



FIDUCIA

COVERED. IN EVERY WAY

Marine Cargo Policy

Marine Cargo Schedule



Date of Issue	08 January 2019.	
Policy Number	FIDCAR-0018/2019.	
Assured	Connoisseur International Fine Art Limited and/or Sotheby's as agents and/or for whom they have instructions to insure	
Broker	Jelf Insurance Brokers Limited.	
Period of Insurance	01 February 2019 to 31 January 2020 both dates inclusive.	
Premium	Premium payable monthly in arrears based on declarations received	
Premium type	Monthly in arrears based on declarations received.	
UK IPT	As applicable	
Insured Goods	<p>All goods and/or merchandise of every description incidental to the Insured's business and/or for which they are responsible including but not limited to paintings, drawings, prints, tapestries, books, manuscripts, carpets, rugs, glass, marble, porcelain, pottery and other fragile items, furniture, bronzes, stoneware, woodware and other non-fragile items, jewellery and watches and/or accessories and/or the like.</p> <p>Including goods held in trust or on commission or for which the Insured have received instructions to insure.</p> <p>Including increased value by way of duties, taxes and expenses incurred in respect thereof. Including Buyers and/or Sellers Interest Insurance including similar goods pertaining to Your normal business activities all suitably packed to withstand the normal rigours of transit.</p>	
Insured Conveyance	Approved Power Vessel (as per Institute Classification Clause within the Policy) and/or Conveyance for Air and/or Rail and/or Road.	
Conveyance Limit of Indemnity	Any one Vessel, Aircraft or Rail Conveyance	£5,000,000
	Any one Article	£3,000,000
	Any one Location at Unit 4, Heathrow International Trading Estate, Green Lane, Hounslow, Middlesex, TW4 6HB	£7,500,000
Basis of Valuation Amended	<p>Hammer price plus auctioneers buyers premium, insurance and freight or value as declared plus insurance and freight</p> <p>In addition to the declared value to the shipper this policy will also provide cover following an insured loss for freight, duty and claims for VAT which are made by HMC&E.</p> <p>This replaces the Basis of Valuation stated elsewhere in the Policy</p>	
Excess	Subject to an excess of Nil unless otherwise stated as below.	

Marine Cargo Schedule

Voyages From Ports and/or Places in the World to Ports and/or Places in the World

Including internal transits with the UK and including unpacking and hanging of pictures

Cover to attach at and from the time the Insured Goods become at Your risk or You assume interest and continues until final destination or Your interest ceases.

Including all transits within or between and storage or warehouse location

Including in store whether or not in the course of transit.

Including the risks of loading prior to dispatch and unloading after arrival at final destination

Including goods sold FOB, C&F and similar Incoterms. Excluding transshipments unless customary. Excluding on deck shipments unless containerised and conveyed by purpose built container vessels.

Excluding shipments to or from countries which have legislation requiring insurance of imports or exports to be arranged within that country. Excluding shipments which are sanctioned by United Nations resolutions or any trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America.

Excluded Countries This Policy and any description of 'World' does not include any shipments to, from, within or between the following: Afghanistan, Burundi, Democratic Republic of Congo (DRC), Cameroon, Central African Republic, Chad, Eritrea, Guinea, Iran, Iraq, Lebanon, Libya, Mali, Niger, North Korea, Sierra Leone, Somalia, Sudan, South Sudan, Syria, Yemen, Zimbabwe.

Exhibition Extension Optional extension 4.1 is not applicable.

Storage Extension Optional extension 4.2 is applicable, as per Policy wording; storage locations and limits as follows:

Location	Limit of Indemnity:	Excess:
1 Unit 4, Heathrow International Trading Estate, Green Lane, Hounslow, Middlesex, TW4 6HB	£7,500,000	£ NIL

Storage - Employee Fidelity Optional extension 4.3 is not applicable.

Institute Clauses Applicable			
Institute Cargo Clauses (A)	CL382	1.1.09	
Institute Cargo Clauses (Air)	CL387	1.1.09	
Institute Classification Clause	CL354	1.1.01	
Institute War Clauses (Cargo)	CL385	1.1.09	
Institute War Clauses (sendings by post)	CL390	1.3.09	
Institute War Clauses (Air Cargo)	CL388	1.1.09	
Institute Strikes Clauses (Cargo)	CL386	1.1.09	
Institute Strikes Clauses (Air Cargo)	CL389	1.1.09	
Institute Replacement Clause	CL372	1.12.08	
Institute Radioactive Contamination, Chemical, Biological, Bio-Chemical & electromagnetic weapons Exclusion Clause	CL370	10.11.03	
Institute Cyber Attack Exclusion Clause	CL380	10.11.03	

Marine Cargo Schedule

First Loss Basis

This Policy is noted as a primary layer in respect of Optional Cover Extension 2. Storage. We agree not to penalise You for underinsurance of storage. You agree to purchase excess of loss insurance for the balance of the risk.

Pairs and Sets Clause

It is noted and agreed that Section 6. General Condition 15. Pairs and Sets Clause is replaced with the following

Where any insured item consists of articles in a pair or set this policy will pay the value of the pair or set without any deduction being made for the undamaged or lost item.

Glass Exclusion in respect of paintings, pictures and photographs

This policy excludes breakage of glass but not damage to the painting, picture or photograph caused by the breakage of glass

Depreciation Clause

It is noted and agreed that if depreciation in value of an insured item following repair as established by an independent valuer is more than 50% then the item will be considered a constructive total loss.

Following payment of a constructive total loss the item subject to a claim will become the property of Underwriters to dispose of as they deem necessary

(1) Should the insured become aware that the consignee has failed to take up goods or documents of title or has not effected their own insurance and/or advised their insurers as required by terms dictated under letter of credit terms, they are to advise Underwriters hereunder promptly, then this insurance is converted to a primary one subject to contract terms and conditions on behalf of the insured and shall remain in force until such time as the goods are either:-

- (a) finally taken up, or
- (b) otherwise disposed of including reshipment if required. In the event of goods not being taken up full cover rates to apply

(2) Excluding claims hereon by reason of government action and/or regulations preventing transfer of currency except by reason of physical loss or damage by a peril insured against

Difference in Conditions

It is hereby declared and agreed that this Policy provides cover for any difference in conditions between this Policy and the policy issued by Northern Marine Underwriters under policy number STP101730858

Marine Cargo Schedule

Survey Compliance

If this Policy has been incepted or renewed subject to completion of a survey(s) in respect of a storage location(s) covered under this Policy as specified by Us the cover provided will be as per the terms, conditions and exclusions set out in the quotation or renewal terms.

