



**CARGO**  
**PROTECT**  
*Powered by NTI*

**Steadfast**   
STRENGTH WHEN YOU NEED IT

Combined Cargo Insurance Policy  
Effective Date: **24 April 2017**





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# INTRODUCTION

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## Important Things You Should Know

Welcome to National Transport Insurance.

Please ensure You read this document thoroughly before You enter into this contract of insurance.

You must also ensure that all details as shown in Your Policy Schedule are correct. Let Us know immediately if You need any changes.

If You do not understand any part of the policy, please contact Your insurance broker or Our authorised representative for an explanation.

To properly understand the significant features, benefits and risks of this insurance You need to carefully read:

- about the available type of Cover, benefits and exclusions in the Policy, (the standard Cover provided can be affected by the following);
- the rest of this "Introduction" section - this sets out the basis on which We insure You, the duty of disclosure You need to meet before We insure You, Our privacy information, Our dispute resolution procedures and other important information;
- the "Definitions" - this sets out what We mean by certain words used in the Policy. These words begin with a capital letter throughout this document;
- the "Exclusions" set out the general exclusions and limitations that apply to the Cover and benefits;
- the "General Conditions" and "Claims Responsibilities" sections - these set out certain general rights and obligations that You and We have and other Cover restrictions;
- all of the documents that make up the Policy, including the Policy Schedule and any Endorsements or other written changes to the Cover We issue You with - these contain specific details relevant to You and can affect the Cover. Your Policy Schedule may also specify Policy Excesses and other limitations on Your Cover.

Headings are provided for reference only and do not form part of Your Policy for interpretation purposes.

## Insurers

Insurance products are provided by National Transport Insurance, a joint venture of the insurers Insurance Australia Limited trading as CGU Insurance ABN 11 000 016 722 AFSL 227681 and AAI Limited Trading as Vero Insurance ABN 48 005 297 807 AFSL 230859 each holding a 50% share.

'We', 'Us', 'Our', 'Underwriter' or 'Insurer' means National Transport Insurance administered on behalf of the Insurers by its manager NTI Limited

ABN 84 000 746 109 AFSL237246.

## National Transport Insurance (NTI)

Marine Protect is powered by NTI, Australia's specialist insurer with over 40 years of experience in the insurance industry. With an award winning claims service, You can count on NTI to protect You and Your business. Two of Australia's leading general insurers - Insurance Australia Limited trading as CGU Insurance and AAI Limited trading as Vero Insurance, back NTI - so You can rest assured that You are in safe hands.

## Our Combined Cargo Product Options

**National Transport Insurance Combined Cargo product** is intended for owners of Cargo or senders or receivers whilst being transported both for transits overseas and inland, whether on a single transit or annual transit basis.

**The Product Features summary table** on the next page will give you more information but full details of the Coverage and limitations can be found in the main Policy Wording later in this document, which You should read.

# INTRODUCTION

## Inland Cargo – Part 1

<b>Cover</b>	The protection provided for Your Insured Goods that are damaged during the Insured Transit in Australia during the Period of Insurance.
<b>Accidental Damage</b>	Loss or damage to Your Insured Goods resulting from an Accident, Deliberate Act of a Third Party or act of Terrorism during Insured Transit.

## Import /Export – Part 2

<b>Cover</b>	<p>The protection provided for Your Insured Goods that are damaged during the Insured Transit within the Geographical Limits caused by an Insured Event occurring during the Period of Insurance.</p> <p>Note: Cover is not available for Livestock and Temperature Controlled Goods under Part 2</p> <p>Cover options include key Institute Clauses for Sea, Air and Post, unless varied or extended in Your Policy Schedule</p>
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## Additional Benefits

Automatic Coverage extensions if a claim is accepted under one of the above Cover options:

<b>Annual Transits only</b>	
Accumulation	Acquired Companies
Automatic Reinstatement	Buyers Contingency
Bunker clause	Travellers' Samples
Tools of Trade	
<b>Annual or Single Transits</b>	
Brands, Labels and Packaging	Shipping Container
Cargo ISM forwarding	Deck Cargo
Debris Removal	Duty, Tax and excise payable
Delayed Unpacking 90 days	Export Certificate
Expediting expenses	Fumigation and Decontaminant Damage
FOB & CFR pre-shipment	General Average and Salvage
Fumigation, Quarantine and Decontamination expenses	Insolvency of Carrier
Loss of Information/Data/Media	Pollution Hazard
Resecuring	Sealed Shipping Container
Seller Contingency clause	Sorting charges
Strikes and diversion expenses	Additional Expenses clause – Clothing & Fashion Goods or Printed Matter
Livestock –Mustering, Wandering off, Agistment	Exhibition clause

## Optional Extensions

Optional Coverage extensions are available if noted on Your Policy Schedule

- Travellers' Samples
- Tools of Trade
- Exhibition clause

# INTRODUCTION

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<b>Circumstances when You are not covered</b>	<p>All insurance policies have exclusions and conditions and You should read the full Policy wording to familiarise Yourself with the full details of these important conditions and exclusions.</p> <p>Some of the things We will not pay for include:</p> <ul style="list-style-type: none"><li>• <b>Certain Causes of Loss</b> : ordinary wear and tear, electrical or mechanical failure, rust, etc.</li><li>• <b>Excluded Goods</b> : Cash, credit cards, deeds, tickets, jewellery, precious stones watches, precious gems, metals or bullion, etc.</li></ul>
<b>Excess</b>	<p>When You make a claim under this Policy You may be asked to pay an Excess. This is the amount You contribute towards the cost of Your claim. Your Policy Schedule shows the base Excess that is payable. In some circumstances there may be an additional Excess.</p>

## Your duty of disclosure

Before You enter into an insurance contract, You have a duty under the Insurance Contracts Act 1984 (ICA) s.21 and the Marine Insurance Act 1909 (MIA) s. 24,25 and 26 (whichever is applicable) to tell Us pursuant to the ICA: anything that You know, or could reasonably be expected to know, which may be relevant to Our decision to insure You and on what terms, or, pursuant to the MIA: every material circumstance which is known to You or which ought to be known to You which would influence Us in fixing the premium or determining whether to accept the risk.

You have this duty until We agree to insure You. You have the same duty before You renew, extend, vary or reinstate an insurance contract.

- You do not need to tell us anything that:
- reduces the risk We insure You for; or
- is common knowledge; or
- We know or should know as an insurer; or
- We waive your duty to tell Us about.

## If you do not tell us something

Where the Insurance Contract Acts applies: if You do not tell us anything You are required to, We may cancel Your contract or reduce the amount We will pay you if You make a claim, or both.

If Your failure to tell Us is fraudulent, We may refuse to pay a claim and treat the contract as if it never existed.

Where the Marine Insurance Act 1909 applies: if You fail to comply with Your duty of disclosure, We may avoid the contract from its beginning.

## Who must tell Us?

Everyone who is insured under the Policy is required to comply with the duty of disclosure, including Your broker or agent.

## Alteration of Risk

Please inform us of any fundamental changes to the facts or circumstances which existed when this insurance commenced that change the nature of the risk (for example, the nature of Your business operations, or other circumstances that affect the Goods carried) in a way that would increase the risk of loss or damage occurring You must notify Us immediately in writing. If We agree to the change We will do so in writing and may charge an additional Premium.



# INTRODUCTION

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## Premium and Costs - How the Premium is calculated

Your Premium may be calculated using all or some of the following:

- Your Annual Sendings and/or turnover
- The types and value of Goods to be insured
- Where the Goods are to be transported to and from, the mode of transport and distance
- Sum Insured and limit of liability;
- Your insurance and claim/incident history and experience;
- Type of cover or extensions of cover chosen;
- Our obligation to pay relevant government taxes and charges. For example, GST payable in relation to the Policy.

The Original Annual Premium is a deposit Premium which is adjustable at the end of the policy period but in all cases a minimum Premium applies. If You fail to pay the Premium We may reduce any claim payment by the amount of Premium owing and/or cancel the Policy.

## Canceling Your Policy

We are committed to safeguarding Your privacy. In complying with the Australian Privacy Principles We will collect and use You may cancel Your Policy by giving Us notice in writing. We will refund Premium for each day of the unexpired Period of Insurance, less any applicable minimum premium. This fee will not apply if the cooling off period is activated.

The daily Premium will be calculated by dividing the premium by the number of days of the Period of Insurance. Some government taxes & duties are not refundable. Where You represent more than one person or entity, We will only carry out this cancellation where a written notification to cancel is received from all parties named in Your Policy Schedule.

We may cancel only when the law allows Us to do so, and We will allow three business days notice for You to seek alternative insurance or as otherwise required under the **Insurance Contracts Act 1984** (Cth).

Where the Marine Insurance Act 1909 applies, We may cancel the Policy in the event of any non-payment of the Premium or for any other reason available at law. Details are outlined in the Cancellation clause in the Conditions area. In any case, Cancellation will be effective from 4 pm of the day on which the notice of cancellation is effective.

## Privacy Policy

We are committed to safeguarding Your privacy. In complying with the Australian Privacy Principles We will collect and use Your personal information:

- Only for the purpose of providing and administering Our products and services, including keeping You up to date with Our products and services;
- Only for the purpose for which it was collected, which may include disclosing it to third parties with whom We have arrangements to protect Your Privacy.

You may choose not to provide this information, however, NTI may not be able to process Your request.

We will take all reasonable steps to make sure that personal information that We hold about You is accurate, complete, and up to date and that it is protected from misuse, loss or unauthorised access, modification or disclosure. If any information is inaccurate you must contact us to update your records. You can request access to Your personal information, by phoning or writing to Us. Information security protocols are in place to minimise the risk of unauthorised access to Your personal information.

In special circumstances, We may decline to release the information but We will not do so unreasonably. In these circumstances, We will give You reasons and You will have the right to request Us to review Our decision using Our complaints handling procedures. We will provide Our reasons in writing upon request.

If you need to make a complaint about your personal information or make a complaint about a privacy breach you can do so by phoning us on (07) 3292 9800 or by writing to PO Box 13550 George Street QLD 4003. A copy of NTI's Privacy Policy Statement and Privacy Complaint process can be obtained by visiting NTI's website at **[www.nti.com.au](http://www.nti.com.au)**.



# INTRODUCTION

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## Resolving Your complaints

### What You do and who You contact if You have a complaint or dispute involving us:

If You have a complaint or dispute about Your insurance policy, decisions on Your claim or the service You have received from Us or one of Our authorised representatives, You may access Our Internal Dispute Resolution process.

The first step is to contact Your closest NTI office. Contact details can be obtained by visiting [www.nti.com.au](http://www.nti.com.au) and a brochure on Our Dispute Resolution System is available from all NTI offices.

### Internal Dispute Resolution - Complaints

Once You contact Us, Our staff will help You in every way they can. If You are not satisfied with the outcome Your complaint will be referred to the staff member's supervisor who will deal with it promptly.

If You are still not satisfied Your complaint can be handled through Our Internal Dispute Resolution service by a different employee who has appropriate experience, knowledge and authority to conduct a full review.

To access that service, ask the Supervisor or Manager You are dealing with to refer Your complaint to Our Dispute Resolution Officer. Your complaint will then be treated as a dispute.

### Internal Dispute Resolution - Disputes

We will notify You of the name and contact details of the employee assigned to liaise with You in relation to Your dispute. That employee will acknowledge receipt of Your dispute in writing, usually within 5 working days.

Provided that We have all the necessary information and no investigations are in progress, a final decision on Your dispute will be forwarded to You in writing, usually within 15 working days. Where further information or investigation are required, We will endeavour to agree a reasonable time frame extension with You.

We have 45 days to respond from the date that Your complaint is received.

Our response will include:

- a. reasons for Our decision;
- b. information about how to access Our External Disputes Resolution (EDR) Scheme; and
- c. notify You of the time frame within which You must register Your dispute with the EDR Scheme, (usually within two years of Our final decision).

## External Dispute Resolution

Our Internal Dispute Resolution Service is designed to seek to resolve any complaints or disputes that may arise. However, if We are unable to resolve Your dispute to Your satisfaction within 45 days, We will inform you of the reasons for the delay and that You can take Your dispute to Our EDR scheme, administered by the Australian Financial Complaints Authority (AFCA), even if We are still considering it (and provided Your dispute is within AFCA Terms of Reference). We are a member of AFCA which is an ASIC approved external dispute resolution scheme and it may be able to resolve Your dispute. You may be entitled to assistance from the AFCA, however this is subject to the claim circumstances and the AFCA eligibility criteria.

Before the end of that 45 day period We will inform You that You have this right and details of how to access Our EDR Scheme.

AFCA is responsible for monitoring compliance with the General Insurance Code of Practice. It is available to customers and third parties who fall within its Terms of Reference and is an impartial body that is completely independent of Us. AFCA will initially determine whether Your dispute falls within its Terms of Reference and will notify You whether it may proceed to review Your dispute.

Your dispute must be lodged with AFCA within two years of the date of Our final decision.

Where AFCA Terms of Reference do not extend to Your dispute We will advise You to seek independent legal advice or give You information about other external dispute resolution options, if any, that are available to You.

# INTRODUCTION

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The contact details for AFCA are:

**Australian Financial Complaints Authority**

National Toll Free number 1800 931 678

GPO Box 3 Melbourne VIC 3001 Email: [info@AFCA.org.au](mailto:info@AFCA.org.au) Web: [www.afca.org.au](http://www.afca.org.au)

A brochure on Our Dispute Resolution Service is available from all NTI offices which includes information about the IDR and EDR Services.

## General Insurance Code of Practice

We are a signatory to the General Insurance Code of Practice.

We are committed to raising standards of service to Our customers. This Code sets out the minimum standards We will uphold in the services We provide to You and is a practical demonstration of Our commitment to providing a high level of service to Our customers.

If You are interested in obtaining more information about this important industry initiative, You can contact the Insurance Council of Australia or access the Code directly at: **[www.codeofpractice.com.au](http://www.codeofpractice.com.au)**.

The Code aims to:

- describe standards of good practice and service to be met by participating insurers; promote disclosure of information relevant and useful to consumers so as to allow them to make an informed choice and compare one product with another;
- facilitate the education of consumers about their rights and obligations with insurance contracts;
- promote informed and effective relationships between consumers, insurers and authorised representatives; and
- ensure insurers have fair procedures for resolution of disputes between consumers and insurers or consumers and authorised representatives.

More information about the Code can be obtained from Us direct or Our website **[www.nti.com.au](http://www.nti.com.au)** or contacting the Insurance Council of Australia ("ICA") directly (the ICA has an office in most capital cities) or via their website at **[www.insurancecouncil.com.au](http://www.insurancecouncil.com.au)**.

# DEFINITIONS TO THIS POLICY

In this Policy certain words have special meanings. They have the same meanings wherever they appear.

Word	Meaning
<b>Accident/ Accidental</b>	means an unintended, unforeseen, unlooked-for happening or mishap, which could not reasonably be expected nor designed by You or any person acting for You or on Your behalf who has actual knowledge of the means of transportation of the Goods.
<b>Agist or Agistment</b>	means a temporary place of safe holding for Livestock including the provision of feed and water, veterinary and animal husbandry services, if required
<b>Basis of Valuation</b>	means the agreed formula that will be used to calculate the value of the Insured Goods. This will be the basis for any premium calculation or claim settlement. This is as stated in this Policy under the heading "How Much We Will Pay" unless otherwise stated in Your Policy Schedule.
<b>Bloodstock</b>	means thoroughbred horses used for racing, competition and/or breeding.
<b>Break Bulk Cargo</b>	means general cargo that is not Bulk Cargo (which is trimmed, such as grain or oil) and which is not containerised but is stowed and shipped in general cargo ships.
<b>Bulk Cargo</b>	means Goods that are not transported in containers (or otherwise packaged) but does not include break bulk cargo.
<b>Stud Stock</b>	means male animals of a particular breed, strain or stock within a species used for the continuance or improvement of a breeding line, including but not limited to bulls, rams, bucks and hogs.
<b>Cargo Consolidator</b>	means an individual or company which groups together goods from different shipments or companies into one or more shipments
<b>Collision</b>	means violent striking or violent impact of one object against another, except to a road, gutter or similar surface but not between the Goods and the Conveyance/Conveying Vehicle.
<b>Conveyance/ Conveying Vehicle</b>	means any motor vehicle, road transport vehicle, train, ship, vessel, aircraft or postal service transport used to transport the Insured Goods, or as otherwise specified in the Policy Schedule.
<b>Cover(s) / Covered/ Coverage</b>	means the benefit and protection provided by this Policy specified in Your Policy Schedule.
<b>Deliberate Third Party Act</b>	means the deliberate act of any person or organisation, including Federal, State or Local regulatory authorities exercising their rights under current legislation in order to prevent or minimise an environmental hazard/pollution resulting from an Accident, but excludes an act: <ul style="list-style-type: none"> <li>a) committed by You or Your employee; or</li> <li>b) committed with Your knowledge or connivance; or</li> <li>c) that was the result of Your lack of due diligence.</li> </ul>
<b>Deck Cargo</b>	means Goods carried on board a ship/vessel which are exposed to weather and the elements and not protected within a fully enclosed: <ul style="list-style-type: none"> <li>a) vessel hold space; or</li> <li>b) Shipping Container; or</li> <li>c) Vehicle trailer.</li> </ul>
<b>Effective Date</b>	means the date and time specified in Your Policy Schedule from which You are Covered.



# DEFINITIONS TO THIS POLICY

Word	Meaning
<b>Excess</b>	<p>means the amount You must pay towards a claim, as specified in the Policy Schedule or otherwise in this Policy. Where an Excess is expressed as a:</p> <ol style="list-style-type: none"> <li>a. specified sum - it means the amount specified; and</li> <li>b. percentage - it means the monetary equivalent of such percentage of each loss.</li> </ol>
<b>General Average</b>	<p>means any extraordinary sacrifice or expenditure voluntarily and reasonably made or incurred for the purpose of preserving all property at risk at a time of peril in a common maritime adventure.</p>
<b>Geographical Limit(s)</b>	<p>means the geographical area specified in Your Policy Schedule.</p>
<b>Goods or Insured Goods or Cargo or Interest Insured</b>	<p>means the Goods or merchandise (including packaging) that You own or are contractually responsible for, as described in the Policy Schedule, including:</p> <ol style="list-style-type: none"> <li>1. any return Goods, inwards or outwards, and</li> <li>2. Stock Transfers</li> </ol> <p>We do not Cover the following, unless You declared them and they are specifically listed in Your Policy Schedule, or agreed in writing by Us:</p> <ol style="list-style-type: none"> <li>a) domestic furniture, household goods, personal effects;</li> <li>b) frozen and/or chilled meat, seafood or foodstuffs;</li> <li>c) Livestock or live animals;</li> <li>d) works of art or antiques;</li> <li>e) precious metals and stones, money (which means any coin or banknote), bullion, cheques, credit or other card sales vouchers, securities, shares, bonds, deeds, bills of exchange, or any documents that represent money or title;</li> <li>f) plant, machinery and computers (which are not the primary Insured Goods) where the limit any one Conveyance or location exceeds \$25,000;</li> <li>g) Tools of Trade, Travellers' Samples;</li> <li>h) portable data storage or communication devices including but not limited to computers, printers, scanners, readers, recorders, cameras or projectors, digital assistants, measuring devices and mobile telephones owned or used by You, Your employees, travelling salesmen or agents;</li> <li>i) radioactive or explosive goods;</li> <li>j) Bloodstock and Studstock;</li> <li>k) live plants;</li> <li>l) cigarettes or tobacco products;</li> <li>m) Bulk Cargo.</li> </ol>
<b>GST</b>	<p>has the meaning given in the A New Tax System (Goods and Services Tax) Act 1999.</p>
<b>Headings</b>	<p>when used in Your Policy, are purely descriptive in nature and are not intended to be used for interpretative purposes.</p>
<b>Input Tax Credit</b>	<p>has the meaning given in the A New Tax System (Goods and Services Tax) Act 1999.</p>

# DEFINITIONS TO THIS POLICY

Word	Meaning
<b>Insurance Proposal</b>	means the particulars of insurance completed by You, as Your application for insurance, including any broker submission, and submitted to Us either in writing or electronically on which We rely to determine whether to provide You with a Policy, and if so, upon what terms and conditions.
<b>Institute Clauses</b>	means the customary market standard wordings prepared by the Institute of London Underwriters, excluding any provision which identifies English law, practice or jurisdiction as being applicable.
<b>Insured Transit</b>	means the voyage(s) as outlined under the heading "Insured Transit" in Part 1 and Part 2 of this Policy, or as varied in Your Policy Schedule. Depending on the nature of the Policy this could be for a single trip or voyage or multiple trips or voyages.
<b>Limit of Liability</b>	means the amount(s) specified in Your Policy Schedule (or this Policy) which will be the limit of the amount We will pay for any one loss or series of losses arising from one event, subject to the application of any Excess. The amount of the Sum Insured is inclusive of GST (where applicable).
<b>Livestock</b>	means any domesticated herd animal or poultry raised for home use or profit or commercial purposes but not kept as a pet, as described in the Policy Schedule. For example: sheep, goats, pigs, cattle and chickens. Livestock does not include Bloodstock, Stud Stock, native wild animals, aquatic or amphibian animals or reptiles.
<b>National Transport Insurance</b>	means National Transport Insurance, a joint venture of the insurers Insurance Australia Limited trading as CGU Insurance ABN 11 000 016 722 AFSL 227681 and AAI Limited Trading as Vero Insurance ABN 48 005 297 807 AFSL 230859 each holding a 50% share.
<b>Parturient</b>	means bearing or about to bear young – being in a pregnant condition.
<b>Premium</b>	means the amount calculated by Us from Your initial disclosure made prior to commencement of Cover, as the amount You must pay for the insurance. This amount does not include government taxes and duties.
<b>Period of Insurance</b>	<p>means the period between and includes the dates in Your Policy Schedule shown as "Insured From/To" during which We provide insurance under Your Policy.</p> <p>Your Policy expires on the date specified in Your Policy Schedule as the "to" date at 4.00pm Local Standard Time (L.S.T.) of the State or Territory within the Commonwealth of Australia in which Our office issuing Your Policy is located, unless another time is noted in Your Policy Schedule.</p> <p>For Single Transit Policies, Period of Insurance means the dates in Your Policy Schedule shown as "Insured From" from which We provide Cover under Your Policy and expires when the Insured Transit is complete.</p>
<b>Policy</b>	means this document and Your Policy Schedule the Insurance Proposal, any declarations and statements You make to Us and any other notice We give You in writing, all to be read together.
<b>Policy Schedule</b>	means the most current Cover details and attachments to them, issued to You by Us. It sets out Your Policy number, the Policy applying, Excess and any special conditions, endorsements and limits which apply to Your Policy.
<b>Salvage</b>	means the physical act of recovering Your Goods which have been lost or damaged.
<b>Salvage Value</b>	means the value of what is left of Your Goods after it has suffered loss or damage.

