

# Cargo

## The Contract of Insurance

This policy, The Schedule, the enclosed Institute Clauses and the information You provided to Us when applying for this insurance together with any additional information supplied subsequently form the basis on which this contract has been arranged.

The policy is not valid unless The Schedule is attached to the policy and has been countersigned by an authorised official of the Company and bears the Company's stamp.

On behalf of Aviva Insurance Limited



Igal Mayer  
Chief Executive, Aviva Insurance UK Limited

### IMPORTANT

**May we please ask You to examine the policy, The Schedule and any endorsement pages to make sure they give You protection according to Your present needs. Almost certainly these needs will change. If they do, please let Us know – Your policy is designed for easy amendment or extension and an updated schedule or endorsement page will be issued each time there is an alteration to the limits or cover.**

**This policy is a legal contract. You must tell Us about any facts or changes which affect Your insurance and which have occurred either since the policy started or since the last renewal date.**

**If You are not sure whether certain facts are relevant please ask Your insurance adviser. If You do not tell Us about relevant changes, Your policy may not be valid or the policy may not cover You fully.**

**You should keep a written record (including copies of letters) of any information You give Us or Your insurance adviser when You renew this policy.**



### Aviva Insurance UK Limited

PO Box 6, Surrey Street Norwich NR1 3NS

Registered in Scotland No 2116

Registered Office: Pitheavlis, Perth, Scotland, PH2 0NH

*A member of the AVIVA group. Authorised and regulated by the Financial Services Authority.*

## Our Service to You

Our goal is to give excellent service to all Our customers but We recognise that things do go wrong occasionally. We take all complaints We receive seriously and aim to resolve all Our customers' problems promptly. To ensure that We provide the kind of service You expect We welcome Your feedback. We will record and analyse Your comments to make sure We continually improve the service We offer.

### What will happen if You complain?

- We will acknowledge Your complaint within 2 working days of receipt
- We aim to resolve complaints as quickly as possible

Most of Our customers' concerns can be resolved quickly but occasionally more detailed enquiries are needed. If this is likely, We will contact You with an update within 10 working days of receipt and give You an expected date of response.

### What to do should you be dissatisfied?

If You are dissatisfied with any aspect of the handling of Your insurance we would encourage you, in the first instance, to seek resolution by contacting Your insurance advisor or usual Aviva Insurance point of contact or telephone Your usual point of contact, whichever suits You, and ask Your contact to review the problem.

If Your complaint is regarding handling of a claim, We would encourage You to seek resolution by contacting:

Marine Claims Manager	Tel – 0161 931 8428
Aviva Insurance UK Limited	Fax – 0161 931 8011
2/10 Albert Square	E-mail – <a href="mailto:susan.j.smith@aviva.co.uk">susan.j.smith@aviva.co.uk</a>
Manchester	
M60 8AD	

If You remain unhappy with the decision You receive, You may write to the Chief Executive.

If You are dissatisfied with Our final decision (from the Chief Executive Officer), You can refer the matter to the Financial Ombudsman Service (FOS).

Note that the FOS will only consider Your complaint if You have given Us the opportunity to resolve it and You are a private policyholder, a business with a group annual turnover of less than £1 million, a charity with an annual income of less than £1 million or a trustee of a trust with a net asset value of less than £1 million. If, however, We do not resolve Your complaint within 40 working days, the FOS will accept a direct referral.

Whilst We are bound by the decision of the FOS, You are not. Following the complaints procedure does not affect Your statutory right to take legal action.

### What should I do?

#### The steps You should take if dissatisfied

#### **Step 1            Seek resolution by Your insurance adviser or usual Aviva Insurance point of contact**

If You are disappointed with any aspect of the handling of Your insurance We would encourage You, in the first instance, to contact the manager concerned. You can write or telephone, whichever suits You, and ask Your contact to review the problem

#### **Step 2            Refer Your complaint to Our Chief Executive**

If You remain unhappy with the decision You receive, please write with full details including Policy number and/or claim number, to:

The Chief Executive

# Cargo

Aviva Insurance UK Limited  
Surrey Street  
Norwich  
NR1 3NS

A review of the matter will then be carried out at a senior level and a final decision given.

## **Step 3 Refer Your complaint to the Financial Ombudsman Service**

If after making a complaint to Us You are still unhappy and You feel the matter has not been resolved to Your satisfaction please contact the FOS at:

Financial Ombudsman Service  
South Quay Plaza  
183 Marsh Wall  
London  
E14 9SR

## **Business Introduction**

If an intermediary has introduced your business to us and you need to discuss any issues regarding their service, You should contact them.

## **Law Applicable**

In the absence of any written agreement to the contrary this contract and any Arbitration shall be subject to and governed by and construed in accordance with English Law and shall be subject to the exclusive jurisdiction of the English courts.

## **Data Protection Act – Information Uses**

For the purposes of the Data Protection Act 1998, the Data Controller in relation to any personal data You supply is Aviva Insurance UK Limited.

