

December 1, 2009

Marine Cargo  
Policy No. CNA 110550  
CargoCover.com

**MARSH**

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|                  |   |
|------------------|---|
| <b>Insurer</b>   | Continental Casualty Company (CNA) 100% |
| <b>Policy No</b> | 110550                                  |

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

**1. Insured**

Corporations, Partnerships and Individuals, as registered to and maintained under the CargoCover program on the CargoCover website at [www.cargocover.com](http://www.cargocover.com), but only with respect to shipments which have been declared through CargoCover and where an electronic Certificate of Insurance has been successfully issued and confirmed by the CargoCover program.

And/or for whom they have instructions to insure.

**2. Loss Payable**

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

**3. Attachment Date**

This policy to attach only on shipments confirmed through the CargoCover program as booked by the Insured, or to whom the Insured has instructions to insure, made on or after December 1, 2009, 12:01 a.m. Eastern Standard Time at the mailing address of the Insured.

**4. Cancellation Clause**

This contract may be cancelled or amended as outlined in the Registration Agreement, Modification of Terms as posted on the CargoCover website under Terms of Use. Cancellation of this policy shall not prejudice any risk or risks which shall have already attached. Notice to Insured may be provided electronically to the e-mail address indicated upon registration to CargoCover, with no further notice required to Underwriters.

Cancellation of War, Strikes, Riots and Civil Commotions and Malicious Damage Risks provided, shall be seven (7) days notice at any time but in respect of sendings to or from the United States of America, Strikes, Riots and Civil Commotions and Malicious Damage Risks shall be subject to forty-eight (48) hours notice.

**5. Limit of Liability**

These Insurers are not to be liable for more than:

A) CDN or US \$1,000,000.00any one shipment.

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

The limit of liability of this Insurer with respect to the coverages provided for in the General Average and/or Salvage Charges and/or Special Charges shall be separate from, and equal in amount and in addition to, the limit of liability set forth above and shall be separate from and in addition to any other limit(s) of liability set forth in this policy.

The limit of liability of this insurer with respect to the coverage provided for in the Sue and Labour Clause shall be separate from, and equal in amount and in addition to, the limit of liability set forth above and shall be separate from and in addition to any other limit(s) of liability set forth in this policy.

## **6. Accumulation Clause**

Should there be an accumulation of interest beyond the limits expressed in this Policy by reason of any interruption in transit and/or occurrence beyond the control of the Insured, or by reason of any casualty or at a transshipping point or on a connecting steamer or conveyance, Insurers shall hold covered such excess interest and shall be liable for the full amount of risk, but in no event to exceed twice the limit of liability herein, providing notice be given to Insurers as soon as known to the Insured.

## **7. Valuation**

Goods and/or merchandise and/or property insured hereunder shall be valued at: Cost, Insurance and Freight including any prepaid and/or advanced and/or guaranteed freight plus 10% or as otherwise agreed in writing prior to shipment.

### **Insuring Conditions**

**Covering All Risks of physical loss or damage subject to the following Clauses:**

Institute Cargo Clauses (A) 1.1.82  
Institute Cargo Clauses (Air) 1.1.82

### **New General Merchandise**

Subject to the Institute Cargo Clauses 'A' or Institute Cargo Clauses (Air), as applicable. Including War, Strikes, Riots and Civil Commotions Risks.

### **Fragile Goods**

Glass, Ceramics, Marble, Earthenware, Tiles and other similar breakables.

Fragile Goods: Items of a fragile nature are subject to a deductible of 3% for loss due to breakage, minimum \$250. any one accident or occurrence. In the event of a loss, only the portion of the loss with respect to fragile items would be subject to this deductible.

### **Used General Merchandise**

Excluding Rust, Oxidization, Discolouration, Scratching, Denting, Marring, Chipping, Mechanical and Electrical Derangement.

Subject to the Used Machinery Clause.

Fragile Goods: subject to a deductible of 1% of the total insured value for loss due to breakage, minimum \$250 any one accident or occurrence.

### **Non-Perishable Goods**

As risks per New General Merchandise. Excluding loss or damage caused by temperature variance. Excluding loss or damage caused by infestation.

### **Reefer/Temperature Controlled Goods – Full Conditions**

Subject to the Institute Frozen Food Clauses (A) 1.1.86 including the IMTA Extension Clause 1.1.86. Subject to a \$1,000 deductible any one accident or occurrence. Warranted Full Container Loads.

### **New Vehicles (Commercial)**

Shipments from Dealer to Dealer or Manufacturer to Dealer only. Warranted Professionally Packed, Blocked and Braced. No risk while under own power, other than during direct loading and unloading. Ro-Ro Vessels or shipments on Specialized Auto Carrier included at Containerized terms and conditions. Subject to a \$500 deductible each accident or occurrence.

### **Used Vehicles (Commercial)**

Shipments from Dealer to Dealer or Manufacturer to Dealer only. Warranted Professionally Packed, Blocked and Braced. No risk while under own power, other than during direct loading and unloading. Ro-Ro Vessels or shipments on Specialized Auto Carrier included at Containerized terms and conditions. Subject to Automobile Clause. Excluding scratching, denting, marring and chipping. Subject to Used Motor Car Clause. Subject to a \$500.00 deductible each accident or occurrence.

### **Automobile Clause**

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

### **Excluding wear and tear.**

Against all loss or damage as per Institute Cargo Clauses (A) subject to a preshipment survey or excluding claims for scratching, denting, marring, chipping, rust, oxidization, and discoloration. Subject to a deductible as agreed any one loss or damage, as declared prior to shipment.

For no reason will the Insurer be liable for any loss or damage that occurs to the vehicle whilst under own power.

Excluding loss and/or damage arising from freezing of water in the radiator and/or cooling system.

### **Household Goods and Personal Effects including Automobiles – Professionally Packed - \$500 Deductible**

Warranted Professionally Packed.

Subject to a \$500 deductible each accident or occurrence.

### **Household Goods and Personal Effects including Automobiles – Professionally Packed - \$300 Deductible**

Warranted Professionally Packed.

Subject to a \$300 deductible each accident or occurrence.

### **Household Goods and Personal Effects including Automobiles – Owner Packed – \$500 Deductible**

Excluding scratching, denting, marring, chipping, pilferage and breakage due to owners packing.

Subject to a \$500 deductible each accident or occurrence.

### **All Household Goods and Personal Effects:**

Subject to itemized, valued inventory.

Insurance Acknowledgement Form to be signed and returned by the shipper and kept on file.

### **Laptops/Cell Phones/PDA's**

Subject to a deductible of 1% of total insured value, minimum \$250. any one accident or occurrence.

### **Antiques/Artwork/Collectibles**

Warranted Professionally Packed. Warranted proof of value to be declared in the event of a claim, by either commercial invoice or independent third party appraisal.

Subject to the Antique Clause if applicable: In the event of the subject-matter insured being damaged by risks insured against, this insurance covers only the reasonable cost of repairs and in no circumstances shall cover depreciation or loss in value in addition thereto.

## **Waste Products**

Subject to Institute Cargo Clauses (C) 1.1.86, including Jettison, Loss Overboard and Non-Delivery of an entire container. Warranted Full Container Loads.

Inland Transits: Subject to Inland Transit Named Perils, extended to include Non-Delivery of the entire shipment only.

Terms and conditions amended as required to be agreed by underwriter prior to commencement of shipment.

**All other commodities at terms to be agreed prior to shipment.**

**Shipments on deck under an On Deck Bill of Lading are subject to the following Clauses:**

Institute Cargo Clauses (C) 1.1.82 including the risks of Jettison and Loss Overboard irrespective of percentage.

**All shipments are subject to the following clauses (as applicable):**

Institute War Clauses (Cargo) 1.1.82

Institute War Clauses (Air Cargo) (excluding sendings by Post) 1.1.82

Institute Strikes Clauses (Cargo) 1.1.82 amended to include Institute Malicious Damage Clause 1.1.82 & Termination of Transit Clause (Terrorism) 1.1.2002

Institute Strikes Clauses (Air Cargo) 1.1.82 amended to include Malicious Damage Clause 1.1.82 & Termination of Transit Clause (Terrorism) 1.1.2002

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

**Or as otherwise indicated upon declaration to CargoCover.com**

### **Endorsements:**

Endorsement No. 1 – Inland Transit Endorsement

Endorsement No. 2 – Buyer's / Seller's Interest

Endorsement No. 3 – Difference in Conditions

## **8. Deductible**

- a) A deductible of as per schedule of items (as may be applicable – see Clause 8 above), shall apply to Any One Loss; except as may be shown on a certificate of insurance, however, this deductible shall not apply to (i) survey fees, (ii) general average, salvage or special charges, (iii) loss, damage or expense arising from any FPA Perils, Shore Risks Perils, Inchmaree Perils or Explosion Perils, as defined in this policy, (iv) loss, damage or expense covered under the Sue and Labour, Total Loss, or Constructive Total Loss or Arranged Total Loss, or Debris Removal clauses or under the War, Strikes, Riots and Civil Commotion Risks.
- b) The deductible shall not be applied so as to reduce this Insurer's obligation to pay the full amount of any limit(s) of liability set forth in this policy.

## **9. Voyage Clause**

At, from and between ports and/or places in the world to ports and/or places in the world. The following territories are excluded unless specially declared and accepted by underwriters in writing prior to shipment: Afghanistan, Angola, Cuba, Eritrea, Ethiopia, Iran, Iraq, Kyrgyzstan, Liberia, Myanmar, Nigeria, North Korea, Rwanda, Sierra Leone, Somalia, Sudan, Syria, Tajikistan, Turkmenistan, Uzbekistan, and Zimbabwe and as may be amended as per the coverage terms and conditions of the CargoCover program.

**CERTAIN COUNTRIES MAY BE SUBJECT TO RESTRICTIVE LEGISLATION. PLEASE REFER TO [www.cargocover.com](http://www.cargocover.com) OR YOUR MARSH BROKER.**

Cover to attach as indicated in the certificate of insurance and continues in transit and/or in store, temporary or otherwise or wherever located, including transshipment, interruption for the purpose of packing, consolidating

and/or reforwarding and until finally delivered to final destination as indicated in the certificate of insurance, including the risk of loading and unloading or until the risk of the Insured ceases.

Including risks in Customs as required, and transshipment, overcarriage, deviation delays, craft and barge risks, whether customary or otherwise, and shipments on or under deck. Including Coastal Shipments on vessels or barges customary to coastal trade, without penalty.

It is understood that wrongful or improper delivery shall not constitute delivery to final destination.

#### **South American Clause**

The following clause shall apply in respect of shipments to South America:

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

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

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

### **10. Subject Matter Insured**

All goods and interests, including property of others which the Insured has a responsibility to insure, consisting primarily of, but not limited to General Merchandise, Fragile Goods, Non-Perishable Goods, Reefer/Temperature Controlled Goods, Vehicles (Commercial), Household Goods, Personal Effects and Personal Automobiles, and as may be amended from time to time.

### **11. Duty and/or Collect Freight**

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

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

**The Insured warrants that on all such risks insured hereunder the full amount shall be included in the insured value to cover said import duty and/or freight and upon which the rate of premium shall be an agreed percentage of the merchandise rate.**

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

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

### **12. Conveyances**

Any conveyance land, sea or air (including parcel post). Including Barge Risks, where used as connecting conveyance. Including any vessels specially approved for carriage on the Great Lakes.



**Note:** Whenever the words “**ship**”, “**vessel**”, “**seaworthiness**”, “**Ship owner**” or “**Vessel owner**” appear in this Policy, they are deemed to include also the words “**aircraft**”, “**airworthiness**”, and “**aircraft owner**” or other conveyances, as applicable.

#### **Craft, etc.**

Coverage under this policy includes the risk by craft, raft and/or lighter to and from the vessel. Each craft, raft and/or lighter to be deemed separately insured. Also to cover any special or supplementary lighterage to take the goods and/or merchandise and/or property to and from the warehouse.

The insured is not to be prejudiced by any agreement exempting lightermen from liability.

#### **Conveyance Worthiness Admitted**

The worthiness of the “**conveyance**” as between the Insured and the Insurers is hereby admitted. In the event of loss, the Insured’s right of recovery hereunder shall not be prejudiced by the fact the loss may have been attributable to the wrongful act or misconduct of the “conveyance” owners, charterer, their agents or their servants. The Insurer shall pay (subject to the same terms of coverage and other conditions of this Policy), to the Insured the resulting loss.

### **13. Classification Clause**

Per regular iron or steel steamers or motor vessels not over 20 years of age nor less than 1,000 tons net register and classed A-1 American Record or 100 A-1 Lloyd's register or equivalent unless they;

- a) 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
- b) were constructed as containerships, vehicle carriers or double-skin open-hatch gantry crane vessels (OHGCs) and have been continuously used as such during its lifetime on an established and regular pattern of trading between a range of specified ports, and do not exceed 30 years of age, or
- c) have been specifically approved for carriage on the Great Lakes.

but excluding, however, vessels built for military or naval service.

Insured shipments carried on vessels which are in conflict with the above are automatically held covered subject to premium to be agreed in accordance with the Cargo Reinsurance Association scale, or as may otherwise be agreed by underwriters.

### **14. Reporting Shipments**

All declarations shall be per Certificates of Insurance issued under the CargoCover program and as maintained in the CargoCover database. Should there be any discrepancy between the printed Certificate of Insurance and that information maintained on the CargoCover database, the CargoCover database shall be deemed correct. It is understood and agreed, however, that the shipments insured hereunder are held covered in the event of inadvertent omission to make reports, the Insured agreeing on their part to report any such omission as soon as discovered, and to pay premium thereon.

### **15. Errors and Omissions**

This policy shall not be vitiated by an unintentional delay, error, omission or oversight in making any declaration that is required to be made under any provision contained in or endorsed on this Policy provided a correct declaration is communicated to this Insurer as soon as practicable after the delay, error, omission or oversight becomes known to the Insured’s corporate risk manager or equivalent, and premium paid if required.

This clause does not apply to warranties or promissory conditions.

## **16. Perils**

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

## **17. Inchmaree, Negligence, Navigation Management Etc.**

This insurance also covers any loss, or damage to, the interests insured hereunder, caused by accidents in loading, discharging, or handling of cargo, or in bunkering, or in taking in fuel, or caused through the bursting and/or breakage and/or loose connections of boilers, pipes or shafts, or through any latent defect in the machinery, hull, or appurtenances, or from faults or errors in the navigation or management of the vessel, craft or cargo for which the vessel, her owners, agents or charterers is or are relieved of responsibility; also including all risks of negligence, default or error in the judgement of or by the masters, mariners, mates, engineers, pilot, crew or stevedores, or other persons employed by the shipowners, or for whose acts he is responsible.

Claims under this clause payable irrespective of percentage.