# DEFINITIONS TO THIS POLICY

Word	Meaning
<b>Sendings</b>	means the total value of Your Goods ( in accordance with the Policy Basis of Valuation(s)) received, sent, consigned, transferred or otherwise moved during the Period of Insurance
<b>Shipping Container</b>	means an Intermodal ISO shipping container (including flat-rack, bolster, tank or bulk container) used to move Insured Goods. In relation to shipments by aircraft, Shipping Container will include any IATA (International Air Transport Association) standard Unit Load Device (ULD).
<b>Stock Transfers</b>	means movement of the Goods by You when the Goods are not subject to a sales or purchase contract including inter-company or branch transfers or shipments.
<b>Subject Matter Insured</b>	means the same as Goods (or Insured Goods or Cargo or Interest Insured)
<b>Sum Insured</b>	means the amount(s) specified in Your Policy Schedule (or this Policy) which will be the limit of the amount We will pay for any one loss or series of losses arising from one event, subject to the application of any Excess. The amount of the Sum Insured is inclusive of GST (where applicable).
<b>Terrorism</b>	means an act or acts, including but not limited to the use of force or violence (or the threat of force or violence), of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s) or government(s), committed for political, religious, ideological, ethnic or similar purposes including the intention to influence any government and/or to put the public, or any section of the public in fear.
<b>Tools of Trade</b>	means tools which enable You or Your employees to carry out Your normal business operation, but excluding: mobile phones, pagers, laptops/notebooks/handheld or other personal computers, personal property, cash and credit cards.
<b>Travellers' Samples</b>	means pieces or portions of Your Goods carried by Your sales employees for the purpose of demonstration to prospective customers.
<b>Underdeck Goods/ Below Deck Cargo</b>	means Goods carried in a fully enclosed vessel hold space.
<b>We/Our/Ours/Us/ NTI Underwriter/ Insurer</b>	means National Transport Insurance administered on behalf of the Insurers by its manager NTI Limited ABN 84 000 746 109 AFSL237246.
<b>You/Your/Yours/ Insured/Assured</b>	means the client (person or company) named in the Policy Schedule or the Insured named on any export certificate We issue or allow to be issued.



# OUR AGREEMENT WITH YOU

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Based on the information in Your Insurance Proposal, and the statements and declarations that You have made in support of Your application for insurance and provided that You have agreed to pay the Premium by the Due Date, We will insure You for the Cover specified in Your Policy Schedule, subject to the terms, conditions and exclusions that are set out in this Policy.

Your Policy consists of:

- a. this Policy document, which sets out the conditions of Cover, exclusions and the terms and conditions that apply to each Policy or level of Cover You have chosen;
- b. the Policy Schedule is a separate document and shows the Cover details that are relevant to Your Policy;
- c. any endorsements noted on Your Policy Schedule or otherwise notified by Us to You in writing;
- d. Your Insurance Proposal, the declarations and statements that were made when You applied for Cover from Us and every other matter which You, your broker or intermediary subsequently declare or state to Us when You, replace, vary, extend or reinstate Your Policy.

They are all to be read as if they are the one document.

## Important Things You Should Know

You are only covered for the Cover options of this Policy and optional Extensions and any other endorsed Cover, shown on Your Policy Schedule.

We agree to provide You with the Cover as described in this Policy:

- for the Period of Insurance if Annual Policy type; or
- for the Insured Transit as specified in Your Policy Schedule, if a Single Transit

whichever is noted on Your Policy Schedule.

Should there be any fundamental change in circumstances or any change in the nature of the risks which are the basis of the contract, please notify Us immediately and in writing. We will only be liable (to the extent permitted by law) under this Policy if We have agreed in writing to the change.

# PART 1 – INLAND TRANSIT (WITHIN AUSTRALIA)

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## Insured Transit

We will Cover the Goods (of the kind described in Your Policy Schedule) during the Insured Transit within the Geographical Limits as noted on Your Policy Schedule and during the Period of Insurance.

### When Your Insured Transit commence(s) and terminate(s)

#### 1.1 Goods (other than Livestock or Motor Vehicles)

##### Cover commences

- a. when the Goods are first moved for the purpose of being loaded onto the Conveyance for transit to a destination outside the premises,
- b. and continues during the ordinary course of transit

# PART 1 - INLAND TRANSIT (WITHIN AUSTRALIA)

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Cover terminates

- c. on completion of unloading of the Goods from the Conveyance in or at the final warehouse or place of storage at the contracted destination; or
- d. on completion of unloading of the Goods from the Conveyance in or at the final warehouse or place of storage whether prior to or at the contracted destination, which You or Your employees elect to use either for storage (other than in the ordinary course of transit) or for allocation or distribution; or
- e. when You, Your employees or agents elect to use any Conveyance or Shipping Container for storage other than in the ordinary course of transit;
- f. on the expiry of seventy two (72) hours after unloading from the final Conveyance but before delivery in to the final warehouse.

whichever shall first occur.

## 1.2 Motor Vehicle(s)

### Cover commences

- a. when the motor vehicle(s) is first moved from a point that is no more than 1km from the Conveyance or Shipping Container for the purpose of loading into the Shipping Container or onto the Conveyance,
- b. and continues during the ordinary course of transit; and

### Cover terminates

- c. when the Motor Vehicle(s), having been unloaded from the Shipping Container or Conveyance, is parked in the receiver's premises (or on the loading dock), within 1km of the Conveyance or Shipping Container.

## 1.3 Additional Transit Covers - (applicable to Goods other than Livestock)

### 1.3.1 The Insured Transit shall include:

- a. any Insured Goods at the risk of the Insured in transit to the premises of any packer or Cargo Consolidator, whilst they're being packed/consolidated and awaiting shipment (up to a maximum of 90 days) and then while in the ordinary course of transit to final destination.
- b. any Insured Goods which have been "shut out" from the intended Conveyance, whilst waiting at a depot, terminal, warehouse, wharf, quay or pier for transfer to and whilst at another depot, terminal, warehouse, wharf, quay or pier subject to You notifying Us as soon as You become aware of such an event.
- c. any Insured Goods which have been "over-carried", until return to the port or place of destination.

### 1.3.2 Incidental Storage during the Ordinary Course of Transit

Insured Transit includes temporary storage incidental to the ordinary course of transit, which has not been requested by You or the buyer/seller of the Goods, but is necessary solely for the purposes of completing the transit.

Notwithstanding the above, in no case, will We Cover storage outside of the ordinary course of transit.

## 1.4 Livestock

For Livestock, the Insured Transit commences and terminates:

### 1.4.1 Sale of Insured Livestock by You

If the Livestock is being sold by You, Insured Transit commences when

- a. each Animal enters the Conveyance or its loading ramp for transport to a place of sale,
- b. and continues during the ordinary course of transit, and
- c. terminates when ownership ceases at the place of sale but not exceeding 48 hours from time of arrival at place of sale.

# PART 1 – INLAND TRANSIT (WITHIN AUSTRALIA)

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If the Livestock remains unsold at place of sale, Cover continues for up to a further 48 hours awaiting transportation and, continues during the ordinary course of return transit to Your premises. Insured Transit terminates when each Animal is discharged from the Conveyance or its loading ramp at its destination.

## 1.4.2 Purchase of Insured Livestock by You

If the Livestock are purchased by You, Insured Transit commences from

- a. the time You acquire ownership of the Livestock at the place of purchase
- b. and continues for a holding period at the place of purchase for up to 48 hours awaiting transportation, and
- c. continues during the ordinary course of transit, and
- d. terminates when Livestock is discharged from the Conveyance or its loading ramp at the destination.

## 1.4.3 Movement of Insured Livestock to or from showing or veterinary services

If the Livestock is moved for the purpose of showing or veterinary services, Insured Transit commences when

- a. Livestock enters the Conveyance or its loading ramp for transport to or from a show venue or veterinary premises, and
- b. continues during the ordinary course of transit, and
- c. whilst held at any show venue or veterinary premises for up to 120 hours, and
- d. continues during the ordinary course of return transit to or from Your premises or another premises You advise to us, and
- e. terminates when Livestock is discharged from the Conveyance or its loading ramp at its destination.

## 1.4.4 Movement of Insured Livestock to or from Agistment or breeding services

If the Livestock is moved for the purpose of Agistment or breeding services, Insured Transit commences when

- a. Livestock enters the Conveyance or its loading ramp for transport to or from a place of Agistment or breeding services, and
- b. continues during the ordinary course of transit, and
- c. terminates when Livestock is discharged from the Conveyance or its loading ramp at the destination.

## 1.5 Temporary Resting During Transit – Livestock

The Insured Transit for Livestock shall include a period of up to 7 days break in the ordinary course of transit to allow discharge of Livestock for the purpose of resting or spelling.

Each of the above clauses under 1.4 and 1.5 will apply to Bloodstock and Stud Stock, if noted on Your Policy Schedule.

## Insured Events

### All Goods except Livestock and Temperature Controlled Goods

Subject to the terms, conditions, limits and exclusions of this Policy, this insurance Covers Accidental physical loss of or damage to the Goods during the Insured Transit, including:

- a. that caused by strikers, locked-out workers or persons taking part in labour disturbances, riots or civil commotions,
- b. a Deliberate Third Party Act
- c. that caused by insufficiency or unsuitability of packing or preparation of the Goods to withstand the ordinary incidents of the Insured Transit, unless such packing or preparation was caused, directed, known of or agreed to by You or your employees ("employees" does not include independent contractors), or took place prior to the attachment of this insurance. For the purposes of this insurance, "packing" shall include stowage into a Shipping Container.



# PART 1 - INLAND TRANSIT (WITHIN AUSTRALIA)

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## Temperature Controlled Goods

Subject always to the Goods being in sound condition at the commencement of the intended Insured Transit, and subject to the terms, conditions, limits and exclusions of this Policy, this Policy Covers Accidental physical loss of or damage to or unexpected deterioration of the Goods during the Insured Transit including caused by:

- a. failure, breakdown, malfunction and stoppage of refrigeration machinery;
- b. mismanagement or incorrect setting of temperature
- c. strikers, locked-out workers or persons taking part in labour disturbances, riots or civil commotions,
- d. Deliberate Third Party Act
- e. insufficiency or unsuitability of packing or preparation of the Goods to withstand the ordinary incidents of the Insured Transit, unless such packing or preparation was caused, directed, known of or agreed to by You or Your employees ("employees" does not include independent contractors), or took place before this Insured Transit commenced. For the purposes of this insurance, "packing" shall include stowage into a Shipping Container.

Where You transport Your own Temperature Controlled Goods, We will not Cover You where You do not properly maintain Your refrigeration machinery.

## Livestock

Subject always to the Livestock being in sound condition at the commencement of the Insured Transit, and subject to the terms, conditions, limits and exclusions of this Policy, We Cover:

- a. death or injury of Livestock directly caused by Accidental or natural causes or slaughter for humane reasons;
- b. theft of Livestock;
- c. livestock wandering off and being irretrievably lost following an Accident to the Conveyance;
- d. slaughter for humane reasons, injury or death of Livestock caused by or as a result of strikers, locked-out workers or persons taking part in labour disturbances, riots or civil commotions;
- e. slaughter for humane reasons, injury or death of Livestock caused by Deliberate Third Party Act

## Transit by Sea/Air - All Goods

If the Insured Transit is by sea or air, this Policy further covers where applicable:

- a. physical loss or damage to the Goods, temperature controlled goods and Livestock when in transit by sea, caused by washing overboard, jettison, Collision, grounding, sinking, capsizing of the vessel or a General Average event,
- b. physical loss or damage to the Goods, temperature controlled Goods and Livestock caused by war or warlike activities, which means invasion, act of foreign enemy, hostilities (whether war is declared or not), civil war, rebellion, revolution, insurrection or civil strife following any of these whilst the Goods are on board the carrying vessel or aircraft.

# PART 2 - IMPORTS AND EXPORT

We will Cover the Goods (of the kind described in Your Policy Schedule) during the Insured Transit within Geographical Limits caused by an Insured Event occurring during the Period of Insurance.

**Note:** Cover is not available for Livestock and temperature controlled Goods under Part 2

## Insured Transit

### When Your Insured Transit commences and terminates

1. **Cover commences** from the time that the Goods are first moved for the specific purpose of loading on to the Conveyance for transit to a destination outside the premises, continues during the ordinary course of transit, and
2. **Cover terminates** as provided within the transit clause of any applicable Institute Clauses. However Insured Transit is also extended to include unloading of the Goods from the Conveyance and up to seventy two (72) hours after unloading from the final Conveyance but before delivery into the final warehouse / place of storage at the contracted destination.

**Note:** Other transit clause provisions contained in any applicable Institute Clauses remain unaltered.

### Additional Transit Covers

The Insured Transits shall include any Insured Goods:

- a. in transit to the premises of any packer or Cargo Consolidator, whilst there being packed/consolidated and awaiting shipment (up to a maximum of 90 days) and then while in the ordinary course of transit to final destination.
- b. which have been **“shut out”** from the intended Conveyance, whilst waiting at a depot, warehouse, terminal, wharf, quay or pier or transfer to and whilst at another depot, warehouse, terminal, wharf, quay or pier subject to You notifying Us as soon as You become aware of such an event.
- c. which have been **“over-carried”**, until return to the port or place of destination

## Insured Events

Unless otherwise stated in Your Policy Schedule, Cover is subject to the following Institute Clauses:

### Sea transits - Insured Transit principally by sea:

Institute Cargo Clauses (A) 1/1/09

Institute Strikes Clauses (Cargo) 1/1/09

Institute War Clauses (Cargo) 1/1/09

Institute Theft, Pilferage and Non-Delivery clause 1/12/82

Institute Replacement Clause 1/12/2008 as amended by the Basis of Valuation Clause (clause 6.6) insofar as the Goods consist of used machinery.

Institute Classification Clause 1/01/2001

### Air transits - Insured Transit principally by air:

Institute Cargo Clauses (Air) 1/1/09

Institute Strikes Clauses (Air Cargo) 1/1/09

Institute War Clauses (Air Cargo) (excluding sendings by post) 1/1/09

Institute Theft, Pilferage and Non-Delivery clause 1/12/82

Institute Replacement Clause 1/12/2008 as amended by the Basis of Valuation Clause (clause 6.6) insofar as the Goods consist of used machinery.

## PART 2 – IMPORTS AND EXPORT

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### Postal transits - Insured Transits by postal or courier service:

Institute Cargo Clauses (A) 1/1/09

Institute Cargo Clauses (Air) (excluding sending's by Post) 1/1/09 amended to include postal sendings.

Institute Strikes Clauses (Cargo) 1/1/09

Institute War Clause (sending's by post) 1/3/09

Institute Theft, Pilferage and Non-Delivery clause 1/12/82

Institute Replacement Clause 1/12/2008 as amended by the Basis of Valuation Clause (clause 6.6) insofar as the Goods consist of used machinery.

# ADDITIONAL BENEFITS

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The following Additional Benefits are included in the Cover provided by this Policy and unless stated otherwise are subject to the terms, conditions and exclusions of this Policy. The limits which apply to each Additional Benefit specified below are in addition to the Sum Insured/Limit of Liability specified in Your Policy Schedule.

## 1. Accumulation clause

In the event of an accumulation of Insured Goods during the ordinary course of transit:

- a. by reason of any interruption of transit; or
- b. during transshipment; or
- c. after the arrival of the overseas vessel or Conveyance at the port; or
- d. at a place of discharge; and

provided that the accumulation shall not have arisen from any circumstances within Your control, then, notwithstanding anything stated to the contrary, the maximum Limit of Liability under the Policy shall be:

- e. twice the Policy Limit of Liability stated in the Policy Schedule; or
- f. \$10,000,000

whichever is the lesser.

You must notify Us of all such cases of accumulation as soon as they are known to You.

**Note:** This does not apply to Single Transit Policy shipments.

## 2. Acquired company clause

The Client/Insured named in the Policy Schedule includes any company, subsidiary company or firm, formed, purchased or otherwise acquired by You during the Period of Insurance (annual policy), provided that :

- a. You hold a controlling interest in the company or firm or have agreed to accept responsibility for insurance for such a firm or company
- b. You advise Us of Your interest in the company or firm within sixty (60) days from the date of signing of the instrument by which You acquired such company, subsidiary company or firm, or from the date of formation of such company, subsidiary company or firm, whichever the case may be; and
- c. You declare to Us the turnover or value of Sendings or Sums Insured, type of goods to be insured, past claims, and then pay any additional premium, and
- d. the Goods are of a like or similar nature to that noted in Your Policy Schedule;

**Note:** This does not apply to Single Transit Policy shipments.

## 3. Additional Expenses clause - Clothing & Fashion Goods or Printed Matter

Where the Insured Goods consist of Clothing and Fashion Goods or Printed Matter (as defined below), and if We agree to pay a claim under this Policy, We will also pay up to \$50,000 (or as otherwise stated in the Policy Schedule) to reimburse Reasonable Additional Costs (as defined below) incurred by You, (that arise from the same event), to expedite the remake/reprint and delivery of Clothing and Fashion Goods or Printed Matter to the originally intended destination.

We will not pay:

- a. where there is no reasonable expectation of remake/reprint and delivery occurring prior to any pre-established or recorded launch, opening, application, release or festivity date, or
- b. for re-styling, enhancement or upgrade to original specifications.

**Note:** You shall bear an Excess of 5% of the amount payable under this Additional Expenses Clause.

### **Definitions:**

**Clothing and Fashion Goods** means clothing designed to be worn on a person's body and millinery items (i.e. hats and head wear) but excluding handbags and footwear.

# ADDITIONAL BENEFITS

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**Printed Matter** – means brochures, advertising flyers, magazines, catalogues, newsletters or similar items.

## **Reasonable Additional Costs:**

In calculating Reasonable Additional Costs, We will take into account amounts which might exceed the original declared value of the original production run due to the replacement of the Clothing and Fashion Goods or Printed Matter incurring minimum production run costs and/or the need to expedite replacement due to a pre-established, pre-booked launch, opening application, release or festivity date.

## **4. Automatic reinstatement clause**

When We pay a claim under this Policy, the Limit of Liability will be automatically reinstated without additional Premium.

**Note:** This does not apply to Single Transit policy shipments.

## **5. Brands, labels and packaging clause**

When We pay a claim under this Policy, any damaged Goods bearing identifying brands or labels or other permanent markings, may be retained by You to dispose of as You see fit, provided a reasonable allowance is agreed for the value of the Goods and this allowance is deducted from the claim settlement. Where only the labels or packaging are affected, We will only pay You the cost to recondition and/or replace those labels or packaging.

## **6. Bunkers Clause**

Cover is provided in accordance with the Institute Cargo Clauses (C), Institute War Clauses (Cargo) and Institute Strikes Clauses (Cargo) for unconsumed ships bunker fuel owned by You whilst held in a vessel bunker tank (not as cargo) on any chartered vessel. The maximum amount We will pay under this extension clause is \$50,000 each charter voyage.

**Note:** This does not apply to Single Transit policy shipments.

## **7. Buyers contingency clause**

In respect of shipments purchased by You on CIF or similar terms and where the interest shipped is insured by the seller with another insurer, this Policy is extended to Cover Goods, of the kind described in the Policy Schedule, in which You as a buyer retain a contingent financial interest, where:

- a. the Goods are lost or damaged, and the loss or damage would be covered under this Policy if the Goods were declared to Us, and
- b. the insurance cover provided under the trade contract is on similar terms to the Cover afforded by this Policy and the seller (or its insurer) is legally liable to pay for any loss or damage to the Goods, but fails to do so, and
- c. You have taken all reasonable steps to safeguard the Goods and to recover payment from the seller or its insurer.

If the existence of this Cover is disclosed to any other party interested in the Goods, then this Additional Benefit will not apply.

If We pay for such lost or damaged Goods under this Cover, You authorise Us to act in Your name in any recovery action that We may take against the seller or the other insurer and You undertake to give Us reasonable assistance in that action.

Where requested, You will provide us with a declaration of all CIF shipments.

**Note:** This does not apply to single transit or Livestock policy shipments.

## **8. Cargo ISM forwarding charges**

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

- a. the vessel not being certified in accordance with the ISM Code, or
- b. a current Document of Compliance not being held by her owners or operators

as required under the Safety of Life at Sea (SOLAS) Convention 1974 as amended.

This clause, which does not apply to the General Average or salvage charges, is subject to all other terms, conditions and exclusions contained in the Policy and to Exclusion 5 – Cargo ISM Endorsement.



# ADDITIONAL BENEFITS

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## 9. Shipping Container Clause

### Shipping Containers owned by You - Loss/Damage

This Policy is extended to cover Your Shipping Containers or those for which you are responsible to insure, subject to the following Institute Clauses

- Institute Container Clauses - Time 1/1/87
- Institute War and Strikes Clauses Containers - Time 1/1/87

A deductible of \$2,000 shall apply to each container, except where losses are caused by a single Accident or occurrence to more than one of Your containers then only one deductible shall apply.