## **Insurance Administration**

Information You supply may be used for the purposes of insurance administration by the insurer, its associated companies and agents, by reinsurers and Your intermediary. It may be disclosed to the regulatory bodies for the purposes of monitoring and/or enforcing the insurer's compliance with any regulatory rules/codes. Your information may also be used for offering renewal, research and statistical purposes and crime prevention. It may be transferred to any country, including countries outside the European Economic Area for any of these purposes and for systems administration. In assessing any claims made, the insurer or its agents may undertake checks against publicly available information (such as electoral roll, county court judgements, bankruptcy or repossessions). Information may also be shared with other insurers either directly or via those acting for the insurer (such as loss adjusters or investigators). In the case of personal data, with limited exceptions, and on payment of the appropriate fee, You have the right to access and if necessary rectify information held about You.

## **Credit searches and Accounting**

In assessing Your application, the insurer may search files made available to it by credit reference agencies who may keep a record of that search. The insurer may also pass to credit reference agencies information it holds about You and Your payments record. Credit reference agencies share information with other organisations, enabling applications for financial products to be assessed or to assist the tracing of debtors or to prevent fraud. The insurer may ask credit reference agencies to provide a credit scoring computation. Credit scoring uses a number of factors to work out risks involved in any application. A score is given to each factor and a total score obtained. Where automatic credit scoring computations are used by the insurer, acceptance or rejection of Your application will not depend only on the results of the credit scoring process.

# Cargo

## **Sensitive Data**

In order to assess the terms of the insurance contract or administer claims which arise, the insurer may need to collect data which the Data Protection Act defines as sensitive (such as medical history or criminal convictions). By proceeding with this application You will signify Your consent to such information being processed by the insurer or its agents.

## **Marketing**

Aviva Group and its agents may Use Your information to keep You informed by post, telephone, e-mail or other means about products and services which may be of interest to You. Your information may also be disclosed and used for these purposes after Your policy has lapsed. If You do not wish Your information to be used for these purposes please write to Aviva Insurance UK Limited, FREEPOST, Mailing Exclusion Team, PO Box 6412, Derby, DE1 1SB.

## **Use of Language**

Unless otherwise agreed, the contractual terms and conditions and other information relating to this contract will be in English.

## **Telephone Taping**

For our joint protection and training purposes, telephone calls may be recorded and/or monitored.

## **Your cancellation rights**

There are no statutory cancellation rights under this policy.

## **Customers with Disabilities**

This policy and other associated documentation is also available in large print, audio and Braille. If you require any of these formats please contact Your usual insurance advisor.

## **Policy Availability**

If, at any stage you would like to receive a new copy of your policy booklet, please contact either your regular Aviva point of contact or your insurance adviser, at the address shown on your policy schedule.

## **Financial Services Compensation Scheme**

We are members of the Financial Services Compensation Scheme ("FSCS"). You may be entitled to compensation from the scheme if we cannot meet our obligations. This depends on the type of business and the circumstances of the claim.

You would be covered for all of the first £2,000 of any claim and 90% of the remainder without any upper limit.

Further information about compensation scheme arrangements is available from the FSCS website [www.fscs.org.uk](http://www.fscs.org.uk) or write to Financial Services Compensation Scheme, 7<sup>th</sup> Floor, Lloyds Chambers, Portsoken Street, London E1 8BN.

## **Aviva Insurance Marine Cargo Policy**

We, Aviva Insurance UK Limited, hereby agree, in consideration of the payment to Us by or on behalf of the Assured of the premium specified in the Schedule, to insure against loss damage liability or expense in the manner hereinafter provided.

# Cargo

---

## Policy Definitions

Each time We use one of the words or phrases listed below, it will have the same meaning wherever it appears in Your policy unless We state otherwise. A defined word or phrase will start with a capital letter each time it appears in the policy except for headings and titles.

Each Section of the policy contains definitions. They must be read in conjunction with the following Policy Definitions.

### **Certificate of Insurance**

The document produced by Us (or on Our behalf) as evidence of insurance.

### **The Schedule**

The document which specifies details of The Policyholder, property insured and any excesses, endorsements and conditions applying to the policy.

### **We/Us/Our/Aviva Insurance/Aviva**

Aviva Insurance UK Limited.

### **You/Your/The Policyholder**

The persons, companies, partnerships or unincorporated associations named in The Schedule as The Policyholder.

# Cargo

---

## Section One – General Conditions

The following Conditions apply to Your policy.

### (1) Cancellation

This insurance may be cancelled at any time in writing by either You or Us giving

- (a) 7 days notice in respect of risks covered by the Institute War Clauses.
- (b) 7 days, or 48 hours in respect of shipments to or from the United States of America, notice in respect of risks covered by the Institute Strikes Clauses.
- (c) 30 days notice in respect of all other risks.

