

**8** This insurance shall not inure to the benefit of the carrier or other bailee.

#### **Not to Inure Clause**

## **MINIMISING LOSSES**

**9** It is the duty of the Assured and their servants and agents in respect of loss recoverable hereunder

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

and

- 9.2 to ensure that all rights against carriers, bailees or other third parties are properly preserved and exercised and the Underwriters will, in addition to any loss recoverable hereunder, reimburse the Assured for any charges properly and reasonably incurred in pursuance of these duties.

**Duty of Assured  
Clause**

**10** Measures taken by the Assured or the Underwriters 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.

**Waiver Clause**

## **AVOIDANCE OF DELAY**

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

**Reasonable Despatch  
Clause**

## **LAW AND PRACTICE**

**12** This insurance is subject to English law and practice.

**English Law  
and Practice  
Clause**

*NOTE:- It is necessary for the Assured when they become aware of an event which is "held covered" under this insurance to give prompt notice to the Underwriters and the right to such cover is dependent upon compliance with this obligation.*

<b>INSTITUTE STRIKES CLAUSES (CARGO)</b>
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## **RISKS COVERED**

**1** This insurance covers, except as provided in Clauses 3 and 4 below, loss of or damage to the subject-matter insured caused by

**Risks Clause**

**1.1** strikers, locked-out workmen, or persons taking part in labour disturbances, riots or civil commotions

**1.2** any terrorist or any person acting from a political motive.

**2** This insurance covers general average and salvage charges, adjusted or determined according to the contract of affrieghtment 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.

### **General Average Clause**

### **EXCLUSIONS**

**3** In no case shall this insurance cover

**3.1** loss damage or expense attributable to wilful misconduct of the Assured Clause

**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 (for the purpose of this Clause 3.3 "packing" shall be deemed to include stowage in a container or liftvan but only when such stowage is carried out prior to attachment of this insurance or by the Assured or their servants)

**3.4** loss damage or expense caused by inherent vice or nature of the subject-matter insured

**3.5** loss damage or expense proximately 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 arising from insolvency or financial default of the owners managers charterers or operators of the vessel

**3.7** loss damage or expense arising from the absence shortage or withholding of equipment, power, fuel, coolant, refrigerant or 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 arising from the use of any weapon of war 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.

### **General Exclusions Clause**

## 4

**4.1** In no case shall this insurance cover loss damage or expense arising from unseaworthiness of vessel or craft, unfitness of vessel craft conveyance container or liftvan for the safe carriage of the subject-matter insured, where the Assured or their servants are privy to such unseaworthiness or unfitness, at the time the subject-matter insured is loaded insured,

**4.2** The Underwriters 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, unless the Assured or their servants are privy to such unseaworthiness or unfitness.

### **Unseaworthiness and Unfitness Exclusion Clause**

## **DURATION**

## 5

**5.1** This insurance attaches from the time the goods leave the warehouse or place of storage at the place named herein for the commencement of the transit, continues during the ordinary course of transit and terminates either

**5.1.1** on delivery to the Consignees' or other final warehouse or place of storage at the destination named herein,

**5.1.2** on delivery to any other warehouse or place of storage, whether prior to or at the destination named herein, which the Assured elect to use either

**5.1.2.1** for storage other than in the ordinary course of transit or

**5.1.2.2** for allocation or distribution, or

**5.1.3** on expiry of 60 days after completion of discharge oversee of the goods hereby insured from the oversea vessel at the final port of discharge, whichever shall first occur;

### **Transit Clause**

**5.2** If, after discharge oversee from the oversea vessel at the final port of discharge, but prior to termination of this insurance, the goods are to be forwarded to a destination other than that to which they are insured hereunder, this insurance, whilst remaining subject to termination as provided for above, shall not extend beyond the commencement of transit to such other destination.

**5.3** This insurance shall remain in force (subject to termination as provided for above and to the provisions of Cause 6 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 shipowners or charterers under the contract of affreightment.