### Non-owned containers - Loss/Damage

This Policy is extended to cover Shipping Containers, pallets and dunnage to the extent that You are legally liable to pay for any physical loss of or damage to them.

### Non-owned containers - Demurrage

Where instructed by Us to retain Shipping Containers in order to ascertain loss or damage to goods under the Policy, We will reimburse You for the reasonable demurrage charges or late return penalties You incur to allow the completion of the investigation task.

The maximum amount We will pay under this Shipping Container Clause is limited to \$100,000 any one claim or series of claims arising from any one event.

## 10. Debris removal clause

If We Cover You for a claim under this Policy, the Cover is extended to include the reasonable cost of removal and disposal of damaged, deteriorated or contaminated Goods and, where You are required to do so, the cost of cleaning up or decontaminating the premises, location or Conveyance. Our Limit of Liability under this clause is limited to \$100,000 any one claim or series of claims arising from any one event unless otherwise specified in the Policy Schedule.

## 11. Deck Cargo clause (carried on a ships deck)

Insured Goods carried as Deck Cargo in fully enclosed intermodal ISO shipping containers will be covered in a similar manner to Underdeck Cargo. Unless otherwise agreed all other Deck Cargo shall be subject to the Institute Cargo Clauses (B)

**Note:** This benefit does not apply to Livestock

## 12. Delayed unpacking clause - Limited to 90 days

Where packages are not opened on arrival at destination, any concealed loss or damage caused by an event Covered under this Policy which become evident when the Insured Goods are unpacked shall be recoverable under this Policy provided that:

- a. the Insured Goods are opened and inspected within a period of 90 days from the time the Goods enter the warehouse or place of storage at the destination, and
- b. the packages show no outward sign of loss or damage at the time of entry into the warehouse or place of storage.

In no case shall this clause extend to include any loss, damage or expense to such Insured Goods arising after arrival at the warehouse or place of storage at the destination.

**Note:** This benefit does not apply to any Livestock

## 13. Duty, tax, excise payable clause

Where the inclusion of duty is noted in the Policy Schedule, We include the amount of any import duty and/or taxes and/or excise paid or payable by You in respect of the Goods. You agree to include in Your Sum Insured or declaration to Us the amount of import duty, and/or taxes and/or excise paid and/or payable on all imports insured under this Policy, the Premium on declared Duty to be charged at the agreed rate.

# ADDITIONAL BENEFITS

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Following a claim under this Policy You agree, in all cases, to use reasonable efforts to obtain abatement or refunds of import duty and/or taxes paid and/or excise in respect of the claim. Any abatement or refund achieved is to inure to Our benefit, provided the amount does not exceed the amount We pay in the claim settlement in respect of such import duty and/or taxes.

Nothing in this Clause shall increase the Limit of Liability or Sum Insured shown in the Policy Schedule.

## 14. Expediting expenses clause

If We pay a claim under the Policy, We will also pay You the reasonable costs of air freighting damaged but repairable Goods, replacement parts or components to and/or from the suppliers and the location of the Goods, even if the original transit was not by airfreight where:

- a. repair to Goods or replacement of any part or component is necessary to prevent interruption of Your business; and
- b. repair or replacement to original shipped condition cannot otherwise be effected in the country of destination

The maximum amount We will pay under this additional benefit is \$50,000 or 10% of the insured value, whichever is greater, any one accident or occurrence.

**Note:** This benefit does not apply to any Livestock or Temperature Controlled Goods.

## 15. Export certificates clause (this clause does not apply to single transit Policy shipments)

Where Goods are sold by You, You are authorised to issue Export Certificates on Our behalf provided You maintain compliance with the prescribed format and content We supply or approve.

In the event of a requirement to alter any Export Certificate to comply with a letter of credit, the terms conditions and limits of this Policy will prevail.

You agree to indemnify Us for any claim which We are obliged to pay where an Export Certificate is issued that does not conform to the terms, conditions and limits of this Policy.

## 16. FOB and CFR pre-shipment clause (Some Imports into Australia only)

We will indemnify You under the terms of this Policy, as if You had purchased the goods under INCOTERMS 'Ex Works' contract terms, in the following circumstances:

- a. You purchase goods under INCOTERMS on a FOB, CFR or similar trade contract terms where Your insurable interest attaches at time of loading on board the overseas Conveyance (sea or air transport) and;
- b. a loss has occurred which would be recoverable under this Policy but for the trade contract terms and;
- c. following reasonable and concerted effort, You are unable to obtain compensation from the supplier/seller.

Where We settle a claim under this extension, We will be subrogated to any rights You may have against the supplier/seller and You must provide Us with full information and all reasonable assistance in the recovery of those payments or expenses.

**Note:** This benefit applies to imports into Australia only.

**Note:** This benefit does not apply to any Livestock or Bulk Cargo shipments.

## 17. Fumigation and decontamination damage clause

We will Cover loss or damage to the Goods caused by fumigation and/ or decontamination where fumigation and/ or decontamination is required under a written order from the relevant quarantine authority of the country where the Insured Goods will be unloaded.

**Note:** This benefit does not apply to any Livestock.

## 18. Fumigation, Quarantine and/ or decontamination expenses clause

We will Cover the reasonable costs, charges and/or expenses necessarily incurred should the Goods on arrival at the port of destination be ordered by the appropriate authorities to be fumigated, decontaminated and/or quarantined because of infestation or suspected infestation, including:

- a. cost of actual Fumigation and/or decontamination and/or Quarantine Expenses (as defined below); and
- b. additional freight costs incurred to or from fumigation, decontamination or quarantine.

# ADDITIONAL BENEFITS

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The maximum We will pay under this benefit is up to 15% of the Limit of Liability/Sum Insured shown in the Policy Schedule or \$100,000, whichever is the lesser.

In no case will We be liable for:

- i. loss of market, or consequential loss of any description;
- ii. the cost of Customary Fumigation and/or , decontamination (as defined) or quarantine costs/expenses per Government Quarantine Regulations or similar statutory requirements;
- iii. fines and/or penalties.
- iv. cost, charges and/or expenses covered under another insurance policy.

## Definitions

**“Fumigation and/ or decontamination and/or Quarantine Expenses”** means the cost of fumigation and/ or decontamination or quarantine of an infestation of the Goods and any related transportation and storage expenses.

**“Customary Fumigation and/ or decontamination”** means the routine and customary act of fumigation and/ or decontamination of a product, Conveyance, Shipping Container, packaging or dunnage whether required by the relevant quarantine authority or otherwise.

**Note:** This benefit does not apply to any Livestock.

## 19. General Average and Salvage clause

We will pay General Average and Salvage charges in full even if the amount Covered is less than the contributory value. It is a condition of this clause that all Insured Goods shall be Covered for not less than amounts calculated on the Basis of Valuation.

**Note:** This benefit only applies to shipments by sea or air.

## 20. Insolvency or financial default of carrier expenses clause

If any Insured Transit is interrupted or terminated due to the insolvency or financial default of the carrier (land, sea or air), whether or not loss or damage has been occasioned to the Goods, We will pay You the reasonable freight and/or temporary storage expenses to forward the Goods to their intended destination, an alternate destination or to return the Goods to the place from which they were despatched, up to a maximum of 10% of the Sum Insured of the Goods.

## 21. Loss of Information/Data/Media

We will pay for loss of electronic stored information, data or media held within the Goods covered by this Policy provided there is visible external evidence of damage to Goods from an insured event. The amount We will pay under this clause is the reasonable cost of rewriting the information or data. Subject to a maximum limit of \$50,000 for any loss or series of losses arising from one event and providing these costs are not recoverable under any other policy of insurance.

**Note:** This benefit does not apply to any Livestock or Temperature Controlled Goods

## 22. Pollution hazard clause

This Policy Covers loss or damage to the Goods caused by government or civil authorities acting in the public interest to prevent or mitigate a pollution threat or hazard.

## 23. Resecuring clause

In the event of shifting or movement of Goods during an Insured Transit which makes re-loading or re-securing necessary, even though there may be no claim resulting from the shifting or movement of the Goods, We will reimburse You up to \$1,000 any one incident for re-loading or re-securing costs provided that:

- a. these costs are not recoverable under any other policy of insurance
- b. the circumstance leading to the incident were outside Your control
- c. You could not reasonably be expected to have knowledge of the circumstances leading to the incident in the normal course of Your business.

**Note:** This benefit does not apply to Livestock.

# ADDITIONAL BENEFITS

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## 24. Sealed Shipping Container clause

In respect of shipments in any fully enclosed Shipping Container (excluding Unit Load Devices), provided that documentary evidence is produced to substantiate the quantity loaded into the sealed Shipping Container the fact that the Shipping Container seal is intact at unloading point shall not by itself invalidate claims for theft, pilferage, shortage and non-delivery.

On settlement of a claim, You shall assist Us to pursue every reasonable course of recovery from the suppliers or other responsible third parties.

**Note:** This benefit does not apply to Livestock.

## 25. Seller Contingency Clause

- a. This additional benefit Covers Your interest as seller of Goods for consignments sold on “free on board” (FOB) and “cost and freight” (CFR) terms dispatched within the Period of Insurance and Geographic Limits specified in the Policy Schedule.
- b. Cover under this benefit attaches in accordance with the terms and conditions of this Policy on the basis which would apply had the consignment been sold on Cost Insurance and Freight (CIF) terms
- c. Cover is subject to one or more of the following circumstances occurring:
  - i. the buyer fails or refuses to accept the shipping documents;
  - ii. the buyer fails or refuses to accept or pay for the Goods;
  - iii. You exercise a lien on the Goods or interrupt their transit, or suspend the sale contract whilst the goods are in transit when this is reasonable to safeguard Your interests.
- d. Cover under this benefit terminates:
  - i. When You receive payment in accordance with the contract of sale; or
  - ii. When the buyer accepts the Goods; or
  - iii. at completion of sale or where Your interest in the Goods passes to another party; or
  - iv. 60 days from the arrival of the vessel or aircraft at the port/airport of discharge  
whichever shall first occur
- e. You must use all reasonable and usual care, skill and forethought and take all practical measures, including measures which may be required by Us to prevent or minimise a loss, and to enforce the contract of sale.
- f. All rights and benefits against the buyer and/or the buyer’s insurers and/or carrier(s) and/or other persons are to be subrogated to Us.
- g. You must advise Us immediately of the occurrence of any of the circumstances in Clause c. above.
- h. This benefit will also apply during any delay or deviation as a direct result of the contingencies in clause c. above.
- i. This benefit and any money payable under it are not assignable without Our written consent.
- j. This benefit will not apply if this additional benefit is disclosed to the buyer.

**Note:** This benefit does not apply to Livestock or any Single Transits.

## 26. Sorting charges clause

Where instructed by Us to sort or segregate packages and Goods in order to ascertain a cause or degree of loss or damage, We will pay the reasonable costs You incur to complete this task whether a claim is payable under this Policy, or not.

**Note:** This benefit does not apply to Livestock.

## 27. Strikes diversion expenses clause (applies to sea shipments only)

We will pay reasonable additional expenses incurred by You following the exercise by the ship owner, operator or charterer of any liberty granted to them by the contract of affreightment where solely in consequence of, or conditions arising from, strikes, riots, civil commotions, lockouts or labour disturbances, the Insured Goods are over-carried to or discharged at a port other than the intended port of discharge under the contract of affreightment. The additional expense will be paid irrespective of any other loss, whether total or partial, which is recoverable under this Policy.

# ADDITIONAL BENEFITS

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However, We will not be liable for any expense unless the liberty under the contract of affreightment is exercised by the ship owner, operator or charterer prior to the expiry of 15 days from midnight on the day on which the strikes, riots, civil commotions, lockouts or labour disturbances cease to be in active operation.

The maximum amount We will pay under this Additional Benefit is 20% of the Limit of Liability or Sum Insured specified in the Policy Schedule or \$50,000, whichever is the lesser, any one loss or series of losses arising from the one event, and in the annual aggregate.

An Excess of 10% of any claim amount recoverable applies to this Additional Benefit.

## 28. Tools of Trade

We will Cover You for loss or damage to Tools of Trade owned by You or Your employees up to \$10,000 for each claim but limited to \$10,000 for all claims occurring during the Period of Insurance.

Provided that:

- a. the Conveyance and/or fixed carrying compartment of any Conveyance is of a fully enclosed design capable of being securely locked at all times; and
- b. windows, doors and openings of the Conveyance or fixed carrying compartment of any Conveyance are securely locked when unattended and any alarms fitted to the Conveyance are activated.

This Additional Benefit can be increased under the Optional Extension "Tools of Trade".

**Note:** This benefit does not apply to either Import Exports or any Single Transits.

## 29. Travellers' Samples clause

Notwithstanding that the definition of Insured Goods excludes Travellers' Samples, We will Cover Your Travellers' Samples and promotional material in the care, custody or control of Your travelling employees up to a maximum of \$25,000 (unless another amount is noted on Your Policy Schedule) for all claims occurring during any one Period of Insurance.

This benefit will not apply:

- a. where Travellers' Samples are left unattended in any Conveyance, premises or accommodation unless there is visible evidence of violent and forcible entry into or exit out of a securely locked Conveyance, premises or accommodation;
- b. when caused by or arising from mysterious disappearance or unexplained loss;
- c. to Your or Your employees personal property;
- d. to Travellers' Samples sent as unaccompanied baggage; or
- e. to electronic presentation equipment not limited to computers, projectors, electronic displays, public address systems and the like.

**Note:** In no circumstances, will this benefit apply to Import/Exports.

**Note:** This benefit will not apply to any Livestock or Temperature Controlled Goods Transits or any Single Transits.

## 30. Mustering, Wandering Off & Agistment Costs - Livestock Inland Transit only

We will also pay for the reasonable costs incurred arising from:

- a. mustering the Livestock at the scene of the event, accident or following the Deliberate Third Party Act to release the Livestock;
- b. loss of Livestock due to wandering off from the scene of an event or accident; and
- c. Agistment expenses:
  - i. where the Conveyance is damaged in an accident and is incapable of completing the journey
  - ii. where a Conveyance breaks down and is incapable of completing the journey for a period of 24 consecutive hours or more
  - iii. where the Conveyance is temporarily stranded by a Government or regulatory body movement or travel restriction

The maximum amount We will pay under this Additional Benefit is limited to \$50,000 any one accident, event or 'authority order' and \$100,000 for all claims occurring during the Period of Insurance.



# ADDITIONAL BENEFITS

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## **31. Exhibition clause**

This Policy is extended to include Cover for the Insured Goods and any owned, leased or hired exhibition equipment, fixtures or fittings for which You are responsible whilst in transit to or from and during any exhibition, trade fair or display.

However, We will not Cover:

- a. loss or damage to the Goods whilst in use or as a direct result of a demonstration.
- b. theft, pilferage or unexplained loss of the Goods and equipment, fixtures or fittings during the open hours of the exhibition, trade fair or display.

The maximum amount We will pay under this extension is \$50,000 for any one accident or occurrence.

In addition, We will also reimburse You for non-refundable expenses paid directly to the holder of the exhibition, trade fair or display which arise from Your failure to attend the exhibition, trade fair or display as a direct result of a loss Covered by this clause up to a limit of \$50,000 for any one accident or occurrence and for all claims occurring during the Period of Insurance.

This extension will not apply to any Livestock or Temperature Controlled Goods Transits or any single transits.

# OPTIONAL EXTENSIONS

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The following Optional Extensions only apply if they are noted in Your Policy Schedule:

## 1. Exhibition clause

This Policy is extended to include Cover for the Insured Goods and any owned, leased or hired exhibition equipment, fixtures or fittings for which You are responsible whilst in transit to or from and during any exhibition, trade fair or display. However, We will not Cover:

- a. loss or damage to the Goods whilst in use or as a direct result of a demonstration.
- b. theft, pilferage or unexplained loss of the Goods and equipment, fixtures or fittings during the open hours of the exhibition, trade fair or display.

The maximum amount We will pay under this extension is the amount shown in Your Policy Schedule under Exhibition clause for any one accident or occurrence.

In addition, We will also reimburse You for non-refundable expenses paid directly to the holder of the exhibition, trade fair or display which arise from Your failure to attend the exhibition, trade fair or display as a direct result of a loss Covered by this clause up to a limit of \$10,000 for any one accident or occurrence and for all claims occurring during the Period of Insurance.

The Excess applicable to this extension is \$250, unless a higher Excess is otherwise noted in Your Policy Schedule.

This extension will not apply to any Livestock or Temperature Controlled Goods Transits or any single transits.

## 2. Tools of Trade

Notwithstanding the Tool of Trade Additional Benefit, this Policy will Cover You up to the amount shown in Your Policy Schedule for Tools of Trade owned by You or Your employees

Provided that:

- a. a Conveyance and/or fixed carrying compartment of any Conveyance is of a fully enclosed design capable of being securely locked at all times; and
- b. windows, doors and openings of the Conveyance or fixed carrying compartment of any Conveyance are securely locked when unattended and any alarms fitted to the Conveyance are activated.

The Excess applicable to this extension is \$250, unless a higher Excess is otherwise noted in Your Policy Schedule.

**Note:** In no circumstances, will this benefit apply to Import/Exports.

This benefit will not apply to any Livestock or Temperature Controlled Goods Transits or any Single Transits.

## 3. Travellers' Samples clause

Notwithstanding that the definition of Insured Goods excludes Travellers' Samples We will Cover Your Travellers' Samples and promotional material in the care, custody or control of Your travelling employees up to a maximum of the amount noted on Your Policy Schedule for Travellers' Samples, for all claims occurring during any one Period of Insurance.

This benefit will not apply:

- a. where Travellers' Samples are left unattended in any Conveyance, premises or accommodation unless there is visible evidence of violent and forcible entry into or exit out of a securely locked Conveyance, premises or accommodation;
- b. when caused by or arising from mysterious disappearance or unexplained loss;
- c. to Your or Your employees personal property;
- d. to Travellers' Samples sent as unaccompanied baggage; or
- e. to electronic presentation equipment - computers, projectors, electronic displays, public address systems and the like.

The Excess applicable to this extension is \$250, unless a higher Excess is otherwise noted in Your Policy Schedule.

**Note:** In no circumstances, will this benefit apply to Import/Exports.

This benefit will not apply to any Livestock or Temperature Controlled Goods Transits or any Single Transits.

# HOW MUCH WE WILL PAY (PARTS 1 AND 2)

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1. All monetary amounts expressed in the Policy are Australian Dollars unless otherwise stated in the Policy Schedule.
2. If the amount of a claim is to be calculated based on an invoice in a currency other than Australian dollars, the claim will be paid in Australian dollars at the rate of exchange current at the date the loss or damage occurred.
3. Any amount that We pay for loss of or damage to Goods will be limited by the Sum Insured stated in the Policy Schedule for any one claim or series of claims arising from any one event.
4. Any amount that We pay for additional expenses that arise out of Additional Benefits provided for in this Policy will be limited by the sublimit insured amounts stated in the Policy. These amounts are payable in addition to any claim for loss of or damage to Goods, unless stated otherwise.
5. We will also pay amounts for Your reasonable additional expenses for the purpose of averting or minimising loss. These amounts are payable in addition to any claim for loss of or damage to Goods and are payable in addition to the Sum Insured stated in the Policy.
6. Claims that We pay under this Policy will have any Excess deducted prior to settlement (the Excess will be stated in the Policy Schedule or otherwise in this Policy). No Excess will apply to General Average or salvage guarantee claims.
7. Coinsurance or Average applies to Part 2 Imports/Export shipments but does not apply to Part 1 Inland Transits (within Australia).
8. If You reinstate damaged Insured Goods, after obtaining the consent from Us, We agree to pay the cost of such reinstatement including the value of labour and other overhead charges expended thereon. Our liability shall not exceed the amount which would otherwise have been payable hereunder had such reinstatement been carried out by outside contractors.

## 9. Part 2 Import/Export only - Basis of Valuation :

The following basis of valuation will apply unless otherwise shown in Your Policy Schedule.

For Goods which are imported or exported the basis of valuation will be the Cost, Insurance and Freight (CIF) plus 10% plus Duty (if incurred)

### Coinsurance/Average

If the value of the Insured Goods at the time of loss or damage is of greater value than the Agreed value or the Sum Insured specified in Your Policy Schedule, We shall only pay You in accordance with the provisions of the Marine Insurance Act 1909, where it is applicable.

#### **a. Plant and equipment, computers and electronic equipment transfers and/ or Shipping Containers (New and Used up to 5 years old from date of manufacture)**

- i. Where the Goods are destroyed, the replacement thereof shall be by similar Goods in a condition equal to pre existing to the loss but not better or more extensive than it's condition when new.
- ii. Where the Goods are damaged, the repair of the damage and the restoration of the damaged portion of the Goods to a condition substantially the same as that pre existing to the loss but not better or more extensive than it's condition when new.

#### **b. Plant and equipment, computers and electronic equipment transfers and/ or Shipping Containers (more than 5 years old from date of manufacture)**

- i. where the Goods are destroyed, the cost of replacing the Goods with similar Goods of the same type, age, specification and condition or as near as possible to that type, age, specification and condition.
- ii. Where the Goods are damaged, the cost of repairing or reinstating the Goods to a condition equal to but no better or more extensive than the condition immediately prior to the loss or damage.
- iii. In the event of loss of or damage to any part(s) of an insured plant, equipment, computers or electronic equipment or Shipping Containers or other manufactured item consisting of more than one part caused by a peril covered by this Policy, the sum recoverable shall not exceed the cost of replacement or repair of such part(s) plus labour for (re)fitting and carriage costs. Duty incurred in the provision of replacement or repaired part(s) shall also be recoverable provided that the full duty payable on the insured plant, equipment, computers or electronic equipment or Shipping Containers or manufactured item is included in the amount Covered.
- iv. In the event of a claim recoverable under this Policy necessitating the manufacture of any new part(s) for the repair of an insured plant, equipment, computers or electronic equipment or Shipping Containers or other manufactured item, the sum recoverable shall not exceed the manufacturer's last list price for the year of manufacture of the lost or damaged part(s), uplifted for inflation. Inflation shall be determined by reference

# HOW MUCH WE WILL PAY (PARTS 1 AND 2)

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to the Retail Price Index, or other officially published data of the country of manufacture of the insured plant, equipment, computers or electronic equipment or Shipping Containers or manufactured item, up to a maximum total uplift of 25%.