Notice shall commence at midnight on the day when it was issued but cancellation shall not apply to any risks which have attached in accordance with the terms of this policy before the cancellation becomes effective.

### (2) Certificates

If We provide You with and/or authorise You to issue certificates it is a condition that You

- (a) only use certificates for shipments which are covered by this policy.
- (b) do not amend the printed policy conditions or exceed the shipment limit specified in The Schedule without Our prior written approval.
- (c) ensure each certificate is properly countersigned by one of Your authorised representatives.
- (d) provide Us with a copy of each completed certificate in accordance with the declaration procedure specified and return any spoilt certificates to Us.
- (e) never complete a certificate after known loss or damage without Our prior written approval.
- (f) keep the stock of certificates in a safe place and return them to Us immediately upon Our request.

These conditions also apply where We have authorised You to prepare certificates using Our validity labels.

### (3) Declaration

It is a condition of this contract that You declare every consignment without exception to Us as soon as possible in accordance with the basis of valuation and the declaration procedure specified in The Schedule. We will accept up to, but not exceeding, the sum specified in The Schedule in respect of any one vessel, aircraft or conveyance. Where the policy is subject to periodic declaration, You should carefully record details of the shipments in the manner agreed and submit each declaration to Us as soon as possible after the end of each declaration period to enable Us to calculate any additional premium due.

We may, at any reasonable time, inspect Your records to check compliance with the procedures set out above.

### (4) Errors and Omissions

You will not lose your right to indemnity due to unintentional error or omission in declaring consignments under this policy to Us, provided that You advise Us of such errors or omissions as soon as You are aware of them.

### (5) Marine Insurance Act (1906)

The conditions and warranties of the above Act shall apply to all transits and voyages covered by this insurance except where they conflict with the other provisions of this policy.

### (6) Non Contribution

We will not pay for any loss, damage or expense to the subject matter insured which, if this insurance did not exist, is or would be covered at the time of such loss, damage or expense under any other insurance. In such circumstances We shall only pay for any excess beyond the amount that would have been payable under the other Insurance if this insurance had not been effected.

# Cargo

---

## (7) Own Vehicle Conditions

The following conditions shall apply to any Vehicle owned by You or under Your control containing the subject matter insured;

(1) It is a condition of this policy that;

(i) the Vehicle is maintained in an efficient and roadworthy condition

(ii) all ropes, sheets, tarpaulins and the like are maintained in an efficient condition

(iii) all protective appliances and locking devices are installed in accordance with the manufacturers' recommendations, in operation, properly and suitably maintained and neither withdrawn nor varied without Our consent.

(2)(a) When a Vehicle is left loaded and Unattended during the ordinary course of transit the following conditions shall also apply

(i) the ignition key shall be removed from the Vehicle

(ii) all doors, windows and other openings are securely closed and properly fastened

(iii) all protective appliances, alarms, immobilisers and locking devices shall be put into effect in accordance with the manufacturers' instructions

(iv) if the Vehicle is fitted with a boot or similar compartment the subject matter insured must be kept there

(v) if the Vehicle is an estate or a hatchback Vehicle the subject matter insured must be kept under the load cover or parcel shelf or otherwise covered over and hidden from view

(2)(b) We will not pay for any loss of or damage to the subject matter insured caused by theft if the Vehicle is left loaded and Unattended during the ordinary course of transit at the end of any normal working day or on any non-working days unless the Vehicle is

(i) kept in a fully enclosed, securely locked building of Substantial Construction

or

(ii) in a permanently attended Vehicle security park or compound secured by locked gates

or

(iii) in a public car park with an authorised attendant on duty at all times

## Definitions

For the purpose of these conditions the following shall mean

### Vehicle

Any road vehicle and shall include any trailer or trailers or container or containers combined

### Unattended

With no authorised person(s) authorised by You keeping the Vehicle under observation, and able to observe or prevent any attempt to interfere with it with a reasonable prospect of preventing any unauthorised interference.

### Substantial Construction

Built only of brick and/or stone and/or concrete with a slate and/or tiled and/or metal and/or asbestos and/or concrete roof

## (8) Subjectivity Condition

The policy, the application form, statement of fact and/or declaration made by You, and any clauses endorsed on the policy and the policy schedule should be read together and form the contract of insurance between You, the policyholder, and Us Aviva Insurance.

We will clearly state if the cover provided by the policy is subject to You:

- a. providing Us with any additional information requested by the required date(s)
- b. completing any actions agreed between You and Us by the required date(s)
- c. allowing us to complete any actions agreed between You and Us.

Upon completion of these requirements (or if they are not completed by the required dates), We may, at our option:

- a. modify Your premium
- b. issue a mid-term amendment to Your policy terms and conditions
- c. require You to make alterations to the risk insured by the required date(s)
- d. exercise Our right to cancel Your policy
- e. leave the policy terms and conditions, and Your premium, unaltered.

# Cargo

---

We will contact You with our decision and where applicable, specify the date(s) by which any action(s) agreed need to be completed by You and/or any decision by Us will take effect.