## **18. Explosion Clause**

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

## **19. Shore Risks**

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

Claims under this Clause payable irrespective of percentage.

## **20. Fumigation**

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

## **21. General Average and Salvage Charges**

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

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

**22. Debris Removal Clause**

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

Nothing in this clause, however, shall be construed to extend cover to include any expenses incurred by the Insured to remove or dispose of the remainder or residue of the insured goods and/or merchandise and/or property if the Insured is responsible for such removal or disposal under any pollution statute. Expense incurred by the Insured to accomplish such removal or disposal are not covered under this policy.

**23. Expediting Cost**

Where there is loss, damage, general average, salvage and/or special charges, which are, or will be, the subject of a claim under this policy, and the Insured considers it necessary to forward replacements and/or replacement parts by means other than the means by which the original shipment was dispatched, this Insurer will pay the expediting costs involved, in addition to the underlying claim.

**24. Brands Clause**

In case of damage to property bearing a brand, or the sale of which in any way carries or implies a guarantee of the Supplier or Insured, the salvage value of such damaged property shall be determined after removal of all brands and any trade marks (on containers on which brand cannot be removed, contents to be transferred to plain bulk containers) which might be taken to indicate that the guarantee or brand of the manufacturer or Insured attached to said property. The Insurers waive the right to take over any merchandise or containers from which it is impractical to destroy all evidence of the Insured's connection therewith, such merchandise or containers to be destroyed.

**25. Labels and Cartons**

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

**26. Package Clause**

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

**27. Packing Clause**

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

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

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

**28. Jason Clause**

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

**29. Freight Risks Clause**

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

**30. Both to Blame Clause**

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

**31. Continuation**

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

**32. Refused or Returned Shipments**

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

**33. Machinery Parts Replacement Clause**

**(Including Used Machinery which for the purposes of this Clause shall be valued at new Replacement Value if declared prior to shipment otherwise Second-hand Replacement Clause shall apply.)**

When the goods and/or merchandise and/or property insured under this Policy include a machine or other article consisting, when complete for sale or use, of several parts, then in case of loss or damage covered by this insurance to any part of such machine or other article, this Insurer shall be liable only for the proportion of the insured value applicable to the part or parts lost or damaged, or at the Insured's option, for the cost and expense of replacing or repairing the lost or damaged part or parts (including any and all expediting, labour and installation charges, including forwarding by sea or air) so that the machine or article is restored to its condition at the time of shipment, but in no event shall this Insurer's liability exceed the insured value of the complete machine.

**34. Second-Hand Replacement Clause**

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

**35. On Deck Cargo Clause**

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

**36. Containers On Deck**

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

**37. Shortage from Containers**

It is agreed that the Insurer is to pay for shortage of contents (meaning thereby the difference between the number of packages as per Shippers and/or Suppliers Invoice and/or Packing List, loaded or alleged to have been loaded into the container and the count of packages removed therefrom, taken by the Insured and/or their Agent at the time of emptying the container), howsoever, wheresoever and whensoever occurring without the privity or knowledge of the Insured.

**38. Insolvency Clause**

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

**39. Additional Expense Clause**

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

**40. Demurrage Charges Clause**

If the Insured is directed by the Insurer to retain a container, trailer or rail car, and if the Insured is assessed a late penalty and/or demurrage charge for the holding of the container, trailer or rail car past the return date, the Insurer will pay late penalties and demurrage charges. The amount that the Insurer will pay shall be the charges assessed from the time the Insurer directed the Insured to hold the container, trailer or rail car until the time the Insurer inform the Insured that the container can be released.

**41. Confirmation Of Non-Delivery Clause:**

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

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

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

#### **42. Delayed Opening Clause**

In the event of delay in opening containers, cartons, cases, packages, and any other storage receptacle, any loss or damage discovered shall be deemed to have occurred during the currency of this policy, provided that such loss or damage is discovered within 60 days from the date the goods arrive at destination and which can be attributed to have occurred during transit.

#### **43. Pairs and Sets Clause**

Where an insured item consists of articles in a pair or set, the Insured shall not be entitled to recover more than the proportionate sum insured in respect of the particular part or parts which may be lost or damaged.

#### **44. Shut-Out Clause**

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

#### **45. Interruption of Transit**

Notwithstanding anything contained elsewhere in this policy to the contrary, this insurance is extended to cover goods and/or merchandise and/or property insured under this policy wherever same are stopped in transit, anywhere in the world, short of final destination, subject to the applicable insuring terms, conditions and warranties set forth elsewhere in this policy. The Insured shall provide notice of any Interruption of Transit to Marsh Canada Limited as soon as practicable.

#### **46. Deliberate Damage Clause**

##### **a) Pollution Hazard**

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

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

##### **b) Customs Service**

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

#### **47. Waiver of Subrogation and Release Clause**

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

#### **48. Subrogation**

It is agreed that upon payment or partial payment of any loss, damage or expense under this Policy but subject to Clause 47 above, the Insurer shall become subrogated, to the extent of such payment, to the rights of the

Insured against any carrier, bailee, seller, buyer, other Insurer or other third party who may be liable for or who may have an obligation to pay, the loss, damage or expense.

The Insurer may bring suit in the Insured's name without prior permission from the Insured, but always at this Insurer's expense.

The Insured agrees to render all reasonable assistance in the prosecution of subrogated claims by the Insurer.

Any recovery made by the Insurer in connection with a subrogated claim shall be shared with the Insured on a proportionate basis. The Insured's share shall be calculated by multiplying the gross recovery (after deducting only the actual expense of the Insurer or its agents or lawyers to prosecute the claim) by the percentage obtained after dividing the sum of any deductible plus any uninsured loss, damage and expense by the amount of loss, damage and expense paid by the Insurer. The Insurer retains the balance.

**49. Benefit to Bailee**

This insurance shall not inure to the benefit of any bailee or carrier.

**50. Adjusted Claims**

Loss if any, payable as provided herein, within thirty (30) days after filing of adjusted claims.

**51. No Survey Clause**

No survey required on claims unlikely to exceed CDN \$1,500.00 or equivalent in any other currency. Customs and/or Landing Account, where available, to be deemed sufficient proof of loss.

**52. Institute Radioactive Contamination, Chemical, Biological, Bio-Chemical and Electromagnetic Weapons Exclusion Clause (CL 370) 10.11.2003**

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

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

**53. Radioactive Contamination, Chemical, Biological, Bio-Chemical and Electromagnetic Weapons Exclusion Clause Endorsement: (USA) (Canada)**

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

however, any loss, damage, liability or expense caused by nuclear reaction, nuclear radiation or radiation contamination arising directly or indirectly from that fire.

**54. Notice of Loss**

Upon being known to the Insured, notice of the occurrence of any and all losses which may constitute a claim under this policy shall be given to Marsh Canada Limited for transmission to the Insurer or to the Insurer's agent or if there be none in the vicinity the local Lloyd's Agent as soon as may be practicable. The Insured shall deliver to the Insurer an account detailing loss, damage and expense which may become a claim under this insurance as soon as may be practicable after it becomes known to the Insured.

**55. Permission to Sign and Countersign**

Permission is hereby granted the Insured to issue and countersign Certificates of Insurance, including electronic Certificates of Insurance produced through CargoCover.com, in respect to goods and/or merchandise and/or property covered under this Policy.

**56. Letter of Credit Clause**

Permission is granted to the Insured to attach the London Institute Cargo Clauses and War, Strikes, Riots and Civil Commotions Clauses or other London or American Institute Clauses to special policies and/or certificates or insurance where such clauses required by the terms of sale, letter of credit or other banking requirements. When such an attachment is made, the attached clauses are deemed to be added to this policy and the terms and conditions in such clauses shall override any inconsistent term, condition or warranty in this policy and be controlling to the extent of any inconsistency.

If the terms and conditions of such attached clauses provide broader coverage than those in this policy, this Insurer is entitled to additional premium, if any, to be agreed.

These Insurers shall not exercise any regress against the assured in claim settling procedures and claim payments as a result of the above-mentioned agreement.

**57. Other Insurance Clause**

It is understood and agreed that it is the intention of this insurance to indemnify the Insured, subject to the terms and conditions of this Policy, for all losses covered hereunder, irrespective of any other insurance on the same goods and/or merchandise and/or property. In the event of the existence of such other insurance, the Insured agrees to remit to the Insurer all sums recovered by the Insured from such other insurance to the extent of the loss paid by this Insurer.

**58. Language of Policy**

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

**59. Titles of Paragraphs**

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

**a) Printed Conditions**

In the event of an inconsistency between the printed (Institute) Conditions and the General Conditions of this Policy, the General Conditions will prevail to the extent of the inconsistency. The Insured shall, in all cases, have the benefit of any ambiguity in the terms of the Policy.

The word "**Insurer**" shall be substituted for the word "**Underwriter**" and the word "**Insured**" shall be substituted for the word "**Assured**" in all printed forms that are part of this insurance.



**b) Overlapping Clause**

It is understood and agreed that should any Clauses conflict with each other, the broader Terms and Conditions are deemed to apply in all cases, to inure to the benefit of the Insured.

Notwithstanding this clause, with respect to War Risks, it is understood that nothing will override the provisions of the War Risk clause.

**60. Arbitration**

In case of dispute, at the INSURED'S option, each party will appoint one arbitrator and the two arbitrators will appoint an umpire. Provisions of the relevant Ontario Arbitration Act are to apply to such arbitration.

**61. Canadian Law and Usage**

This insurance is understood and agreed to be subject to Canadian Law and Usage.

**62. Clause De Texte Anglais**

L'Assuré déclare et convient avec les assureurs que le présent document d'assurance a été rédigé dans la langue anglaise à sa demande afin de permettre que ces couvertures soient souscrites par les marchés offrant les facilités requises et afin de permettre l'usage des clauses nécessaires dans la langue de leur publication et interprétation coutumière, évitant ainsi la confusion, l'erreur d'interprétation et/ou la disparité de couverture qui pourraient autrement être préjudiciables à ses intérêts.

**English Text Clause**

The Insured declares and agrees with the Insurer that the present Document of Insurance has been drawn in the English language at his request, and to enable these coverages to be underwritten by the Markets offering the requisite facilities, and to permit usage of the necessary clauses in the language of customary issuance and interpretation thereby to avoid confusion, misinterpretation and/or disparity of coverage, as could otherwise be detrimental to his interests.

**63. Foreign Currency**

This Policy is written in Canadian Dollars. Premiums and losses, if any, to be paid in U.S. or Canadian Dollars. Permission is hereby granted to use other currency, if required, but to be written in Canadian Dollars equivalent at the current sight draft rate of exchange at the time of sales. This Clause to apply to declaration of values, premiums and claim settlement.

**64. Insufficiency of Packing**

The Insurer agrees, in the event of a claim being made for loss or damage which is alleged to have been caused by insufficiency or unsuitability of packing or preparation for shipment of the subject matter insured, that such alleged insufficiency or unsuitability will not be used as a defence against the claim in any case where the packing or preparation was carried out by or under the direct supervision of Named Insured or by an independent third party packer, provided it is without the privity or knowledge of the Assured.

For the purpose of this clause "packing" shall be deemed to include stowage in a container or liftvan.

It is understood and agreed that rights of subrogation against any Named Insured. is hereby waived but it is understood that full rights or recourse are maintained against all third parties.

The Assured agrees to assist insurers in all respects to pursue recovery against sellers and/or other responsible third parties.

The packing and/or consolidating company are not to be construed, for the purpose of this insurance, as being the Agents and/or representatives of either the Assured or the Consignee.

## **65. Rate Schedule/Premium**

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

Minimum Premium Per Shipment: As per CargoCover Internet system \$25.00 or as agreed.

Goods Requiring Approval:

Antiques

Art/Collectibles

Bank Notes/Coins/Valuable Papers

Computers, laptops, and other related materials

Furs/Skins

Jewellery/Watches/Precious Stones/Metals

Live Animals/Trees/Plants

Radioactive/Hazardous/Restricted or Controlled Items

Used Clothing (Commercial Shipments)

### **b) Duty and/or Collect Freight**

Included at Policy Rate if duty and collect freight are declared in insured value.

Premium charged for this policy is based on shipments reported and declared on CargoCover.com on a per shipment basis on a monthly basis. Premium is adjusted and billed on a per shipment or monthly basis to the Insured.

Minimum Premium per shipment: \$25.00 or as agreed.

The above rates are inclusive of war and strikes cover where applicable. It is agreed that in the event of a transit to, from or within the geographical areas listed as Elevated, High or Severe in the Global Cargo Watch List (GCWL), war and/or strikes risks in respect of such transits are held covered in accordance with the applicable war and/or strikes clauses contained in the Policy at rate(s) to be agreed.

The applicable GCWL designated category for any particular transit/risk shall be that which is in force at the time transit/risk commences.