If no such manufacturer's list price is available, the total liability shall in no event exceed the amount Covered for the machine or manufactured item.

Our total liability shall in no event exceed the Sum Insured / Limit of Liability of the plant, equipment, computers or electronic equipment or containers or manufactured item.

If there is **no invoice value** for any Goods insured under this Policy, the value of the Goods shall be the cost of replacing the Goods with similar Goods of the same type, age, specification and condition or as near as possible to that type, age, specification and condition.

## **10. Part 1 Inland Transit only - Basis of Valuation :**

Unless otherwise stated in the Policy Schedule, We will determine the Sum Insured value of Goods by reference to the Basis of Valuation hereunder:

### **a. Goods Sold or Purchased including goods returned**

The invoice value of the Goods including freight charges where applicable

### **b. Stock Transfers**

Inter company cost including freight, or in the absence of any inter company cost, the actual cost of the stock to You including freight.

### **c. Plant and equipment, computers and electronic equipment transfers and/ or Shipping Containers (New and Used up to 5 years old from date of manufacture)**

- i. Where the Goods are destroyed, the replacement thereof shall be by similar Goods in a condition equal to pre existing to the loss but not better or more extensive than it's condition when new.
- ii. Where the Goods are damaged, the repair of the damage and the restoration of the damaged portion of the Goods to a condition substantially the same as that pre existing to the loss but not better or more extensive than it's condition when new.

### **d. Plant and equipment, computers and electronic equipment transfers and/ or Shipping Containers (more than 5 years old from date of manufacture)**

- i. where the above Insured Goods are destroyed, the cost of replacing the Goods with similar Goods of the same type, age, specification and condition or as near as possible to that type, age, specification and condition.
- ii. where the above Insured Goods are damaged, the cost of repairing or reinstating the Goods to a condition equal to but no better or more extensive than the condition immediately prior to the loss or damage.
- iii. In the event of loss of or damage to any part(s) of plant, equipment, computers or electronic equipment or Shipping Containers or other manufactured item consisting of more than one part caused by a peril covered by this Policy, the sum recoverable shall not exceed the cost of replacement or repair of such part(s) plus labour for (re)fitting and carriage costs. Duty incurred in the provision of replacement or repaired part(s) shall also be recoverable provided that the full duty payable on the insured plant, equipment, computers or electronic equipment or Shipping Containers or manufactured item is included in the amount Covered.
- iv. In the event of a claim recoverable under this Policy necessitating the manufacture of any new part(s) for the repair of an insured plant, equipment, computers or electronic equipment or Shipping Containers or other manufactured item, the sum recoverable shall not exceed the manufacturer's last list price for the year of manufacture of the lost or damaged part(s), uplifted for inflation. Inflation shall be determined by reference to the Retail Price Index, or other officially published data of the country of manufacture of the insured plant, equipment, computers or electronic equipment or Shipping Containers or manufactured item, up to a maximum total uplift of 25%.

If no such manufacturer's list price is available, the total liability shall in no event exceed the amount Covered for the machine or manufactured item.

Our total liability shall in no event exceed the Sum Insured / Limit of Liability of the plant, equipment, computers or electronic equipment or Shipping Containers or manufactured item.

## HOW MUCH WE WILL PAY (PARTS 1 AND 2)

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If there is no invoice value for any Goods Covered under this Policy, the value of the Goods shall be the cost of replacing the Goods with similar Goods of the same type, age, specification and condition or as near as possible to that type, age, specification and condition.

### **e. Livestock**

- i. the net invoice value covering the Livestock whilst in transit (including freight if applicable)
- ii. if there is no invoice value, the cost of replacing the Livestock, with similar livestock of the same age and condition or as near as possible to that age and condition
- iii. for consignment sales, the average market value on the date and at the place of arrival at the intended destination, less commissions normally paid to the selling agent.

### **LIMITATIONS ON HOW MUCH WE WILL PAY**

1. Where any item of Insured Goods is part of a pair or set, We will only pay for the part of the pair or set that is lost, damaged or destroyed even if it cannot be replaced with a matching item. Unless otherwise stated in the Policy Schedule, the Basis of Valuation for such Insured Goods will be regarded as spread over the whole of the pair or set, divided in the proportion that it would cost to replace each of the items making up the pair or set.
2. In the event of damage or breakage to the Goods that consist of pipes, it is agreed that the damage or broken section of pipe shall be cut off and the remaining section be considered sound. We will pay only that proportion which the Sum Insured bears to the broken section of pipe.
3. Where only the labels or packaging are affected, We will pay You only the reasonable cost of reconditioning and/or replacing those labels or packaging.
4. We shall not be bound to replace or repair exactly or completely, but only as circumstances permit and in reasonably sufficient manner and shall not in any case be bound to expend more than the applicable Limit or Sub Limit of Sum Insured.
5. Where You cannot claim an input tax credit in respect of the cost of repairs or replacement to make good the loss, the amount(s) payable as detailed in the Policy, will include the amount of any Goods and Services Tax (GST) due in respect of the payment.
6. Where You can claim an input tax credit in respect of the cost of repairs or replacement to make good the loss, the amount(s) payable as detailed in this Policy will be less any input tax credits available to the you in respect of the payment.



# EXCLUSIONS TO THIS POLICY (PARTS 1 AND 2)

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**Important Note:** Institute Radioactive Contamination, Chemical, Biological, Bio Chemical & Electromagnetic Weapons exclusion clause (clause 1) and Transit & Terrorism Clause (clause 2) shall be paramount where they conflict with any terms contained in this policy. In the event of conflict between these two Clauses, the Institute Radioactive Contamination, Chemical, Biological, Bio Chemical & Electromagnetic Weapons exclusion clause (clause 1) shall prevail.

In addition to exclusions found in any applicable Institute Clause forming part of this Policy, We will not pay for:

## 1. Institute Radioactive Contamination, Chemical, Biological, Bio-Chemical & Electromagnetic Weapons Exclusion Clause 10/11/03

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

- a. ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel,
- b. the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof,
- c. any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter,
- d. the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter. This Exclusion 1.d does not extend to radioactive isotopes, other than nuclear fuel, when such isotopes are being prepared, carried, stored, or used for commercial, agricultural, medical, scientific or other similar peaceful purposes.
- e. any chemical, biological, bio-chemical, or electromagnetic weapon.

## 2. Transit and Terrorism Clause

In no case shall this Policy cover loss, damage, liability or expense directly or indirectly caused by or contributed to by or arising from any act of Terrorism, being an act of any person acting on behalf of, or in connection with, any organisation which carries out activities directed towards the overthrowing or influencing, by force or violence, of any government whether or not legally constituted, or any person acting from a political, ideological or religious motive, such cover is conditional upon the Insured Goods being in the ordinary course of transit and, in any event, SHALL TERMINATE either:

- a. as per The Insured Transit) clause outlined earlier in this document, or
- b. on completion of unloading from the carrying vehicle or other Conveyance in or at the final warehouse or place of storage at the destination named in the Policy Schedule,
- c. on completion of unloading from the carrying vehicle or other Conveyance in or at any other warehouse or place of storage, whether prior to or at the destination named in the Policy Schedule, which You or Your employees elect to use either for storage other than in the ordinary course of transit or for allocation or distribution, or
- d. on delivery to any other warehouse or place of storage, which You elect to use either for storage other than in the ordinary course of transit or for allocation or distribution, or
- e. when You or Your employees elect to use any carrying vehicle or other Conveyance or any container for storage other than in the ordinary course of transit, or
- f. in respect of Insured Transit by sea, on the expiry of 60 days after completion of discharge overside of the Insured Goods from the overseas vessel at the final port of discharge,
- g. in respect of Insured Transit by air, on the expiry of 30 days after unloading the Insured Goods from the aircraft at the final place of discharge

whichever shall first occur.

If the Policy or the clauses referred to in this Policy Wording provide Cover for Inland Transit 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 Insured Transit terminating again in accordance with Exclusion 2.

## 3. Sanction Limitation and Exclusion Clause

In no case shall this Policy cover loss, damage, liability or expense directly or indirectly caused by or contributed to by or arising from any claim or provision of any benefit hereunder to the extent that the provision of such Cover, payment of such claim or provision of such benefit would expose Us to any sanction, prohibition or restriction under United Nations resolutions or trade or economic sanctions, laws or regulations of Australia, the European Union, United Kingdom or United States of America.

# EXCLUSIONS TO THIS POLICY (PARTS 1 AND 2)

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## 4. Institute Cyber Attack Exclusion Clause 10/11/03

- a. In no case shall this Policy cover loss, damage, liability or expense directly or indirectly caused by or contributed to by or arising from the use or operation, as a means for inflicting harm, of any computer, computer system, computer software programme, malicious code, computer virus or process or any electronic system.
- b. Where this clause is endorsed on policies covering risks of war, civil war, revolution, rebellion, insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power, or terrorism or any person acting from a political motive, Clause 4a shall not operate to exclude losses (which would otherwise be covered) arising from the use of any computer, computer system computer software programme, or any electronic system in the launch and/or guidance system and/or firing mechanism of any weapon or missile.

## 5. Cargo ISM Endorsement (Vessels > 500 tons)

In no case shall this Policy cover loss, damage, liability or expense directly or indirectly caused by or contributed to by or arising from where the Insured Goods are carried by a vessel that is not ISM Code certified or whose owners or operators do not hold an ISM Code Document of Compliance when, at the time of loading of the Insured Goods on board the vessel, You were aware or in the ordinary course of business should have been aware:

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

This clause is only applicable to shipments on board all vessels of 500 gross tons or more.

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

## 6. Certain Causes of Loss

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

- a. any kind of mechanical, electrical and/or electronic breakdown of or malfunction of, the Goods where there is no external evidence of damage in transit from an insured event Covered in Part 1 or 2;
- b. ordinary wear and tear or natural depreciation;
- c. delay even though the delay be caused by a risk insured against;
- d. inherent vice or nature of the Goods (including mildew, mould) ;
- e. rust, oxidisation, discolouration, unless caused in transit from an insured event;
- f. consequential losses of any kind or loss of market;
- g. vermin;
- h. ordinary leakage, ordinary loss in weight or volume;
- i. unexplained loss, mysterious disappearance and/ or shortage deduced solely from an inventory computation;
- j. something which has not occurred during the Insured Transit, for example, pre-existing damage or damage occurring after the Goods have been delivered at destination;
- k. while the Goods are in use and/or while being worked upon and directly resulting therefrom;
- l. rejection, detention, condemnation or confiscation by any government or their agencies or departments or by any public or local authority regardless of the reason;
- m. dismantling, assembly, testing or fabrication of the Goods other than as required during the ordinary course of transit.

## 7. War (does not to apply to Goods on ship or air)

In no case shall this Policy cover loss, damage, liability or expense directly or indirectly caused by or contributed to by or arising from or as a result of an act of war, whether or not war has been declared, while the Insured Goods are in transit (or in storage) on land.

# EXCLUSIONS TO THIS POLICY (PARTS 1 AND 2)

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## 8. Infectious Disease, Government Restriction & Inoculation (Inland Livestock Transit only)

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

- a. infectious diseases including slaughter under order of any Government or other authority due to infectious diseases affecting or threatening to affect livestock ;
- b. inoculation or its after effects; or
- c. the failure to comply with orders, restrictions or regulations of Government or other authorities, on account of infectious diseases.

# CONDITIONS OF THIS POLICY (PARTS 1 AND 2)

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## 1. Australian law & jurisdiction

This Policy is subject to Australian law and jurisdiction

- a. Inland Transit within Australia is subject to the Insurance Contracts Act 1984,
- b. import/export shipments are subject to the Marine Insurance Act 1909 (if applicable),

Those Acts as amended from time to time will apply.

## 2. Errors and omissions (Annual Policies only)

You will not be prejudiced by any unintentional or inadvertent error or omission

- a. in valuation of a declaration or shipment (up to the Limit of Liability in an annual Policy); or
- b. description of the Insured Goods, or
- c. description or declaration of a vessel or voyage or mode of transport used (subject to the Institute Classification Clause),

provided notice is given to us as soon as practicable on discovery of any such error or omission and any additional terms and conditions (including premium) are agreed between You and Us.

This does not apply to a Single Transit Policy.

## 3. Premium and Declaration

The Premium payable for this Policy is based on the estimated value of Sendings (or turnover, if applicable) as determined by the Basis of Valuation clause, provided by You for the Period of Insurance. Unless otherwise agreed:

- a. if the deposit Premium is \$5,000 or less, the deposit Premium shall be regarded as the minimum Premium for the Period of Insurance shown in the current Policy Schedule, and no adjustment or declaration of actual sendings is required.
- b. if the deposit Premium is more than \$5,000 but less than \$25,000, and the actual Sendings vary to the estimated Sendings by no more than 10%, then no adjustment or declaration of actual Sendings will be calculated.
- c. if the deposit Premium is \$25,000 and greater or the variance percentage of 10% in b. above is exceeded, You must supply a declaration of actual Sendings within three months of the expiry of the Period of Insurance. An adjustment will be made to the deposit Premium, based on rates agreed at the beginning of the Period of Insurance. If the adjusted Premium exceeds the deposit Premium, You agree to pay the difference to Us by the date advised to You.

# CONDITIONS OF THIS POLICY (PARTS 1 AND 2)

If any adjusted Premium is lower than the deposit Premium, We will pay the difference to You, subject to the application of any minimum Premium stated in the Policy Schedule. Where a Policy is cancelled, we reserve the right to limit any such return deposit Premium to 25% of the original estimated annual Premium, the balance being regarded as the minimum annual Premium.

You agree that Your declaration of actual value of Sendings will be the total value of Insured Goods by or at risk under this Policy, calculated in accordance with the Basis of Valuation contained in this Policy and/or the Policy Schedule.

This does not apply to a Single Transit Policy.

#### 4. War and strikes variation clause (this clause does not apply to Single Transit policy shipments)

The Premium and rates quoted/charged are inclusive of the war and strikes rates charged by Us as at the Effective Date of the Policy. As war and strikes exposures may vary during the Period of Insurance, We reserve the right to vary the war and strikes rates at any time by giving You (or Your broker/agent/representative) 7 days' notice in writing of any such variation.

Any variation in Premium will be calculated by deducting the rate charged at the commencement of the Policy from the new rate and applying the difference to the exposed value of Sendings/turnover. The method of payment for any difference in Premium will be advised as part of the notice to amend war and strikes rates.

Nothing contained in this clause shall vary the cancellation provisions of this Policy.

This does not apply to a Single Transit Policy.

#### 5. Cancellation

Single transit Policy shipments - You may cancel the Policy at any time prior to the commencement of the Insured Transit by giving Us written notification.

Annual Inland Transit risks - You may cancel the Policy at any time by giving Us written notification.

We may only cancel this Policy when permitted to do so by law, and by giving the appropriate notice under the Insurance Contracts Act 1984 (Cth) and the following Notice Period where any contract is governed by the Marine Insurance Act 1909

Notice Period		
<b>Annual Import/export (sea shipments)</b>	30 days	from 4.00pm on the day of which the notice of cancellation is Issued
<b>War risks</b>	7 days	
<b>Strikes, riots and civil commotions risks (non USA)</b>	7 days	
<b>Piracy</b>	7 days - see below	
<b>Strikes, riots and civil commotions risks (non USA)</b>	48 hours	

#### 6. Adjustment/Declaration Following Cancellation

You agree to provide Us, within thirty (30) days of the cancellation, a declaration giving the actual value of the Goods sent or received by You and insured under this Policy. We will calculate and pay You any return Premium due, after deduction of any minimum Premium. However if the cancellation is due to insolvency or takeover of Your business, consideration will be given to reducing the minimum Premium depending on the circumstances, claims and Our exposure during the Period of Insurance. Any additional Premium payable by You on cancellation of the Policy is payable to Us by the date advised to You.

#### 7. Cargo Piracy notice of cancellation clause

Where this Policy Covers piracy and/or General Average, salvage and sue and labour charges arising from piracy, such Cover may be cancelled by Us where permitted to do so by law by giving 7 days notice in writing, cancellation to take effect on the expiry of 7 days from 4.00pm of the day on which the notice is issued by Us.

We agree to reinstate this coverage subject to agreement between You and Us prior to the cancellation taking effect as to any new rate of Premium and/or conditions and/or warranties. Such cancellation shall not affect any Cover which has attached before the cancellation takes effect.

# CONDITIONS OF THIS POLICY (PARTS 1 AND 2)

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If the cancellation is in relation to specific geographic areas, such areas will be clearly defined by Us in the notice of cancellation.

## **8. Tax Provisions**

Notwithstanding the payment provisions contained in this Policy, We will pay the claimant or payee in respect of the cost of repairs or replacement to make good the loss, the amount(s) payable as detailed in this Policy:

- a. plus the amount of any GST due in respect of the payment, where the claimant or payee cannot claim an Input Tax Credit; or
- b. less any input tax credits available to the claimant or payee in respect of the payment, where the claimant or payee can claim an Input Tax Credit.

## **9. Goods and Services Tax**

The amount of Premium paid by You for Your Policy includes an amount for GST on the Premium. As You are a commercial entity, You must inform Us of the extent to which You are entitled to an Input Tax Credit for that GST amount each time that You make a claim under Your Policy.

No payment will be made to You for any GST liability that You may incur on the settlement of a claim if You do not inform Us of Your entitlement or correct entitlement to any Input Tax Credit.

Despite the other provisions in this Policy (including provisions in the wordings, Your Policy Schedule or any endorsement) Our liability to You will be calculated taking into account any Input Tax Credit to which You are entitled for any acquisition which is relevant to Your claim, or to which You would have been entitled were You to have made a relevant acquisition.

## **10. Government Taxes and Duties**

You must pay all levies, taxes, imposts and/or charges, including but not limited to stamp duty and other similar charges which may be payable to or required to be paid to any government in Australia whether acting through any agency, instrumentality or otherwise in relation to Your Policy.

## **11. Notices**

Where there is more than one of You, any notice given by Us under Your Policy to any one of You will be deemed to be notice given to all of You.



# CLAIMS RESPONSIBILITIES OF THIS POLICY

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## What You must do

1. You must immediately advise Us of the loss or damage. We may decide to appoint a surveyor or an assessor to inspect the damage to determine the cause and who might be responsible for it.
2. When You incur loss, damage, liability or expense claimable under this Policy, You, or anyone acting for You or on Your behalf must:
  - a. take all reasonable measures to avoid or minimise any further loss damage, liability or expense;
  - b. advise Us as soon as reasonably practicable of the cause and the amount of loss and any other proof or information with respect to the claim that may be reasonably required;
  - c. permit Us or Our agents to inquire into, investigate and examine the circumstances of any loss;
  - d. provide to Us details of any other insurance covering, or which may Cover, the same loss;
  - e. in the event of loss caused by burglary, theft and/ or malicious damage, notify the police immediately (if appropriate) and provide to them all assistance to apprehend the offending party;
  - f. in the event of a General Average or salvage contribution claim consult Us before signing any General Average or salvage bond;
  - g. whenever required by Us, You shall aid in securing information, evidence, obtaining of witnesses and co-operate with Us in all matters which We may deem necessary in the investigation, settlement or recovery of your claim from third parties; and
  - h. if We elect or become bound to replace or repair any item of the Goods, You shall at your own expense produce and deliver to us all such existing plans, documents and information as We may reasonably require to do that.
3. When You incur damage giving rise to a claim under this Policy, You, or anyone acting for You or on Your behalf must properly preserve and exercise all rights against carriers, bailees or other third parties, specifically:
  - a. Deliver to the carrier or other parties responsible a notice of intention to claim within 3 days of delivery, and where air carriage is involved give written notice to the air carrier within 14 days;
  - b. Note on receipts when the Goods are in visible doubtful condition when delivered;
  - c. Where the delivery is made by Shipping Container ensure that the seals are examined immediately by a responsible official;
  - d. If a Shipping Container is delivered damaged or with seals broken or missing or with seals other than as stated in the shipping documents, note the delivery docket accordingly and retain the seals for subsequent identification;
  - e. If the loss or damage is not immediately apparent at the time of delivery but discovered at a later time, apply immediately for surveys by the carriers or other bailees to be conducted within 3 days of discovery; and
  - f. If the loss concerns non-delivery of Goods, you must take all practicable steps to trace and recover any missing Goods and to discover by whom the Goods were misplaced or stolen, including reporting the matter to the police and any other responsible authority.

## What You must NOT do

4. When You incur loss, damage, liability or expense claimable under this Policy, You, or anyone acting for You or on Your behalf must not :
  - a. make any false declaration or statement in support of any claim under Your Policy;
  - b. dispose of any damaged Goods without giving us the opportunity to examine those Goods;
  - c. abandon any Goods to the us whether we have paid your claim or not; and
  - d. release carriers, bailees or other third parties from liability when loss or damage is discovered.

## What We may do

5. We may give to and obtain from any other insurers, insurance reference bureaus and credit reporting agencies any information relating to Your credit or insurance history as well as insurance claims information.