When completed should the survey(s) show that any part of the risk is not, in Our opinion, satisfactory then We reserve the right to either:

- a. amend the premium and/or terms and conditions of this Policy; or
- b. suspend or cancel this Policy
 - i. from inception or renewal date of this Policy
 - ii. from any other date advised by Us

Should any risk improvements be required as a result of Our findings at the survey(s) then You will be required to complete such risk improvements within the time scales specified in the risk improvement report. In the event that You either fail to complete the risk improvements within the time specified or You choose not to comply with them We reserve the right to either

- a) continue to provide cover under this Policy but subject to any amendment to the premium and/or terms and/or conditions We may require; or
- b) suspend or cancel this Policy
 - i) from inception or renewal date
 - ii) from the date at which the risk improvements should have been completed
 - iii) from any other date advised by Us

If We elect to amend the premium and/or terms and/or conditions then We will allow You 14 days to either accept or reject the amendment.

Should You decide to reject Our amended premium and/or terms and/or conditions then provided no claim has been made or any loss or incident has occurred which may give rise to a claim in the current Period of Insurance We will allow a pro rata return of the premium for the unexpired period, less an administration charge of £750.00

Should this condition conflict with the Cancellation condition or any other condition contained in this Policy then this condition shall prevail.

Appendices attaching to this Policy

Appendix 1
Appendix 2

Marine Cargo Schedule

Claims Contact and process

At the time of delivery

On their arrival at Your premises the Insured Goods should be externally examined for any signs of Damage or shortage. If Damage or shortage is noted or even if it is only suspected, a clean receipt should not be given. If You are not satisfied that the condition of the consignment is sound You have no obligation to provide the haulier with a clean receipt. Instead, clause the delivery receipt with a comment that the Insured Goods were received Damaged or short.

Establishing the extent of loss

Next, examine the Insured Goods more thoroughly to determine more accurately the extent of any Damage or shortage. Damaged Insured Goods should be put to one side pending Our decision on whether a survey will be required.

Holding carriers responsible

One of the benefits of cargo insurance is to relieve You of the necessity to try and finalise claims from the third party responsible for the loss or Damage. Following payment of a claim, We retain the rights, under subrogation, to pursue the claim ourselves against the third party. To ensure We are able to do so, this Policy stipulates that You should take all steps to ensure that the rights of recovery against third parties are fully exercised and protected.

In terms of cargo insurance, the third party will normally be the carrier of the Insured Goods, e.g. the shipping line or freight forwarder, if they are transported by sea. It may be necessary to make a claim on all carriers in the transit chain.

For Us to be able to recover from the carrier after payment of the claim, the carrier must be held responsible for the loss or Damage, in writing, by You. This must be done within a specific time frame. As a general guideline this is as follows:

- Shipping Line - Within 3 days from the time of delivery.
- Airline - Within 14 days from the time of delivery.
- Road - Within 7 days from the time of delivery.

However, Our recommendation is that, irrespective of the above time limits, immediate contact is always made with the carrier holding them responsible for any loss or Damage. Failure to do this means that We will not be able to recover from the carrier at a later date and may affect the full payment of Your claim.

Claim Contact Details

Jelf Claims Collyers
Unit 5, Maidenbower Business Park
Balcombe Road
Crawley
West Sussex
RH10 7NN

Telephone Number: 01293 880055
Facsimile Number: 01293 880060

E mail: jelfclaims@collyers.com

When Notifying of a loss

Please provide the following:

- Contact Details -** Your name, company name & address, Email, Telephone
- Insured Goods Location -** Full name and address of the location, Full name and contact relevant person(s) at the location site
- Insured Goods Details -** Description of Insured Goods, description of loss or Damage, estimated value of loss or Damage, have carriers been held liable?

Marine Cargo Schedule

NOTE: On receipt of Your notification W.K Webster will contact You and advise whether a survey will be necessary together with what further information and documentation is required to process Your claim. If a survey is necessary, We will make arrangements for the same through Our local agent/surveyor.

Documentation to support a claim

To claim under this Policy the following are the basic documents required if they have been issued:

Insurance Policy / Certificate

The document issued by Us to evidence that the Insured Goods have been insured. It provides details of the Policy number, voyage, Insured Goods details and insurance conditions. As this document conveys rights to make a claim, We will require the original signed document.

Commercial Invoice

The invoice accompanying the consignment, issued by the seller of the Insured Goods. This will be used to establish purchase price of the Insured Goods and to confirm the terms of sale to ensure that an insurable interest does apply.

Packing List

Provides a breakdown of the consignment showing the number of units shipped in each package along with their weights.

Bill of Lading

Document of title issued by the shipping line to evidence shipment of the consignment. Also provides evidence of the contract of carriage and if possible the original should be provided with the conditions printed on the reverse side. If the entire shipment is lost all original Bills of Lading must be presented.

Air Waybill

Same role as the Bill of Lading but issued by the airline.

Consignment Note

Issued if the Insured Goods are carried by road. The consignment note can be signed on delivery and clausured to show any Damage or shortage in the same way as a road haulier's Delivery Receipt.

Delivery Receipts

The document signed by the receiver on delivery by the road haulier. As previously mentioned this should be clausured to provide evidence of shortage or Damage to Insured Goods. Depending on the circumstances of the claim We may request other documentation such as:

- Vessels Outturn report
- Container damage report
- Tally sheets
- Written confirmation of non-delivery from carrier
- Police statement (in the event of a theft or malicious damage) etc

Marine Cargo Policy

Welcome to your Fiducia policy

This Policy, including the Schedule and any Endorsements, forms a contract between You and Us.

In return for paying the premium, We will insure You during the Period of Insurance in accordance with the terms and conditions of this Policy, subject to all applicable Limits of Indemnity.

To establish what You are covered for, please consult this Policy, any Endorsement and Your Schedule which shows the relevant Institute Clauses that are also applicable to this Policy.

This Policy including the Schedule and any Endorsements, should be read as if they are one document.

In this Policy:

1. any reference to the singular includes the plural and vice versa;
2. any reference to legislation includes any amendments, successor legislation and any equivalent legislation in any other jurisdiction;
3. headings are used for ease of reference only, and do not affect the interpretation of this Policy.

Law applicable to this contract

Unless agreed otherwise in writing, all disputes in connection with this Policy, including as to its formation and validity, will be subject to the laws of England and Wales.

Please read this Policy and any Schedule and Endorsement carefully. If they do not meet Your needs, please contact The Fiducia MGA Company Ltd or Your broker or insurance intermediary as soon as possible.

About The Fiducia MGA Company Ltd

Fiducia is an approved coverholder, authorised to act as the agent for and on behalf of certain Underwriters at Lloyd's under binding authority agreement number BO600A1947487.

A handwritten signature in black ink, appearing to read 'Gerry Sheehy', with a horizontal line underneath it.

Gerry Sheehy, Chief Executive Officer.