Our requirements and decisions will take effect from the date(s) specified unless and until we agree otherwise in writing. If You disagree with Our requirements and/or decisions, We will consider Your comments and where We consider appropriate, will continue to negotiate with You to resolve the matter to Your and Our satisfaction. In the event that the matter cannot be resolved:

- a. You have the right to cancel this policy from a date agreed by You and Us and, providing no claims have been made, We will refund a proportionate part of the premium paid for the unexpired period of cover.
- b. We may, at our option, exercise Our right under the policy cancellation condition.

Except where stated all other policy terms and conditions will continue to apply.

The above conditions do not affect Our right to void the policy if We discover information material to Our acceptance of the risk. Please refer to the Important Note within the Contract of Insurance page of Your policy booklet.

## **(9) Warranty**

A warranty must be strictly complied with and failure to do so may result in the Policy being deemed void from inception or last renewal date or from the time of the breach of warranty or may entitle us to avoid liability for loss, damage or expense whether or not this resulted from the breach of warranty.

# Cargo

---

## Section Two - Additional Cover

This Section has been specially designed to protect Your business interests and Your brand and extends the policy cover beyond the protection provided by the Institute and Joint Cargo Committee Clauses, subject to the terms and conditions of the policy.

All of the following covers apply to Your policy

### Additional Discharge Expenses

If the subject matter insured is damaged by a loss recoverable under this policy We will pay the additional costs which You necessarily and reasonably incur

- (1) to unload, discharge, handle and store the damaged and/or sound subject matter insured.
- (2) to re-load, transport and forward the damaged and/or sound subject matter insured to their original intended destination

by any means whatsoever.

### Airfreight Replacement

If the subject matter insured are irretrievably lost or damaged by a loss recoverable under this policy and irrespective of whether the subject matter insured were originally sent by air, We will pay for the reasonable costs of airfreighting

- (1) the damaged subject matter insured to the repairer for repair and return  
or
- (2) replacement subject matter insured or parts from the supplier

The maximum amount We will pay is £20,000 for any one incident

### Brand and/or Trademark Protection

If any subject matter insured bearing Your name and/or brand and/or trademark is damaged by a loss recoverable under this policy and in Your opinion is unfit for marketing You may, following agreement with Us, either

- (1) destroy them; in which case We will pay a total loss  
or

- (2) return them to Your factory for re-conditioning and/or re-manufacture and/or re-processing; in which case We will pay all reasonable costs associated with the return transit and the cost of returning the subject matter insured to a marketable condition  
or
- (3) sell them after removing Your name and/or brand and/or trademark; in which case We will pay the sum insured plus the cost of removing any identifying marks less the sale proceeds.

The maximum amount We will pay under this clause shall not exceed the sum insured of the subject matter which is damaged.

### Concealed Damages

Any loss of or damage to the subject matter insured which is discovered only when the cartons, cases and/or packages are opened shall be deemed to have occurred during transit, irrespective of when Your interest attached, and shall be paid for accordingly unless there is proof to the contrary.

It is a condition of this policy that any carton, case and/or package which shows signs of damage is opened immediately upon delivery.

This clause shall only apply when the loss is discovered within 30 days of the delivery of the subject matter insured providing such delivery is effected and in accordance with Duration – 8. Transit Clause of the Institute Cargo Clauses.

### Debris Removal

We will pay costs and expenses reasonably incurred by You to remove and/or dispose of and/or destroy the debris of the damaged subject matter insured following a loss recoverable under this policy.

The amount payable under this clause shall be in addition to the indemnity provided elsewhere in this insurance but shall be limited to 20% of the insured value of the subject matter insured which is lost or damaged.

We will not pay for

- (a) any expense or liability incurred in consequence of or to prevent or mitigate pollution or contamination, or any threat or liability thereof.
- (b) costs incurred in respect of obligations under pollution statutes or the actions of

# Cargo

---

Governmental or other executive bodies.

## Duty

In the event of loss of or damage to the subject matter insured by a loss recoverable under this policy We will indemnify You for any excise duty which You pay and are unable to recover despite such loss or damage.

We will also indemnify You for duty relating to general average, salvage and/or salvage charges provided that it has become payable.

When We pay a claim for duty under this clause any rebate or refund of duty shall be credited in full to Us.

We will not pay any claim for duty unless the value of such duty has been declared to us

## Fumigation

We will pay for fumigation expenses incurred by You to minimise or avoid a loss recoverable under this policy.

We will pay for loss of or damage to the subject matter insured caused by fumigation, provided that such fumigation is not customary and is beyond Your control.

## General Average

We will pay general average and salvage charges in full without reference to insured and contributory values.

## Labels

In the event of loss or damage recoverable under this policy which affects only the labels, wrappers and/or capsules of the subject matter insured We will pay only for the cost of new labels, wrappers and/or capsules and the cost of re-labelling.