**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 delivery of the goods as provided for in Clause 5 above, then this insurance shall also terminate *unless prompt notice is given to the Underwriters and continuation of cover is requested when the insurance shall remain in force, subject to an additional premium if required by the Underwriters*, either

**Termination of  
Contract of Carriage  
Clause**

**6.1** until the goods are sold and delivered at such port or place, or, unless otherwise specially agreed, until the expiry of 60 days after arrival of the goods hereby insured at such port or place, whichever shall first occur, or  
**6.2** if the goods are forwarded within the said period of 60 days (or any agreed extension thereof) to the destination named herein or to any other destination, until terminated in accordance with the provisions of Clause 5 above.

**7** Where, after attachment of this insurance, the destination is changed by the Assured, *held covered at a premium and on conditions to be arranged subject to prompt notice being given to the Underwriters*

**Change of Voyage  
Clause**

**CLAIMS**

**8**

8.1 In order to recover under this insurance the Assured must have an insurable interest in the subject-matter insured at the time of the loss.

8.2 Subject to 8.1 above, the Assured shall be entitled to recover for insured loss occurring during the period covered by this insurance, notwithstanding that the loss occurred before the contract of insurance was concluded, unless the Assured were aware of the loss and the Underwriters were not.

**Insurable Interest  
Clause**

**9**

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

**Increased Value  
Clause**

herein bears to such total amount insured.  
In the event of claim the Assured shall provide the Underwriters with evidence of the amounts insured under all other insurances.

**9.2 Where this insurance is on Increased Value the following clause shall apply:**

- The agreed value of the cargo 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 cargo by the Assured, and liability under this insurance shall be in such proportion as the sum insured herein bears to such total amount insured.
- In the event of claim the Assured shall provide the Underwriters with evidence of the amounts insured under all other insurances.

**BENEFIT OF INSURANCE**

**10** This insurance shall not inure to the benefit of the carrier or other bailee.

**Not to Inure Clause**

**MINIMISING LOSSES**

**11** It is the duty of the Assured and their servants 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 Underwriters will, in addition to any loss recoverable hereunder, reimburse the Assured for any charges properly and reasonably incurred in pursuance of these duties.

**Duty of Assured Clause**

**12** Measures taken by the Assured or the Underwriters 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.

**Waiver Clause**

**AVOIDANCE OF DELAY**

**Reasonable Despatch Clause**

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

## **LAW AND PRACTICE**

### **English Law and Practice Clause**

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

*NOTE:- It is necessary for the Assured when they become aware of an event which is "held covered" under this insurance to give prompt notice to the Underwriters and the right to such cover is dependent upon compliance with this obligation.*

## **INSTITUTE STRIKES CLAUSES (AIR CARGO)**

### **RISKS COVERED**

**1** This insurance covers, except as provided in Clauses 2 below, loss of or damage to the subject-matter insured caused by

### **Risks Clause**

- 1.1 strikers, locked-out workmen, or persons taking part in labour disturbances, riots or civil commotions
- 1.2 any terrorist or any person acting from a political motive.

### **EXCLUSIONS**

**2** In no case shall this insurance cover

- 2.1 loss damage or expense attributable to wilful misconduct of the Assured
- 2.2 ordinary leakage, ordinary loss in weight or volume, or ordinary wear and tear of the subject-matter insured
- 2.3 loss damage or expense caused by insufficiency or unsuitability of packing or preparation of the subject-matter insured (for the purpose of this Clause 2.3 "packing" shall be deemed to include stowage in a container or liftvan but only when such stowage is carried out prior to attachment of this insurance or by the Assured or their servants)
- 2.4 loss damage or expense caused by inherent vice or nature of the subject-matter insured
- 2.5 loss damage or expense arising from unfitness of aircraft conveyance container or liftvan for the safe carriage of the subject-matter insured, where the Assured or their servants are privy to such unfitness at the time the subject-matter insured is loaded therein.