# CLAIMS RESPONSIBILITIES OF THIS POLICY

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6. In the event of a claim for non-delivery of the Goods and after You have taken all reasonable steps to locate the Goods, We may agree that We shall make settlement to You if the Goods have not been located after the expiration of 60 days counting from the date of arrival of the overseas vessel at the port of discharge or 30 days counting from the date of arrival of the aircraft at the airport of discharge or 60 days counting from the date the goods should have arrived at final destination via land conveyances, as applicable.
7. When We have accepted Your claim, We may make reasonable progress payments on account of any claims to You at such intervals and for such amounts as We may both agree.
8. Subject to the provisions of either the Insurance Contracts Act 1984 or the Marine Insurance Act 1909, upon the payment of any claim under this Policy, We may avail of the right to recover or obtain contribution from:
  - a. any person against whom You may be able to claim and We have the right to take action in Your name, and
  - b. other insurance covering or which may cover the same loss, the details of which You have advised to Us.
9. We shall have full discretion in the conduct or settlement of any recovery action. This includes the right to instruct lawyers to provide advice as to the liability and to represent You in such action.
10. We may take over any right that You may otherwise have had against any person who may be held responsible for the loss, damage, liability or expense, and to take recovery action in Your name against those responsible for our benefit.
11. If there is a loss that is partially covered by this Policy that We have paid for and there remains an uninsured loss, We will use Our best efforts to agree with You upon a fair and proper allocation of amounts that may be recovered from other parties who may be responsible for the losses, having regard to the Insurance Contracts Act 1984 and the Marine Insurance Act 1909 and the relative legal costs and financial exposures attributable to covered and uncovered losses. At all times, We are only liable under this Policy for amounts attributable to Covered losses.

## What can affect a claim

12. Subject to the provisions of either the Insurance Contracts Act 1984, or the Marine Insurance Act, 1909, We may refuse to pay the whole or part of the claim to the extent permitted by law, and may also be entitled to cancel the Policy if any of the following things happen :
  - a. You do any of the things that We say in this Policy that you should not do;
  - b. You fail in Your duty of disclosure to Us before entering this Policy
  - c. You breach any condition or fail to comply with any condition of Your Policy and that causes or contributes to loss, damage or liability or prejudices our interests or rights, in respect of that claim; and
  - d. Your claim is fraudulent or false in any respect.
  - e. Where the Marine Act 1909 applies and You breach certain warranties
  - f. You make misrepresentations to Us before entering this Policy
13. Subject to the Insurance Contracts Act 1984 (Cth) and the Marine Insurance Act 1909 (Cth)
  - if before the happening of an occurrence giving rise to a claim under this Policy, You have not provided Us with immediate written notice of every fundamental change which materially varies any of the facts or circumstances existing at the commencement of this Policy that comes to Your knowledge; or
  - You have agreed with, or given an undertaking, either before or after the loss or damage occurred, to another person other than a person exempted by law, that You would not seek to recover any moneys from that person when that person is liable to compensate You for any loss or damage Covered by the Policy

We may be entitled to exercise some of the rights referred to in 12 above.

14. You may without prejudicing Your position under this Policy, agree to enter into a contract of affreightment for the transport of Goods where the terms of the contract include a disclaimer clause in favour of the company engaged to transport the Goods.

# INSTITUTE CLAUSES

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1/1/09

## INSTITUTE CARGO CLAUSES (A)

### RISKS COVERED

#### Risks

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

#### General Average

2. This insurance covers general average and salvage charges, adjusted or determined according to the contract of carriage and/or the governing law and practice, incurred to avoid or in connection with the avoidance of loss from any cause except those excluded in Clauses 4, 5, 6 and 7 below.

#### "Both to Blame Collision Clause"

3. This insurance indemnifies the Assured, in respect of any risk insured herein, against liability incurred under any Both to Blame Collision Clause in the contract of carriage. In the event of any claim by carriers under the said Clause, the Assured agree to notify the Insurers who shall have the right, at their own cost and expense, to defend the Assured against such claim.

### EXCLUSIONS

4. In no case shall this insurance cover
  - 4.1 loss damage or expense attributable to willful misconduct of the Assured
  - 4.2 ordinary leakage, ordinary loss in weight or volume, or ordinary wear and tear of the subject-matter insured
  - 4.3 loss damage or expense caused by insufficiency or unsuitability of packing or preparation of the subject-matter insured to withstand the ordinary incidents of the insured transit where such packing or preparation is carried out by the Assured or their employees or prior to the attachment of this insurance (for the purpose of these Clauses "packing" shall be deemed to include stowage in a container and "employees" shall not include independent contractors)
  - 4.4 loss damage or expense caused by inherent vice or nature of the subject-matter insured
  - 4.5 loss damage or expense caused by delay, even though the delay be caused by a risk insured against (except expenses payable under Clause 2 above)
  - 4.6 loss damage or expense caused by insolvency or financial default of the owners managers charterers or operators of the vessel where, at the time of loading of the subject-matter insured on board the vessel, the Assured are aware, or in the ordinary course of business should be aware, that such insolvency or financial default could prevent the normal prosecution of the voyage  

This exclusion shall not apply where the contract of insurance has been assigned to the party claiming hereunder who has bought or agreed to buy the subject-matter insured in good faith under a binding contract
  - 4.7 loss damage or expense directly or indirectly caused by or arising from the use of any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.
5. 5.1 In no case shall this insurance cover loss damage or expense arising from
  - 5.1.1 unseaworthiness of vessel or craft or unfitness of vessel or craft for the safe carriage of the subject-matter insured, where the Assured are privy to such unseaworthiness or unfitness, at the time the subject-matter insured is loaded therein
  - 5.1.2 unfitness of container or conveyance for the safe carriage of the subject-matter insured, where loading therein or thereon is carried out  

prior to attachment of this insurance or  
by the Assured or their employees and they are privy to such unfitness at the time of loading.
- 5.2 Exclusion 5.1.1 above shall not apply where the contract of insurance has been assigned to the party claiming hereunder who has bought or agreed to buy the subject-matter insured in good faith under a binding contract.

# INSTITUTE CLAUSES

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- 5.3 The Insurers waive any breach of the implied warranties of seaworthiness of the ship and fitness of the ship to carry the subject-matter insured to destination.
- 6.** In no case shall this insurance cover loss damage or expense caused by
- 6.1 war civil war revolution rebellion insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power
  - 6.2 capture seizure arrest restraint or detainment (piracy excepted), and the consequences thereof or any attempt thereat
  - 6.3 derelict mines torpedoes bombs or other derelict weapons of war.
- 7.** In no case shall this insurance cover loss damage or expense
- 7.1 caused by strikers, locked-out workmen, or persons taking part in labour disturbances, riots or civil commotions
  - 7.2 resulting from strikes, lock-outs, labour disturbances, riots or civil commotions
  - 7.3 caused by any act of terrorism being an act of any person acting on behalf of, or in connection with, any organisation which carries out activities directed towards the overthrowing or influencing, by force or violence, of any government whether or not legally constituted
  - 7.4 caused by any person acting from a political, ideological or religious motive.

## DURATION

### Transit Clause

- 8.** 8.1 Subject to Clause 11 below, this insurance attaches from the time the subject-matter insured is first moved in the warehouse or at the place of storage (at the place named in the contract of insurance) for the purpose of the immediate loading into or onto the carrying vehicle or other conveyance for the commencement of transit, continues during the ordinary course of transit and terminates either
- 8.1.1 on completion of unloading from the carrying vehicle or other conveyance in or at the final warehouse or place of storage at the destination named in the contract of insurance,
  - 8.1.2 on completion of unloading from the carrying vehicle or other conveyance in or at any other warehouse or place of storage, whether prior to or at the destination named in the contract of insurance, which the Assured or their employees elect to use either for storage other than in the ordinary course of transit or for allocation or distribution, or
  - 8.1.3 when the Assured or their employees elect to use any carrying vehicle or other conveyance or any container for storage other than in the ordinary course of transit or
  - 8.1.4 on the expiry of 60 days after completion of discharge overseaside of the subject-matter insured from the overseas vessel at the final port of discharge,
- whichever shall first occur.
- 8.2 If, after discharge overseaside from the overseas vessel at the final port of discharge, but prior to termination of this insurance, the subject-matter insured is to be forwarded to a destination other than that to which it is insured, this insurance, whilst remaining subject to termination as provided in Clauses 8.1.1 to 8.1.4, shall not extend beyond the time the subject-matter insured is first moved for the purpose of the commencement of transit to such other destination.
- 8.3 This insurance shall remain in force (subject to termination as provided for in Clauses 8.1.1 to 8.1.4 above and to the provisions of Clause 9 below) during delay beyond the control of the Assured, any deviation, forced discharge, reshipment or transhipment and during any variation of the adventure arising from the exercise of a liberty granted to carriers under the contract of carriage.

### Termination of Contract of Carriage

- 9.** If owing to circumstances beyond the control of the Assured either the contract of carriage is terminated at a port or place other than the destination named therein or the transit is otherwise terminated before unloading of the subject-matter insured as provided for in Clause 8 above, then this insurance shall also terminate unless prompt notice is given to the Insurers and continuation of cover is requested when this insurance shall remain in force, subject to an additional premium if required by the Insurers, either

# INSTITUTE CLAUSES

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- 91 until the subject-matter insured is sold and delivered at such port or place, or, unless otherwise specially agreed, until the expiry of 60 days after arrival of the subject-matter insured at such port or place, whichever shall first occur,
- or
- 92 if the subject-matter insured is forwarded within the said period of 60 days (or any agreed extension thereof) to the destination named in the contract of insurance or to any other destination, until terminated in accordance with the provisions of Clause 8 above.

## Change of Voyage

- 10.** 10.1 Where, after attachment of this insurance, the destination is changed by the Assured, this must be notified promptly to Insurers for rates and terms to be agreed. Should a loss occur prior to such agreement being obtained cover may be provided but only if cover would have been available at a reasonable commercial market rate on reasonable market terms.
- 10.2 Where the subject-matter insured commences the transit contemplated by this insurance (in accordance with Clause 8.1), but, without the knowledge of the Assured or their employees the ship sails for another destination, this insurance will nevertheless be deemed to have attached at commencement of such transit.

## CLAIMS

### Insurable Interest

- 11.** 11.1 In order to recover under this insurance the Assured must have an insurable interest in the subject-matter insured at the time of the loss.
- 11.2 Subject to Clause 11.1 above, the Assured shall be entitled to recover for insured loss occurring during the period covered by this insurance, notwithstanding that the loss occurred before the contract of insurance was concluded, unless the Assured were aware of the loss and the Insurers were not.

### Forwarding Charges

- 12.** Where, as a result of the operation of a risk covered by this insurance, the insured transit is terminated at a port or place other than that to which the subject-matter insured is covered under this insurance, the Insurers will reimburse the Assured for any extra charges properly and reasonably incurred in unloading storing and forwarding the subject-matter insured to the destination to which it is insured.

This Clause 12, which does not apply to general average or salvage charges, shall be subject to the exclusions contained in Clauses 4, 5, 6 and 7 above, and shall not include charges arising from the fault negligence insolvency or financial default of the Assured or their employees.

### Constructive Total Loss

- 13.** No claim for Constructive Total Loss shall be recoverable hereunder unless the subject-matter insured is reasonably abandoned either on account of its actual total loss appearing to be unavoidable or because the cost of recovering, reconditioning and forwarding the subject-matter insured to the destination to which it is insured would exceed its value on arrival.

### Increased Value

- 14.** 14.1 If any Increased Value insurance is effected by the Assured on the subject-matter insured under this insurance the agreed value of the subject-matter insured shall be deemed to be increased to the total amount insured under this insurance and all Increased Value insurances covering the loss, and liability under this insurance shall be in such proportion as the sum insured under this insurance bears to such total amount insured.

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

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

The agreed value of the subject-matter insured shall be deemed to be equal to the total amount insured under the primary insurance and all Increased Value insurances covering the loss and effected on the subject-matter insured by the Assured, and liability under this insurance shall be in such proportion as the sum insured under this insurance bears to such total amount insured.

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

# INSTITUTE CLAUSES

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## **BENEFIT OF INSURANCE**

### **15.** This insurance

- 15.1 covers the Assured which includes the person claiming indemnity either as the person by or on whose behalf the contract of insurance was effected or as an assignee,
- 15.2 shall not extend to or otherwise benefit the carrier or other bailee.

## **MINIMISING LOSSES**

### Duty of Assured

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

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

### Waiver

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

## **AVOIDANCE OF DELAY**

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

## **LAW AND PRACTICE**

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

*NOTE:– Where a continuation of cover is requested under Clause 9, or a change of destination is notified under Clause 10, there is an obligation to give prompt notice to the Insurers and the right to such cover is dependent upon compliance with this obligation.*

## **CL382**

1/1/09

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

### **RISKS COVERED**

#### Risks

- 1.** This insurance covers, except as excluded by the provisions of Clauses 3 and 4 below, loss of or damage to the subject-matter insured caused by
  - 1.1 strikers, locked-out workmen, or persons taking part in labour disturbances, riots or civil commotions
  - 1.2 any act of terrorism being an act of any person acting on behalf of, or in connection with, any organisation which carries out activities directed towards the overthrowing or influencing, by force or violence, of any government whether or not legally constituted
  - 1.3 any person acting from a political, ideological or religious motive.

#### General Average

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

# INSTITUTE CLAUSES

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carriage and/or the governing law and practice, incurred to avoid or in connection with the avoidance of loss from a risk covered under these Clauses.

## EXCLUSIONS

3. In no case shall this insurance cover
  - 3.1 loss damage or expense attributable to wilful misconduct of the Assured
  - 3.2 ordinary leakage, ordinary loss in weight or volume, or ordinary wear and tear of the subject-matter insured
  - 3.3 loss damage or expense caused by insufficiency or unsuitability of packing or preparation of the subject-matter insured to withstand the ordinary incidents of the insured transit where such packing or preparation is carried out by the Assured or their employees or prior to the attachment of this insurance (for the purpose of this Clause 3.3 "packing" shall be deemed to include stowage in a container and "employees" shall not include independent contractors)
  - 3.4 loss damage or expense caused by inherent vice or nature of the subject-matter insured
  - 3.5 loss damage or expense caused by delay, even though the delay be caused by a risk insured against (except expenses payable under Clause 2 above)
  - 3.6 loss damage or expense caused by insolvency or financial default of the owners managers charterers or operators of the vessel where, at the time of loading of the subject-matter insured on board the vessel, the Assured are aware, or in the ordinary course of business should be aware, that such insolvency or financial default could prevent the normal prosecution of the voyage This exclusion shall not apply where the contract of insurance has been assigned to the party claiming hereunder who has bought or agreed to buy the subject-matter insured in good faith under a binding contract
  - 3.7 loss damage or expense arising from the absence shortage or withholding of labour of any description whatsoever resulting from any strike, lockout, labour disturbance, riot or civil commotion
  - 3.8 any claim based upon loss of or frustration of the voyage or adventure
  - 3.9 loss damage or expense directly or indirectly caused by or arising from the use of any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter
  - 3.10 loss damage or expense caused by war civil war revolution rebellion insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power.
4. 4.1 In no case shall this insurance cover loss damage or expense arising from
  - 4.1.1 unseaworthiness of vessel or craft or unfitness of vessel or craft for the safe carriage of the subject-matter insured, where the Assured are privy to such unseaworthiness or unfitness, at the time the subject-matter insured is loaded therein
  - 4.1.2 unfitness of container or conveyance for the safe carriage of the subject-matter insured, where loading therein or thereon is carried out prior to attachment of this insurance or by the Assured or their employees and they are privy to such unfitness at the time of loading.
- 4.2 Exclusion 4.1.1 above shall not apply where the contract of insurance has been assigned to the party claiming hereunder who has bought or agreed to buy the subject-matter insured in good faith under a binding contract.
- 4.3 The Insurers waive any breach of the implied warranties of seaworthiness of the ship and fitness of the ship to carry the subject-matter insured to destination.

## DURATION

### Transit Clause

5. 5.1 Subject to Clause 8 below, this insurance attaches from the time the subject-matter insured is first moved in the warehouse or at the place of storage (at the place named in the contract of insurance) for the purpose of the immediate loading into or onto the carrying vehicle or other conveyance for the commencement of transit, continues during the ordinary course of transit and terminates either
  - 5.1.1 on completion of unloading from the carrying vehicle or other conveyance in or at the final warehouse or place of storage at the destination named in the contract of insurance,
  - 5.1.2 on completion of unloading from the carrying vehicle or other conveyance in or at any other warehouse or place of storage, whether prior to or at the destination named in the contract of insurance, which the



# INSTITUTE CLAUSES

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Assured or their employees elect to use either for storage other than in the ordinary course of transit or for allocation or distribution, or

- 5.1.3 when the Assured or their employees elect to use any carrying vehicle or other conveyance or any container for storage other than in the ordinary course of transit or
- 5.1.4 on the expiry of 60 days after completion of discharge overseaside of the subject-matter insured from the overseas vessel at the final port of discharge,

whichever shall first occur.

- 5.2 If, after discharge overseaside from the overseas vessel at the final port of discharge, but prior to termination of this insurance, the subject-matter insured is to be forwarded to a destination other than that to which it is insured, this insurance, whilst remaining subject to termination as provided in Clauses 5.1.1 to 5.1.4, shall not extend beyond the time the subject-matter insured is first moved for the purpose of the commencement of transit to such other destination.
- 5.3 This insurance shall remain in force (subject to termination as provided for in Clauses 5.1.1 to 5.1.4 above and to the provisions of Clause 6 below) during delay beyond the control of the Assured, any deviation, forced discharge, reshipment or transshipment and during any variation of the adventure arising from the exercise of a liberty granted to carriers under the contract of carriage.

## Termination of Contract of Carriage

- 6. If owing to circumstances beyond the control of the Assured either the contract of carriage is terminated at a port or place other than the destination named therein or the transit is otherwise terminated before unloading of the subject-matter insured as provided for in Clause 5 above, then this insurance shall also terminate unless prompt notice is given to the Insurers and continuation of cover is requested when this insurance shall remain in force, subject to an additional premium if required by the Insurers, either
  - 6.1 until the subject-matter insured is sold and delivered at such port or place, or, unless otherwise specially agreed, until the expiry of 60 days after arrival of the subject-matter insured at such port or place, whichever shall first occur,
  - or
  - 6.2 if the subject-matter insured is forwarded within the said period of 60 days (or any agreed extension thereof) to the destination named in the contract of insurance or to any other destination, until terminated in accordance with the provisions of Clause 5 above.

## Change of Voyage

- 7. 7.1 Where, after attachment of this insurance, the destination is changed by the Assured, this must be notified promptly to Insurers for rates and terms to be agreed. Should a loss occur prior to such agreement being obtained cover may be provided but only if cover would have been available at a reasonable commercial market rate on reasonable market terms.
- 7.2 Where the subject-matter insured commences the transit contemplated by this insurance (in accordance with Clause 5.1), but, without the knowledge of the Assured or their employees the ship sails for another destination, this insurance will nevertheless be deemed to have attached at commencement of such transit.

## **CLAIMS**

### Insurable Interest

- 8. 8.1 In order to recover under this insurance the Assured must have an insurable interest in the subject-matter insured at the time of the loss.
- 8.2 Subject to Clause 8.1 above, the Assured shall be entitled to recover for insured loss occurring during the period covered by this insurance, notwithstanding that the loss occurred before the contract of insurance was concluded, unless the Assured were aware of the loss and the Insurers were not.

### Increased Value

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

# INSTITUTE CLAUSES

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

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

The agreed value of the subject-matter insured shall be deemed to be equal to the total amount insured under the primary insurance and all Increased Value insurances covering the loss and effected on the subject-matter insured by the Assured, and liability under this insurance shall be in such proportion as the sum insured under this insurance bears to such total amount insured.

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

## BENEFIT OF INSURANCE

### 10. This insurance

10.1 covers the Assured which includes the person claiming indemnity either as the person by or on whose behalf the contract of insurance was effected or as an assignee,

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

## MINIMISING LOSSES

### Duty of Assured

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

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

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

### Waiver

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

## AVOIDANCE OF DELAY

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

## LAW AND PRACTICE

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

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

## CL386

1/1/09

## INSTITUTE WAR CLAUSES (CARGO)

### RISKS COVERED

#### Risks

### 1. This insurance covers, except as excluded by the provisions of Clauses 3 and 4 below, loss of or damage to the subject-matter insured caused by

# INSTITUTE CLAUSES

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

## General Average

2. This insurance covers general average and salvage charges, adjusted or determined according to the contract of carriage and/or the governing law and practice, incurred to avoid or in connection with the avoidance of loss from a risk covered under these Clauses.

## **EXCLUSIONS**

3. In no case shall this insurance cover
  - 3.1 loss damage or expense attributable to wilful misconduct of the Assured
  - 3.2 ordinary leakage, ordinary loss in weight or volume, or ordinary wear and tear of the subject-matter insured
  - 3.3 loss damage or expense caused by insufficiency or unsuitability of packing or preparation of the subject-matter insured to withstand the ordinary incidents of the insured transit where such packing or preparation is carried out by the Assured or their employees or prior to the attachment of this insurance (for the purpose of these Clauses "packing" shall be deemed to include stowage in a container and "employees" shall not include independent contractors)
  - 3.4 loss damage or expense caused by inherent vice or nature of the subject-matter insured
  - 3.5 loss damage or expense caused by delay, even though the delay be caused by a risk insured against (except expenses payable under Clause 2 above)
  - 3.6 loss damage or expense caused by insolvency or financial default of the owners managers charterers or operators of the vessel where, at the time of loading of the subject-matter insured on board the vessel, the Assured are aware, or in the ordinary course of business should be aware, that such insolvency or financial default could prevent the normal prosecution of the voyage  

This exclusion shall not apply where the contract of insurance has been assigned to the party claiming hereunder who has bought or agreed to buy the subject-matter insured in good faith under a binding contract
  - 3.7 any claim based upon loss of or frustration of the voyage or adventure
  - 3.8 loss damage or expense directly or indirectly caused by or arising from any hostile use of any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.
4. 4.1 In no case shall this insurance cover loss damage or expense arising from
  - 4.1.1 unseaworthiness of vessel or craft or unfitness of vessel or craft for the safe carriage of the subject-matter insured, where the Assured are privy to such unseaworthiness or unfitness, at the time the subject-matter insured is loaded therein
  - 4.1.2 unfitness of container or conveyance for the safe carriage of the subject-matter insured, where loading therein or thereon is carried out prior to attachment of this insurance or by the Assured or their employees and they are privy to such unfitness at the time of loading.
- 4.2 Exclusion 4.1.1 above shall not apply where the contract of insurance has been assigned to the party claiming hereunder who has bought or agreed to buy the subject-matter insured in good faith under a binding contract.
- 4.3 The Insurers waive any breach of the implied warranties of seaworthiness of the ship and fitness of the ship to carry the subject-matter insured to destination.