The GCWL can be viewed at the following website: <http://exclusive-analysis.com/cargo/>

**66. Institute Cargo Clauses**

(Including the risks of loading prior to dispatch and unloading after arrival of containers and/or Contents, at Insured's or Consignee's premises)

**See attached: Institute Cargo Clauses (A) 1.1.82**  
**Institute Cargo Clauses (Air) 1.1.82**

## Institute Cargo Clauses (A)

### RISKS COVERED

- |   |  |                                  |
|---|--|----------------------------------|
| 1 | This insurance covers all risks of loss of or damage to the subject-matter insured except as provided in Clauses 4, 5, 6 and 7 below.  | Risks Clause                     |
| 2 | This insurance covers general average and salvage charges, adjusted or determined according to the contract of affreightment and/or the governing law and practice, incurred to avoid or in connection with the avoidance of loss from any cause except those excluded in Clauses 4, 5, 6 and 7 or elsewhere in this insurance.  | General Average Clause           |
| 3 | This insurance is extended to indemnify the Assured against such proportion of liability under the contract of affreightment "Both to Blame Collision" Clause as is in respect of a loss recoverable hereunder. In the event of any claim by shipowners under the said Clause the Assured agree to notify the Underwriters, who shall have the right, at their own cost and expense, to defend the Assured against such claim. | "Both to Blame Collision" Clause |

### EXCLUSIONS

- |   |   |  |
|---|---|--|
| 4 | In no case shall this insurance cover   | General Exclusions Clause                      |
|   | 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 (for the purpose of this Clause 4.3 "packing" shall be deemed to include stowage in a container or liftvan but only when such stowage is carried out prior to attachment of this insurance or by the Assured or their servants)                             |  |
|   | 4.4 loss damage or expense caused by inherent vice or nature of the subject-matter insured  |  |
|   | 4.5 loss damage or expense proximately caused by delay, even though the delay be caused by a risk insured against (except expenses payable under Clause 2 above)  |  |
|   | 4.6 loss damage or expense arising from insolvency or financial default of the owners managers charterers or operators of the vessel  |  |
|   | 4.7 loss damage or expense arising from the use of any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.   |  |
| 5 | 5.1 In no case shall this insurance cover loss damage or expense arising from<br>unseaworthiness of vessel or craft,<br>unfitness of vessel craft conveyance container or liftvan for the safe carriage of the subject-matter insured,<br>where the Assured or their servants are privy to such unseaworthiness or unfitness, at the time the subject-matter insured is loaded therein. | Unseaworthiness and Unfitness Exclusion Clause |
|   | 5.2 The Underwriters waive any breach of the implied warranties of seaworthiness of the ship and fitness of the ship to carry the subject-matter insured to destination, unless the Assured or their servants are privy to such unseaworthiness or unfitness.   |  |
| 6 | In no case shall this insurance cover loss damage or expense caused by  | War Exclusion Clause                           |
|   | 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  | Strikes Exclusion Clause                       |
|   | 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.   |  |

### DURATION

- |   |  |  |
|---|--|--|
| 8 | 8.1 This insurance attaches from the time the goods leave the warehouse or place of storage at the place named herein for the commencement of the transit, continues during the ordinary course of transit and terminates either   | Transit Clause                             |
|   | 8.1.1 on delivery to the Consignees' or other final warehouse or place of storage at the destination named herein,   |  |
|   | 8.1.2 on delivery to any other warehouse or place of storage, whether prior to or at the destination named herein, which the Assured elect to use either   |  |
|   | 8.1.2.1 for storage other than in the ordinary course of transit or  |  |
|   | 8.1.2.2 for allocation or distribution,  |  |
|   | or   |  |
|   | 8.1.3 on the expiry of 60 days after completion of discharge overside of the goods hereby insured from the oversea vessel at the final port of discharge, whichever shall first occur.   |  |
|   | 8.2 If, after discharge overside from the oversea vessel at the final port of discharge, but prior to termination of this insurance, the goods are to be forwarded to a destination other than that to which they are insured hereunder, this insurance, whilst remaining subject to termination as provided for above, shall not extend beyond the commencement of transit to such other destination.   |  |
|   | 8.3 This insurance shall remain in force (subject to termination as provided for above and to the provisions of Clause 9 below) during delay beyond the control of the Assured, any deviation, forced discharge, reshipment or transhipment and during any variation of the adventure arising from the exercise of a liberty granted to shipowners or charterers under the contract of affreightment.  |  |
| 9 | If owing to circumstances beyond the control of the Assured either the contract of carriage is terminated at a port or place other than the destination named therein or the transit is otherwise terminated before delivery of the goods, as provided for in Clause 8 above, then this insurance shall also terminate <i>unless prompt notice is given to the Underwriters and continuation of cover is requested when the insurance shall remain in force, subject to an additional premium if required by the Underwriters</i> , either | Termination of Contract of Carriage Clause |
|   | 9.1 until the goods are sold and delivered at such port or place, or, unless otherwise specially agreed, until the expiry of 60 days after arrival of the goods hereby insured at such port or place, whichever shall first occur,   |  |
|   | or   |  |
|   | 9.2 if the goods are forwarded within the said period of 60 days (or any agreed extension thereof) to the destination named herein or to any other destination, until terminated in accordance with the provisions of Clause 8 above.  |  |

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

**CLAIMS**

- 11 11.1 In order to recover under this insurance the Assured must have an insurable interest in the subject-matter insured at the time of the loss. Insurable Interest Clause
- 11.2 Subject to 11.1 above, the Assured shall be entitled to recover for insured loss occurring during the period covered by this Insurance, notwithstanding that the loss occurred before the contract of insurance was concluded, unless the Assured were aware of the loss and the Underwriters were not.
- 12 Where, as a result of the operation of a risk covered by this insurance, the insured transit is terminated at a port or place other than that to which the subject-matter is covered under this insurance, the Underwriters will reimburse the Assured for any extra charges properly and reasonably incurred in unloading storing and forwarding the subject-matter to the destination to which it is insured hereunder. Forwarding Charges Clause
- This Clause 12, which does not apply to general average or salvage charges, shall be subject to the exclusions contained in Clauses 4, 5, 6 and 7 above, and shall not include charges arising from the fault negligence insolvency or financial default of the Assured or their servants.
- 13 No claim for Constructive Total Loss shall be recoverable hereunder unless the subject-matter insured is reasonably abandoned either on account of its actual total loss appearing to be unavoidable or because the cost of recovering, reconditioning and forwarding the subject-matter to the destination to which it is insured would exceed its value on arrival. Constructive Total Loss Clause
- 14 14.1 If any Increased Value insurance is effected by the Assured on the cargo insured herein the agreed value of the cargo shall be deemed to be increased to the total amount insured under this insurance and all Increased Value insurances covering the loss, and liability under this insurance shall be in such proportion as the sum insured herein bears to such total amount insured. Increased Value Clause
- In the event of claim the Assured shall provide the Underwriters with evidence of the amounts insured under all other insurances.
- 14.2 **Where this insurance is on Increased Value the following clause shall apply:**  
The agreed value of the cargo shall be deemed to be equal to the total amount insured under the primary insurance and all Increased Value insurances covering the loss and effected on the cargo by the Assured, and liability under this insurance shall be in such proportion as the sum insured herein bears to such total amount insured.  
In the event of claim the Assured shall provide the Underwriters with evidence of the amounts insured under all other insurances.

**BENEFIT OF INSURANCE**

- 15 This insurance shall not inure to the benefit of the carrier or other bailee. Not to Inure Clause

**MINIMISING LOSSES**

- 16 It is the duty of the Assured and their servants and agents in respect of loss recoverable hereunder Duty of Assured Clause
- 16.1 to take such measures as may be reasonable for the purpose of averting or minimising such loss,  
and
- 16.2 to ensure that all rights against carriers, bailees or other third parties are properly preserved and exercised and the Underwriters will, in addition to any loss recoverable hereunder, reimburse the Assured for any charges properly and reasonably incurred in pursuance of these duties.
- 17 Measures taken by the Assured or the Underwriters with the object of saving, protecting or recovering the subject-matter insured shall not be considered as a waiver or acceptance of abandonment or otherwise prejudice the rights of either party. Waiver Clause

**AVOIDANCE OF DELAY**

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

**LAW AND PRACTICE**

- 19 This insurance is subject to English law and practice. English Law and Practice Clause

**NOTE:**

*It is necessary for the Assured when they become aware of an event which is "held covered" under this insurance to give prompt notice to the Underwriters and the right to such cover is dependent upon compliance with this obligation.*  
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**Institute Cargo Clauses (Air)**  
**(excluding sendings by Post)**

**RISKS COVERED**

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

Risks Clause

**EXCLUSIONS**

2 In no case shall this insurance cover

General Exclusions Clause

- 2.1 loss damage or expense attributable to wilful misconduct of the Assured
- 2.2 ordinary leakage, ordinary loss in weight or volume, or ordinary wear and tear of the subject-matter insured
- 2.3 loss damage or expense caused by insufficiency or unsuitability of packing or preparation of the subject-matter insured (for the purpose of this Clause 2.3 "packing" shall be deemed to include stowage in a container or liftvan but only when such stowage is carried out prior to attachment of this insurance or by the Assured or their servants)
- 2.4 loss damage or expense caused by inherent vice or nature of the subject-matter insured
- 2.5 loss damage or expense arising from unfitness of aircraft conveyance container or liftvan for the safe carriage of the subject-matter insured, where the Assured or their servants are privy to such unfitness at the time the subject-matter insured is loaded therein
- 2.6 loss damage or expense proximately caused by delay, even though the delay be caused by a risk insured against
- 2.7 loss damage or expense arising from insolvency or financial default of the owners managers charterers or operators of the aircraft
- 2.8 loss damage or expense arising from the use of any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.

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

War Exclusion Clause

- 3.1 war civil war revolution rebellion insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power
- 3.2 capture seizure arrest restraint or detainment (piracy excepted), and the consequences thereof or any attempt thereat
- 3.3 derelict mines torpedoes bombs or other derelict weapons of war.

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

Strikes Exclusion Clause

- 4.1 caused by strikers, locked-out workmen, or persons taking part in labour disturbances, riots or civil commotions
- 4.2 resulting from strikes, lock-outs, labour disturbances, riots or civil commotions
- 4.3 caused by any terrorist or any person acting from a political motive

**DURATION**

5 5.1 This insurance attaches from the time the subject-matter insured leaves the warehouse, premises or place of storage at the place named herein for the commencement of the transit, continues during the ordinary course of transit and terminates either

Transit Clause

- 5.1. on delivery to the Consignees' or other final warehouse, premises or place of storage at the destination named herein,
- 1
- 5.1. on delivery to any other warehouse, premises or place of storage, whether prior to or at the destination named herein,
- 2
- 5.1.2.1 for storage other than in the ordinary course of transit or
- 5.1.2.2 for allocation or distribution
- Or
- 5.1. on the expiry of 30 days after unloading the subject-matter insured from the aircraft at the final place of discharge,
- 3

Whichever shall first occur.

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

5.3 This insurance shall remain in force (subject to termination as provided for above and to the provisions of 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 the air carriers under the contract of carriage.

6 If owing to circumstances beyond the control of the Assured either the contract of carriage is terminated at a place other than the destination named therein or the transit is otherwise terminated before delivery of the subject-matter insured as provided for in Clause 5 above, then this insurance shall also terminate *unless prompt notice is given to the Underwriters and continuation of cover is requested when the insurance shall remain in force, subject to an additional premium if required by the Underwriters*, either

Termination of Contract of Carriage Clause

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

Or

6.2 if the subject-matter is forwarded within the said period of 30 days (or any agreed extension thereof) to the destination named herein or to any other destination, until terminated in accordance with the provisions of Clause 5 above.

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

Change of Transit Clause

**CLAIMS**

8 8.1 In order to recover under this insurance the Assured must have an insurable interest in the subject-matter insured at the time of the loss

Insurable Interest Clause

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

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

Forwarding Charges Clause

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

Constructive Total Loss Clause

11 11.1 If any Increased Value insurance is effected by the Assured on the cargo insured herein the agreed value of the cargo shall be deemed to be increased to the total amount insured under this insurance and all Increased Value insurances covering the loss, and liability under this insurance shall be in such proportion as the sum insured herein bears to such total amount insured. In the event of claim the Assured shall provide the Underwriters with evidence of the amounts insured under all other insurances.

Increased Value Clause

- 11.2 **Where this insurance is on Increased Value the following clause shall apply:**  
The agreed value of the cargo shall be deemed to be equal to the total amount insured under the primary insurance and all Increased Value insurances covering the loss and effected on the cargo by the Assured, and liability under this insurance shall be in such proportion as the sum insured herein bears to such total amount insured.  
In the event of claim the Assured shall provide the Underwriters with evidence of the amounts insured under all other insurances

**BENEFIT OF INSURANCE**

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

Not to Inure Clause

**MINIMISING LOSSES**

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

Duty of Assured Clause

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

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

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

Waiver Clause

**AVOIDANCE OF DELAY**

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

Reasonable Despatch Clause

**LAW AND PRACTICE**

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

English Law and Practice Clause

**NOTE:**

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

**67. On Deck Cargo**

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

**(See attached: Institute Cargo Clauses (C) 1.1.82)**



## Institute Cargo Clauses (C)

### RISKS COVERED

- |   |   |                                  |
|---|---|----------------------------------|
| 1 | This insurance covers, except as provided in Clauses 4, 5, 6 and 7 below,   | Risks Clause                     |
|   | 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.   |                                  |
| 2 | This insurance covers general average and salvage charges, adjusted or determined according to the contract of affreightment and/or the governing law and practice, incurred to avoid or in connection with the avoidance of loss from any cause except those excluded in Clauses 4, 5, 6 and 7 or elsewhere in this insurance.   | General Average Clause           |
| 3 | This insurance is extended to indemnify the Assured against such proportion of liability under the contract of affreightment "Both to Blame Collision" Clause as is in respect of a loss recoverable hereunder. In the event of any claim by shipowners under the said Clause the Assured agree to notify the Underwriters who shall have the right, at their own cost and expense, to defend the Assured against such claim. | "Both to Blame Collision" Clause |

### EXCLUSIONS

- |   |  |  |
|---|--|--|
| 4 | In no case shall this insurance cover  | General Exclusions Clause                      |
|   | 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 (for the purpose of this Clause 4.3 "packing" shall be deemed to include stowage in a container or liftvan but only when such stowage is carried out prior to attachment of this insurance or by the Assured or their servants)                    |  |
|   | 4.4 loss damage or expense caused by inherent vice or nature of the subject-matter insured   |  |
|   | 4.5 loss damage or expense proximately caused by delay, even though the delay be caused by a risk insured against (except expenses payable under Clause 2 above)   |  |
|   | 4.6 loss damage or expense arising from insolvency or financial default of the owners managers charterers or operators of the vessel   |  |
|   | 4.7 deliberate damage to or deliberate destruction of the subject-matter insured or any part thereof by the wrongful act of any person or persons  |  |
|   | 4.8 loss damage or expense arising from the use of any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.  |  |
| 5 | 5.1 In no case shall this insurance cover loss damage or expense arising from unseaworthiness of vessel or craft, unfitness of vessel craft conveyance container or liftvan for the safe carriage of the subject-matter insured, where the Assured or their servants are privy to such unseaworthiness or unfitness, at the time the subject-matter insured is loaded therein. | Unseaworthiness and Unfitness Exclusion Clause |
|   | 5.2 The Underwriters waive any breach of the implied warranties of seaworthiness of the ship and fitness of the ship to carry the subject-matter insured to destination, unless the Assured or their servants are privy to such unseaworthiness or unfitness.  |  |
| 6 | In no case shall this insurance cover loss damage or expense caused by   | War Exclusion Clause                           |
|   | 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   | Strikes Exclusion Clause                       |
|   | 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.  |  |