The maximum amount We will pay under this cover will not exceed the sum insured of the subject matter which is being relabelled/re-wrapped and/or re-encapsulated.

## Non-Delivery

In the event of a claim for non-delivery and if the goods remain unlocated, provided You have taken all reasonable and practicable steps to locate the subject matter insured, We will pay Your claim in full after 60 days counting from the date

- (1) the overseas vessel arrived at the port of discharge.
- (2) the aircraft arrived at the airport of discharge.
- (3) the subject matter insured should have arrived at the final destination if carried by road vehicle.

Any payment under this cover shall not be deemed to be an acceptance of abandonment by Us.

## Pairs and Sets

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

## Packers' Premises

We will pay for loss of or damage to the subject matter insured by a loss recoverable under this insurance while at packers' premises for a period not exceeding 30 days. We will hold You covered for periods in excess of 30 days at a rate to be arranged provided You give Us prompt notice.

If the subject matter insured is not suitably and sufficiently packed and prepared for the transit to the packer's premises, cover will be limited to Institute Cargo Clauses (C)CL.384 01/01/2009 including the risks of non-delivery of the entire consignment, theft and pilferage.

We will not pay for any loss of or damage to the subject matter insured caused by the packing process.

## Pollution Hazard

We will pay for loss or damage to the subject matter insured caused by Governmental authorities acting in the public interest to prevent or mitigate a pollution hazard following a loss recoverable under this policy to the subject matter insured.

## Returned Goods

If the transit of the subject matter insured covered by this policy, is returned for any reason by the receiver, cover will be continuous provided that the subject matter insured is returned within 30 days, the goods have not been used or subjected to any

# Cargo

---

process and the insurable interest has remained with or reverted to the original sender.

It is a condition of this cover that the value of the subject matter insured is declared to Us and the appropriate premium, to be agreed, paid.

## Seals Intact

Claims in respect of theft, shortage or non-delivery of a whole package or item shipped in a container or full vehicle load shall not be invalidated solely because the seals appear intact provided You supply Us with

- (1) documentary evidence that the package or item was loaded into the container and
- (2) a copy of the Discharge Tally Sheet or claused Delivery Notes to substantiate the loss

## Segregation

If it is necessary for You in order to avert or minimise further loss or damage to sort or segregate damaged from undamaged subject matter insured, following a loss recoverable under this policy, We will pay for the necessary, extraordinary and reasonable costs incurred.

## Sheets, Ropes and the like

We will pay for loss or damage to sheets, ropes, dunnage, securing chains and toggles owned by You whilst in transit and caused by a loss recoverable under this policy.

The maximum amount We will pay under this cover shall be in addition to the indemnity provided elsewhere in this insurance but shall be limited to £2,000 in respect of each claim.

## Re-packing Costs

We will pay for the reasonable cost of re-packing, re-cartoning, re-baling, re-bagging and/or re-palletising the subject matter insured following loss of or damage to goods following an insured peril provided that these are reasonable and necessary to prevent further loss of or damage to the subject matter insured under this policy.

## Voyage Extension

Provided You give us prompt notice We will hold You covered, at a premium and conditions to be agreed, if the ordinary course of transit of the subject matter insured

- (1) takes more than 60 days from the time it is discharged over side the overseas vessel at the final port of discharge or
- (2) takes more than 30 days from the time it is unloaded from the aircraft at the final place of discharge.

## The following covers only apply if specified on The Schedule

### Engineers &/or Sales Representatives Tools &/or Samples / Equipment

The Policy is extended to cover tools, demonstration, samples, test and service equipment belonging to the Insured or for which You are responsible. The cover is subject to the Own Vehicle Conditions contained within this Policy.

We will not pay for;

- (1) loss of or damage caused by trial test or operation or any process involving their use.
- (2) theft unless following violent and/or forcible entry into locked store or building of substantial construction or motor vehicle.
- (3) ordinary wear and tear or gradual deterioration.
- (4) theft of laptops &/or mobile phones &/or mobile communication equipment

## Exhibitions and Demonstrations

We will pay for loss of or damage to

- (1) the subject-matter insured
- (2) display and exhibition stands, fixtures and fittings
- (3) promotional literature and/or
- (4) audio and visual presentation equipment, including lap top computers, subject to a maximum limit any one location and/or loss of £1000

whilst in transit to and from and while at exhibition and/or trade fairs and/or demonstration sites, including during

- (a) packing and unpacking
- (b) assembling and dismantling
- (c) erecting and siting.

# Cargo

---

We will not pay for:

- (1) loss or damage which is due to or directly results from any process of use, trial, testing or repair
- (2) losses arising from theft unless;
  - (i) there is evidence of forcible entry into and exit from the exhibition building
  - or
  - (ii) there is evidence of forcible entry into a cabinet, a room or other facility at the exhibition in which the goods were stored.
- (3) loss or damage to goods not forming part of the exhibition, trade fair or demonstration site which are specifically insured elsewhere.