## **DURATION**

### Transit Clause

5. 5.1 This insurance
  - 5.1.1 attaches only as the subject-matter insured and as to any part as that part is loaded on an oversea vessel  
and

# INSTITUTE CLAUSES

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- 5.1.2 terminates, subject to 5.2 and 5.3 below, either as the subject-matter insured and as to any part as that part is discharged from an oversea vessel at the final port or place of discharge,
- or
- on expiry of 15 days counting from midnight of the day of arrival of the vessel at the final port or place of discharge,
- whichever shall first occur;
- nevertheless,
- subject to prompt notice to the Insurers and to an additional premium, such insurance
- 5.1.3 reattaches when, without having discharged the subject-matter insured at the final port or place of discharge, the vessel sails therefrom,
- and
- 5.1.4 terminates, subject to 5.2 and 5.3 below, either as the subject-matter insured and as to any part as that part is thereafter discharged from the vessel at the final (or substituted) port or place of discharge,
- or
- on expiry of 15 days counting from midnight of the day of re-arrival of the vessel at the final port or place of discharge or arrival of the vessel at a substituted port or place of discharge,
- whichever shall first occur.
- 5.2 If during the insured voyage the oversea vessel arrives at an intermediate port or place to discharge the subject-matter insured for on-carriage by oversea vessel or by aircraft, or the subject-matter insured is discharged from the vessel at a port or place of refuge, then, subject to 5.3 below and to an additional premium if required, this insurance continues until the expiry of 15 days counting from midnight of the day of arrival of the vessel at such port or place, but thereafter reattaches as the subject-matter insured and as to any part as that part is loaded on an on-carrying oversea vessel or aircraft. During the period of 15 days the insurance remains in force after discharge only whilst the subject-matter insured and as to any part as that part is at such port or place. If the subject-matter insured is on-carried within the said period of 15 days or if the insurance reattaches as provided in this Clause 5.2
- 5.2.1 where the on-carriage is by oversea vessel this insurance continues subject to the terms of these Clauses,
- or
- 5.2.2 where the on-carriage is by aircraft, the current Institute War Clauses (Air Cargo) (excluding sendings by Post) shall be deemed to form part of the contract of insurance and shall apply to the on-carriage by air.
- 5.3 If the voyage in the contract of carriage is terminated at a port or place other than the destination agreed therein, such port or place shall be deemed the final port of discharge and this insurance terminates in accordance with 5.1.2. If the subject-matter insured is subsequently reshipped to the original or any other destination, then provided notice is given to the Insurers before the commencement of such further transit and subject to an additional premium, this insurance reattaches
- 5.3.1 in the case of the subject-matter insured having been discharged, as the subject-matter insured and as to any part as that part is loaded on the on-carrying vessel for the voyage;
- 5.3.2 in the case of the subject-matter not having been discharged, when the vessel sails from such deemed final port of discharge;
- thereafter this insurance terminates in accordance with 5.1.4.
- 5.4 The insurance against the risks of mines and derelict torpedoes, floating or submerged, is extended whilst the subject-matter insured or any part thereof is on craft whilst in transit to or from the oversea vessel, but in no case beyond the expiry of 60 days after discharge from the oversea vessel unless otherwise specially agreed by the Insurers.
- 5.5 Subject to prompt notice to Insurers, and to an additional premium if required, this insurance shall remain in force within the provisions of these Clauses during any deviation, or any variation of the adventure arising from the exercise of a liberty granted to carriers under the contract of carriage.

# INSTITUTE CLAUSES

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(For the purpose of Clause 5 "arrival" shall be deemed to mean that the vessel is anchored, moored or otherwise secured at a berth or place within the Harbour Authority area. If such a berth or place is not available, arrival is deemed to have occurred when the vessel first anchors, moors or otherwise secures either at or off the intended port or place of discharge

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

## Change of Voyage

6. 6.1 Where, after attachment of this insurance, the destination is changed by the Assured, this must be notified promptly to Insurers for rates and terms to be agreed. Should a loss occur prior to such agreement being obtained cover may be provided but only if cover would have been available at a reasonable commercial market rate on reasonable market terms.
- 6.2 Where the subject-matter insured commences the transit contemplated by this insurance (in accordance with Clause 5.1), but, without the knowledge of the Assured or their employees the ship sails for another destination, this insurance will nevertheless be deemed to have attached at commencement of such transit.

**7. Anything contained in this contract which is inconsistent with Clauses 3.7, 3.8 or 5 shall, to the extent of such inconsistency, be null and void.**

## **CLAIMS**

### Insurable Interest

8. 8.1 In order to recover under this insurance the Assured must have an insurable interest in the subject-matter insured at the time of the loss.
- 8.2 Subject to Clause 8.1 above, the Assured shall be entitled to recover for insured loss occurring during the period covered by this insurance, notwithstanding that the loss occurred before the contract of insurance was concluded, unless the Assured were aware of the loss and the Insurers were not.

### Increased Value

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

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

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

The agreed value of the subject-matter insured shall be deemed to be equal to the total amount insured under the primary insurance and all Increased Value insurances covering the loss and effected on the subject-matter insured by the Assured, and liability under this insurance shall be in such proportion as the sum insured under this insurance bears to such total amount insured.

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

## **BENEFIT OF INSURANCE**

### **10. This insurance**

10.1 covers the Assured which includes the person claiming indemnity either as the person by or on whose behalf the contract of insurance was effected or as an assignee,

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

## **MINIMISING LOSSES**

### Duty of Assured

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

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

and

# INSTITUTE CLAUSES

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

## Waiver

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

## **AVOIDANCE OF DELAY**

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

## **LAW AND PRACTICE**

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

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

## **CL385**

1/12/82

## **INSTITUTE THEFT, PILFERAGE AND NON-DELIVERY CLAUSE**

(For use only with Institute Clauses)

In consideration of an additional premium, it is hereby agreed that this insurance covers loss of or damage to the subject-matter insured caused by theft or pilferage, or by non-delivery of an entire package, subject always to the exclusions contained in this insurance.

## **CL. 272**

1/1/01

## **INSTITUTE CLASSIFICATION CLAUSE**

### **QUALIFYING VESSELS**

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

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

**Should a loss occur prior to such agreement being obtained cover may be provided but only if cover would have been available at a reasonable commercial market rate on reasonable commercial market terms.**

### **AGE LIMITATION**

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

# INSTITUTE CLAUSES

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Bulk or combination carriers over 10 years of age or

other vessels over 15 years of age unless they :

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

## **CRAFT CLAUSE**

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

## **NATIONAL FLAG SOCIETY**

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

## **PROMPT NOTICE**

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

## **LAW AND PRACTICE**

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

\* For a current list of IACS Members and Associate Members please refer to the IACS website at: [www.iacs.org.uk](http://www.iacs.org.uk)

## **CL.354**

1/1/09

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

(excluding sendings by Post)

### **RISKS COVERED**

#### Risks

1. This insurance covers all risks of loss of or damage to the subject-matter insured except as excluded by the provisions of Clauses 3, 4 and 5 below.

#### Salvage Charges

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

### **EXCLUSIONS**

3. In no case shall this insurance cover
  - 3.1 loss damage or expense attributable to wilful misconduct of the Assured
  - 3.2 ordinary leakage, ordinary loss in weight or volume, or ordinary wear and tear of the subject-matter insured
  - 3.3 loss damage or expense caused by insufficiency or unsuitability of packing or preparation of the subject-matter insured to withstand the ordinary incidents of the insured transit where such packing or preparation is carried out by the Assured or their employees or prior to the attachment of this insurance (for the purpose of these Clauses "packing" shall be deemed to include stowage in a container and "employees" shall not include independent contractors)
  - 3.4 loss damage or expense caused by inherent vice or nature of the subject-matter insured



# INSTITUTE CLAUSES

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3.5 loss damage or expense arising from unfitness of aircraft conveyance or container for the safe carriage of the subject-matter insured, where loading therein or thereon is carried out prior to attachment of this insurance or by the Assured or their employees and they are privy to such unfitness at the time of loading. This exclusion shall not apply where the contract of insurance has been assigned to the party claiming hereunder who has bought or agreed to buy the subject-matter insured in good faith under a binding contract.

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

3.7 loss damage or expense caused by insolvency or financial default of the owners managers charterers or operators of the aircraft where, at the time of loading of the subject-matter insured on board the aircraft, the Assured are aware, or in the ordinary course of business should be aware, that such insolvency or financial default could prevent the normal prosecution of the transit

This exclusion shall not apply where the contract of insurance has been assigned to the party claiming hereunder who has bought or agreed to buy the subject-matter insured in good faith under a binding contract

3.8 loss damage or expense directly or indirectly caused by or arising from the use of any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.

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

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

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

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

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

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

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

5.3 caused by any act of terrorism being an act of any person acting on behalf of, or in connection with, any organisation which carries out activities directed towards the overthrowing or influencing, by force or violence, of any government whether or not legally constituted

5.4 caused by any person acting from a political, ideological or religious motive.

## DURATION

### Transit Clause

**6.** 6.1 Subject to Clause 9 below, this insurance attaches from the time the subject-matter insured is first moved in the warehouse, premises or at the place of storage (at the place named in the contract of insurance) for the purpose of the immediate loading into or onto the carrying vehicle or other conveyance for the commencement of transit,

continues during the ordinary course of transit

and terminates either

6.1.1 on completion of unloading from the carrying vehicle or other conveyance in or at the final warehouse, premises or place of storage at the destination named in the contract of insurance,

6.1.2 on completion of unloading from the carrying vehicle or other conveyance in or at any other warehouse, premises or place of storage, whether prior to or at the destination named in the contract of insurance, which the Assured or their employees elect to use either for storage other than in the ordinary course of transit or for allocation or distribution, or

6.1.3 when the Assured or their employees elect to use any carrying vehicle or other conveyance or any container for storage other than in the ordinary course of transit or

6.1.4 on the expiry of 30 days after completion of unloading of the subject-matter insured from the aircraft at the final place of discharge,

whichever shall first occur.

6.2 If, after unloading from the aircraft at the final place of discharge, but prior to termination of this insurance, the subject-matter insured is to be forwarded to a destination other than that to which it is insured, this insurance,

# INSTITUTE CLAUSES

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whilst remaining subject to termination as provided in Clauses 6.1 to 6.1.4, shall not extend beyond the time the subject-matter insured is first moved for the purpose of the commencement of transit to such other destination.

- 6.3 This insurance shall remain in force (subject to termination as provided for in Clauses 6.1 to 6.1.4 above and to the provisions of Clause 7 below) during delay beyond the control of the Assured, any deviation, forced discharge, reshipment or transshipment and during any variation of the adventure arising from the exercise of a liberty granted to the air carriers under the contract of carriage.

## Termination of Contract of Carriage

7. If owing to circumstances beyond the control of the Assured either the contract of carriage is terminated at a place other than the destination named therein or the transit is otherwise terminated before unloading of the subject-matter insured as provided for in Clause 6 above, then this insurance shall also terminate unless prompt notice is given to the Insurers and continuation of cover is requested when this insurance shall remain in force, subject to an additional premium if required by the Insurers, either
- 7.1 until the subject-matter insured is sold and delivered at such place, or, unless otherwise specially agreed, until the expiry of 30 days after arrival of the subject-matter insured at such place, whichever shall first occur,
- or
- 7.2 if the subject-matter insured is forwarded within the said period of 30 days (or any agreed extension thereof) to the destination named in the contract of insurance or to any other destination, until terminated in accordance with the provisions of Clause 6 above.

## Change of Transit

8. 8.1 Where, after attachment of this insurance, the destination is changed by the Assured, this must be notified promptly to Insurers for rates and terms to be agreed. Should a loss occur prior to such agreement being obtained cover may be provided but only if cover would have been available at a reasonable commercial market rate on reasonable market terms.
- 8.2 Where the subject-matter insured commences the transit contemplated by this insurance (in accordance with Clause 6.1), but, without the knowledge of the Assured or their employees the aircraft leaves for another destination, this insurance will nevertheless be deemed to have attached at commencement of such transit.

## **CLAIMS**

### Insurable Interest

9. 9.1 In order to recover under this insurance the Assured must have an insurable interest in the subject-matter insured at the time of the loss.
- 9.2 Subject to Clause 9.1 above, the Assured shall be entitled to recover for insured loss occurring during the period covered by this insurance, notwithstanding that the loss occurred before the contract of insurance was concluded, unless the Assured were aware of the loss and the Insurers were not.

### Forwarding Charges

10. Where, as a result of the operation of a risk covered by this insurance, the insured transit is terminated at a place other than that to which the subject-matter insured is covered under this insurance, the Insurers will reimburse the Assured for any extra charges properly and reasonably incurred in unloading storing and forwarding the subject-matter insured to the destination to which it is insured.

This Clause 10, which does not apply to salvage charges, shall be subject to the exclusions contained in Clauses 3, 4 and 5 above, and shall not include charges arising from the fault negligence insolvency or financial default of the Assured or their employees.

### Constructive Total Loss

11. No claim for Constructive Total Loss shall be recoverable hereunder unless the subject-matter insured is reasonably abandoned either on account of its actual total loss appearing to be unavoidable or because the cost of recovering, reconditioning and forwarding the subject-matter insured to the destination to which it is insured would exceed its value on arrival.

### Increased Value

12. 12.1 If any Increased Value insurance is effected by the Assured on the subject-matter insured under this insurance the agreed value of the subject-matter insured shall be deemed to be increased to the total amount insured

# INSTITUTE CLAUSES

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under this insurance and all Increased Value insurances covering the loss, and liability under this insurance shall be in such proportion as the sum insured under this insurance bears to such total amount insured.

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

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

The agreed value of the subject-matter insured shall be deemed to be equal to the total amount insured under the primary insurance and all Increased Value insurances covering the loss and effected on the subject-matter insured by the Assured, and liability under this insurance shall be in such proportion as the sum insured under this insurance bears to such total amount insured.

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

## **BENEFIT OF INSURANCE**

13. This insurance

13.1 covers the Assured which includes the person claiming indemnity either as the person by or on whose behalf the contract of insurance was effected or as an assignee,

13.2 shall not extend to or otherwise benefit the carrier or other bailee.

## **MINIMISING LOSSES**

Duty of Assured

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

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

and

14.2 to ensure that all rights against carriers, bailees or other third parties are properly preserved and exercised

and the Insurers will, in addition to any loss recoverable hereunder, reimburse the Assured for any charges properly and reasonably incurred in pursuance of these duties.

## Waiver

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

## **AVOIDANCE OF DELAY**

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

## **LAW AND PRACTICE**

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

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

**CL387**

# INSTITUTE CLAUSES

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1/1/09

## INSTITUTE STRIKES CLAUSES (AIR CARGO)

### RISKS COVERED

#### Risks

1. This insurance covers, except as excluded by the provisions of Clause 3 below, loss of or damage to the subject-matter insured caused by
  - 1.1 strikers, locked-out workmen, or persons taking part in labour disturbances, riots or civil commotions
  - 1.2 any act of terrorism being an act of any person acting on behalf of, or in connection with, any organisation which carries out activities directed towards the overthrowing or influencing, by force or violence, of any government whether or not legally constituted
  - 1.3 any person acting from a political, ideological or religious motive.

#### Salvage Charges

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

### EXCLUSIONS

3. In no case shall this insurance cover
  - 3.1 loss damage or expense attributable to wilful misconduct of the Assured
  - 3.2 ordinary leakage, ordinary loss in weight or volume, or ordinary wear and tear of the subject-matter insured
  - 3.3 loss damage or expense caused by insufficiency or unsuitability of packing or preparation of the subject-matter insured to withstand the ordinary incidents of the insured transit where such packing or preparation is carried out by the Assured or their employees or prior to the attachment of this insurance (for the purpose of this Clause 3.3 "packing" shall be deemed to include stowage in a container and "employees" shall not include independent contractors)
  - 3.4 loss damage or expense caused by inherent vice or nature of the subject-matter insured
  - 3.5 loss damage or expense arising from unfitness of aircraft conveyance or container for the safe carriage of the subject-matter insured, where loading therein or thereon is carried out prior to attachment of this insurance or by the Assured or their employees and they are privy to such unfitness at the time of loading. This exclusion shall not apply where the contract of insurance has been assigned to the party claiming hereunder who has bought or agreed to buy the subject-matter insured in good faith under a binding contract.
  - 3.6 loss damage or expense caused by delay, even though the delay be caused by a risk insured against
  - 3.7 loss damage or expense caused by insolvency or financial default of the owners managers charterers or operators of the aircraft where, at the time of loading of the subject-matter insured on board the aircraft, the Assured are aware, or in the ordinary course of business should be aware, that such insolvency or financial default could prevent the normal prosecution of the transit

This exclusion shall not apply where the contract of insurance has been assigned to the party claiming hereunder who has bought or agreed to buy the subject-matter insured in good faith under a binding contract

- 3.8 loss damage or expense arising from the absence shortage or withholding of labour of any description whatsoever resulting from any strike, lockout, labour disturbance, riot or civil commotion
- 3.9 any claim based upon loss of or frustration of the transit or adventure
- 3.10 loss damage or expense directly or indirectly caused by or arising from the use of any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter
- 3.11 loss damage or expense caused by war civil war revolution rebellion insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power.

# INSTITUTE CLAUSES

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## DURATION

### Transit Clause

4. 4.1 Subject to Clause 7 below, this insurance attaches from the time the subject-matter insured is first moved in the warehouse, premises or at the place of storage (at the place named in the contract of insurance) for the purpose of the immediate loading into or onto the carrying vehicle or other conveyance for the commencement of transit, continues during the ordinary course of transit and terminates either
- 4.1.1 on completion of unloading from the carrying vehicle or other conveyance in or at the final warehouse, premises or place of storage at the destination named in the contract of insurance,
  - 4.1.2 on completion of unloading from the carrying vehicle or other conveyance in or at any other warehouse, premises or place of storage, whether prior to or at the destination named in the contract of insurance, which the Assured or their employees elect to use either for storage other than in the ordinary course of transit or for allocation or distribution, or
  - 4.1.3 when the Assured or their employees elect to use any carrying vehicle or other conveyance or any container for storage other than in the ordinary course of transit or
  - 4.1.4 on the expiry of 30 days after completion of unloading of the subject-matter insured from the aircraft at the final place of discharge,
- whichever shall first occur.
- 4.2 If, after unloading from the aircraft at the final place of discharge, but prior to termination of this insurance, the subject-matter insured is to be forwarded to a destination other than that to which it is insured, this insurance, whilst remaining subject to termination as provided in Clauses 4.1.1 to 4.1.4, shall not extend beyond the time the subject-matter insured is first moved for the purpose of the commencement of transit to such other destination.
- 4.3 This insurance shall remain in force (subject to termination as provided for in Clauses 4.1.1 to 4.1.4 above and to the provisions of Clause 5 below) during delay beyond the control of the Assured, any deviation, forced discharge, reshipment or transshipment and during any variation of the adventure arising from the exercise of a liberty granted to the air carriers under the contract of carriage.

### Termination of Contract of Carriage

5. If owing to circumstances beyond the control of the Assured either the contract of carriage is terminated at a place other than the destination named therein or the transit is otherwise terminated before unloading of the subject-matter insured as provided for in Clause 4 above, then this insurance shall also terminate unless prompt notice is given to the Insurers and continuation of cover is requested when this insurance shall remain in force, subject to an additional premium if required by the Insurers, either
- 5.1 until the subject-matter insured is sold and delivered at such place, or, unless otherwise specially agreed, until the expiry of 30 days after arrival of the subject-matter insured at such place, whichever shall first occur,
- or
- 5.2 if the subject-matter insured is forwarded within the said period of 30 days (or any agreed extension thereof) to the destination named in the contract of insurance or to any other destination, until terminated in accordance with the provisions of Clause 4 above.

### Change of Transit

6. 6.1 Where, after attachment of this insurance, the destination is changed by the Assured, this must be notified promptly to Insurers for rates and terms to be agreed. Should a loss occur prior to such agreement being obtained cover may be provided but only if cover would have been available at a reasonable commercial market rate on reasonable market terms.
- 6.2 Where the subject-matter insured commences the transit contemplated by this insurance (in accordance with Clause 4.1), but, without the knowledge of the Assured or their employees the aircraft leaves for another destination, this insurance will nevertheless be deemed to have attached at commencement of such transit.

# INSTITUTE CLAUSES

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## CLAIMS

### Insurable Interest

7. 7.1 In order to recover under this insurance the Assured must have an insurable interest in the subject-matter insured at the time of the loss.
- 7.2 Subject to Clause 7.1 above, the Assured shall be entitled to recover for insured loss occurring during the period covered by this insurance, notwithstanding that the loss occurred before the contract of insurance was concluded, unless the Assured were aware of the loss and the Insurers were not.