### DURATION

- |   |   |                |
|---|---|----------------|
| 8 | 8.1 This insurance attaches from the time the goods leave the warehouse or place of storage at the place named herein for the commencement of the transit, continues during the ordinary course of transit and terminates either  | Transit Clause |
|   | 8.1.1 on delivery to the Consignees' or other final warehouse or place of storage at the destination named herein,  |                |
|   | 8.1.2 on delivery to any other warehouse or place of storage, whether prior to or at the destination named herein, which the Assured elect to use either  |                |
|   | 8.1.2.1 for storage other than in the ordinary course of transit or   |                |
|   | 8.1.2.2 for allocation or distribution,   |                |
|   | Or  |                |
|   | 8.1.3 on the expiry of 60 days after completion of discharge overseas of the goods hereby insured from the overseas vessel at the final port of discharge, whichever shall first occur.   |                |
|   | 8.2 If, after discharge overseas from the overseas vessel at the final port of discharge, but prior to termination of this insurance, the goods are to be forwarded to a destination other than that to which they are insured hereunder, this insurance, whilst remaining subject to termination as provided for above, shall not extend beyond the commencement of transit to such other destination. |                |
|   | 8.3 This insurance shall remain in force (subject to termination as provided for above and to the provisions of Clause 9 below) during delay beyond the control of the Assured, any deviation, forced discharge, reshipment or transshipment and during any   |                |

|                             |  |  |
|-----------------------------|--|--|
|                             | variation of the adventure arising from the exercise of a liberty granted to shipowners or charterers under the contract of affreightment.   |  |
| 9                           | If owing to circumstances beyond the control of the Assured either the contract of carriage is terminated at a port or place other than the destination named therein or the transit is otherwise terminated before delivery of the goods as provided for in Clause 8 above, then this insurance shall also terminate <i>unless prompt notice is given to the Underwriters and continuation of cover is requested when the insurance shall remain in force, subject to an additional premium if required by the Underwriters</i> , either<br>9.1 until the goods are sold and delivered at such port or place, or, unless otherwise specially agreed, until the expiry of 60 days after arrival of the goods hereby insured at such port or place, whichever shall first occur,<br>Or<br>9.2 if the goods are forwarded within the said period of 60 days (or any agreed extension thereof) to the destination named herein or to any other destination, until terminated in accordance with the provisions of Clause 8 above.   | Termination of Contract of Carriage Clause |
| 10                          | Where, after attachment of this insurance, the destination is changed by the Assured, <i>held covered at a premium and on conditions to be arranged subject to prompt notice being given to the Underwriters</i> .   | Change of Voyage Clause                    |
| <b>CLAIMS</b>               |  |  |
| 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.<br>11.2 Subject to 11. 1 above, the Assured shall be entitled to recover for insured loss occurring during the period covered by this insurance, notwithstanding that the loss occurred before the contract of insurance was concluded, unless the Assured were aware of the loss and the Underwriters were not.  | Insurable Interest Clause                  |
| 12                          | Where, as a result of the operation of a risk covered by this insurance, the insured transit is terminated at a port or place other than that to which the subject-matter is covered under this insurance, the Underwriters will reimburse the Assured for any extra charges properly and reasonably incurred in unloading storing and forwarding the subject-matter to the destination to which it is insured hereunder.<br>This Clause 12, which does not apply to general average or salvage charges, shall be subject to the exclusions contained in Clauses 4, 5, 6 and 7 above, and shall not include charges arising from the fault negligence insolvency or financial default of the Assured or their servants.  | Forwarding Charges Clause                  |
| 13                          | No claim for Constructive Total Loss shall be recoverable hereunder unless the subject-matter insured is reasonably abandoned either on account of its actual total loss appearing to be unavoidable or because the cost of recovering, reconditioning and forwarding the subject-matter to the destination to which it is insured would exceed its value on arrival.  | Constructive Total Loss Clause             |
| 14                          | 14.1 If any Increased Value insurance is effected by the Assured on the cargo insured herein the agreed value of the cargo shall be deemed to be increased to the total amount insured under this insurance and all Increased Value insurances covering the loss, and liability under this insurance shall be in such proportion as the sum insured herein bears to such total amount insured.<br>In the event of claim the Assured shall provide the Underwriters with evidence of the amounts insured under all other insurances.<br>14.2 <b>Where the insurance is on Increased Value the following clause shall apply:</b><br>The agreed value of the cargo shall be deemed to be equal to the total amount insured under the primary insurance and all Increased Value insurances covering the loss and effected on the cargo by the Assured, and liability under this insurance shall be in such proportion as the sum insured herein bears to such total amount insured.<br>In the event of claim the Assured shall provide the Underwriters with evidence of the amounts insured under all other insurances. | Increased Value Clause                     |
| <b>BENEFIT OF INSURANCE</b> |  |  |
| 15                          | This insurance shall not inure to the benefit of the carrier or other bailee.  | Not to Inure Clause                        |
| <b>MINIMISING LOSSES</b>    |  |  |
| 16                          | It is the duty of the Assured and their servants and agents in respect of loss recoverable hereunder<br>16.1 to take such measures as may be reasonable for the purpose of averting or minimising such loss,<br>And<br>16.2 to ensure that all rights against carriers, bailees or other third parties are properly preserved and exercised and the Underwriters will, in addition to any loss recoverable hereunder, reimburse the Assured for any charges properly and reasonably incurred in pursuance of these duties.   | Duty of Assured Clause                     |
| 17                          | Measures taken by the Assured or the Underwriters with the object of saving, protecting or recovering the subject-matter insured shall not be considered as a waiver or acceptance of abandonment or otherwise prejudice the rights of either party.   | Waiver Clause                              |
| <b>AVOIDANCE OF DELAY</b>   |  |  |
| 18                          | It is a condition of this insurance that the Assured shall act with reasonable despatch in all circumstances within their control.   | Reasonable Despatch Clause                 |
| <b>LAW AND PRACTICE</b>     |  |  |
| 19                          | This insurance is subject to English law and practice.   | English Law and Practice Clause            |

**NOTE:**

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

## 68. War Risks

### War Cancellation Clause

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

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

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

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

**See attached: Institute War Clauses (Cargo) 1.1.82**  
**Institute War Clauses (Air Cargo) 1.1.82**

## Institute War Clauses (Cargo)

### RISKS COVERED

- |     |  |                        |
|-----|--|------------------------|
| 1   | This insurance covers, except as provided in Clauses 3 and 4 below, loss of or damage to the subject-matter insured caused by  | Risks Clause           |
| 1.1 | 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 detention, arising from risks covered under 1.1 above, and the consequences thereof or any attempt thereat   |                        |
| 1.3 | derelict mines torpedoes bombs or other derelict weapons of war.   |                        |
| 2   | This insurance covers general average and salvage charges, adjusted or determined according to the contract of 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. | General Average Clause |

### EXCLUSIONS

- |     |  |  |
|-----|--|--|
| 3   | In no case shall this insurance cover  | General Exclusions Clause                      |
| 3.1 | loss damage or expense attributable to wilful misconduct of the Assured  |  |
| 3.2 | ordinary leakage, ordinary loss in weight or volume, or ordinary wear and tear of the subject-matter insured   |  |
| 3.3 | loss damage or expense caused by insufficiency or unsuitability of packing or preparation of the subject-matter insured (for the purpose of this Clause 3.3 "packing" shall be deemed to include stowage in a container or liftvan but only when such stowage is carried out prior to attachment of this insurance or by the Assured or their servants)                                  |  |
| 3.4 | loss damage or expense caused by inherent vice or nature of the subject-matter insured   |  |
| 3.5 | loss damage or expense proximately caused by delay, even though the delay be caused by a risk insured against (except expenses payable under Clause 2 above)   |  |
| 3.6 | loss damage or expense arising from insolvency or financial default of the owners managers charterers or operators of the vessel   |  |
| 3.7 | any claim based upon loss of or frustration of the voyage or adventure   |  |
| 3.8 | loss damage or expense arising from any hostile use of any weapon of war 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<br>unseaworthiness of vessel or craft,<br>unfitness of vessel craft conveyance container or liftvan for the safe carriage of the subject-matter insured,<br>where the Assured or their servants are privy to such unseaworthiness or unfitness, at the time the subject-matter insured, is loaded therein. | Unseaworthiness and Unfitness Exclusion Clause |
| 4.2 | The Underwriters waive any breach of the implied warranties of seaworthiness of the ship and fitness of the ship to carry the subject-matter insured to destination, unless the Assured or their servants are privy to such unseaworthiness or unfitness.  |  |

### DURATION

- |       |   |                |
|-------|---|----------------|
| 5     | 5.1 This insurance  | Transit Clause |
| 5.1.1 | attaches only as the subject-matter insured and as to any part as that part is loaded on an oversea vessel and  |                |
| 5.1.2 | terminates, subject to 5.2 and 5.3 below, either as the subject-matter insured and as to any part as that part is discharged from an oversea vessel at the final port or place of discharge,<br>Or<br>on expiry of 15 days counting from midnight of the day of arrival of the vessel at the final port or place of discharge,<br>Whichever shall first occur;<br>nevertheless,<br><i>subject to prompt notice to the Underwriters and to an additional premium, such insurance</i>   |                |
| 5.1.3 | reattaches when, without having discharged the subject-matter insured at the final port or place of discharge, the vessel sails therefrom,<br>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,<br>Or<br>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,<br>whichever shall first occur.   |                |
| 5.2   | If during the insured voyage the oversea vessel arrives at an intermediate port or place to discharge the subject-matter insured for on-carriage by oversea vessel or by aircraft, or the goods are discharged from the vessel at a port or place of refuge, then, subject to 5.3 below and to an additional premium if required, this insurance continues until the expiry of 15 days counting from midnight of the day of arrival of the vessel at such port or place, but thereafter reattaches as the subject-matter insured and as to any part as that part is loaded on an on-carrying oversea vessel or aircraft. During the period of 15 days the insurance remains in force after discharge only whilst the subject-matter insured and as to any part as that part is at such port or place. If the goods are on-carried within the said period of 15 days or if the insurance reattaches as provided in this Clause 5.2 |                |
| 5.2.1 | where the on-carriage is by oversea vessel this insurance continues subject to the terms of these clauses,<br>Or  |                |
| 5.2.2 | where the on-carriage is by aircraft, the current Institute War Clauses (Air Cargo) (excluding sendings by Post) shall be deemed to form part of this insurance and shall apply to the on-carriage by air.  |                |

|  |   |  |
|--|---|--|
| <p>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 to be the final port of discharge and such insurance terminates in accordance with 5.1.2. If the subject-matter insured is subsequently reshipped to the original or any other destination, then <i>provided notice is given to the Underwriters before the commencement of such further transit and subject to an additional premium</i>, such insurance reattaches</p> <p>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;</p> <p>5.3.2 in the case of the subject-matter insured not having been discharged, when the vessel sails from such deemed final port of discharge;</p> <p>thereafter such insurance terminates in accordance with 5.1.4.</p> <p>5.4 The insurance against the risks of mines and derelict torpedoes, floating or submerged, is extended whilst the subject-matter insured or any part thereof is on craft whilst in transit to or from the oversea vessel, but in no case beyond the expiry of 60 days after discharge from the oversea vessel unless otherwise specially agreed by the Underwriters.</p> <p>5.5 <i>Subject to prompt notice to Underwriters, and to an additional premium if required</i>, this insurance shall remain in force within the provisions of these Clauses during any deviation, or any variation of the adventure arising from the exercise of a liberty granted to shipowners or charterers under the contract of affreightment.</p> <p>(For the purpose of Clause 5</p> <p>"arrival" shall be deemed to mean 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</p> <p>"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)</p> | <p>6 Where, after attachment of this insurance, the destination is changed by the Assured, <i>held covered at a premium and on conditions to be arranged subject to prompt notice being given to the Underwriters.</i></p> <p>7 <b>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.</b></p> | <p>Change of Voyage Clause</p>         |
| <b>CLAIMS</b>  |   |  |
| <p>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.</p> <p>8.2 Subject to 8.1 above, the Assured shall be entitled to recover for insured loss occurring during the period covered by this insurance, notwithstanding that the loss occurred before the contract of insurance was concluded, unless the Assured were aware of the loss and the Underwriters were not.</p> <p>9 9.1 If any Increased Value insurance is effected by the Assured on the cargo insured herein the agreed value of the cargo shall be deemed to be increased to the total amount insured under this insurance and all Increased Value insurances covering the loss, and liability under this insurance shall be in such proportion as the sum insured herein bears to such total amount insured.</p> <p>In the event of claim the Assured shall provide the Underwriters with evidence. of the amounts insured under all other insurances.</p> <p>9.2 <b>Where this insurance is on Increased Value the following clause shall apply:</b></p> <p>The agreed value of the cargo shall be deemed to be equal to the total amount insured under the primary insurance and all Increased Value insurances covering the loss and effected on the cargo by the Assured, and liability under this insurance shall be in such proportion as the sum insured herein bears to such total amount insured.</p> <p>In the event of claim the Assured shall provide the Underwriters with evidence of the amounts insured under all other insurances.</p>   | <p>Insurable Interest Clause</p> <p>Increased Value Clause</p>  |  |
| <b>BENEFIT OF INSURANCE</b>  |   |  |
| <p>10 This insurance shall not inure to the benefit of the carrier or other bailee.</p>  |   | <p>Not to Inure Clause</p>             |
| <b>MINIMISING LOSSES</b>   |   |  |
| <p>11 It is the duty of the Assured and their servants and agents in respect of loss recoverable hereunder</p> <p>11.1 to take such measures as may be reasonable for the purpose of averting or minimising such loss,</p> <p>and</p> <p>11.2 to ensure that all rights against carriers, bailees or other third parties are properly preserved and exercised and the Underwriters will, in addition to any loss recoverable hereunder, reimburse the Assured for any charges properly and reasonably incurred in pursuance of these duties.</p> <p>12 Measures taken by the Assured or the Underwriters with the object of saving, protecting or recovering the subject-matter insured shall not be considered as a waiver or acceptance of abandonment or otherwise prejudice the rights of either party.</p>  | <p>Duty of Assured Clause</p> <p>Waiver Clause</p>  |  |
| <b>AVOIDANCE OF DELAY</b>  |   |  |
| <p>13 It is a condition of this insurance that the Assured shall act with reasonable despatch in all circumstances within their control.</p>   |   | <p>Reasonable Despatch Clause</p>      |
| <b>LAW AND PRACTICE</b>  |   |  |
| <p>14 This insurance is subject to English law and practice.</p>   |   | <p>English Law and Practice Clause</p> |
| <b>NOTE:</b>   |   |  |
| <p><b><i>It is necessary for the Assured when they become aware of an event which is "held covered" under this insurance to give prompt notice to the Underwriters and the right to such cover is dependent upon compliance with this obligation.</i></b></p>  |   |  |

**Institute War Clauses (Air Cargo)**  
**(excluding sendings by Post)**

**RISKS COVERED**

- 1 This insurance covers, except as provided in Clause 2 below, loss of or damage to the subject-matter insured caused by
- 1.1 war civil war revolution rebellion insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power
  - 1.2 capture seizure arrest restraint or detention, arising from risks covered under 1.1 above, and the consequences thereof or any attempt thereat
  - 1.3 derelict mines torpedoes bombs or other derelict weapons of war.