Policy Contents

	Content	Page
1.	Definitions	10
2.	Cover	12
3.	Cover Extensions	13
4.	Optional Cover Extensions	16
5.	General Exclusions	18
6.	General Conditions	19
7.	Claims Conditions	23
8.	Complaints	24
9.	Institute Clauses	25

1. Definitions

Container	Any movable unit (including any ISO shipping container, tank container, flat rack or similar) used for the carriage of the Insured Goods.
Damage/Damaged	Physical loss or damage.
Endorsement	Any written amendment to the terms of this Policy.
Event	Any one act, incident, occurrence or event, or series of acts, incidents, occurrences or events consequent upon or attributable to the same single originating cause.
Excess	The amount stated in this Policy, the Schedule or any Endorsement, for which You are responsible in respect of each Event and which will be deducted from any payment under this Policy. Where the Schedule shows that We and You have agreed this Policy will be subject to a deductible, all references within this Policy to 'Excess' shall apply to the deductible.
Flood	<ol style="list-style-type: none">1. The escape of water from the normal confines of any natural water course, lake reservoir, canal or dam; or2. inundation from the sea, whether from storm or otherwise; or3. inundation by rainwater or rainwater induced runoff, other than where the inundation results solely from the ingress of rainwater through or via the roof of a building.
Geographical Limits	The countries, regions and or limitations listed under 'Voyages' in the Schedule, but not any Excluded Countries also stated in the Schedule.
Institute Clauses	The Institute Cargo Clauses, Institute War Clause, Institute Strikes Clauses, Institute Classification Clause and any other Institute Clauses set out in the Schedule under 'Institute Clauses Applicable'.
Insured Goods	<p>The goods stated in the Schedule, including packaging, labels, Travellers' Goods and Tools and returned goods:</p> <ol style="list-style-type: none">1. which are owned by You; or2. for which you are responsible, in relation to which You have an insurable interest under the terms of sale, or in relation to which You have been instructed to insure. <p>Returned goods are covered only where the goods are insured under this Policy for the outward journey, cover has been in place continuously and the goods are returned in their original packaging or packing to the same standard.</p> <p>Insured Goods only includes machinery, plant and parts thereof when such shipments form part of Your normal day to day business activities and the values of such are included in those advised to, and accepted by, Us prior to inception of each Period of Insurance.</p>
Insured Transit	Any shipment of the Insured Goods by those means of transport listed under 'Insured Conveyance' in the Schedule, within the Geographical Limits, commencing during the Period of Insurance.
Limit of Indemnity	The most We will pay in relation to all claims arising from any one Event, as stated in this Policy.
Maintained	Property or appliances maintained by a competent contractor in accordance with the relevant British standard requirements or standards enforced within the country where a risk is located.

Ordinary Course of Transit	<p>Whilst Insured Goods are in normal transit, including:</p> <ol style="list-style-type: none"> 1. whilst static in ports and distribution hubs; 2. deviations, delays, re-shipments, transshipments or any other unexpected variations in the voyage, so long as the You do not exercise control over such interruptions of normal transit. <p>Insured Goods are not in the Ordinary Course of Transit if they are in storage for an unspecified period of time or if they are intended to be stored or are subject to a contract for storage.</p>
Period of Insurance	The period stated in the Schedule as the 'Period of Insurance' as per G.M.T. time zone.
Policy	This Policy, including the Schedule and any Endorsements.
Pollution	The dispersal, release, discharge or escape of any pollutant, contaminant or other harmful substance into or upon the land, air or any watercourse or body of water.
Process	Any process of alteration, assembly, cleaning, commissioning, disassembly, maintenance, packing, production, testing, treatment, servicing, repair or restoration.
Schedule	The Schedule attached to, and forming part of, this Policy.
Terrorism	Any act, including the use or threat of force or violence, of any person or persons (whether acting alone or on behalf of any organisation or government) committed for political, religious, ideological or similar purposes, including the intention to influence any government or to put the public or any section of the public in fear.
Travellers' Goods & Tools	Samples or tools and similar accessories and parts used by You in the course of business.
Unattended Vehicle	Where neither You, Your employee or a professional security guard are either in the Vehicle or in a position to keep the Vehicle under surveillance and at the same time have a reasonable prospect of preventing unauthorised interference with the Vehicle.
United Kingdom	England, Wales, Scotland, Northern Ireland, the Channel Islands and the Isle of Man.
Vehicle	Any vehicle used for transport on roads, including any trailer, whether attached or not.
We/Us/Our	Certain Underwriters at Lloyd's subscribing to this Policy.
You/Your	The person, people or company stated in the Schedule as the 'Assured'.

2. Cover

1. Cover for Insured Goods

We will cover You for Damage caused to Insured Goods during an Insured Transit.

2. Climate controlled Insured Goods

We will cover You for Damage to climate controlled Insured Goods whilst in a climate controlled environment, subject to Institute Frozen Food Clauses (A) CL264 and Institute Strikes Clauses (Frozen Food) CL265.

3. Concealed Damage

We will cover You for Damage to Insured Goods which is discovered when such Insured Goods are unpacked at their final destination at the end of an Insured Transit, provided that:

- a. upon arrival at the final destination, the packaging is inspected and no signs of Damage are present; and
- b. the Insured Goods are unpacked within 60 days of arrival at the final destination; and
- c. there is no evidence of Damage after termination of cover or after arrival at the final destination.

4. Container condition and liability

We will cover You for Your legal liability in respect of Damage to Containers supplied to You by third parties, for an Insured Transit, whilst in Your custody or care but not Containers owned by or hired, leased or loaned to You. The most We will pay under this cover is £10,000 for each Event and in total during any one Period of Insurance.

5. Deliberate Pollution Damage

We will cover You for Damage to Insured Goods caused during an Insured Transit by any governmental or national authority taking action to prevent or mitigate a pollution hazard, provided that such Damage would have been covered under this Policy if it had been suffered as a direct result of an Event giving rise to the original pollution or pollution hazard.

6. Increased conveyance limit for accumulation of Insured Goods

We will cover You for up to twice the conveyance Limit of Indemnity stated in the Schedule in respect of otherwise covered Damage to Insured Goods that have accumulated during the Ordinary Course of Transit due to circumstances beyond Your reasonable control.

7. Non-delivery

We will cover You for Insured Goods that cannot be located and have not been delivered within 90 days of their intended delivery date, provided that You have taken reasonable steps to locate such goods. Should any Insured Goods subsequently be recovered You agree to assist Us in arranging any salvage sale.

8. Shortage where seals intact

We will cover You in respect of shortage or non-delivery of all or part of any Insured Goods shipped in a Container or trailer and such shortage or non-delivery will not be invalidated should the original Container or trailer seal appear intact on delivery and the production of discharge tally sheets and/or claused delivery notes will be sufficient evidence of loss.

3. Cover Extensions

The cover extensions are non-assignable. **The Limits of Indemnity for these cover extensions are in addition to all other Limits of Indemnity.**

1. Additional discharge expenses

Where Insured Goods have suffered Damage that is covered under this Policy, We will cover Your reasonable additional costs to:

- a. unload, discharge, handle and store any undamaged Insured Goods; and
- b. re-load, transport and forward any Damaged or undamaged Insured Goods to their final destination.