All packing, loading and unloading must be performed or supervised by You or one of Your responsible employees.

## **Exhibition Charges**

If the goods insured destined for exhibition are lost or damaged en-route to the exhibition, by a loss recoverable under this policy, and Your attendance at the exhibition is consequently cancelled, we will pay for Your exhibition fees.

The maximum amount We will pay under this cover is £5,000.

# Cargo

---

## Section Three – Special Conditions

All of the following Special Conditions apply to Your policy.

### Derangement Clause

Excluding electrical, mechanical and electronic derangement unless caused by a peril insured against.

### Postal Sendings

If the subject matter insured is despatched by postal services and valued £1,000 or more per package and/or parcel it must be

- (1) insured for the minimum amount available with the postal service  
or
- (2) despatched via a system which provides evidence of both posting and of delivery

### Process

We will not pay for any loss or damage to the subject matter insured, which is due to or directly results from any process of use, testing or repair.

- (1) the cost of replacement or repair of such part or parts  
plus
- (2) any charges incurred for forwarding and refitting (other than duty unless specifically included in the sum insured).

### Second-hand and/or Used and/or Damaged And/or Unpacked Goods

We will not pay for any loss or damage to

- (1) second-hand and/or used goods which have not been fully reconditioned and/or refurbished
- (2) damaged goods
- (3) unpacked goods  
which is attributable to
  - (a) rust oxidation and/or discolouration
  - (b) chipping, denting, scratching, bruising and cost of repainting

- (c) twisting, bending and distortion

Unless it can be proved that such loss or damage has occurred as a result of a peril insured against during the insured transit.

# Cargo

---

## Section Four – Contingency Cover

The following covers are subject to the terms and conditions of the policy.

### Buyer's Interest Contingency and Difference in Conditions

We will pay for loss, damage or expense which would otherwise be recoverable under this insurance if

- (1) the seller fails to fulfill his contractual obligation to arrange insurance
- (2) the conditions of any insurance arranged elsewhere are more restrictive than those of this policy and the claim is not recoverable under the other insurance

in which case We will consider the cover to have attached at the commencement of transit.

This clause is in respect of Your interest only and shall not apply for the benefit of any third party.

We will not pay any claim under this clause if

- (1) You have not suffered a pecuniary loss
- (2) You have not taken all reasonable steps to enforce the contract of sale and the responsibilities under it
- (3) You have not sought to recover Your loss from the seller or their insurers
- (4) You have divulged the existence of this insurance to the seller, their insurers or any other interested third party
- (5) You have not declared to us all imports where you do not have a contractual responsibility to arrange or provide insurance up to the final destination.

When a claim is paid under this clause We shall acquire all Your rights and remedies including the right to sue or proceed in any way against the seller or their insurers.

If We settle a claim or produce insurance documents in accordance with this clause, You agree to pay Us an appropriate additional premium to be agreed. Where The Schedule specifies a rate for the voyage this additional premium will be calculated as the difference between the policy

rate and the Buyers Interest rate to be agreed applied to the total shipment value.

This clause is not deemed to be double insurance.

This clause does not apply to shipments to any of the territories specified as Excluded Territories, if applicable, in The Schedule.

### Seller's Interest Contingency

This Section applies when, under the contract of sale, you do not have a responsibility to arrange insurance up to final destination.

Full policy cover will apply if

- A)
- (1) the buyer fails to accept the goods and pay for the subject matter insured
  - (2) the buyer fails to take up the documents of title and pay for the subject matter insured
- or
- B)
- (1) You exercise a right or lien,
  - (2) interrupt the transit,
  - (3) suspend the contract of sale in order to protect Your interests

Cover will remain in force, subject to the policy conditions until

- (1) the subject matter insured is accepted by the buyer
  - (2) the subject matter insured is sold to an alternative buyer
  - (3) the subject matter insured is returned to You
- or
- (4) 90 days from the time of arrival of the overseas vessel at the port of discharge

whichever shall first occur.

We will not pay for loss or damage to the subject matter insured

- (1) unless immediate notice is given to Us
- (2) if the existence of this insurance is disclosed to the buyer, their insurers or any other interested party
- (3) if this policy or any interest in the subject matter insured is assigned
- (4) if the loss is recoverable from any credit insurers
- (5) arising from Government action and/or regulations preventing the transfer of currency
- (6) if You have not declared to Us all exports where You do not have a contractual

# Cargo

---

responsibility to arrange or provide insurance up to the final destination

If We settle a claim or produce insurance documents in accordance with this clause, You agree to pay Us an appropriate additional premium to be agreed. Where The Schedule specifies a rate for the voyage this additional premium will be calculated as the difference between the policy rate and the Seller's Interest rate to be agreed applied to the total shipment value.

This clause is not deemed to be double insurance. This clause does not apply to shipments to any of the territories specified as Excluded Territories in The Schedule.

When a claim is paid under this clause We shall acquire all Your rights and remedies including the right to sue or proceed in any way against the buyer or their insurers.