Risks Clause

**EXCLUSIONS**

- 2 In no case shall this insurance cover
- 2.1 loss damage or expense attributable to wilful misconduct of the Assured
  - 2.2 ordinary leakage, ordinary loss in weight or volume, or ordinary wear and tear of the subject-matter insured
  - 2.3 loss damage or expense caused by insufficiency or unsuitability of packing or preparation of the subject-matter insured (for the purpose of this Clause 2.3 "packing" shall be deemed to include stowage in a container or liftvan but only when such stowage is carried out prior to attachment of this insurance or by the Assured or their servants)
  - 2.4 loss damage or expense caused by inherent vice or nature of the subject-matter insured
  - 2.5 loss damage or expense arising from unfitness of aircraft conveyance container or liftvan for the safe carriage of the subject-matter insured, where the Assured or their servants are privy to such unfitness at the time the subject-matter insured is loaded therein
  - 2.6 loss damage or expense proximately caused by delay, even though the delay be caused by a risk insured against
  - 2.7 loss damage or expense arising from insolvency or financial default of the owners managers charterers or operators of the aircraft
  - 2.8 any claim based upon loss of or frustration of the voyage or adventure
  - 2.9 loss damage or expense arising from any hostile use of any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.

General Exclusion Clause

**DURATION**

- 3 3.1 This insurance
- 3.1.1 attaches only as the subject-matter insured and as to any part as that part is loaded on the aircraft for the commencement of the air transit insured and
  - 3.1.2 terminates, subject to 3.2 and 3.3 below, either as the subject-matter insured and as to any part as that part is discharged from the aircraft at the final place of discharge or on expiry of 15 days counting from midnight of the day of arrival of the aircraft at the final place of discharge, whichever shall first occur; nevertheless, *subject to prompt notice to the Underwriters and to an additional premium*, such insurance
  - 3.1.3 reattaches when, without having discharged the subject-matter insured at the final place of discharge, the aircraft departs therefrom, and
  - 3.1.4 terminates, subject to 3.2 and 3.3 below, either as the subject-matter insured and as to any part as that part is thereafter discharged from the aircraft at the final (or substituted) place of discharge, or on expiry of 15 days counting from midnight of the day of re-arrival of the aircraft at the final place of discharge or arrival of the aircraft at a substituted place of discharge, whichever shall first occur.
- 3.2 If during the insured transit the aircraft arrives at an intermediate place to discharge the subject-matter insured for on-carriage by aircraft or oversea vessel, then, subject to 3.3 below and to an additional premium if required, this insurance continues until the expiry of 15 days counting from midnight of the day of arrival of the aircraft at such place, but thereafter reattaches as the subject-matter insured and as to any part as that part is loaded on an on-carrying aircraft or oversea vessel. During the period of 15 days the insurance remains in force after discharge only whilst the subject-matter insured and as to any part as that part is at such intermediate place. If the goods are on-carried within the said period of 15 days or if the insurance reattaches as provided in this Clause 3.2
- 3.2.1 where the on-carriage is by aircraft this insurance continues subject to the terms of these clauses, or
  - 3.2.2 where the on-carriage is by oversea vessel, the current Institute War Clauses (Cargo) shall be deemed to form part of this insurance and shall apply to the on-carriage by sea.
- 3.3 If the air transit in the contract of carriage is terminated at a place other than the destination agreed therein, that place shall be deemed to be the final place of discharge and such insurance terminates in accordance with 3.1.2. If the subject-matter insured is subsequently consigned to the original or any other destination, then, *provided notice is given to the Underwriters before the commencement of such further transit and subject to an additional premium*, such insurance reattaches
- 3.3.1 in the case of the subject-matter insured having been discharged, as the subject-matter insured and as to any part as that part is loaded on the on-carrying aircraft for the transit;
  - 3.3.2 in the case of the subject-matter insured not having been discharged, when the aircraft departs from such deemed final place of discharge; thereafter such insurance terminates in accordance with 3.1.4.
- 3.4 *Subject to prompt notice to Underwriters, and to an additional premium if required*, this insurance shall remain in force within the provisions of these Clauses during any deviation, or any variation of the adventure arising from the exercise of a liberty granted to the air carrier under the contract of carriage.  
(For the purpose of Clause 3 "oversea vessel" shall be deemed to mean a vessel carrying the subject-matter from one port or place to another where such voyage involves a sea passage by that vessel)

Transit Clause

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

Change of Transit Clause

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

**CLAIMS**

- 6 6.1 In order to recover under this insurance the Assured must have an insurable interest in the subject-matter insured at the time of the loss.
- 6.2 Subject to 6.1 above, the Assured shall be entitled to recover for insured loss occurring during the period covered by this

Insurable Interest Clause

|     |   |                                 |
|-----|---|---------------------------------|
|     | insurance, notwithstanding that the loss occurred before the contract of insurance was concluded, unless the Assured were aware of the loss and the Underwriters were not.  |                                 |
| 7   | <p>7.1 If any Increased Value insurance is effected by the Assured on the cargo insured herein the agreed value of the cargo shall be deemed to be increased to the total amount insured under this insurance and all Increased Value insurances covering the loss, and liability under this insurance shall be in such proportion as the sum insured herein bears to such total amount insured.<br/>In the event of claim the Assured shall provide the Underwriters with evidence of the amounts insured under all other insurances.</p> <p>7.2 <b>Where this insurance is on Increased Value the following clause shall apply:</b><br/>The agreed value of the cargo shall be deemed to be equal to the total amount insured under the primary insurance and all Increased Value insurances covering the loss and effected on the cargo by the Assured, and liability under this insurance shall be in such proportion as the sum insured herein bears to such total amount insured.<br/>In the event of claim the Assured shall provide the Underwriters with evidence of the amounts insured under all other insurances.</p> | Increased Value Clause          |
|     | <b>BENEFIT OF INSURANCE</b>   |                                 |
| 8   | This insurance shall not inure to the benefit of the carrier or other bailee.   | Not to Inure Clause             |
|     | <b>MINIMISING LOSSES</b>  |                                 |
| 9   | It is the duty of the Assured and their servants and agents in respect of loss recoverable hereunder  | Duty of Assured Clause          |
|     | 9.1 to take such measures as may be reasonable for the purpose of averting or minimising such loss, and   |                                 |
|     | 9.2 to ensure that all rights against carriers, bailees or other third parties are properly preserved and exercised and the Underwriters will, in addition to any loss recoverable hereunder, reimburse the Assured for any charges properly and reasonably incurred in pursuance of these duties.  |                                 |
| 10. | Measures taken by the Assured or the Underwriters with the object of saving, protecting or recovering the subject-matter insured shall not be considered as a waiver or acceptance of abandonment or otherwise prejudice the rights of either party.  | Waiver Clause                   |
|     | <b>AVOIDANCE OF DELAY</b>   |                                 |
| 11. | It is a condition of this insurance that the Assured shall act with reasonable despatch in all circumstances within their control.  | Reasonable Despatch Clause      |
|     | <b>LAW AND PRACTICE</b>   |                                 |
| 12. | This insurance is subject to English law and practice.  | English Law and Practice Clause |

**NOTE:-**

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

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**69. Strikes, Riots, Civil Commotions, Etc.**

**Strike Risks Cancellation Clause**

The inclusion in this contract of cover against strike risks (as defined in Clause No. 1 of the Institute Strike Clauses) may be cancelled by either the Insurers or the Insured except in respect of any insurance against the said risks which shall have attached in accordance with the cover granted in the Institute Strikes Clauses before the cancellation becomes effective. Such cancellation shall, however, only become effective on the expiration of seven days (48 hours with respect to sendings to/from United States of America) from Midnight of the day on which notice of cancellation is issued by or to Underwriters.

**See attached: Institute Strikes Clauses (Cargo) 1.1.82, amended to include Institute Malicious Damage Clause 1.1.82 & Termination of Transit Clause (Terrorism) 1.1.2002**

**Institute Strikes Clauses (Air Cargo) 1.1.82 amended to include Institute Malicious Damage Clause 1.1.82 & Termination of Transit Clause (Terrorism) 1.1.2002**



## Institute Strikes Clauses (Cargo)

### RISKS COVERED

- |   |  |                        |
|---|--|------------------------|
| 1 | This insurance covers, except as provided in Clauses 3 and 4 below, loss of or damage to the subject-matter insured caused by  | Risks Clause           |
|   | 1.1 strikers, locked-out workmen, or persons taking part in labour disturbances, riots or civil commotions   |                        |
|   | 1.2 any terrorist or any person acting from a political motive.  |                        |
| 2 | This insurance covers general average and salvage charges, adjusted or determined according to the contract of 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. | General Average Clause |

### EXCLUSIONS

- |   |   |  |
|---|---|--|
| 3 | In no case shall this insurance cover   | General Exclusions Clause                      |
|   | 3.1 loss damage or expense attributable to wilful misconduct of the Assured   |  |
|   | 3.2 ordinary leakage, ordinary loss in weight or volume, or ordinary wear and tear of the subject-matter insured  |  |
|   | 3.3 loss damage or expense caused by insufficiency or unsuitability of packing or preparation of the subject-matter insured (for the purpose of this Clause 3.3 "packing" shall be deemed to include stowage in a container or liftvan but only when such stowage is carried out prior to attachment of this insurance or by the Assured or their servants)                             |  |
|   | 3.4 loss damage or expense caused by inherent vice or nature of the subject-matter insured  |  |
|   | 3.5 loss damage or expense proximately caused by delay, even though the delay be caused by a risk insured against (except expenses payable under Clause 2 above)  |  |
|   | 3.6 loss damage or expense arising from insolvency or financial default of the owners managers charterers or operators of the vessel  |  |
|   | 3.7 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 and civil commotion  |  |
|   | 3.8 any claim based upon loss of or frustration of the voyage or adventure  |  |
|   | 3.9 loss damage or expense arising from the use of any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter  |  |
|   | 3.10 loss damage or expense caused by war civil war revolution rebellion insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power.   |  |
| 4 | 4.1 In no case shall this insurance cover loss damage or expense arising from<br>Unseaworthiness of vessel or craft,<br>Unfitness of vessel craft conveyance container or liftvan for the safe carriage of the subject-matter insured,<br>Where the Assured or their servants are privy to such unseaworthiness or unfitness, at the time the subject-matter insured is loaded therein. | Unseaworthiness and Unfitness Exclusion Clause |
|   | 4.2 The Underwriters waive any breach of the implied warranties of seaworthiness of the ship and fitness of the ship to carry the subject-matter insured to destination, unless the Assured or their servants are privy to such unseaworthiness or unfitness.   |  |

### DURATION

- |   |   |  |
|---|---|--|
| 5 | 5.1 This insurance attaches from the time the goods leave the warehouse or place of storage at the place named herein for the commencement of the transit, continues during the ordinary course of transit and terminates either  | Transit Clause                             |
|   | 5.1.1 on delivery to the Consignees' or other final warehouse or place of storage at the destination named herein,  |  |
|   | 5.1.2 on delivery to any other warehouse or place of storage, whether prior to or at the destination named herein, which the Assured elect to use either  |  |
|   | 5.1.2.1 for storage other than in the ordinary course of transit or   |  |
|   | 5.1.2.2 for allocation or distribution,   |  |
|   | Or  |  |
|   | 5.1.3 on the expiry of 60 days after completion of discharge overside of the goods hereby insured from the oversea vessel at the final port of discharge, whichever shall first occur.  |  |
|   | 5.2 If, after discharge overside from the oversea vessel at the final port of discharge, but prior to termination of this insurance, the goods are to be forwarded to a destination other than that to which they are insured hereunder, this insurance, whilst remaining subject to termination as provided for above, shall not extend beyond the commencement of transit to such other destination.  |  |
|   | 5.3 This insurance shall remain in force (subject to termination as provided for above and to the provisions of 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 shipowners or charterers under the contract of affreightment.  |  |
| 6 | If owing to circumstances beyond the control of the Assured either the contract of carriage is terminated at a port or place other than the destination named therein or the transit is otherwise terminated before delivery of the goods as provided for in Clause 5 above, then this insurance shall also terminate <i>unless prompt notice is given to the Underwriters and continuation of cover is requested when the insurance shall remain in force, subject to an additional premium if required by the Underwriters</i> , either | Termination of Contract of Carriage Clause |
|   | 6.1 until the goods are sold and delivered at such port or place, or, unless otherwise specially agreed, until the expiry of 60 days after arrival of the goods hereby insured at such port or place, whichever shall first occur,  |  |
|   | or  |  |
|   | 6.2 if the goods are forwarded within the said period of 60 days (or any agreed extension thereof) to the destination named herein or to any other destination, until terminated in accordance with the provisions of Clause 5 above.   |  |
| 7 | Where, after attachment of this insurance, the destination is changed by the Assured, <i>held covered at a premium and on conditions to be arranged subject to prompt notice being given to the Underwriters.</i>   | Change of Voyage Clause                    |

### CLAIMS

- |   |   |                           |
|---|---|---------------------------|
| 8 | 8.1 In order to recover under this insurance the Assured must have an insurable interest in the subject-matter insured at the time of the loss. | Insurable Interest Clause |
|   | 8.2 Subject to 8.1 above, the Assured shall be entitled to recover for insured loss occurring during the period                                 |                           |

covered by this insurance, notwithstanding that the loss occurred before the contract of insurance was concluded, unless the Assured were aware of the loss and the Underwriters were not.

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

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

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

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

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

**BENEFIT OF INSURANCE**

- 10 This insurance shall not inure to the benefit of the carrier or other bailee. Not to Inure Clause

**MINIMISING LOSSES**

- 11 It is the duty of the Assured and their servants and agents in respect of loss recoverable hereunder Duty of Assured Clause

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

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

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

**AVOIDANCE OF DELAY**

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

**LAW AND PRACTICE**

- 14 This insurance is subject to English law and practice. English Law and Practice Clause

**NOTE:**

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

## **Institute Malicious Damage Clause 1.1.82**

In consideration of an additional premium, it is hereby agreed that the exclusion "deliberate damage to or deliberate destruction of the subject-matter insured or any part thereof by the wrongful act of any person or persons" is deemed to be deleted and further that this insurance covers loss of or damage to the subject-matter insured caused by malicious acts vandalism or sabotage, subject always to the other exclusions contained in this insurance.

## Termination of Transit Clause (Terrorism) 1.1.2002

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

1. Notwithstanding any provision to the contrary contained in this Policy or the Clauses referred to therein, it is agreed that in so far as this Policy covers loss of or damage to the subject-matter insured caused by any terrorist or any person acting from a political motive, such cover is conditional upon the subject-matter insured being in the ordinary course of transit and, in any event, **SHALL TERMINATE:**
  - 1.1 As per the transit clauses within or any other provisions stamped on or endorsed to this open cargo policy.
  - or**
  - 1.2 on delivery to the Consignee's or other final warehouse or place of storage at the destination named herein,
  - 1.3 on delivery to any other warehouse or place of storage, whether prior to or at the destination named herein, which the Assured elect to use either for storage, processing, exhibition, or any other like facility, other than the ordinary course of transit, or for allocation or distribution;
  - or**
  - 1.4 in respect of wet marine transits, on the expiry of 60 days after completion of discharge overside of the goods hereby insured from the vessel at the port of discharge,
  - 1.5 in respect of overland transits, not considered to be transhipments as part of 1.4, on the expiry of 60 days after commencement of the overland conveyance,
  - 1.6 in respect of air transits, on the expiry of 30 days after unloading the subject matter from the aircraft at the place of discharge.