### Increased Value

8. 8.1 If any Increased Value insurance is effected by the Assured on the subject-matter insured under this insurance the agreed value of the subject-matter insured shall be deemed to be increased to the total amount insured under this insurance and all Increased Value insurances covering the loss, and liability under this insurance shall be in such proportion as the sum insured under this insurance bears to such total amount insured.

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

- 8.2 Where this insurance is on Increased Value the following clause shall apply:

The agreed value of the subject-matter insured shall be deemed to be equal to the total amount insured under the primary insurance and all Increased Value insurances covering the loss and effected on the subject-matter insured by the Assured, and liability under this insurance shall be in such proportion as the sum insured under this insurance bears to such total amount insured.

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

## BENEFIT OF INSURANCE

9. This insurance

- 9.1 covers the Assured which includes the person claiming indemnity either as the person by or on whose behalf the contract of insurance was effected or as an assignee,
- 9.2 shall not extend to or otherwise benefit the carrier or other bailee.

## MINIMISING LOSSES

### Duty of Assured

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

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

- 10.2 to ensure that all rights against carriers, bailees or other third parties are properly preserved and exercised

and the Insurers will, in addition to any loss recoverable hereunder, reimburse the Assured for any charges properly and reasonably incurred in pursuance of these duties.

### Waiver

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

## AVOIDANCE OF DELAY

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

# INSTITUTE CLAUSES

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## LAW AND PRACTICE

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

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

## CL389

1/1/09

## INSTITUTE WAR CLAUSES (AIR CARGO)

(excluding sendings by Post)

### RISKS COVERED

#### Risks

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

#### Salvage Charges

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

### EXCLUSIONS

3. In no case shall this insurance cover
  - 3.1 loss damage or expense attributable to wilful misconduct of the Assured
  - 3.2 ordinary leakage, ordinary loss in weight or volume, or ordinary wear and tear of the subject-matter insured
  - 3.3 loss damage or expense caused by insufficiency or unsuitability of packing or preparation of the subject-matter insured to withstand the ordinary incidents of the insured transit where such packing or preparation is carried out by the Assured or their employees or prior to the attachment of this insurance (for the purpose of these Clauses "packing" shall be deemed to include stowage in a container and "employees" shall not include independent contractors)
  - 3.4 loss damage or expense caused by inherent vice or nature of the subject-matter insured
  - 3.5 loss damage or expense arising from unfitness of aircraft conveyance or container for the safe carriage of the subject-matter insured, where loading therein or thereon is carried out prior to attachment of this insurance or by the Assured or their employees and they are privy to such unfitness at the time of loading.

This exclusion shall not apply where the contract of insurance has been assigned to the party claiming hereunder who has bought or agreed to buy the subject-matter insured in good faith under a binding contract.
  - 3.6 loss damage or expense caused by delay, even though the delay be caused by a risk insured against
  - 3.7 loss damage or expense caused by insolvency or financial default of the owners managers charterers or operators of the aircraft where, at the time of loading of the subject-matter insured on board the aircraft, the Assured are aware, or in the ordinary course of business should be aware, that such insolvency or financial default could prevent the normal prosecution of the transit

This exclusion shall not apply where the contract of insurance has been assigned to the party claiming hereunder who has bought or agreed to buy the subject-matter insured in good faith under a binding contract



# INSTITUTE CLAUSES

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- 3.8 any claim based upon loss of or frustration of the transit or adventure
- 3.9 loss damage or expense directly or indirectly caused by or arising from any hostile use of any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.

## DURATION

### Transit Clause

- 4. 4.1 This insurance
  - 4.1.1 attaches only as the subject-matter insured and as to any part as that part is loaded on the aircraft for the commencement of the air transit insured
  - and
  - 4.1.2 terminates, subject to 4.2 and 4.3 below, either as the subject-matter insured and as to any part as that part is discharged from the aircraft at the final place of discharge
  - or
  - on expiry of 15 days counting from midnight of the day of arrival of the aircraft at the final place of discharge, whichever shall first occur;
  - nevertheless,
  - subject to prompt notice to the Insurers and to an additional premium, such insurance*
  - 4.1.3 reattaches when, without having discharged the subject-matter insured at the final place of discharge, the aircraft departs therefrom,
  - and
  - 4.1.4 terminates, subject to 4.2 and 4.3 below, either as the subject-matter insured and as to any part as that part is thereafter discharged from the aircraft at the final (or substituted) place of discharge,
  - or
  - on expiry of 15 days counting from midnight of the day of re-arrival of the aircraft at the final place of discharge or arrival of the aircraft at a substituted place of discharge,
  - whichever shall first occur.
- 4.2 If during the insured transit the aircraft arrives at an intermediate place to discharge the subject-matter insured for on-carriage by aircraft or oversea vessel, then, subject to 4.3 below and to an additional premium if required, this insurance continues until the expiry of 15 days counting from midnight of the day of arrival of the aircraft at such place, but thereafter reattaches as the subject-matter insured and as to any part as that part is loaded on an on-carrying aircraft or oversea vessel. During the period of 15 days the insurance remains in force after discharge only whilst the subject-matter insured and as to any part as that part is at such intermediate place. If the subject-matter insured is on-carried within the said period of 15 days or if the insurance reattaches as provided in this Clause 4.2
  - 4.2.1 where the on-carriage is by aircraft this insurance continues subject to the terms of these Clauses,
  - or
  - 4.2.2 where the on-carriage is by oversea vessel, the current Institute War Clauses (Cargo) shall be deemed to form part of the contract of insurance and shall apply to the on-carriage by sea.
- 4.3 If the air transit in the contract of carriage is terminated at a place other than the destination agreed therein, that place shall be deemed to be the final place of discharge and this insurance terminates in accordance with 4.1.2. If the subject-matter insured is subsequently consigned to the original or any other destination, then, *provided notice is given to the Insurers before the commencement of such further transit and subject to an additional premium*, this insurance reattaches
  - 4.3.1 in the case of the subject-matter insured having been discharged, as the subject-matter insured and as to any part as that part is loaded on the on-carrying aircraft for the transit;
  - 4.3.2 in the case of the subject-matter insured not having been discharged, when the aircraft departs from such deemed final place of discharge;

*thereafter this insurance terminates in accordance with 4.1.4.*

# INSTITUTE CLAUSES

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- 4.4 *Subject to prompt notice to Insurers, and to an additional premium if required*, this insurance shall remain in force within the provisions of these Clauses during any deviation, or any variation of the adventure arising from the exercise of a liberty granted to the air carriers under the contract of carriage.

(For the purpose of Clause 4 "oversea vessel" shall be deemed to mean a vessel carrying the subject-matter from one port or place to another where such voyage involves a sea passage by that vessel)

## Change of Transit

5. 5.1 Where, after attachment of this insurance, the destination is changed by the Assured, this must be notified promptly to Insurers for rates and terms to be agreed. Should a loss occur prior to such agreement being obtained cover may be provided but only if cover would have been available at a reasonable commercial market rate on reasonable market terms.
- 5.2 Where the subject-matter insured commences the transit contemplated by this insurance (in accordance with Clause 4.1), but, without the knowledge of the Assured or their employees the aircraft leaves for another destination, this insurance will nevertheless be deemed to have attached at commencement of such transit.
6. Anything contained in this contract which is inconsistent with Clauses 3.8, 3.9 or 4 shall, to the extent of such inconsistency, be null and void.

## **CLAIMS**

### Insurable Interest

7. 7.1 In order to recover under this insurance the Assured must have an insurable interest in the subject-matter insured at the time of the loss.
- 7.2 Subject to Clause 7.1 above, the Assured shall be entitled to recover for insured loss occurring during the period covered by this insurance, notwithstanding that the loss occurred before the contract of insurance was concluded, unless the Assured were aware of the loss and the Insurers were not.

### Increased Value

8. 8.1 If any Increased Value insurance is effected by the Assured on the subject-matter insured under this insurance the agreed value of the subject-matter insured shall be deemed to be increased to the total amount insured under this insurance and all Increased Value insurances covering the loss, and liability under this insurance shall be in such proportion as the sum insured under this insurance bears to such total amount insured.

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

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

The agreed value of the subject-matter insured shall be deemed to be equal to the total amount insured under the primary insurance and all Increased Value insurances covering the loss and effected on the subject-matter insured by the Assured, and liability under this insurance shall be in such proportion as the sum insured under this insurance bears to such total amount insured.

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

## **BENEFIT OF INSURANCE**

9. This insurance
- 9.1 covers the Assured which includes the person claiming indemnity either as the person by or on whose behalf the contract of insurance was effected or as an assignee,
- 9.2 shall not extend to or otherwise benefit the carrier or other bailee.

## **MINIMISING LOSSES**

### Duty of Assured

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

# INSTITUTE CLAUSES

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

## Waiver

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

## **AVOIDANCE OF DELAY**

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

## **LAW AND PRACTICE**

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

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

## **CL388**

1/3/09

## **INSTITUTE WAR CLAUSES (Sendings by Post)**

### **RISKS COVERED**

#### Risks

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

#### General Average

2. This insurance covers general average and salvage charges, adjusted or determined according to the contract of carriage and/or the governing law and practice, incurred to avoid or in connection with the avoidance of loss from a risk covered under these Clauses.

### **EXCLUSIONS**

3. In no case shall this insurance cover
  - 3.1 loss damage or expense attributable to wilful misconduct of the Assured
  - 3.2 ordinary leakage, ordinary loss in weight or volume, or ordinary wear and tear of the subject-matter insured
  - 3.3 loss damage or expense caused by insufficiency or unsuitability of packing or preparation of the subject-matter insured to withstand the ordinary incidents of the insured transit where such packing or preparation is carried out by the Assured or their employees or prior to the attachment of this insurance (for the purpose of these Clauses "packing" shall be deemed to include stowage in a container and "employees" shall not include independent contractors)
  - 3.4 loss damage or expense caused by inherent vice or nature of the subject-matter insured

# INSTITUTE CLAUSES

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- 3.5 loss damage or expense caused by delay, even though the delay be caused by a risk insured against (except expenses payable under Clause 2 above)
- 3.6 any claim based upon loss of or frustration of the voyage or adventure
- 3.7 loss damage or expense directly or indirectly caused by or arising from any hostile use of any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.

## DURATION

### Transit Clause

- 4. 4.1 This insurance attaches only as the subject-matter insured and as to any part as that part is first moved in the premises of the senders at the place named in the contract of insurance for the immediate commencement of the transit and continues, but with the exclusion of any period during which the subject-matter insured is in packers' premises, until the subject-matter insured and as to any part as that part is delivered to the address on the postal package(s) when this insurance shall terminate.

- 5. **Anything contained in this contract which is inconsistent with Clauses 3.6, 3.7 or 4 shall, to the extent of such inconsistency, be null and void.**

## CLAIMS

### Insurable Interest

- 6. 6.1 In order to recover under this insurance the Assured must have an insurable interest in the subject-matter insured at the time of the loss.
- 6.2 Subject to Clause 6.1 above, the Assured shall be entitled to recover for insured loss occurring during the period covered by this insurance, notwithstanding that the loss occurred before the contract of insurance was concluded, unless the Assured were aware of the loss and the Insurers were not.

## BENEFIT OF INSURANCE

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

## MINIMISING LOSSES

### Duty of Assured

- 8. It is the duty of the Assured and their employees and agents in respect of loss recoverable hereunder
  - 8.1 to take such measures as may be reasonable for the purpose of averting or minimising such loss, and
  - 8.2 to ensure that all rights against carriers, bailees or other third parties are properly preserved and exercisedand the Insurers will, in addition to any loss recoverable hereunder, reimburse the Assured for any charges properly and reasonably incurred in pursuance of these duties.

### Waiver

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

## AVOIDANCE OF DELAY

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

## LAW AND PRACTICE

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

## CL390

# INSTITUTE CLAUSES

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1/1/09

## INSTITUTE CARGO CLAUSES (B)

### RISKS COVERED

#### Risks

1. This insurance covers, except as excluded by the provisions of Clauses 4, 5, 6 and 7 below,
  - 1.1 loss of or damage to the subject-matter insured reasonably attributable to
    - 1.1.1 fire or explosion
    - 1.1.2 vessel or craft being stranded grounded sunk or capsized
    - 1.1.3 overturning or derailment of land conveyance
    - 1.1.4 collision or contact of vessel craft or conveyance with any external object other than water
    - 1.1.5 discharge of cargo at a port of distress
    - 1.1.6 earthquake volcanic eruption or lightning,
  - 1.2 loss of or damage to the subject-matter insured caused by
    - 1.2.1 general average sacrifice
    - 1.2.2 jettison or washing overboard
    - 1.2.3 entry of sea lake or river water into vessel craft hold conveyance container or place of storage,
  - 1.3 total loss of any package lost overboard or dropped whilst loading on to, or unloading from, vessel or craft.

#### General Average

2. This insurance covers general average and salvage charges, adjusted or determined according to the contract of carriage and/or the governing law and practice, incurred to avoid or in connection with the avoidance of loss from any cause except those excluded in Clauses 4, 5, 6 and 7 below.

#### "Both to Blame Collision Clause"

3. This insurance indemnifies the Assured, in respect of any risk insured herein, against liability incurred under any Both to Blame Collision Clause in the contract of carriage. In the event of any claim by carriers under the said Clause, the Assured agree to notify the Insurers who shall have the right, at their own cost and expense, to defend the Assured against such claim.

### EXCLUSIONS

4. In no case shall this insurance cover
  - 4.1 loss damage or expense attributable to wilful misconduct of the Assured
  - 4.2 ordinary leakage, ordinary loss in weight or volume, or ordinary wear and tear of the subject-matter insured
  - 4.3 loss damage or expense caused by insufficiency or unsuitability of packing or preparation of the subject-matter insured to withstand the ordinary incidents of the insured transit where such packing or preparation is carried out by the Assured or their employees or prior to the attachment of this insurance (for the purpose of these Clauses "packing" shall be deemed to include stowage in a container and "employees" shall not include independent contractors)
  - 4.4 loss damage or expense caused by inherent vice or nature of the subject-matter insured
  - 4.5 loss damage or expense caused by delay, even though the delay be caused by a risk insured against (except expenses payable under Clause 2 above)
  - 4.6 loss damage or expense caused by insolvency or financial default of the owners managers charterers or operators of the vessel where, at the time of loading of the subject-matter insured on board the vessel, the Assured are aware, or in the ordinary course of business should be aware, that such insolvency or financial default could prevent the normal prosecution of the voyage

# INSTITUTE CLAUSES

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- This exclusion shall not apply where the contract of insurance has been assigned to the party claiming hereunder who has bought or agreed to buy the subject-matter insured in good faith under a binding contract
- 4.7 deliberate damage to or deliberate destruction of the subject-matter insured or any part thereof by the wrongful act of any person or persons
  - 4.8 loss damage or expense directly or indirectly caused by or arising from the use of any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.
- 5.** 5.1 In no case shall this insurance cover loss damage or expense arising from
- 5.1.1 unseaworthiness of vessel or craft or unfitness of vessel or craft for the safe carriage of the subject-matter insured, where the Assured are privy to such unseaworthiness or unfitness, at the time the subject-matter insured is loaded therein
  - 5.1.2 unfitness of container or conveyance for the safe carriage of the subject-matter insured, where loading therein or thereon is carried out prior to attachment of this insurance or by the Assured or their employees and they are privy to such unfitness at the time of loading.
- 5.2 Exclusion 5.1.1 above shall not apply where the contract of insurance has been assigned to the party claiming hereunder who has bought or agreed to buy the subject-matter insured in good faith under a binding contract.
- 5.3 The Insurers waive any breach of the implied warranties of seaworthiness of the ship and fitness of the ship to carry the subject-matter insured to destination.
- 6.** In no case shall this insurance cover loss damage or expense caused by
- 6.1 war civil war revolution rebellion insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power
  - 6.2 capture seizure arrest restraint or detainment, and the consequences thereof or any attempt thereat
  - 6.3 derelict mines torpedoes bombs or other derelict weapons of war.
- 7.** In no case shall this insurance cover loss damage or expense
- 7.1 caused by strikers, locked-out workmen, or persons taking part in labour disturbances, riots or civil commotions
  - 7.2 resulting from strikes, lock-outs, labour disturbances, riots or civil commotions
  - 7.3 caused by any act of terrorism being an act of any person acting on behalf of, or in connection with, any organisation which carries out activities directed towards the overthrowing or influencing, by force or violence, of any government whether or not legally constituted
  - 7.4 caused by any person acting from a political, ideological or religious motive.

## DURATION

### Transit Clause

- 8.** 8.1 Subject to Clause 11 below, this insurance attaches from the time the subject-matter insured is first moved in the warehouse or at the place of storage (at the place named in the contract of insurance) for the purpose of the immediate loading into or onto the carrying vehicle or other conveyance for the commencement of transit,
- continues during the ordinary course of transit
- and terminates either
- 8.1.1 on completion of unloading from the carrying vehicle or other conveyance in or at the final warehouse or place of storage at the destination named in the contract of insurance,
  - 8.1.2 on completion of unloading from the carrying vehicle or other conveyance in or at any other warehouse or place of storage, whether prior to or at the destination named in the contract of insurance, which the Assured or their employees elect to use either for storage other than in the ordinary course of transit or for allocation or distribution, or
  - 8.1.3 when the Assured or their employees elect to use any carrying vehicle or other conveyance or any container for storage other than in the ordinary course of transit or

# INSTITUTE CLAUSES

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8.1.4 on the expiry of 60 days after completion of discharge overseaside of the subject-matter insured from the overseas vessel at the final port of discharge,

whichever shall first occur.

8.2 If, after discharge overseaside from the overseas vessel at the final port of discharge, but prior to termination of this insurance, the subject-matter insured is to be forwarded to a destination other than that to which it is insured, this insurance, whilst remaining subject to termination as provided in Clauses 8.1.1 to 8.1.4, shall not extend beyond the time the subject-matter insured is first moved for the purpose of the commencement of transit to such other destination.

8.3 This insurance shall remain in force (subject to termination as provided for in Clauses 8.1.1 to 8.1.4 above and to the provisions of Clause 9 below) during delay beyond the control of the Assured, any deviation, forced discharge, reshipment or transshipment and during any variation of the adventure arising from the exercise of a liberty granted to carriers under the contract of carriage.

## Termination of Contract of Carriage

**9.** If owing to circumstances beyond the control of the Assured either the contract of carriage is terminated at a port or place other than the destination named therein or the transit is otherwise terminated before unloading of the subject-matter insured as provided for in Clause 8 above, then this insurance shall also terminate unless prompt notice is given to the Insurers and continuation of cover is requested when this insurance shall remain in force, subject to an additional premium if required by the Insurers, either

9.1 until the subject-matter insured is sold and delivered at such port or place, or, unless otherwise specially agreed, until the expiry of 60 days after arrival of the subject-matter insured at such port or place, whichever shall first occur,

or

9.2 if the subject-matter insured is forwarded within the said period of 60 days (or any agreed extension thereof) to the destination named in the contract of insurance or to any other destination, until terminated in accordance with the provisions of Clause 8 above.

## Change of Voyage

**10. 10.1** Where, after attachment of this insurance, the destination is changed by the Assured, this must be notified promptly to Insurers for rates and terms to be agreed. Should a loss occur prior to such agreement being obtained cover may be provided but only if cover would have been available at a reasonable commercial market rate on reasonable market terms.

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

## **CLAIMS**

### Insurable Interest

**11. 11.1** In order to recover under this insurance the Assured must have an insurable interest in the subject-matter insured at the time of the loss.

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

### Forwarding Charges

**12.** Where, as a result of the operation of a risk covered by this insurance, the insured transit is terminated at a port or place other than that to which the subject-matter insured is covered under this insurance, the Insurers will reimburse the Assured for any extra charges properly and reasonably incurred in unloading storing and forwarding the subject-matter insured to the destination to which it is insured.

This Clause 12, which does not apply to general average or salvage charges, shall be subject to the exclusions contained in Clauses 4, 5, 6 and 7 above, and shall not include charges arising from the fault negligence insolvency or financial default of the Assured or their employees.

### Constructive Total Loss

**13.** No claim for Constructive Total Loss shall be recoverable hereunder unless the subject-matter insured is reasonably



# INSTITUTE CLAUSES

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

## Increased Value

**14.** 14.1 If any Increased Value insurance is effected by the Assured on the subject-matter insured under this insurance the agreed value of the subject-matter insured shall be deemed to be increased to the total amount insured under this insurance and all Increased Value insurances covering the loss, and liability under this insurance shall be in such proportion as the sum insured under this insurance bears to such total amount insured.

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

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

The agreed value of the subject-matter insured shall be deemed to be equal to the total amount insured under the primary insurance and all Increased Value insurances covering the loss and effected on the subject-matter insured by the Assured, and liability under this insurance shall be in such proportion as the sum insured under this insurance bears to such total amount insured.

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

## **BENEFIT OF INSURANCE**

**15.** This insurance

15.1 covers the Assured which includes the person claiming indemnity either as the person by or on whose behalf the contract of insurance was effected or as an assignee,

15.2 shall not extend to or otherwise benefit the carrier or other bailee.

## **MINIMISING LOSSES**

### Duty of Assured

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

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

16.2 to ensure that all rights against carriers, bailees or other third parties are properly preserved and exercised

and the Insurers will, in addition to any loss recoverable hereunder, reimburse the Assured for any charges properly and reasonably incurred in pursuance of these duties.

### Waiver

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

## **AVOIDANCE OF DELAY**

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

## **LAW AND PRACTICE**

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

NOTE:- Where a continuation of cover is requested under Clause 9, or a change of destination is notified under Clause 10, there is an obligation to give prompt notice to the Insurers and the right to such cover is dependent upon compliance with this obligation.