### **General Exclusions Clause**

2.6 loss damage or expense proximately caused by delay, even though the delay be caused by a risk insured against

2.7 loss damage or expense arising from insolvency or financial default of the owners managers charterers or operators of the aircraft

2.8 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

2.9 any claim based upon loss of or frustration of the voyage or adventure

2.10 loss damage or expense arising from the use of any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter

2.11 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**

### **3**

3.1 This insurance attaches from the time the subject-matter leaves the warehouse, premises or place of storage at the place named herein for the commencement of the transit, continues during the ordinary course of transit and terminates either

**3.1.1** on delivery to the Consignees' or other final warehouse or place of storage at the destination named herein,

**3.1.2** on delivery to any other warehouse or place of storage, whether prior to or at the destination named herein, which the Assured elect to use either

**3.1.2.1** for storage other than in the ordinary course of transit

or

**3.1.2.2** for allocation or distribution,

or

**3.1.3** on expiry of 30 days after unloading the subject-matter insured from the aircraft at the final place of discharge, whichever shall first occur;

3.2 If, after unloading from the aircraft at the final place of discharge, but prior to termination of this insurance, the goods are to be forwarded to a destination other than that to which they are insured hereunder, this insurance, whilst remaining subject to termination as provided for above, shall not extend beyond the commencement of transit to such other destination.

**Transit  
Clause**

3.3 This insurance shall remain in force (subject to termination as provided for above and to the provisions of Cause 4 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.

**4** 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 delivery of the subject-matter insured as provided for in Clause 3 above, then this insurance shall also terminate *unless prompt notice is given to the Underwriters and continuation of cover is requested when the insurance shall remain in force, subject to an additional premium if required by the Underwriters*, either Clause

**Termination  
of Contract  
of Carriage**

4.1 until the subject-matter is sold and delivered at such place, or, unless otherwise specially agreed, until the expiry of 30 days after arrival of the goods hereby insured at such place, whichever shall first occur,  
or

4.2 if the subject-matter is forwarded within the said period of 30 days (or any agreed extension thereof) to the destination named herein or to any other destination, until terminated in accordance with the provisions of Clause 3 above.

**5** Where, after attachment of this insurance, the destination is changed by the Assured, *held covered at a premium and on conditions to be arranged subject to prompt notice being given to the Underwriters*.

**Change of  
Transit  
Clause**

**CLAIMS**

**6**

**6.1** In order to recover under this insurance the Assured must have an insurable interest in the subject-matter insured at the time of the loss.

**6.2** Subject to **6.1** above, the Assured shall be entitled to recover for insured loss occurring during the period covered by this insurance, notwithstanding that the loss occurred before the contract of insurance was concluded, unless the Assured were aware of the loss and the Underwriters were not.

**Insurable  
Interest  
Clause**

**7**

**7.1** If any Increased Value insurance is effected by the Assured on the cargo insured herein the agreed value of the cargo shall be deemed to be increased to the total amount insured under this insurance and all Increased Value insurances covering the loss, and liability under this insurance shall be in such proportion as the sum insured herein bears to such total amount insured.

In the event of claim the Assured shall provide the Underwriters with evidence of the amounts insured under all other insurances.

**7.2 Where this insurance is on Increased Value the following clause shall apply:**

The agreed value of the cargo 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 cargo by the Assured, and liability under this insurance shall be in such proportion as the sum insured herein bears to such total amount insured.

In the event of claim the Assured shall provide the Underwriters with evidence of the amounts insured under all other insurances.

**Increased Value Clause**

**BENEFIT OF INSURANCE**

**8** This insurance shall not inure to the benefit of the carrier or other bailee.

**Not to Insure Clause**

**MINIMISING LOSSES**

**9** It is the duty of the Assured and their servants and agents in respect of loss recoverable hereunder

**9.1** to take such measures as may be reasonable for the purpose of averting or minimising such loss, and

**9.2** to ensure that all rights against carriers, bailees or other third parties are properly preserved and exercised and the Underwriters will, in addition to any loss recoverable hereunder, reimburse the Assured for any charges properly and reasonably incurred in pursuance of these duties.

**Duty of Assured Clause**

**10** Measures taken by the Assured or the Underwriters 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.

**Waiver Clause**

## **AVOIDANCE OF DELAY**

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

**Reasonable  
Despatch  
Clause**

## **LAW AND PRACTICE**

**12** This insurance is subject to English law and practice.

**English Law  
and Practice  
Clause**

*NOTE: It is necessary for the Assured when they become aware of an event which is "held covered" under this insurance to give prompt notice to the Underwriters and the right to such cover is dependent upon compliance with this obligation.*

---- END OF POLICY ----