# Cargo

---

## Section Five – Institute and Joint Cargo Committee Clauses

The following clauses are standard marine market wordings. The Institute Clauses referred to in the policy, The Schedule and endorsements are those current at the inception of this contract. If these clauses are revised during the period of the contract, and provided we give You at least 30 days notice, the revised Institute Clauses shall apply to risks which attach on or after the date of expiry of this notice.

### Cargo ISM Endorsement JC98/019

Applicable to shipments on board Ro-Ro passenger ferries.

Applicable with effect from 01 July 1998 to shipments on board

- (1) passenger vessels transporting more than 12 passengers
- and
- (2) oil tankers, chemical tankers, gas carriers, bulk carriers
- and
- (3) cargo high speed craft of 500 gt or more

Applicable with effect from 01 July 2002 to shipments on board all other cargo ships and mobile offshore drilling units of 500gt or more.

In no case shall this insurance cover loss, damage or expense where the subject-matter insured is carried by a vessel that is not ISM Code certified or whose owners or operators do not hold ISM Code Document of Compliance when, at the time of loading of the subject-matter insured on board the vessel, the Assured were aware, or in the ordinary course of business should have been aware

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

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.

### Cargo ISM Forwarding Charges Clause

(For use only with JCC Cargo ISM Endorsement JC98/019)

In consideration of an additional premium to be agreed, this insurance is extended to reimburse the Assured, up to the limit of the sum insured for the voyage, for any extra charges properly and reasonably incurred in unloading, storing and forwarding the subject-matter to the destination to which it is insured hereunder following release of cargo from a vessel arrested or detained at or diverted to any other port or place (other than the intended port of destination) where the voyage is terminated due to either

- (a) to such vessel not being certified in accordance with the ISM Code
- or
- (b) to a current Document of Compliance not being held by her owners or operators as required under the SOLAS Convention 1974 as amended

This clause, which does not apply to General Average or Salvage or Salvage Charges, is subject to all other terms conditions and exclusions contained in the policy and to JCC Cargo ISM Endorsement JC98/019.

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

The Provisions of the Contracts (Rights of Third Parties) Act 1999 do not apply to this insurance or to any certificate(s) of insurance issued hereunder. Neither this insurance nor any certificates issued hereunder confer any benefits on any third parties. No third party may enforce any term of this insurance or of any certificate issued hereunder. This clause shall not affect the rights of the assured (as assignee or otherwise) or the rights of any loss payee.

# Cargo

---

## Institute Classification Clause CL354 - 01/01/2001

### Qualifying Vessels

(1) This insurance and the marine transit rates as agreed in the policy or open cover apply only to cargoes and/or interests carried mechanically self-propelled vessels of steel construction classed with a Classification Society which is

1.1 a Member or Associate Member of the International Association of Classification Societies (IACS)\*

or

1.2 a National Flag Society as defined in Clause 4 below, but only where the vessel is engaged exclusively in the coastal trading of that nation (including trading on an inter-island route within an archipelago of which that nation forms part).

Cargoes and/or interests carried by vessels not classed as above must be notified promptly to underwriters for rates and conditions to be agreed. **Should a loss occur prior to such agreement being obtained cover may be provided but only if cover would have been available at a reasonable commercial market rate on reasonable commercial market terms.**

### Age Limitation

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

Bulk or combination carriers over 10 years of age or other vessels over 15 years of age unless they

2.1 have been used for the carriage of general cargo on an established and regular pattern of trading between a range of specified ports, and do not exceed 25 years of age

or

2.2 were constructed as containerships, vehicle carriers or double-skin open-hatch gantry crane vessels (OHGCs) and have been continuously used as such on an established and regular pattern of trading between a range

of specified ports, and do not exceed 30 years of age.

### Craft Clause

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

### National Flag Society

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

### Prompt Notice

(5) Where this insurance requires the Assured to give prompt notice to the Underwriters, the right to cover is dependant upon compliance with that obligation.

### Law and Practice

(6) This insurance is subject to English Law and practice.

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

### Institute Radioactive Contamination Chemical, Biological, Bio-Chemical and Electromagnetic Weapons Exclusion Clause – CL370

***This clause shall be paramount and shall override anything contained in this 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 or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter

# Cargo

---

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.

## **Termination of Transit Clause (Terrorism) – JC2009/056 – 01/01/2009**

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

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

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

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

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

**either**

1.1 as per the transit clauses contained within the policy  
**or**

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

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

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

1.5 in respect of marine transits, on the expiry of 60 days after completion of discharge over side of the subject matter insured from the oversea vessel at the final port of discharge

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

**whichever shall occur first.**

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

## **Institute Replacement Clause CL.372 - 01/12/2008**

In the event of loss of or damage to any part(s) of an insured machine or other manufactured item consisting of more than one part caused by a peril covered by this insurance, the sum recoverable shall not exceed the cost of replacement or repair of such part(s) plus labour for (re)fitting and carriage costs. Duty incurred in the provision of replacement or repaired part(s) shall also be recoverable provided that the full duty payable on the insured machine or manufactured item is included in the amount insured.