**whichever shall first occur.**
2. If this Policy or the Clauses referred to therein specifically provide cover for inland or other further transits following on form storage, or termination as provided for above, cover will re-attach, and continues during the ordinary course of that transit terminating again in accordance with clause 1.
3. This clause is subject to Canadian law and practice.

**ALL OTHER TERMS AND CONDITIONS REMAINING UNCHANGED.**

## Institute Strikes Clauses (Air Cargo)

### RISKS COVERED

- 1 This insurance covers, except as provided in Clause 2 below, loss of or damage to the subject-matter insured caused by
- 1.1 strikers, locked-out workmen, or persons taking part in labour disturbances, riots or civil commotions
  - 1.2 any terrorist or any person acting from a political motive.

Risks Clause

### EXCLUSIONS

- 2 In no case shall this insurance cover
- 2.1 loss damage or expense attributable to wilful misconduct of the Assured
  - 2.2 ordinary leakage, ordinary loss in weight or volume, or ordinary wear and tear of the subject-matter insured
  - 2.3 loss damage or expense caused by insufficiency or unsuitability of packing or preparation of the subject-matter insured (for the purpose of this Clause 2.3 "packing" shall be deemed to include stowage in a container or liftvan but only when such stowage is carried out prior to attachment of this insurance or by the Assured or their servants)
  - 2.4 loss damage or expense caused by inherent vice or nature of the subject-matter insured
  - 2.5 loss damage or expense arising from unfitness of aircraft conveyance container or liftvan for the safe carriage of the subject-matter insured, where the Assured or their servants are privy to such unfitness at the time the subject-matter insured is loaded therein
  - 2.6 loss damage or expense proximately caused by delay, even though the delay be caused by a risk insured against
  - 2.7 loss damage or expense arising from insolvency or financial default of the owners managers charterers or operators of the aircraft
  - 2.8 loss damage or expense arising from the absence shortage or withholding of labour of any description whatsoever resulting from any strike, lockout, labour disturbance, riot or civil commotion
  - 2.9 any claim based upon loss of or frustration of the voyage or adventure
  - 2.10 loss damage or expense arising from the use of any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter
  - 2.11 loss damage or expense caused by war civil war revolution rebellion insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power.

General Exclusions Clause

### DURATION

- 3 3.1 This insurance attaches from the time the subject-matter insured leaves the warehouse, premises or place of storage at the place named herein for the commencement of the transit, continues during the ordinary course of transit and terminates either
- 3.1.1 on delivery to the Consignees' or other final warehouse, premises or place of storage at the destination named herein
  - 3.1.2 on delivery to any other warehouse, premises or place of storage, whether prior to or at the destination named herein, which the Assured elect to use either
    - 3.1.2.1 for storage other than in the ordinary course of transit or
    - 3.1.2.2 for allocation or distribution
  - 3.1.3 On the expiry of 30 days after unloading the subject-matter insured from the aircraft at the final place of discharge, whichever shall first occur.
- 3.2 If, after unloading from the aircraft at the final place of discharge, but prior to termination of this insurance, the subject-matter insured is forwarded to a destination other than that to which it is insured hereunder, this insurance, whilst remaining subject to termination as provided for above, shall not extend beyond the commencement of transit to such other destination.
- 3.3 This insurance shall remain in force (subject to termination as provided for above and to the provisions of Clause 4 below) during delay beyond the control of the Assured, any deviation, forced discharge, reshipment or transshipment and during any variation of the adventure arising from the exercise of a liberty granted to the air carriers under the contract of carriage.
- 4 If owing to circumstances beyond the control of the Assured either the contract of carriage is terminated at a place other than the destination named therein or the transit is otherwise terminated before delivery of the subject-matter insured as provided for in Clause 3 above, then this insurance shall also terminate *unless prompt notice is given to the Underwriters and continuation of cover is requested when the insurance shall remain in force, subject to an additional premium if required by the Underwriters, either*
- 4.1 until the subject-matter is sold and delivered at such place or, unless otherwise specially agreed, until the expiry of 30 days after arrival of the subject-matter hereby insured at such place, whichever shall first occur,
  - or
  - 4.2 if the subject-matter is forwarded within the said period of 30 days (or any agreed extension thereof) to the destination named herein or to any other destination, until terminated in accordance with the provisions of Clause 3 above.

Transit Clause

Termination of Contract of Carriage Clause

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

Change of Transit Clause

### CLAIMS

- 6 6.1 In order to recover under this insurance the Assured must have an insurable interest in the subject-matter insured at the time of the loss.
- 6.2 Subject to 6.1 above, the Assured shall be entitled to recover for insured loss occurring during the period covered by this insurance, notwithstanding that the loss occurred before the contract of insurance was concluded, unless the Assured were aware of the loss and the Underwriters were not.
- 7 7.1 If any Increased Value insurance is effected by the Assured on the cargo insured herein the agreed value of the cargo shall be deemed to be increased to the total amount insured under this insurance and all Increased Value insurances covering the loss, and liability under this insurance shall be in such proportion as the sum insured herein bears to such total amount insured.
- In the event of claim the Assured shall provide the Underwriters with evidence of the amounts insured under all other insurances.
- 7.2 **Where this insurance is on Increased Value the following clause shall apply:**  
The agreed value of the cargo shall be deemed to be equal to the total amount insured under the primary insurance and all Increased Value insurances covering the loss and effected on the cargo by the Assured, and liability under this insurance shall be in such proportion as the sum insured herein bears to such total amount insured.  
In the event of claim the Assured shall provide the Underwriters with evidence of the amounts insured under all other insurances.

Insurable Interest Clause

Increased Value Clause

### BENEFIT OF INSURANCE

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

Not to Inure Clause

**MINIMISING LOSSES**

- |   |   |
|---|---|
| <p><b>9</b> It is the duty of the Assured and their servants and agents in respect of loss recoverable hereunder</p> <p>9.1 to take such measures as may be reasonable for the purpose of averting or minimising such loss,<br/>and</p> <p>9.2 to ensure that all rights against carriers, bailees or other third parties are properly preserved and exercised and the Underwriters will, in addition to any loss recoverable hereunder, reimburse the Assured for any charges properly and reasonably incurred in pursuance of these duties.</p> <p><b>10</b> 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.</p> <p><b>AVOIDANCE OF DELAY</b></p> <p><b>11</b> It is a condition of this insurance that the Assured shall act with reasonable despatch in all circumstances within their control.</p> <p><b>LAW AND PRACTICE</b></p> <p><b>12</b> This insurance is subject to English law and practice.</p> | <p>Duty of Assured Clause</p> <p>Waiver Clause</p> <p>Reasonable Despatch Clause</p> <p>English Law and Practice Clause</p> |
|---|---|

**NOTE:**

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

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**Institute Frozen Food Clauses (A)**  
**(Excluding Frozen Meat)**

**RISKS COVERED**

1. This insurance covers, except as provided in Clauses 4, 5, 6 and 7 below, Risks Clause
- 1.1 all risks of loss of or damage to the subject-matter insured, other than loss or damage resulting from any variation in temperature howsoever caused,
  - 1.2 loss of or damage to the subject-matter insured resulting from any variation in temperature attributable to
    - 1.2.1 breakdown of refrigerating machinery resulting in its stoppage for a period of not less than 24 consecutive hours
    - 1.2.2 fire or explosion
    - 1.2.3 vessel or craft being stranded grounded sunk or capsized
    - 1.2.4 overturning or derailment of land conveyance
    - 1.2.5 collision or contact of vessel craft or conveyance with any external object other than water
    - 1.2.6 discharge of cargo at a port of distress.
2. This insurance covers general average and salvage charges, adjusted or determined according to the contract of affreightment and/or the governing law and practice, incurred to avoid or in connection with the avoidance of loss from any cause except those excluded in Clauses 4, 5, 6 and 7 or elsewhere in this insurance. General Average Clause
3. This insurance is extended to indemnify the Assured against such proportion of liability under the contract of affreightment "Both to Blame Collision" Clause as is in respect of a loss recoverable hereunder. In the event of any claim by shipowners under the said Clause the Assured agree to notify the Underwriters who shall have the right, at their own cost and expense, to defend the Assured against such claim. "Both to Blame Collision" Clause

**EXCLUSIONS**

4. In no case shall this insurance cover General Exclusions Clause
- 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 (for the purpose of this Clause 4.3 "packing" shall be deemed to include stowage in a container or liftvan but only when such stowage is carried out prior to attachment of this insurance or by the Assured or their servants)
  - 4.4 loss damage or expense caused by inherent vice or nature of the subject-matter insured (except loss damage or expense resulting from variation in temperature specifically covered under Clause 1.2 above)
  - 4.5 loss damage or expense proximately caused by delay, even though the delay be caused by a risk insured against (except expenses payable under Clause 2 above)
  - 4.6 loss damage or expense arising from insolvency or financial default of the owners managers charterers or operators of the vessel
  - 4.7 loss damage or expense arising from the use of any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter
  - 4.8 loss damage or expense arising from any failure of the Assured or their servants to take all reasonable precautions to ensure that the subject-matter insured is kept in refrigerated or, where appropriate, properly insulated and cooled space
  - 4.9 any loss damage or expense otherwise recoverable hereunder unless prompt notice thereof is given to the Underwriters and, in any event, not later than 30 days after the termination of this insurance.
5. 5.1 In no case shall this insurance cover loss damage or expense arising from Unseaworthiness and Unfitness Exclusion Clause
- unseaworthiness of vessel or craft,
  - unfitness of vessel craft conveyance container or liftvan for the safe carriage of the subject-matter insured,
  - where the Assured or their servants are privy to such unseaworthiness or unfitness, at the time the subject-matter insured is loaded therein.
- 5.2 The Underwriters waive any breach of the implied warranties of seaworthiness of the ship and fitness of the ship to carry the subject-matter insured to destination, unless the Assured or their servants are privy to such unseaworthiness or unfitness.
6. In no case shall this insurance cover loss damage or expense caused by War Exclusion Clause
- 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 detention (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 Strikes Exclusion Clause
- 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.

**DURATION**

8. 8.1 This insurance attaches from the time the goods are loaded into the conveyance at freezing works or cold store at the place named herein for the commencement of the transit, continues during the ordinary course of transit and terminates either Transit Clause
- 8.1.1 on delivery to the cold store or place of storage at the destination named herein,
  - 8.1.2 on delivery to any other cold store or place of storage, whether prior to or at the destination named herein, which the Assured elect to use either
    - 8.1.2.1 for storage other than in the ordinary course of transit or
    - 8.1.2.2 for allocation or distribution,
  - 8.1.3 on the expiry of 5 days after discharge overseas of the goods hereby insured from the overseas vessel at the final port of discharge, whichever shall first occur.
- 8.2 If, after discharge overseas from the overseas vessel at the final port of discharge, but prior to termination of this insurance, the goods are to be forwarded to a destination other than that to which they are insured hereunder, this insurance, whilst remaining subject to termination as provided for above, shall not extend

- beyond the commencement of transit to such other destination.
- 8.3 This insurance shall remain in force (subject to termination as provided for above and to the provisions of Clause 9 below) during delay beyond the control of the Assured, any deviation, forced discharge, reshipment or transhipment and during any variation of the adventure arising from the exercise of a liberty granted to shipowners or charterers under the contract of affreightment.
9. If owing to circumstances beyond the control of the Assured either the contract of carriage is terminated at a port or place other than the destination named therein or the transit is otherwise terminated before delivery of the goods as provided for in Clause 8 above, then this insurance shall also terminate *unless prompt notice is given to the Underwriters and continuation of cover is requested when the insurance shall remain in force, subject to an additional premium if required by the Underwriters*, either
- 9.1 until the goods are sold and delivered at such port or place, or, unless otherwise specially agreed, until the expiry of 30 days after arrival of the goods hereby insured at such port or place, whichever shall first occur,  
or
- 9.2 if the goods are forwarded within the said period of 30 days (or any agreed extension thereof) to the destination named herein or to any other destination, until terminated in accordance with the provisions of Clause 8 above.
10. Where, after attachment of this insurance, the destination is changed by the Assured, *held covered at a premium and on conditions to be arranged subject to prompt notice being given to the Underwriters*.

Termination of Contract of Carriage Clause

Change of Voyage Clause

**CLAIMS**

11. 11.1 In order to recover under this insurance the Assured must have an insurable interest in the subject-matter insured at the time of the loss.  
11.2 Subject to 11.1 above, the Assured shall be entitled to recover for insured loss occurring during the period covered by this insurance, notwithstanding that the loss occurred before the contract of insurance was concluded, unless the Assured were aware of the loss and the Underwriters were not.
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 is covered under this insurance, the Underwriters will reimburse the Assured for any extra charges properly and reasonably incurred in unloading storing and forwarding the subject-matter to the destination to which it is insured hereunder.  
This Clause 12, which does not apply to general average or salvage charges, shall be subject to the exclusions contained in Clauses 4, 5, 6 and 7 above, and shall not include charges arising from the fault negligence insolvency or financial default of the Assured or their servants.
13. No claim for Constructive Total Loss shall be recoverable hereunder unless the subject-matter insured is reasonably abandoned either on account of its actual total loss appearing to be unavoidable or because the cost of recovering, reconditioning and forwarding the subject-matter to the destination to which it is insured would exceed its value on arrival.
14. 14.1 If any Increased Value insurance is effected by the Assured on the cargo insured herein the agreed value of the cargo shall be deemed to be increased to the total amount insured under this insurance and all Increased Value insurances covering the loss, and liability under this insurance shall be in such proportion as the sum insured herein bears to such total amount insured.  
In the event of claim the Assured shall provide the Underwriters with evidence of the amounts insured under all other insurances.  
14.2 Where this insurance is on Increased Value the following clause shall apply:  
The agreed value of the cargo shall be deemed to be equal to the total amount insured under the primary insurance and all Increased Value insurances covering the loss and effected on the cargo by the Assured, and liability under this insurance shall be in such proportion as the sum insured herein bears to such total amount insured.  
In the event of claim the Assured shall provide the Underwriters with evidence of the amounts insured under all other insurances.

Insurable Interest Clause

Forwarding Charges Clause

Constructive Total Loss Clause

Increased Value Clause

**BENEFIT OF INSURANCE**

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

Not to Inure Clause

**MINIMISING LOSSES**

16. It is the duty of the Assured and their servants and agents in respect of loss recoverable hereunder
- 16.1 to take such measures as may be reasonable for the purpose of averting or minimising such loss,  
and
- 16.2 to ensure that all rights against carriers, bailees or other third parties are properly preserved and exercised

Duty of Assured Clause

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.