**CL383**

# INSTITUTE CLAUSES

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1/1/09

## INSTITUTE CARGO CLAUSES (C)

### RISKS COVERED

#### Risks

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

#### General Average

2. This insurance covers general average and salvage charges, adjusted or determined according to the contract of carriage and/or the governing law and practice, incurred to avoid or in connection with the avoidance of loss from any cause except those excluded in Clauses 4, 5, 6 and 7 below.

#### "Both to Blame Collision Clause"

3. This insurance indemnifies the Assured, in respect of any risk insured herein, against liability incurred under any Both to Blame Collision Clause in the contract of carriage. In the event of any claim by carriers under the said Clause, the Assured agree to notify the Insurers who shall have the right, at their own cost and expense, to defend the Assured against such claim.

### EXCLUSIONS

4. In no case shall this insurance cover
  - 4.1 loss damage or expense attributable to wilful misconduct of the Assured
  - 4.2 ordinary leakage, ordinary loss in weight or volume, or ordinary wear and tear of the subject-matter insured
  - 4.3 loss damage or expense caused by insufficiency or unsuitability of packing or preparation of the subject-matter insured to withstand the ordinary incidents of the insured transit where such packing or preparation is carried out by the Assured or their employees or prior to the attachment of this insurance (for the purpose of these Clauses "packing" shall be deemed to include stowage in a container and "employees" shall not include independent contractors)
  - 4.4 loss damage or expense caused by inherent vice or nature of the subject-matter insured
  - 4.5 loss damage or expense caused by delay, even though the delay be caused by a risk insured against (except expenses payable under Clause 2 above)
  - 4.6 loss damage or expense caused by insolvency or financial default of the owners managers charterers or operators of the vessel where, at the time of loading of the subject-matter insured on board the vessel, the Assured are aware, or in the ordinary course of business should be aware, that such insolvency or financial default could prevent the normal prosecution of the voyage  

This exclusion shall not apply where the contract of insurance has been assigned to the party claiming hereunder who has bought or agreed to buy the subject-matter insured in good faith under a binding contract
  - 4.7 deliberate damage to or deliberate destruction of the subject-matter insured or any part thereof by the wrongful act of any person or persons

# INSTITUTE CLAUSES

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- 4.8 loss damage or expense directly or indirectly caused by or arising from the use of any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.
5. 5.1 In no case shall this insurance cover loss damage or expense arising from
- 5.1.1 unseaworthiness of vessel or craft or unfitness of vessel or craft for the safe carriage of the subject-matter insured, where the Assured are privy to such unseaworthiness or unfitness, at the time the subject-matter insured is loaded therein
- 5.1.2 unfitness of container or conveyance for the safe carriage of the subject-matter insured, where loading therein or thereon is carried out prior to attachment of this insurance or by the Assured or their employees and they are privy to such unfitness at the time of loading.
- 5.2 Exclusion 5.1.1 above shall not apply where the contract of insurance has been assigned to the party claiming hereunder who has bought or agreed to buy the subject-matter insured in good faith under a binding contract.
- 5.3 The Insurers waive any breach of the implied warranties of seaworthiness of the ship and fitness of the ship to carry the subject-matter insured to destination.
6. In no case shall this insurance cover loss damage or expense caused by
- 6.1 war civil war revolution rebellion insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power
- 6.2 capture seizure arrest restraint or detainment, and the consequences thereof or any attempt thereat
- 6.3 derelict mines torpedoes bombs or other derelict weapons of war.
7. In no case shall this insurance cover loss damage or expense
- 7.1 caused by strikers, locked-out workmen, or persons taking part in labour disturbances, riots or civil commotions
- 7.2 resulting from strikes, lock-outs, labour disturbances, riots or civil commotions
- 7.3 caused by any act of terrorism being an act of any person acting on behalf of, or in connection with, any organisation which carries out activities directed towards the overthrowing or influencing, by force or violence, of any government whether or not legally constituted
- 7.4 caused by any person acting from a political, ideological or religious motive.

## DURATION

### Transit Clause

8. 8.1 Subject to Clause 11 below, this insurance attaches from the time the subject-matter insured is first moved in the warehouse or at the place of storage (at the place named in the contract of insurance) for the purpose of the immediate loading into or onto the carrying vehicle or other conveyance for the commencement of transit,
- continues during the ordinary course of transit
- and terminates either
- 8.1.1 on completion of unloading from the carrying vehicle or other conveyance in or at the final warehouse or place of storage at the destination named in the contract of insurance,
- 8.1.2 on completion of unloading from the carrying vehicle or other conveyance in or at any other warehouse or place of storage, whether prior to or at the destination named in the contract of insurance, which the Assured or their employees elect to use either for storage other than in the ordinary course of transit or for allocation or distribution, or
- 8.1.3 when the Assured or their employees elect to use any carrying vehicle or other conveyance or any container for storage other than in the ordinary course of transit or
- 8.1.4 on the expiry of 60 days after completion of discharge overseas of the subject-matter insured from the overseas vessel at the final port of discharge,
- whichever shall first occur.
- 8.2 If, after discharge overseas from the overseas vessel at the final port of discharge, but prior to termination of this insurance, the subject-matter insured is to be forwarded to a destination other than that to which it is insured, this insurance, whilst remaining subject to termination as provided in Clauses 8.1.1 to 8.1.4, shall not extend beyond

# INSTITUTE CLAUSES

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the time the subject-matter insured is first moved for the purpose of the commencement of transit to such other destination.

- 8.3 This insurance shall remain in force (subject to termination as provided for in Clauses 8.1.1 to 8.1.4 above and to the provisions of Clause 9 below) during delay beyond the control of the Assured, any deviation, forced discharge, reshipment or transshipment and during any variation of the adventure arising from the exercise of a liberty granted to carriers under the contract of carriage.

## Termination of Contract of Carriage

9. If owing to circumstances beyond the control of the Assured either the contract of carriage is terminated at a port or place other than the destination named therein or the transit is otherwise terminated before unloading of the subject-matter insured as provided for in Clause 8 above, then this insurance shall also terminate unless prompt notice is given to the Insurers and continuation of cover is requested when this insurance shall remain in force, subject to an additional premium if required by the Insurers, either
- 9.1 until the subject-matter insured is sold and delivered at such port or place, or, unless otherwise specially agreed, until the expiry of 60 days after arrival of the subject-matter insured at such port or place, whichever shall first occur,
- or
- 9.2 if the subject-matter insured is forwarded within the said period of 60 days (or any agreed extension thereof) to the destination named in the contract of insurance or to any other destination, until terminated in accordance with the provisions of Clause 8 above.

## Change of Voyage

10. 10.1 Where, after attachment of this insurance, the destination is changed by the Assured, this must be notified promptly to Insurers for rates and terms to be agreed. Should a loss occur prior to such agreement being obtained cover may be provided but only if cover would have been available at a reasonable commercial market rate on reasonable market terms.
- 10.2 Where the subject-matter insured commences the transit contemplated by this insurance (in accordance with Clause 8.1), but, without the knowledge of the Assured or their employees the ship sails for another destination, this insurance will nevertheless be deemed to have attached at commencement of such transit.

## **CLAIMS**

### Insurable Interest

11. 11.1 In order to recover under this insurance the Assured must have an insurable interest in the subject-matter insured at the time of the loss.
- 11.2 Subject to Clause 11.1 above, the Assured shall be entitled to recover for insured loss occurring during the period covered by this insurance, notwithstanding that the loss occurred before the contract of insurance was concluded, unless the Assured were aware of the loss and the Insurers were not.

### Forwarding Charges

12. Where, as a result of the operation of a risk covered by this insurance, the insured transit is terminated at a port or place other than that to which the subject-matter insured is covered under this insurance, the Insurers will reimburse the Assured for any extra charges properly and reasonably incurred in unloading storing and forwarding the subject-matter insured to the destination to which it is insured.

This Clause 12, which does not apply to general average or salvage charges, shall be subject to the exclusions contained in Clauses 4, 5, 6 and 7 above, and shall not include charges arising from the fault negligence insolvency or financial default of the Assured or their employees.

### Constructive Total Loss

13. No claim for Constructive Total Loss shall be recoverable hereunder unless the subject-matter insured is reasonably abandoned either on account of its actual total loss appearing to be unavoidable or because the cost of recovering, reconditioning and forwarding the subject-matter insured to the destination to which it is insured would exceed its value on arrival.

### Increased Value

14. 14.1 If any Increased Value insurance is effected by the Assured on the subject-matter insured under this insurance

# INSTITUTE CLAUSES

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the agreed value of the subject-matter insured shall be deemed to be increased to the total amount insured under this insurance and all Increased Value insurances covering the loss, and liability under this insurance shall be in such proportion as the sum insured under this insurance bears to such total amount insured.

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

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

The agreed value of the subject-matter insured shall be deemed to be equal to the total amount insured under the primary insurance and all Increased Value insurances covering the loss and effected on the subject-matter insured by the Assured, and liability under this insurance shall be in such proportion as the sum insured under this insurance bears to such total amount insured.

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

## **BENEFIT OF INSURANCE**

### **15. This insurance**

15.1 covers the Assured which includes the person claiming indemnity either as the person by or on whose behalf the contract of insurance was effected or as an assignee,

15.2 shall not extend to or otherwise benefit the carrier or other bailee.

## **MINIMISING LOSSES**

### Duty of Assured

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

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

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

### Waiver

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

## **AVOIDANCE OF DELAY**

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

## **LAW AND PRACTICE**

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

*NOTE:– Where a continuation of cover is requested under Clause 9, or a change of destination is notified under Clause 10, there is an obligation to give prompt notice to the Insurers and the right to such cover is dependent upon compliance with this obligation.*

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# INSTITUTE CLAUSES

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## INSTITUTE CONTAINER CLAUSES - TIME

### RISKS COVERED

#### Risks Clause

1. This insurance covers all risks of loss of or damage to the subject-matter insured, except as provided in Clauses 4, 5, 6, 7 and 8 below.

#### General Average Clause

2. This insurance covers general average salvage 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 5, 6, 7 and 8 or elsewhere in this insurance.

For the purpose of claims for general average contribution salvage and salvage charges recoverable hereunder the subject-matter insured shall be deemed to be insured for its full contributory value.

#### "Both to Blame Collision" 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.

#### Machinery Clause

4. The Underwriters shall only be liable under Clauses 1 and 2 above for loss of or damage to the machinery of the container
  - 4.1 when the container is a total loss (actual or constructive)
  - 4.2 when such damage is caused by
    - 4.2.1 fire or explosion originating externally to the machinery
    - 4.2.2 vessel or craft being stranded grounded sunk or capsized
    - 4.2.3 overturning derailment or other accident to land conveyance or aircraft
    - 4.2.4 collision or contact of vessel or craft with any external object other than water
    - 4.2.5 general average sacrifice.

### EXCLUSIONS

#### General Exclusion Clause

5. In no case shall this insurance cover
  - 5.1 loss damage or expense attributable to wilful misconduct of the Assured
  - 5.2 ordinary wear and tear, ordinary corrosion and rust, or gradual deterioration
  - 5.3 mysterious disappearance, unexplained loss and loss discovered upon taking inventory
  - 5.4 loss damage or expense caused by inherent vice or nature or nature of the subject-matter insured
  - 5.5 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)
  - 5.6 loss damage or expense arising from insolvency or financial default
  - 5.7 loss damage or expense arising from
    - unseaworthiness of vessel or craft,
    - unfitness of vessel craft or conveyance for the safe carriage of the subject-matter insured,
    - where the Assured or their servants are privy to such unseaworthiness or unfitness.

# INSTITUTE CLAUSES

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## War Exclusion Clause

- 6.** In no case shall this insurance cover loss damage liability 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 (barratry and piracy excepted), and the consequences thereof or any attempt thereat
  - 6.3 derelict mines torpedoes bombs or other derelict weapons of war
  - 6.4 confiscation nationalisation requisition or pre-emption.

## Strikes Exclusion Clause

- 7.** In no case shall this insurance cover loss damage liability or expense
- 7.1 caused by strikers, locked-out workmen, or persons taking part in labour disturbances, riots or civil commotions
  - 7.2 resulting from strikes, lock-outs, labour disturbances, riots or civil commotions
  - 7.3 caused by any terrorist or any person acting from a political motive.
- 8.** In no case shall this insurance cover loss damage liability or expense arising from any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter. Nuclear Exclusion Clause

## **SCOPE OF INSURANCE**

### Limits Clause

- 9.** Each container is covered, including whilst on deck, within the sea and territorial limits specified in the Schedule below. Breach of these limits held covered at a premium to be agreed, subject to prompt notice being given to the Underwriters.

### Sale or Hire Clause

- 10.** If a container insured hereunder is sold leased or hired to a party not named as an Assured, the insurance of that container shall terminate automatically unless the Underwriters agree in writing to continue the cover. This Clause 10 shall prevail notwithstanding any provision whether written, typed or printed in this insurance inconsistent therewith.

## **CANCELLATION**

### Cancellation Clause

- 11.** This insurance may be cancelled by either the Underwriters or the Assured giving 30 days' notice (such cancellation becoming effective on the expiry of 30 days from midnight of the day on which notice of cancellation is issued by or to the Underwriters).
- 11.1 In the event of cancellation by the Underwriters, they shall allow pro rata daily net return of premium to the Assured.
  - 11.2 In the event of cancellation by the Assured, the Underwriters shall allow such return of premium as may be agreed.

## **ASSIGNMENT**

### Assignment Clause

- 12.** No assignment of or interest in this insurance or in any moneys which may be or become payable hereunder is to be binding on or recognised by the Underwriters unless a dated notice of such assignment or interest signed by the Assured, and by the assignor in the case of subsequent assignment, is endorsed on the Policy and the Policy with such endorsement is produced before payment of any claim or return of premium thereunder.



# INSTITUTE CLAUSES

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## CLAIMS

### Insurable Interest Clause

- 13.** 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.

### Notice of Claim Clause

- 14.** In the event of accident whereby loss or damage may result in a claim under this insurance, prompt notice shall be given to the Underwriters or, if the container is abroad, to the nearest Lloyd's Agent so that a surveyor may be appointed to represent the Underwriters should they so wish.

### Partial Loss and Deductible Clause

- 15.** Where a claim is payable under this insurance for a container which is damaged but is not a total loss, the measure of indemnity shall not exceed the reasonable cost of repairing such damage.

15.1 The Underwriters only to be liable for the the excess of the deductible specified in the Schedule below in respect of each container any one accident or series of accidents arising from one event but this deductible not apply to

15.1.1 total loss (actual or constructive)

15.1.2 general average salvage or salvage charges

15.1.3 charges incurred under Clause 18 below.

15.2 In respect of each container the Underwriters shall not be liable

15.2.1 in respect of unrepaired damage for more than the insured value at the time this insurance terminates

15.2.2 for unrepaired damage in the event of a subsequent total loss (whether or not covered by this insurance) sustained during the period covered by this insurance or any extension thereof.

- 16. 16.1** In ascertaining whether a container is a constructive total loss, the insured value of that container shall be taken as the repaired value and nothing in respect of the damaged or scrap value shall be taken into account.

16.2 No claim for constructive total loss based upon the cost of recovery and/or repair of a container shall be recoverable hereunder unless such cost would exceed the insured value of that container. In making this determination, only the cost relating to a single accident or sequence of damages arising from the same accident shall be taken into account.

## BENEFIT OF INSURANCE

### Not to Inure Clause

- 17.** This insurance shall not inure to the benefit of any carrier or bailee other than the Assured.

## MINIMISING LOSSES

### Duty of Assured (Sue and Labour) Clause

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

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

18.2 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.

### Waiver Clause

- 19.** 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.

# INSTITUTE CLAUSES

**IT IS A CONDITION OF THIS INSURANCE THAT EACH CONTAINER BEARS CLEAR MARKS OF IDENTIFICATION.**

## SCHEDULE

Subject-Matter Insured			Sea and Territorial Limits
Type & Size	Identification Mark	Value	(which are deemed to include normal flying routes between points within these Sea and Territorial Limits)
{Response}	{Response}	{Response}	{Response}
			Oversea Vessels
Deductible {Response}			{Response}
<b>OR AS PER SCHEDULE ATTACHED</b>			

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## INSTITUTE WAR AND STRIKES CLAUSES CONTAINERS - TIME

### RISKS COVERED

#### Risks Clause

1. This insurance covers, except as provided in Clause 5 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, and the consequences thereof or any attempt thereat
  - 1.3 derelict mines torpedoes bombs or other derelict weapons of war
  - 1.4 strikers, locked-out workmen, or persons taking part in labour disturbances, riots or civil commotions
  - 1.5 any terrorist or any person acting from a political motive
  - 1.6 confiscation or expropriation.

#### General Average Clause

2. This insurance covers general average salvage 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 a risk covered under these clauses.

For the purpose of claims for general average contribution salvage and salvage charges recoverable hereunder the subject-matter insured shall be deemed to be insured for its full contributory value.

### INCORPORATION

#### Incorporation Clause

3. The Institute Container Clauses - Time 1/1/87, except Clauses 1, 2, 4, 5, 6, 7, 8, 9 and 11, are deemed to be incorporated into this insurance in so far as they do not conflict with the provisions of these clauses.

# INSTITUTE CLAUSES

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## DETAINMENT

### Detainment Clause

4. In the event that the container shall have been the subject of capture seizure arrest restraint detainment confiscation or expropriation, and the Assured shall thereby have lost the free use and disposal of the container for a continuous period of 12 months then for the purpose of ascertaining whether the container is a Constructive Total Loss the Assured shall be deemed to have been deprived of the possession of the container without any likelihood of recovery.

## EXCLUSIONS

### General Exclusion Clause

5. This insurance excludes
- 5.1 loss damage liability or expense arising from
    - 5.1.1 any detonation of any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter, hereinafter called a nuclear weapon of war
    - 5.1.2 the outbreak of war (whether there be a declaration of war or not) between any of the following countries:  
  
United Kingdom, United States of America, France, the Union of Soviet Socialist Republics, the People's Republic of China
    - 5.1.3 requisition or pre-emption
    - 5.1.4 capture seizure arrest restraint detainment confiscation or expropriation by or under the order of the government or any public or local authority of the country where the Assured have their principal place of business
    - 5.1.5 arrest restraint detainment confiscation or expropriation under quarantine regulations or by reason of infringement of any customs or trading regulations
    - 5.1.6 the operation of ordinary judicial process, failure to provide security or to pay any fine or penalty or any financial cause
    - 5.1.7 piracy (but this exclusion shall not affect cover under Clause 1.4),
  - 5.2 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,
  - 5.3 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),
  - 5.4 loss damage or expense arising from insolvency or financial default,
  - 5.5 loss damage liability or expense covered by the Institute Container Clauses - Time 1/1/87 or which would be recoverable thereunder but for Clause 15.1 thereof,
  - 5.6 any claim for any sum recoverable under any other insurance on the container or which would be recoverable under such insurance but for the existence of this insurance.

## SCOPE OF INSURANCE

### Limits Clause

6. 6.1 Except as provided in Clauses 6.2 and 6.3 below, the subject-matter insured is covered only whilst on board an oversea vessel (including whilst on deck) or on board an aircraft, within the sea and territorial limits specified in the Schedule below.
- 6.2 The insurance against the risk of mines and derelict torpedoes, floating or submerged, is extended whilst the container is on board any vessel or craft.
- 6.3 The insurance against the risks covered under Clauses 1.4 and 1.5 is extended whilst the container is on board any vessel or craft or whilst ashore, including loading and unloading, except where the loss or damage arises from war civil war revolution rebellion insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power.
- 6.4 This insurance excludes loss damage liability or expense arising whilst the container is not on board an aircraft or

# INSTITUTE CLAUSES

oversea vessel, except as provided in Clauses 6.2 and 6.3 above.

(For the purpose of this Clause 6 an "oversea vessel" shall be deemed to mean a vessel carrying the container from one port or place to another where such voyage involves a sea passage by that vessel.)

**Anything contained in this insurance which is inconsistent with Clause 6.4 shall to the extent of such inconsistency be null and void.**

## TERMINATION

Termination Clause

7. 7.1 This insurance may be cancelled by either the Underwriters or the Assured giving 7 days notice (such cancellation becoming effective on the expiry of 7 days from midnight of the day on which notice of cancellation is issued by or to the Underwriters). The Underwriters agree however to reinstate this insurance subject to agreement between the Underwriters and the Assured prior to the expiry of such notice of cancellation as to new rate of premium and/or conditions and/or warranties.
- 7.2 Whether or not such notice of cancellation has been given this insurance shall TERMINATE AUTOMATICALLY
- 7.2.1 upon the occurrence of any hostile detonation of any nuclear weapon of war as defined in Clause 5.1.1 wheresoever or whensoever such detonation may occur and whether or not the container may be involved
- 7.2.2 upon the outbreak of war (whether there a be a declaration of war or not) between any of the following countries:  
United Kingdom, United States of America, France, the Union of Soviet Socialist Republics, the People's Republic of China
- 7.2.3 in the event of the container being requisitioned, either for title or use.
- 7.3 In the event either of cancellation by notice or of automatic termination of this insurance by reason of the operation of this Clause 7, or of the sale of the container, pro rata net return of premium shall be payable to the Assured.

**This insurance shall not become effective if, subsequent to its acceptance by the Underwriters and prior to the intended time of its attachment, there has occurred any event which would have automatically terminated this insurance under the provisions of Clause 7 above.**

**IT IS A CONDITION OF THIS INSURANCE THAT EACH CONTAINER BEARS CLEAR MARKS OF IDENTIFICATION.**

## SCHEDULE

Subject-Matter Insured			Sea and Territorial Limits
Type & Size	Identification Mark	Value	(which are deemed to include normal flying routes between points within these Sea and Territorial Limits)
{Response}	{Response}	{Response}	{Response}
			Oversea Vessels
Deductible {Response}			{Response}
<b>OR AS PER SCHEDULE ATTACHED</b>			

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