We shall be entitled to treat any claim as a constructive total loss and will be entitled to any salvage, unless You invoke Your rights under **General Condition 9. Brand protection** of this Policy.

The most We will pay under this cover extension is £20,000 for each Event.

2. Airfreight replacement

Where Insured Goods have suffered Damage that is covered under this Policy, We will cover Your reasonable additional costs to airfreight:

- a. any Damaged Insured Goods or replacement parts for the purposes of repair; and
- b. the repaired or replaced Insured Goods or spare parts to the original intended destination.

The most We will pay under this cover extension is £20,000 for each Event.

3. Buyers' and sellers' contingent interest

Specific cover

We will cover You for any contingent financial interest You have in any Insured Goods that suffer Damage during the course of an Insured Transit, if You have no liability under the contract for sale or purchase to insure such Insured Goods, provided that:

- a. interest in the Insured Goods reverts to You during the course of an Insured Transit; and
- b. either:
 - i. the party responsible for insuring the Insured Goods failed to do so; or
 - ii. the insurance effected in relation to the Insured Goods is more restrictive than the cover otherwise provided by this Policy; and
- c. the Damage to the Insured Goods would otherwise be covered under the terms of this Policy; and
- d. it is not possible to secure an indemnity for such loss or Damage from any insurance effected in respect of it.

Specific exclusions

We will not cover Your contingent financial interest:

- a. if You disclose the existence of this cover to any third party who may be interested in any Insured Goods; or
- b. unless You take all reasonable steps to invoke any remedies available to You under the contract of sale or purchase in relation to the Insured Goods.

4. Contingent interest - retention of title

We will cover You for Damage caused to Insured Goods following delivery at a customer's premises under a contract of sale containing a retention of title clause, where You have retained title to such Insured Goods. Where Insured Goods are at a customer's premises for more than 30 consecutive days, We will only cover You if You have paid an additional premium agreed by Us in advance.

However, We will not cover You for Damage to Insured Goods that have been shipped on a 'sale or return basis' or are held by You as consignment stock.

5. Debris removal

Where Insured Goods have suffered Damage that is covered under this Policy, We will cover You for the reasonable additional costs to tranship, recover, remove, clear and / or dispose of Insured Goods.

The most We will pay under this cover extension is £50,000 for each Event.

Specific exclusion

We will not cover You for any expense incurred in consequence of or to prevent or mitigate Pollution or contamination or any threat or liability thereof.

6. Deception crime

We will cover You for sales made directly by You for loss or Damage caused to Insured Goods during an Insured Transit by the acceptance by You of documents, orders or signatures fraudulently prepared or otherwise, from any person who pretends to be the genuine party to accept or receive Insured Goods, provided that You acted with due diligence.

We will not cover You under this cover extension for loss or Damage to Insured Goods involving the collusion of You or Your employees.

The most We will pay under this cover extension is £25,000 for each Event.

7. Extension to termination of voyage

If the Schedule shows You are covered under Institute Cargo Clauses (A) or Institute Cargo Clauses (Air), the following amendments are made:

- a. reference to "60 days" in Clause 8.1.4 of Institute Cargo Clauses (A) shall be amended to "90 days"; and
- b. reference to "30 days" in Clause 6.1.4 of Institute Cargo Clauses (Air) shall be amended to "60 days".

8. Financial loss

We will cover You for Your direct financial loss necessarily incurred by You as a result of Insured Goods being:

- a. Damaged during any Insured Transit, where such Damage is recoverable under this Policy; or
- b. delayed during any Insured Transit as a result of the carrying conveyance suffering Damage from collision with any external object (other than water), stranding, grounding, overturning, capsizing, sinking, derailment, fire, or explosion.

However, We will not cover You under this cover extension for any claim or liability for:

- a. loss of future orders which are not subject to a confirmed written contract which pre-dates the incident giving rise to the claim; or
- b. any financial loss assumed under contract or agreement that would not have attached in the absence of such contract or agreement.

The most We will pay under this cover extension is £15,000 for each Event and in total during any one Period of Insurance.

This cover extension is subject to a £500 Excess for each Event.

9. General Average and Salvage Charges

For the purposes of claims for General Average contributions and Salvage charges recoverable under this Policy, Insured Goods shall be deemed to be insured for their full contributory value.

10. Fumigation

We will cover You for the reasonable additional costs incurred by You for fumigation of any Insured Goods, where such costs were incurred to avoid or mitigate a loss that would otherwise be covered by this Policy. We will also cover You for Damage caused to Insured Goods during the course of such fumigation but We will not make any payment for any fumigation carried out in the ordinary course of Your business.

The most We will pay under this cover extension is £20,000 for each Event and £100,000 in any one Period of Insurance.

11. International Safety Management (ISM) Forwarding Charges

We will cover You for any extra charges properly and reasonably incurred in unloading, storing and forwarding the Insured Goods to the destination to which they are insured following the release of the Insured Goods from a vessel arrested or detained at or diverted to any other port or place (other than the intended port of destination) during the course of an Insured Transit, where the voyage is terminated due either to such vessel not being certified in accordance with the ISM Code or to a current Document of Compliance not being held by her owners or operators as required under the SOLAS Convention 1974 as amended.

However, We will not make any payment under this cover extension:

- a. for any general average, salvage or salvage charges; or
- b. if You were aware, or in the ordinary course of business should have been aware, that such vessel was not certified in accordance with the ISM Code.

The most We will pay under this cover extension is £50,000 for each Event.

12. International Ship and Port Facility Security (ISPS) Forwarding Charges

We will cover You for any extra charges properly and reasonably incurred in unloading, storing and forwarding the Insured Goods to the destination to which they are insured following the release of the Insured Goods from a vessel arrested or detained at or diverted to any other port or place (other than the intended port of destination) during the course of an Insured Transit where the voyage is terminated due to such vessel not being certified in accordance with the ISPS Code as required under the SOLAS Convention 1974 as amended.

However, We will not make any payment under this cover extension:

- a. for any general average, salvage or salvage charges; or
- b. if You were aware, or in the ordinary course of business should have been aware, that such vessel was not certified in accordance with the ISPS Code.

The most We will pay under this cover extension is £50,000 for each Event.

13. Packers' premises

We will cover You for Damage to Insured Goods whilst in transit to or from and whilst at the premises of any professional packing contractor for up to 30 days which is deemed within the Ordinary Course of Transit. Where Insured Goods remain at the premises of any professional packing contractor for more than 30 days, We will only cover You if You have paid an additional premium agreed by Us in advance.

14. Segregation

Where Insured Goods have suffered Damage that is covered by this Policy or show external signs of Damage, We will cover You for the reasonable costs incurred by You in sorting, segregating and testing Insured Goods, including the cost of transporting Insured Goods to or from a test facility and the costs of re-packing and onward shipment to the final destination.