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

Waiver Clause

**AVOIDANCE OF DELAY**

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

Reasonable Despatch Clause

**LAW AND PRACTICE**

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

English Law and Practice Clause

**NOTE:-**

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

**SPECIAL NOTE:-**

*This insurance does not cover loss damage or expense caused by embargo, or by rejection prohibition or detention by the government of the country of import or their agencies or departments, but does not exclude loss of or damage to the subject-matter insured caused by risks insured hereunder and sustained prior to any such embargo rejection prohibition or detention.*

1/1/86

CL263

Marsh



## IMTA FROZEN MEAT EXTENSION CLAUSES

(For use only with the Institute Frozen Meat Clauses (A) 1/1/86)

Clause 1 and Clauses 4.4 and 4.5 of the attached Institute Frozen Meat Clauses (A) 1/1/86 are deemed to be deleted and replaced by:

1. Subject always to the goods being in sound condition at the time of attachment, this insurance covers, except as provided in Clauses 4, 5, 6 and 7 below, loss of, deterioration of, or damage to the subject-matter insured which shall arise during the currency of this insurance.
4. 4.4 loss, damage or expense arising from bone taint, salmonella, infection prior to attachment of this insurance, fault in preparation, dressing, cooling, freezing, wrapping or packing  
4.5 claims arising from loss of market

Nevertheless, in the absence of prior notice to the Underwriters and agreement of any additional premium required by them, this insurance excludes any claim for deterioration of or damage to the subject-matter insured where the period in freezing works and in any cold store, before loading into the conveyance for commencement of the transit, exceeds 60 days.

1/1/86

CL327

## Institute Frozen Meat Clauses (A)

(Not suitable for chilled, cooled or fresh meat)

(FOR USE ONLY WITH THE NEW MARINE POLICY FORM)

|  |                                      |
|--|--------------------------------------|
| <b>RISKS COVERED</b>   | 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 and 7 below.   | General Average Clause               |
| 2. This insurance covers general average and salvage charges, adjusted or determined according to the contract of affreightment and/or the governing law and practice, incurred to avoid or in connection with the avoidance of loss from any cause except those excluded in Clause 4,5,6 and 7 or elsewhere in this insurance.  |                                      |
| 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 the respect of a loss recoverable hereunder. In the event of any claim by shipowners under the said Clause the Assured agree to notify the Underwriters who shall have the right, at their own cost and expense, to defend the Assured against such claim.   | "Both to Blame Collision" Clause     |
| <b>EXCLUSIONS</b>  |                                      |
| 4. In no case shall this insurance cover   | General Exclusion Clause             |
| 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 packaging or preparation of the subject-matter insured (for the purpose of this Clause 4.3 "packing" shall be deemed to include stowage in a container or liftvan but only when such stowage is carried out prior to attachment of this insurance or by the Assured or their servants)  |                                      |
| 4.4 loss damage or expense caused by inherent vice or nature of the subject-matter insured (except loss damage or expense resulting from variation in temperature whilst this insurance is in force)   |                                      |
| 4.5 loss damage or expense proximately caused by delay, even though the delay be caused by a risk insured against (except expenses payable under Clause 2 above)   |                                      |
| 4.6 loss damage or expense 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<br>This exclusion shall not apply where this 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 arising from the use of any weapon of war employing atomic or nuclear fission and/or fusion or other radioactive force or matter  |                                      |
| 4.8 loss damage or expense on shore caused directly or indirectly by earthquake, volcanic eruption and/or fire resulting therefrom   |                                      |
| 4.9 loss damage or expense arising from any failure of the Assured or their servants to take all reasonable precautions to ensure that the subject-matter insured is kept in refrigerated or, where appropriate, properly insulated and cooled space.  |                                      |
| 5. 5.1 In no case shall this insurance cover loss damage or expense arising from   | Unseaworthiness And Unfitness Clause |
| 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 liftvan or land conveyance for the safe carriage of the subject-matter insured, where loading therein is carried out prior to attachment of this insurance or by the Assured or their servants.   |                                      |
| 5.2 Where this 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, exclusion 5.1.1 above shall not apply.   |                                      |
| 5.3 The Underwriters waive any breach of the implied warranties of seaworthiness of the ship and fitness of the ship to carry the subject-matter insured to destination.   |                                      |
| 6. In no case shall this insurance cover loss damage or expense arising from   | War Exclusion Clause                 |
| 6.1 war civil war revolution rebellion insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power   |                                      |
| 6.1 capture seizure arrest restraint or detention (piracy excepted), and the consequences thereof or any attempt thereat   |                                      |
| 6.2 derelict mines torpedoes bombs or other derelict weapons of war.   |                                      |
| 7. In no case shall this insurance cover loss damage or expense  | Strikes Exclusion Clause             |
| 7.1 caused by strikers, locked-out workmen, or persons taking part in labour disturbances, riots or civil commotions   |                                      |
| 7.2 resulting from strikers, lock-outs, labour disturbances, riots or civil commotions   |                                      |
| 7.3 caused by any terrorist or any person acting from a political motive.  |                                      |
| <b>DURATION</b>  |                                      |
| 8. 8.1 This insurance attaches from the time   | Transit Clause                       |
| 8.1.1 the goods pass into the cooling and/or freezing chambers of the works at the place named herein, provided that the period in such chambers prior to shipment on board the overseas vessel shall not exceed 60 days unless prompt notice be given to the Underwriters and an additional premium paid for each further period of 30 days or part thereof.  |                                      |
| 8.1.2 The goods are loaded into the conveyance at the freezing works or cold store at the place named herein for the commencement of the transit.  |                                      |
| 8.1.3 Of loading of the goods into the overseas vessel.  |                                      |
| 8.2 This insurance continues during the ordinary course of transit to and whilst in  |                                      |
| 8.2.1 cold store at the destination named herein<br>or   |                                      |

|  |  |  |
|--|--|--|
| <p>8.2.2 any other cold store which the Assured elect to use following discharge of the goods from the oversea vessel at the port of discharge either</p> <p>8.2.2.1 for storage other than in the ordinary course of transit</p> <p>8.2.2.2 for allocation or distribution.</p> <p>8.3 This insurance terminates</p> <p>8.3.1 for transit to a destination in the Continent of Europe (including Eire and the United Kingdom), U.S.A. or Canada on the expiry of 30 days</p> <p>8.3.2 for transit to a destination elsewhere on the expiry of 5 days after final discharge of the goods from the oversea vessel at the port of discharge.</p> <p>8.4 Any disposal of the goods other than by storage as in 8.2.2 above (except with the prior consent of the Underwriters) or any removal from cold storage before the expiry of the relevant period in 8.3.1 or 8.3.2 above shall terminate the insurance on such goods.</p> <p>8.5 If, after discharge overside from the oversea vessel at the final port of discharge, but prior to termination of this insurance, the goods are to be forwarded to a destination other than that to which they are insured hereunder, this insurance, whilst remaining subject to termination as provided for above, shall not extend beyond the commencement of transit to such other destination.</p> <p>8.6 This insurance shall remain in force (subject to termination as provided for above and to the provisions of Clause 9 below) during delay beyond the control of the Assured, any deviation, forced discharge, reshipment or transshipment and during any variation of the adventure arising from the exercise of a liberty granted to shipowners or charterers under the contract of affreightment.</p> | <p>9. If owing to circumstances beyond the control of the Assured either the contract of carriage is terminated at a port or place other than the destination named therein or the transit is otherwise terminated before delivery of the goods as provided for in Clause 8 above, then this insurance is <i>unless prompt notice is given to the Underwriters and continuation of cover is requested when the insurance shall remain in force, subject to an additional premium if required by the Underwriters</i>, either</p> <p>9.1 until the goods are sold and delivered at such port or place, or, unless otherwise specially agreed, until the expiry of 30 days after arrival of the goods hereby insured at such port or place, whichever shall first occur,</p> <p>or</p> <p>9.2 if the goods are forwarded within the said period of 30 days (or any agreed extension thereof) to the destination named herein or to any other destination, until terminated in accordance with the provisions of Clauses 8 above.</p>   | <p>Termination Of Contract Of Carriage Clause</p>              |
| <p>10. Where, after attachment of this insurance, the destination is changed by the Assured, <i>held covered at a premium and on conditions to be arranged subject to prompt notice being given to the Underwriters.</i></p>   | <p>10. Where, after attachment of this insurance, the destination is changed by the Assured, <i>held covered at a premium and on conditions to be arranged subject to prompt notice being given to the Underwriters.</i></p>   | <p>Change of Voyage Clause</p>                                 |
| <p><b>CLAIMS</b></p>   |  |  |
| <p>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.</p> <p>11.2 Subject to 11.1 above, the Assured shall be entitled to recover for insured loss occurring during the period covered by this insurance, notwithstanding that the loss occurred before the contract of insurance was concluded, unless the Assured were aware of the loss and the Underwriters were not.</p> <p>11.3 Prompt notice of any deterioration loss or damage shall be given to Underwriters upon first discovery and any claim for depreciation or damage is conditional upon Underwriters having been given an opportunity to inspect such depreciation or damage before termination of the insurance.</p>   | <p>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.</p> <p>11.2 Subject to 11.1 above, the Assured shall be entitled to recover for insured loss occurring during the period covered by this insurance, notwithstanding that the loss occurred before the contract of insurance was concluded, unless the Assured were aware of the loss and the Underwriters were not.</p> <p>11.3 Prompt notice of any deterioration loss or damage shall be given to Underwriters upon first discovery and any claim for depreciation or damage is conditional upon Underwriters having been given an opportunity to inspect such depreciation or damage before termination of the insurance.</p>   | <p>Insurable Interest Clause</p> <p>Notice of Claim Clause</p> |
| <p>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 is covered under this insurance, the Underwriters will reimburse the Assured for any extra charges properly and reasonably incurred in unloading storing and forwarding the subject-matter to the destination to which it is insured hereunder.</p> <p>This Clause 12, which does not apply to general average or salvage charges, shall be subject to the exclusions contained in Clauses 4, 5, 6 and 7 above, and shall not include charges arising from the fault negligence insolvency or financial default of the Assured or their servants.</p>   | <p>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 is covered under this insurance, the Underwriters will reimburse the Assured for any extra charges properly and reasonably incurred in unloading storing and forwarding the subject-matter to the destination to which it is insured hereunder.</p> <p>This Clause 12, which does not apply to general average or salvage charges, shall be subject to the exclusions contained in Clauses 4, 5, 6 and 7 above, and shall not include charges arising from the fault negligence insolvency or financial default of the Assured or their servants.</p>   | <p>Forwarding Charges Clause</p>                               |
| <p>13. No claim for Constructive Total Loss shall be recoverable hereunder unless the subject-matter insured is reasonably abandoned either on account of its actual total loss appearing to be unavoidable or because the cost of recovering, reconditioning and forwarding the subject-matter to the destination to which it is insured would exceed its value on arrival.</p>   | <p>13. No claim for Constructive Total Loss shall be recoverable hereunder unless the subject-matter insured is reasonably abandoned either on account of its actual total loss appearing to be unavoidable or because the cost of recovering, reconditioning and forwarding the subject-matter to the destination to which it is insured would exceed its value on arrival.</p>   | <p>Constructive Total Loss Clause</p>                          |
| <p>14. Should the subject-matter insured or any part thereof not be shipped any claims in respect thereto shall be adjusted on the basis of its insured value less, where included, freight, duty and all charges not incurred.</p>  | <p>14. Should the subject-matter insured or any part thereof not be shipped any claims in respect thereto shall be adjusted on the basis of its insured value less, where included, freight, duty and all charges not incurred.</p>  | <p>Adjustment Clause</p>                                       |
| <p>15. 15.1 If any Increased Value insurance is effected by the Assured on the cargo insured herein the agreed value of the cargo shall be deemed to be increased to the total amount insured under this insurance and all Increased Value insurances covering the loss, and liability under this insurance shall be in such proportion as the sum insured herein bears to such total amount insured.</p> <p>In the event of claim the Assured shall provide the Underwriters with evidence of the amounts insured under all other insurances.</p> <p>15.2 <b>Where this insurance is on Increased Value the following clause shall apply:</b></p> <p>The agreed value of the cargo shall be deemed to be equal to the total amount insured under the primary insurance and all Increased Value insurances covering the loss and effected on the cargo by the Assured, and liability under this insurance shall be in such proportion as the sum insured herein bears to such total amount insured.</p> <p>In the event of claim the Assured shall provide the Underwriters with evidence of the amounts insured under all other insurances.</p>   | <p>15. 15.1 If any Increased Value insurance is effected by the Assured on the cargo insured herein the agreed value of the cargo shall be deemed to be increased to the total amount insured under this insurance and all Increased Value insurances covering the loss, and liability under this insurance shall be in such proportion as the sum insured herein bears to such total amount insured.</p> <p>In the event of claim the Assured shall provide the Underwriters with evidence of the amounts insured under all other insurances.</p> <p>15.2 <b>Where this insurance is on Increased Value the following clause shall apply:</b></p> <p>The agreed value of the cargo shall be deemed to be equal to the total amount insured under the primary insurance and all Increased Value insurances covering the loss and effected on the cargo by the Assured, and liability under this insurance shall be in such proportion as the sum insured herein bears to such total amount insured.</p> <p>In the event of claim the Assured shall provide the Underwriters with evidence of the amounts insured under all other insurances.</p> | <p>Increased Value Clause</p>                                  |
| <p><b>BENEFIT OF INSURANCE</b></p>   |  |  |
| <p>16. This insurance shall not inure to the benefit of the carrier or other bailee.</p>   | <p>16. This insurance shall not inure to the benefit of the carrier or other bailee.</p>   | <p>Not to Clause</p>   |
| <p>17. It is the duty of the Assured and their servants and agents in respect of loss recoverable hereunder</p> <p>17.1 to take such measures as may be reasonable for the purpose of averting or minimising such loss, and</p> <p>17.2 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.</p>   | <p>17. It is the duty of the Assured and their servants and agents in respect of loss recoverable hereunder</p> <p>17.1 to take such measures as may be reasonable for the purpose of averting or minimising such loss, and</p> <p>17.2 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.</p>   | <p>Duty of Assured Clause</p>                                  |
| <p>18. 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.</p>  | <p>18. 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.</p>  | <p>Waiver Clause</p>   |

**AVOIDANCE OF DELAY**

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

Reasonable  
Despatch Clause

**LAW AND PRACTICE**

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

English Law  
And Practice  
Clause

**NOTE:-**

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

**SPECIAL NOTE:-**

*This insurance does not cover loss damage or expense caused by embargo, or by rejection prohibition or detention by the government of the country of import or their agencies or departments, but does not exclude loss of or damage to the subject-matter insured caused by risks insured hereunder and sustained prior to any such embargo rejection prohibition or detention.*

# Important Claims Notice

Examine your cargo promptly after delivery from carrier.