The total liability of Insurers shall in no event exceed the amount insured of the machine or manufactured item.

## **Institute Replacement Clause – Proportional Valuation CL.373 - 01/12/2008**

In the event of loss of or damage to any part(s) of an insured machine or other manufactured item consisting of more than one part caused by a peril covered by this insurance, the sum recoverable shall not exceed such proportion of the cost of replacement or repair of such part(s) as the amount bears to the new cost of the machine or manufactured item, plus labour for (re)fitting and carriage costs. Duty incurred in the provision of replacement or repaired part(s) shall also be

# Cargo

---

recoverable provided that the full duty payable on the insured machine or manufactured item is included in the amount insured.

The total liability of Insurers shall in no event exceed the amount insured of the machine or manufactured item.

**Institute Replacement Clause – Obsolete Parts Endorsement JC2008/023) – (as applicable) (for use only with the Institute Replacement Clause CL.372 - 01/12/2008 or Institute Replacement Clause – Proportional Valuation CL.373 - 01/12/2008)**

In the event of a claim recoverable under this policy necessitating the manufacture of any new part(s) for the repair of an insured machine or other manufactured item, the sum recoverable shall not exceed the manufacturer's last list price for the year of manufacture of the lost or damaged part(s), uplifted for inflation. Inflation shall be determined by reference to the Retail Price Index, or other officially published data of the country of manufacture of the insured machine or manufactured item, up to a maximum total uplift of 25%.

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

## Section Six – Claims Procedure

In the event of any loss or damage for which We may be liable it is essential that You and/or Your agent follow the following procedures.

**(1) Do not give a clean receipt where goods are in a doubtful condition (except under written protest)**

You should note on the delivery receipt any discrepancies such as shortage, non-delivery, leakage, and damage including that which may only be superficial damage to the outer packaging such as denting, scuffing, staining etc.

**(2) Report potential claims immediately to Us**

This should be done by telephone or facsimile (fax) to Our local office or Claims Settling agent shown on the policy or Certificate of Insurance.

This notice should include

- (a) the location of the consignment
- (b) contact names and numbers
- (c) a brief description of the extent of loss and/or damage

A decision will then be made whether to appoint a surveyor or investigator.

Advice will be given regarding what action should be taken next to pursue the claim.

**(3) Immediate notification should be given to carriers and bailees by telephone or fax**

This will allow them the opportunity to inspect the damage or commence tracer action for missing or short delivered goods.

In the event of non-delivery notice should be given as soon as it becomes apparent that the goods have not been received when expected.

**(4) Write to carriers and other bailees within 3 Days of delivery holding them responsible for the loss and/or damage**

The time limits for providing notice of claim vary between the different Conditions of Carriage or Bailment but timescales are generally very short and failure to provide notification of claim within these timescales will

enable carriers and bailees to repudiate valid claims.

**It is Your duty and Your agents to take steps to protect and preserve the rights and remedies available to Us.**

These are the rights under subrogation which enable insurers to stand in place of the insured once the insurance claim has been paid and recover the form the parties responsible for the loss an amount up to but not exceeding the amount of the claim settlement

**(5) Formal claim against Carriers and Bailees**

When the extent of the loss and/or damage has been quantified a costed claim should be submitted to the responsible party together with supporting documentation.

If there are likely to be delays in quantifying the claim, estimates should be submitted within a reasonable time and an acknowledgement of receipt sought.

**Note – As with initial notification of claim the formal claim should be submitted to carriers and/or bailees within the timescales laid down in the Conditions of Carriage or Bailment (usually 9 and 12 months) in order to prevent valid claims being declined.**

**(6) Notify to the police**

As soon as reasonably possible, of any loss or damage caused by theft or malicious damage should be notified to the police and a crime number obtained.

**(7) Documents required to evidence the claim**

- (a) original Certificate of Insurance or policy or policy and Declaration reference (as applicable)
- (b) original sales or commercial invoices
- (c) original transit and consignment documents eg. "Shipped" Bill of Lading, Carrier Air Waybill, House Air Waybill, CMR Note, Certificate of Shipment, Rail Consignment Note and/or other contracts of carriage
- (d) Packing Lists (to identify the goods actually packed in each carton, case, etc.)
- (e) Receipts issued during transit and at delivery Landing (or Short landing)

# Cargo

---

- Accounts, Weight Notes, Delivery Receipts and similar documents
- (f) Survey report (if issued)
- (g) Repair and/or replacement estimates
- (h) Other documentary evidence
- (i) Statement of claim  
Details of the loss and/or damage including a calculation or estimate of the claim amount.
- (j) copies of all correspondence exchanged with the carriers, bailees, suppliers and other parties regarding their liability for the loss and/or damage