The most We will pay under this cover extension is £5,000 for each Event and £10,000 in any one Period of Insurance.

15. Sheets, ropes, ratchets and straps

We will cover You for Damage caused during an Insured Transit to sheets, ropes, ratchets, straps, dunnage, securing chains, toggles and similar items owned by You.

The most We will pay under this cover extension is £5,000 for each Event. This cover extension is subject to a £100 Excess for each Event.

16. Travellers' Goods and Tools

We will cover You for Damage to Travellers' Goods and Tools which are:

- a. contained in a Vehicle owned or operated by You, being driven within the normal course of Your business hours, including whilst in a locked Vehicle whilst parked at Your premises or the home of an employee; always subject to **General Condition 19. Own Vehicle Security**; or
- b. in the personal custody of You or Your employees in the ordinary course of business, including commuting; or
- c. contained in any hotel room or private residence occupied by You or Your employees, provided that such room or residence is securely locked when unoccupied.

The most We will pay under this cover extension is £750 for each Event. This cover extension is subject to a £100 Excess for each Event.

4. Optional Cover Extensions

You are covered to the extent provided by this Policy for the following optional cover extensions only where a Limit of Indemnity is stated in the Schedule. The optional cover extensions are non-assignable.

1. Exhibitions and exhibition fees

We will cover You for:

- a. Damage caused to Insured Goods whilst at, or in transit to or from, exhibition, trade fair or demonstration site stated in the Schedule. However, We will not cover You for Damage:
 - i. caused by theft or attempted theft whilst Insured Goods are left unattended and not under constant supervision by You during the open hours of the event; or
 - ii. caused by theft or attempted theft whilst Insured Goods are left unattended and not under constant supervision by You outside the opening hours of the event unless the site is controlled by security personnel; or
 - iii. to Insured Goods sustained during and resulting directly from any Process or;
 - iv. resulting directly from mechanical, electrical or manual operation of the Insured Goods.

Where Insured Goods are at an exhibition, trade fair or demonstration site for more than 30 consecutive days, We will only cover You if You have paid an additional premium agreed by Us in advance.

Cover under this optional cover extension is subject to **General Condition 19. Own Vehicle Security**.

- b. any fees You are contractually obliged to pay the organiser of such exhibition, trade fair or demonstration site, together with any penalty fare charged by any air, rail or road transport operator, where
 - i. You reasonably cancel Your attendance as a result of any Damage covered under this Policy or;
 - ii. if the exhibition, trade fair or demonstration is abandoned as a result of any damage to any building, stand, marquee or other property used by You at the exhibition, trade fair or demonstration.

The most We will pay for such fees and penalty fares is £5,000 for each Event, and £25,000 in any one Period of Insurance.

2. Storage

Specific cover

We will cover You for Damage caused to Insured Goods whilst stored, outside the Ordinary Course of Transit, at, and being moved within, any storage location stated in the Schedule.

Specific exclusions

We will not cover You under this optional cover extension for:

- a. Damage caused by theft that does not involve forcible and violent entry to or exit from a building; or
- b. Damage caused by theft from any unoccupied premises, unless at the time of loss:
 - i. all doors, windows and other openings were left closed, securely locked and properly fastened; and
 - ii. any intruder alarm system fitted was in operation; and
 - iii. all locks and any intruder alarm system were in working order and Maintained.
- c. Damage caused to Insured Goods stored outdoors, in a yard or within a temporary structure; or
- d. Damage caused to Insured Goods stored below ground floor level; or
- e. Damage caused by fire, unless, at the time of loss the premises were equipped with suitable and appropriately positioned portable firefighting appliances and that all such devices were in efficient working order and Maintained; or
- f. mysterious or unexplained disappearance, shortage or loss including loss discovered during any stocktaking or inventory check; or
- g. Damage to Insured Goods sustained during and resulting directly from any Process.

Specific conditions

- a. You must ensure that all processes, devices and systems designed to reduce the risk of loss which have been declared to Us are Maintained and were in operation at the time of the loss. You must notify Us of any changes to such processes, devices and systems, upon receipt of which notice We will confirm whether such changes are acceptable to Us.
- b. All Insured Goods must be stored at least 10cm off the ground on suitable stillage materials. If they are not at the time of Damage, We will not cover the first £20,000 or 20% (whichever the greater) of any Damage caused by Flood.

Specific exclusion e. and specific condition a. do not apply to Damage caused to Insured Goods whilst entrusted to a third party.

However, if these conditions are not complied with, We will still cover You in full if You can demonstrate that such non-compliance could not have increased the risk of loss or Damage in the circumstances in which it occurred.

3. Storage – employee fidelity

Specific cover:

We will cover You for theft by Your employees of Insured Goods whilst stored at, or being moved within, any storage location stated in the Schedule.

Under this optional cover extension, We will treat all losses arising from the actions of the same person, or group of persons acting in collusion, as one Event and the loss date will be the date of the first loss of a series of losses.

Such theft must be discovered and notified to Us:

- a. during the Period of Insurance; or
- b. within 14 days after the end of the Period of Insurance, provided that the theft occurred during the Period of Insurance.

Specific exclusions

We will not cover You under this optional cover extension for:

- a. mysterious or unexplained disappearance, shortage or loss; or
- b. loss or shortage discovered during any stocktaking or inventory check not attributable to theft by Your employees.

Specific conditions

- a. The most We will pay under this optional cover extension is £50,000 for each Event and in total during the Period of Insurance.
- b. You must pay an Excess of £10,000 for each Event.

5. General Exclusions

We will not provide any cover under this Policy for any claim:

1. Unpacked, unprotected or crated Insured Goods

for Damage caused or contributed to by rust, oxidation, discolouration, bruising, scratching, denting, chipping or cost of repainting of any unpacked, unprotected or crated Insured Goods.

2. Misconduct

for Damage caused or contributed to by any dishonest or reckless conduct, or any wilful misconduct, committed, condoned or ignored by You or any of Your directors, members or partners.

3. Radioactivity

for Damage caused or contributed to by:

- a. ionising radiation from, or contamination by, radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel; or
- b. any weapon or device employing atomic or nuclear fission and/or fusion or other similar reaction or radioactive force or matter; or
- c. the radioactive, toxic, explosive or other hazardous or contaminating properties of any:
 - i. nuclear installation, reactor or other nuclear assembly or nuclear component thereof; or
 - ii. radioactive matter. However, this does not apply 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; or
- d. any chemical, biological, bio-chemical or electromagnetic weapon.

4. Mechanical or electrical failure

for mechanical or electrical or electronic breakdown, failure or derangement of Insured Goods. However, this does not apply to such breakdown, failure or derangement which is itself caused directly by Damage which is otherwise covered by this Policy.