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

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

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

## Suggestions to Facilitate Handling of Claims Against Insurers:

### 1. Claims for Loss or Damage

- (a) Notify the Insurer or nearest agent at once, or if there be no agent of the Insurer in the vicinity, the Lloyd's Agent, and supply the following documents:
  - (i) Statement of Claims in detail;
  - (ii) Original Bill of Lading if available, otherwise a copy;
  - (iii) Original commercial invoice, or certified copy thereof, if original not available;
  - (iv) Paid expense bills;
  - (v) Full set of insurance policies or certificates if issued;
  - (vi) Copy of claim against carrier and copy of their reply.


### 2. Claim for General Average

- (a) Before signing any average bond or agreement communicate with the Insurer or its nearest agent, or if there be no agent of the Insurer in the vicinity, the Lloyd's Agent.
- (b) Do not make any cash deposit, but call upon the Insurer to furnish the usual guarantee. However, if the Insurer has no representative at point of delivery it may save time to pay a cash deposit and apply promptly to the Insurer for refund.
- (c) Supply certified copies of commercial invoices in duplicate, bill of lading and Original Insurance Certificate.

This Policy is made and accepted subject to the stipulations, terms, and conditions as appearing herein, which are hereby specially referred to and made a part of this Policy, together with Insuring Agreements and Conditions AS PER FORMS ATTACHED and such other provisions and conditions as may be endorsed hereon or attached hereto; and no officer, agent or other representative of the Subscribing Insurers hereto shall have power to waive or be deemed to have waived any provisions or conditions of this Policy unless such waiver, if any, shall be written upon or attached hereto, nor shall any privilege or permission affecting the insurance under this Policy exist or be claimed by the Insured unless so written or attached.

ANY PROVISIONS REQUIRED BY LAW TO BE STATED IN POLICIES ISSUED BY SUBSCRIBING INSURERS TO THIS POLICY SHALL BE DEEMED TO HAVE BEEN STATED HEREIN.

# Insurer

| Insurer                      | Interest | Signature  |
|------------------------------|----------|--|
| Continental Casualty Company | 100%     |  |

# Endorsement No. 1

## Inland Transit Endorsement

To be attached to and made part of Policy No. 110550

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

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

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

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

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

This insurance does not cover:

- (a) Against loss and/or damage caused by, capture, seizure, or detention, or from any attempt thereat or the consequences therefrom, or loss or damage arising from war, invasion, hostilities, rebellion, insurrection, seizure or destruction under quarantine or customs regulations, confiscation by order of any government or public authority, or risks of contraband or illegal transportation and/or trade;
- (b) Against loss or damage caused by the neglect of the insured to use all reasonable means to save and preserve the property at and after any disaster insured against;
- (c) Shipments that have been either refused or are returned by the receiver thereof;
- (d) Export or import shipments unless specifically stated herein;
- (e) Risks by mail unless specifically stated herein;
- (f) Loss arising from delay or loss of market;
- (g) Loss or damage caused by vermin or insects, inherent vice, gradual deterioration, or wear and tear;
- (h) Loss or damage resulting from nuclear reaction or nuclear radiation or radioactive contamination, all whether controlled or uncontrolled, and whether such loss be direct or indirect, proximate or remote, or be in whole or in part caused by contribution to, or aggravated by the peril(s) insured against in this policy;
- (i) Infidelity of the Insured's employees.

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

Also to include the Risks and Strikes Riots and Civil Commotions as per Institute Strike Clauses (Cargo) 1/1/82 amended to include Institute Malicious Damage Clause 1.1.82 and Termination of Transit Clause 1.1.2002.

## **Statutory Conditions**

(Applicable to Inland Transits)

### **1. Misrepresentation**

If a person applying for insurance falsely describes the property to the prejudice of the Insurer, or misrepresents or fraudulently omits to communicate any circumstance that is material to be made known to the Insurer in order to enable it to judge of the risk to be undertaken, the contract is void as to any property in relation to which the misrepresentation or omission is material.

### **2. Property of Others**

Unless otherwise specifically stated in the contract, the Insurer is not liable for loss or damage to property owned by any person other than the Insured, unless the interest of the Insured therein is stated in the contract.

### **3. Change of Interest**

The Insurer is liable for loss or damage occurring after an authorized assignment under the Bankruptcy Act or change of title by succession, by operation of law, or by death.

### **4. Material Change**

Any change material to the risk and within the control and knowledge of the Insured avoids the contract as to the part affected thereby, unless the change is promptly notified in writing to the Insurer or its local agent; and the Insurer when so notified may return the unearned portion, if any, of the premium paid and cancel the contract, or may notify the Insured in writing that, if he desires the contract to continue in force, he must within fifteen (15) days of the receipt of the notice, pay to the Insurer an additional premium; and in default of such payment the contract is no longer in force and the Insurer shall return the unearned portion, if any, of the premium paid.

### **5. Termination**

- (1) This contract may be terminated:
  - (a) By the Insurer giving to the Insured fifteen (15) days' notice of termination by registered mail or five (5) days' written notice of termination personally delivered.
  - (b) By the Insured at any time on request.
- (2) Where this contract is terminated by the Insurer:
  - (a) The Insurer shall refund the excess of premium actually paid by the Insured over the pro rata premium for the expired time, but in no event, shall the pro rata premium for the expired time be less than any minimum retained premium specified; and
  - (b) The refund shall accompany the notice unless the premium is subject to adjustment or determination as to amount, in which case the refund shall be made as soon as practicable.
- (3) Where this contract is terminated by the Insured, the Insurer shall refund as soon as practicable the excess of the premium actually paid by the Insured over the short rate premium for the expired time, but in no event shall the short rate premium for the expired time, be deemed to be less than any minimum retained premium specified.
- (4) The refund may be made by money, postal or express company money order or cheque payable at par.
- (5) The fifteen (15) days mentioned in clause (a) of subcondition (1) of this condition commences to run on the day following the receipt of the registered letter at the post office to which it is addressed.



## **6. Requirements After Loss**

- (1) Upon the occurrence of any loss of or damage to the insured property, the Insured shall, if the loss or damage is covered by the contract, in addition to observing the requirements of conditions 9, 10 and 11:
  - (a) Forthwith give notice thereof in writing to the Insurer.
  - (b) Deliver as soon as practicable to the Insurer a proof of loss verified by a statutory declaration:
    - (i) Giving a complete inventory of the destroyed and damaged property and showing in detail quantities, costs, actual cash value and particulars of amount of loss claimed,
    - (ii) Stating when and how the loss occurred, and if caused by fire explosion due to ignition, how the fire or explosion originated, so far as the Insured knows or believes,
    - (iii) Stating that the loss did not occur through any wilful act or neglect or the procurement, means or connivance of the Insured,
    - (iv) Showing the amount of other insurances and the names of other Insurers,
    - (v) Showing the interest of the Insured and of all others in the property with particulars of all liens, encumbrances and other charges upon the property,
    - (vi) Showing any changes in title, use, occupation, location, possession or exposures of the property since the issue of the contract,
    - (vii) Showing the place where the property insured was at the time of loss.
  - (c) If required give a complete inventory of undamaged property and showing in detail quantities, cost, actual cash value.
  - (d) If required and if practicable, produce books of account, warehouse receipts and stock lists, and furnish invoices and other vouchers verified by statutory declaration, and furnish a copy of the written portion of any other contract.
- (2) The evidence furnished under clauses (c) and (d) of subparagraph (1) of this condition shall not be considered proofs of loss within the meaning of conditions 12 and 13.

## **7. Fraud**

Any fraud or wilfully false statement in a statutory declaration in relation to any of the above particulars, vitiates the claim of the person making the declaration.

## **8. Who May Give Notice and Proof**

Notice of loss may be given, and proof of loss may be made, by the agent of the Insured named in the contract in case of absence or inability of the Insured to give the notice or make the proof, and absence or inability being satisfactorily accounted for, or in the like case, or if the Insured refuses to do so, by a person to whom any part of the insurance money is payable.

## **9. Salvage**

- (1) The Insured in the event of any loss or damage to any property insured under the contract, shall take all reasonable steps to prevent further damage to any such property so damaged and to prevent damage to other property insured hereunder including, if necessary, its removal to prevent damage or further damage thereto.
- (2) The Insurer shall contribute pro rata towards any reasonable and proper expenses in connection with steps taken by the Insured and required under subparagraph 1 of this condition according to the respective interests of their parties.

**10. Entry, Control, Abandonment**

After loss or damage to insured property, the Insurer has an immediate right of access and entry by accredited agents sufficient to enable them to survey and examine the property, and to make an estimate of the loss or damage, and after the Insured has secured the property a further right of access and entry sufficient to enable them to make appraisal or particular estimate of the loss or damage, but the Insurer is not entitled to the control or possession of the insured property, and without the consent of the Insurer there can be no abandonment to it of insured property.

**11. Appraisal**

In the event of disagreement as to the value of the property insured, the property saved or the amount of the loss, those questions shall be determined by appraisal as provided under the Insurance Act before there can be any recovery under this contract whether the right to recover on the contract is disputed or not, and independently of all other questions. There shall be no right to an appraisal until a specified demand therefor is made in writing and until after proof of loss has been delivered.

**12. When Loss Payable**

The loss is payable within sixty (60) days after completion and acceptance of the proof of loss, unless the contract provides for a shorter period.

**13. Replacement**

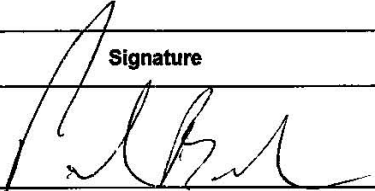
- (1) The Insurer, instead of making payment, may repair, rebuild, or replace the property damaged or lost, giving written notice of its intention so to do within thirty (30) days after receipt of the proofs of loss.
- (2) In that event the Insurer shall commence to so repair, rebuild or replace the property within forty-five (45) days after receipt of the proofs of loss, and shall thereafter proceed with all due diligence to the completion thereof.

**14. Action**

Every action or proceeding against the Insurer for the recovery of any claim under or by virtue of this contract is absolutely barred unless commenced within one year next after the loss or damage occurs.

**15. Notice**

Any written notice to the Insurer may be delivered at, or sent by registered mail to, the chief agency or head office of the Insurer in the Province. Written notice may be given to the Insured named in this contract by letter personally delivered to him or by registered mail addressed to him at his latest post office address as notified to the Insurer. In this condition, the expression "registered" means registered in or outside Canada.

| Insurer                      | Interest | Signature  |
|------------------------------|----------|--|
| Continental Casualty Company | 100%     |  |

## Endorsement No. 2 Buyer's/Seller's Interest

To be attached to and made part of Policy No. 110550

This insurance is extended to cover and will attach to goods and/or merchandise and/or property sold by the Insured on F.O.B., F.A.S. and C&F. terms, or on similar terms, whereby the Insured is not required to provide transit insurance, from the time the goods and/or merchandise and/or property, or any portion thereof, depart from the warehouse, store, factory, or other location at the initial point of shipment (including while loaded in railcars while in or on private sidings prior to the issuance of the railroad bill(s) of lading) and continuing thereafter until all of the goods and/or merchandise and/or property are delivered alongside the overseas vessel or other conveyance or loaded on board the overseas vessel or conveyance, as per the terms of sale.

**i) Contingent Interest/Unpaid Vendors:**

This insurance is extended to cover the interest of the Insured, as a vendor in a credit transaction, on all shipments made by the Insured on terms under which the Insured is not obliged to furnish transit insurance.

This Insurer will guarantee to the Insured the prompt collection of losses, damages and expenses otherwise coming within the terms, conditions and warranties of this insurance in connection with shipments for which the Insured has not been paid. This Insurer will advance to the Insured the amount of the loss, damage or expense, as a loan without interest. Such advance shall be repayable upon, but subject to and only to the extent of (i) the receipt of the purchase price by the Insured, or (ii) any recovery received by the Insured from insurance effected by the buyer or otherwise.

It is agreed that the coverage provided under the terms of this Clause shall be subject to the applicable terms, conditions and warranties set forth elsewhere in this policy.

All goods and/or merchandise and/or property insured under this Clause shall be valued as per the valuation provisions set forth elsewhere in this policy.

The Insured agrees not to divulge the existence of the coverage provided by this Clause, and to use all reasonable means to collect the full amount due from the buy or others, as the case may be.


**ii) Guarantee of Collectability:**

With respect to all goods and/or merchandise and/or property purchased by the Insured on C.I.F. or similar terms, where the seller is required to furnish transit insurance, this Insurer guarantees collection of any claim recoverable under the terms, conditions and warranties of the seller's transit insurance.

In no event shall this insurance inure to the benefit of the seller or his insurer, and the Insured agrees to make, and will make, all reasonable efforts to collect the full amount of any loss, damage or expense from the seller and his Insurer, but in the event the Insured is unsuccessful in making a recover, this Insurer will advance to the Insured the amount of the uncollected loss, damage or expense as a loan without interest.

**(Shipments coming within the scope of this Clause must be declared to Insurers and premiums paid thereon).**

**ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED**

| Insurer                      | Interest | Signature  |
|------------------------------|----------|--|
| Continental Casualty Company | 100%     |  |

## Endorsement No. 3 Difference in Conditions

To be attached to and made part of Policy No. 110550

In consideration of additional premium as agreed, with respect to goods and/or merchandise and/or property purchased by the Insured on C.I.F. or similar terms, whereby transit insurance is arranged by the seller and/or others, this policy is extended to cover the difference in terms, conditions and warranties between such other insurance and the terms, conditions and warranties of insurance for which the goods and/or merchandise and/or property would otherwise have been insured hereunder.

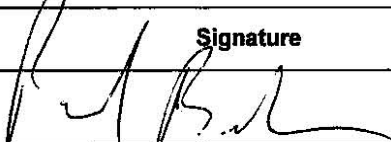
All goods and/or merchandise and/or property insured under this Clause shall be valued as per the valuation provisions set forth elsewhere in this policy.

It is noted and agreed that where the Insured is obliged by legislation or otherwise to arrange insurance locally, it shall continue to have the full benefit and protection of this insurance for any difference between this insurance and the terms, conditions and warranties in the insurance arranged elsewhere.

It is agreed that nothing in this Clause shall be construed to extend the obligation of this Insurer to pay more than the limit(s) of liability set forth elsewhere in this policy.

**All shipments covered hereunder shall be valued and reported at an amount as if insured for seller's insurance.**

**ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED**

| Insurer                      | Interest | Signature  |
|------------------------------|----------|--|
| Continental Casualty Company | 100%     |  |