5. Stored Insured Goods

for Damage caused to Insured Goods whilst they are in storage, other than where covered under **Optional Cover Extension 2. Storage** or **3. Storage - employee fidelity**.

6. Hardware or software failure

for Damage caused or contributed to by the breakdown, failure or derangement of any hardware or software, including any stock or inventory rotation system or any other management system, whether operated by You or a third party.

7. Contracts of carriage, handling or storage

for Damage to any goods for which You are responsible under a contract of carriage, handling or storage.

8. Pollution

for any costs incurred to prevent, reduce, mitigate or clean-up an actual or potential Pollution.

9. Geographical Limits

for any loss or Damage caused outside of the Geographical Limits.

10. International Safety Management (ISM)

for Damage to Insured Goods carried by a vessel that is not ISM Code certified or whose owners or operators do not hold an ISM Code Document of Compliance when, at the time of loading of the Insured Goods on board the vessel, You were aware, or in the ordinary course of business should have been aware, either that such vessel was not certified in accordance with the ISM Code or that a current Document of Compliance was not held by the owners or operators as required under the SOLAS Convention 1974 as amended.

However, this exclusion only applies to Insured Goods carried on board:

- a. oil tankers, chemical tankers, gas carriers and bulk carriers; or
- b. cargo high speed craft of 500 gross registered tonnes; or
- c. all other cargo ships and mobile offshore drilling units of 500 gt or more; or
- d. Ro-Ro passenger ferries and passenger vessels transporting more than twelve passengers.

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

11. International Ship and Port Facility Security (ISPS)

for Damage to Insured Goods by a vessel that does not hold a valid International Ship Security Certificate as required under the International Ship and Port Facility Security (ISPS) Code when, at the time of loading of the Insured Goods on board the vessel, You were aware, or in the ordinary course of business should have been aware, that such vessel was not certified in accordance with the ISPS Code as required under the SOLAS Convention 1974 as amended. This exclusion shall not apply where this Policy has been assigned to the party claiming under it, who has bought or agreed to buy the Insured Goods in good faith under a binding contract.

12. Sanctions

or be deemed to provide cover or be liable to pay any claim or provide any benefit to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose Us to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America.

13. Deterioration

For Damage caused or contributed to by deterioration, unless carried or stored in a climate controlled environment.

6. General Conditions

1. Information provided to Us

You must provide to Us before the start of the Period of Insurance a fair presentation of the risk. A fair presentation is one which, following a reasonable search, discloses in a manner which is clear and accessible all material facts which You, including Your senior management and anyone responsible for arranging this Policy, knew or ought to know.

2. Failure to present the risk fairly

- a. If You deliberately or recklessly fail to comply with Your obligation in 1. above to provide a fair presentation of the risk, We shall be entitled to avoid this Policy. If We do so, We shall be entitled to retain all premiums paid and You must repay to Us any payments already made by Us under this Policy.
- b. If You fail to comply with Your obligation in 1. above to provide a fair presentation of the risk, but Your failure was neither deliberate nor reckless, We shall be entitled to:
 - i. avoid this Policy if We can show that We would not have entered into this Policy if You had fairly presented the risk; or
 - ii. if We can show that We would have entered into this Policy but on different terms, other than as to premium, this Policy shall remain in force on the basis that those different terms apply from the start of the Period of Insurance; or
 - iii. if We can show that We would have entered into this Policy but charged a higher premium, We shall be entitled to reduce any payment We make under this Policy in the proportion that the premium actually charged bears to the premium We would have charged.

If We can show that We would have applied different terms and charged a higher premium, b.ii. and b.iii. above shall both apply.

3. Change of circumstances

You must tell Us as soon as reasonably possible of any change in circumstances during the Period of Insurance which may materially affect this Policy. A material circumstance is one which, if declared to Us before the Period of Insurance, might have affected Our decision to provide this Policy or the terms on which this Policy was provided. If You fail to notify Us of a change of circumstances, We shall be entitled to the remedies set out under 2. above, from the date of the change of Your circumstances.

4. Applicable law

Unless agreed otherwise by the parties in writing, this Policy shall be governed by the laws of England and Wales.

5. Arbitration

All disputes between You and Us in relation to this Policy, including as to its application, validity and any amounts payable under it, shall be referred to a single arbitrator in accordance with the Arbitration Act or other equivalent statutory provision in force at the time of the dispute.

6. Assignment

You may assign the benefit of this Policy to any third party pursuant to the terms of any contract of sale relating to Insured Goods. Where You make such an assignment, reference to 'You/Your' in this Policy shall be to the assignee in respect of such Insured Goods.

However, this does not apply to any cover under Cover Extensions and Optional Cover Extensions which are non-assignable.

7. Basis of valuation

Where Insured Goods have suffered Damage that is covered under this Policy, payments made under this Policy shall be calculated as follows:

	Damage caused during:		
	domestic Insured Transit:	any other Insured Transit:	Storage:
Insured Goods where sale agreed:	Invoice price	Cost of Insured Goods plus Freight costs plus 10% of total	Invoice price
New Insured Goods where no sale agreed:	Replacement cost of the Insured Goods as new, plus additional freight and insurance costs	Replacement cost of the Insured Goods as new, plus additional freight and insurance costs	Replacement cost of the Insured Goods as new
Used, Reconditioned or Secondhand Insured Goods where no sale agreed:	Used market value of the Insured Goods, plus additional freight and insurance costs	Used market value of the Insured Goods, plus additional freight and insurance costs	Used market value of the Insured Goods

Plus duty and/or taxes if incurred.

8. Duties payable

Where Insured Goods have suffered Damage that is covered under this Policy, We will also cover You for any duty payable on such Insured Goods. The amount We pay under this Policy for duty payable will take into account any allowable rebate, refund or credit.

9. Brand protection

Where Insured Goods have suffered Damage that is covered under this Policy, You shall retain control over such goods if they bear permanent markings which identify You or where You are obliged under contract with Your supplier to retain such control.

If the above applies, You shall be entitled to have the Insured Goods destroyed. However, We will reduce any payment We make by an amount equal to the salvage value of any undamaged or repairable Insured Goods.

10. Cancellation

We or You may cancel this Policy at any time by giving 30 days' notice to the other (except in respect of the Institute War Clauses and Institute Strikes Clauses, in relation to which 7 days' notice shall be required). You may provide notice of cancellation in writing or by telephone. We must give notice in writing by special delivery to Your last known address or to any other address You have provided to Us for this purpose.

If We cancel this Policy, We will return a pro rata proportion of the premium for any period that You have already paid but will not be covered, provided that We shall not provide a return of premium if You have made a claim under this Policy.

If You cancel this Policy and/or cease trading, We will not return the premium or any portion of it, other than where You cancel this Policy within the first 14 days (in which case We will return a pro rata proportion of the premium for any period that You have already paid but will not be covered provided that We shall not provide a return of premium if You have made a claim under this Policy).

11. Certificates

Where required, You may issue a certificate to any third party confirming the existence of this Policy, making reference to the Institute Clauses. If the cover set out in such certificate is more favourable than the cover provided under this Policy, the cover described in the certificate will prevail provided that the certificate was issued in strict accordance with Our instructions.

12. Claim survey

We do not require a survey to be undertaken in respect of any claim under this Policy for less than £2,500 or the equivalent in any other currency. If We do require a survey in respect of any claim under this Policy, We will cover the reasonable costs of that survey, even if no claims payment is made.

13. Cutting

Where, following Damage covered by this Policy, it is possible to cut off any Damaged or broken length or portion of any covered item, any payment made under this Policy will be reduced by an amount equal to the value of the remaining length or portion, provided it is undamaged. In such situations, We will cover the cost of cutting.

14. Other insurance

We will not make any payment under this Policy if You would have been entitled to cover under any other insurance if this Policy had not been in effect, other than for the amount in excess of the amount that would have been payable under such other insurance.

15. Pairs and sets

Where Insured Goods consist of a pair or one of a number of individual units or is part of a set or pair, We following Damage covered by this Policy shall only pay for that piece or part Damaged and shall not be liable for any diminution in value of the whole set or part by virtue of Damage to part of the Insured Goods.

16. Reasonable care

You must exercise reasonable precautions to prevent, minimise or mitigate any Damage that might be covered under this Policy. We will not make any payment if You fail to do so, unless You can demonstrate that Your failure to exercise such precautions could not have increased the risk of loss or Damage in the circumstances in which it occurred.

17. Rights of third parties

The Provisions of the Contracts (Rights of Third Parties) Act 1999 do not apply to this Policy or to any certificate of insurance issued under it and neither this Policy nor any certificate issued under it confer any benefits on any third parties, other than a bona fide assignee under the terms of this Policy.

18. Several liability

Where this Policy is underwritten by more than one insurer, the liability of an insurer under this contract is several and not joint with other insurers party to this contract. An insurer is liable only for the proportion of liability it has underwritten. An insurer is not jointly liable for the proportion of liability underwritten by any other insurer. Nor is an insurer otherwise responsible for any liability of any other insurer that may underwrite this contract.

19. Own Vehicle security

In respect of Damage caused by theft from any Unattended Vehicle owned or operated by You, You must ensure that:

- a. the Insured Goods were contained within a fully enclosed area of the Vehicle; and
- b. all doors, windows and other openings were closed and securely locked or fastened; and
- c. any immobilisers and alarms were in operation and in working order and Maintained; and
- d. all keys were removed from the Vehicle; and
- e. where parked at the end of the normal working day, such Vehicle was either:
 - i. garaged in a fully enclosed building, securely closed and locked; or
 - ii. parked in yard or compound which was fully enclosed and secured by locked gates.

We will only pay 80% of any Loss under this Policy in respect of Damage caused whilst You are not in full compliance with these conditions and You will be considered Your own Insurer for the remaining 20% of the Loss, with the exception of non-compliance with 19.d where you will be considered Your own Insurer for 100% of the Loss.

We will still cover You in full if You can demonstrate that Your failure to comply with the requirements above could not have increased the risk of loss in the circumstances in which it occurred

20. Termination of Transit Clause (Terrorism) 2009 (Amended)

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

20.1. Notwithstanding any provision to the contrary contained in this Policy, it is agreed that in so far as this Policy covers Damage to the Insured Goods caused by Terrorism, such cover is conditional upon the Insured Goods being in the Ordinary Course of Transit and, in any event, such cover

SHALL TERMINATE, either:

- a. as per the other terms of this Policy; or
- b.
 - i. 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 this Policy; or
 - ii. 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 this Policy which You or Your employees elect to use either for storage other than in the Ordinary Course of Transit or for allocation or distribution; or
 - iii. when You or Your employees elect to use any carrying Vehicle or other conveyance or any Container for storage other than in the Ordinary Course of Transit; or
- c. in respect of marine transits, on the expiry of 90 days after completion of discharge overside of the Insured Goods from the oversea vessel at the final port of discharge; or
- d. in respect of air transits, on the expiry of 60 days after unloading the Insured Goods from the aircraft at the final place of discharge,

whichever shall first occur.

20.2. If this Policy specifically provides 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 Transit terminating again in accordance with clause 18.1.

20.3. Where Damage to Insured Goods caused by Terrorism occurs after termination of cover, or outside the Ordinary Course of Transit, but is otherwise covered by virtue of this Policy terms and conditions making specific provision to cover Insured Goods in store outside the Ordinary Course of Transit, the termination provisions above are not applicable, but Our liability in respect of any one Event will be limited to £100,000.

21. Underinsurance

If We discover that the value of the Insured Goods at any particular location or contained in any shipment or conveyance or Vehicle is higher than the applicable Limit of Indemnity, We shall be entitled to the remedies set out at 2 above if, when You presented the risk to Us, You failed to present fairly the maximum amounts contained at any one location or in any one shipment or conveyance or Vehicle.

22. Used, reconditioned or secondhand Insured Goods

In the event of Damage to any part or parts of any used, reconditioned or secondhand Insured Goods, the amount recoverable shall not exceed such proportion of the cost of replacement of the part Damaged as the insured value bears to the value of new Insured Goods, including additional charges for forwarding and refitting the replacement part, if incurred.

We will not make any payment under this Policy for Damage:

- a. where replacement parts are required but not readily available; or
- b. caused or contributed to by rust, oxidisation, discolouration, bruising, scratching, denting, chipping, and for repainting of such Insured Goods unless at the time of Damage the Insured Goods were fully reconditioned.

In no case shall Our total liability exceed the insured value of the complete Damaged Insured Goods.

23. Waiver of subrogation

We waive any right of subrogation We may have against any associated or subsidiary company of You. You shall not waive any right of subrogation or recourse against any third party without Our prior written consent.

7. Claims Conditions

The Claims conditions below are conditions precedent to Our liability under this Policy. We will not make any payment in respect of any claim unless You comply strictly with the conditions below.

1. Notification

You must notify Us as soon as reasonably possible of any loss or Damage that might give rise to a claim. Notification must be made using the details stated in the Schedule.

If You fail to notify in accordance with this condition, We will still cover the claim provided that You notify Us within 3 months of Your first awareness of the loss or Damage and We have not suffered any prejudice as a result of the delay in notification.

2. Recoveries

You must take all reasonable steps, including providing Us with co-operation and assistance, to recover any amounts payable by Us under this Policy from any third party.

3. Control of claims

You must give Us, at Your own expense, all information and co-operation We require in respect of any claim under this Policy.

4. Repair and replacement

In the event of a claim under this Policy, We may at Our sole discretion elect to repair or replace any Insured Goods that have suffered Damage.

5. Payments on account

If it is not possible to ascertain the value of any claim within 30 days of Us agreeing that the corresponding Damage is covered under this Policy and where the value of such claim is likely to exceed £10,000, We will pay You up to 80% of the anticipated value of the claim, upon request.

6. Subrogation

If We make payment under this Policy, any rights of recovery You may have against any third party shall be subrogated to Us. If the amount of any recovered monies exceeds the amount paid by Us under this Policy, We shall pay the excess to You.

7. Fraudulent claims

In the event that You, or anyone on Your behalf, makes a fraudulent claim or deliberately gives Us false information when making a claim under this Policy, We shall be entitled to issue a notice to terminate this Policy with effect from the date of the fraudulent act or provision of false information. You shall be required to repay any payment already made by Us in relation to the fraudulent claim and any subsequent claims, although We shall still cover You in respect of legitimate claims made before the date of the fraudulent act. We shall not be required to return any of the premium to You.

8. Complaints

If You wish to make a complaint, in the first instance please contact The Fiducia MGA Co Ltd, Pat Dickinson pat@fiduciamga.co.uk or write to The Fiducia MGA Co Ltd at the address stated on the back cover of this Policy.

In the event that You remain dissatisfied it may be possible in certain circumstances for You to refer the matter to the complaints team at Lloyd's as follows:

Address: Complaints, Lloyd's, One Lime Street, London, EC3M 7HA
Telephone: 020 7327 5693
Fax: 020 7327 5225
E-mail: complaints@lloyds.com
Website: www.lloyds.com/complaints

Details of Lloyd's complaints procedures are set out in a leaflet "Your Complaint - How We Can Help" available at www.lloyds.com/complaints and are also available from the above address.

If You remain dissatisfied after Lloyd's has considered Your complaint, You may have the right to refer Your complaint to one of the following:

a) United Kingdom: the Financial Ombudsman Service (FOS).

The contact details for the FOS are: The Financial Ombudsman Service, Exchange Tower, London E14 9SR. Telephone 0800 023 4567 (calls to this number are free from "fixed lines" in the UK) or 0300 123 9123 (calls to this number are charged at the same rate as 01 and 02 numbers on mobile phone tariffs in the UK). Email complaint.info@financial-ombudsman.org.uk.

The FOS is an independent service in the UK for settling disputes between consumers and businesses providing financial services. You can find more information on the FOS at www.financial-ombudsman.org.uk.

b) Channel Islands: the Channel Islands Financial Ombudsman.

The Channel Islands Financial Ombudsman is an independent service in the Channel Islands for settling disputes between consumers and businesses providing financial services. You can find more information on the Channel Islands Financial Ombudsman at www.ci-fo.org/

Address: Channel Islands Financial Ombudsman, P O Box 114, Jersey, JE4 9QC
Jersey local phone: 01534 748610
Guernsey local phone: 01481 722218
International phone: +44 1534 748610
E-mail: enquiries@ci-fo.org

c) Isle of Man: the Isle of Man Financial Services Ombudsman Scheme.

The Isle of Man Financial Services Ombudsman Scheme is an independent service in the Isle of Man for settling disputes between consumers and businesses providing financial services. You can find more information on the Financial Services Ombudsman Scheme at www.gov.im/oft/ombudsman/

Address: Isle of Man Financial Services Ombudsman Scheme, Government Buildings, Lord Street, Douglas, Isle of Man, IM1 1LE
Telephone: 01624 686500
E-mail: ombudsman@oimoft.gov.im

INSTITUTE CARGO CLAUSES (A)

RISKS COVERED

1. Risks

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

2. General Average

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

3. "Both to Blame Collision Clause"

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

EXCLUSIONS

4. In no case shall this insurance cover

- 4.1 loss damage or expense attributable to wilful misconduct of the Assured
- 4.2 ordinary leakage, ordinary loss in weight or volume, or ordinary wear and tear of the subject-matter insured
- 4.3 loss damage or expense caused by insufficiency or unsuitability of packing or preparation of the subject-matter insured to withstand the ordinary incidents of the insured transit where such packing or preparation is carried out by the Assured or their employees or prior to the attachment of this insurance (for the purpose of these Clauses "packing" shall be deemed to include stowage in a container and "employees" shall not include independent contractors)
- 4.4 loss damage or expense caused by inherent vice or nature of the subject-matter insured
- 4.5 loss damage or expense caused by delay, even though the delay be caused by a risk insured against (except expenses payable under Clause 2 above)
- 4.6 loss damage or expense caused by insolvency or financial default of the owners managers charterers or operators of the vessel where, at the time of loading of the subject-matter insured on board the vessel, the Assured are aware, or in the ordinary course of business should be aware, that such insolvency or financial default could prevent the normal prosecution of the voyage
This exclusion shall not apply where the contract of insurance has been assigned to the party claiming hereunder who has bought or agreed to buy the subject-matter insured in good faith under a binding contract
- 4.7 loss damage or expense directly or indirectly caused by or arising from the use of any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.

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

- 5.1.1 unseaworthiness of vessel or craft or unfitness of vessel or craft for the safe carriage of the subject-matter insured, where the Assured are privy to such unseaworthiness or unfitness, at the time the subject-matter insured is loaded therein
- 5.1.2 unfitness of container or conveyance for the safe carriage of the subject-matter insured, where loading therein or thereon is carried out prior to attachment of this insurance or by the Assured or their employees and they are privy to such unfitness at the time of loading.
- 5.2 Exclusion 5.1.1 above shall not apply where the contract of insurance has been assigned to the party claiming hereunder who has bought or agreed to buy the subject-matter insured in good faith under a binding contract.
- 5.3 The Insurers waive any breach of the implied warranties of seaworthiness of the ship and fitness of the ship to carry the subject-matter insured to destination.

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

- 6.1 war civil war revolution rebellion insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power
- 6.2 capture seizure arrest restraint or 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

- 7.1 caused by strikers, locked-out workmen, or persons taking part in labour disturbances, riots or civil commotions
- 7.2 resulting from strikes, lock-outs, labour disturbances, riots or civil commotions
- 7.3 caused by any act of terrorism being an act of any person acting on behalf of, or in connection with, any organisation which carries out activities directed towards the overthrowing or influencing, by force or violence, of any government whether or not legally constituted
- 7.4 caused by any person acting from a political, ideological or religious motive.

DURATION

8. Transit Clause

- 8.1 Subject to Clause 11 below, this insurance attaches from the time the subject-matter insured is first moved in the warehouse or at the place of storage (at the place named in the contract of insurance) for the purpose of the immediate loading into or onto the carrying vehicle or other conveyance for the commencement of transit.

continues during the ordinary course of transit

and terminates either

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

9. Termination of Contract of Carriage

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

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

10. Change of Voyage

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

CLAIMS

11. Insurable Interest

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

12. Forwarding Charges

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

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

13. Constructive Total Loss

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

14. Increased Value

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

BENEFIT OF INSURANCE

15. This insurance

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

MINIMISING LOSSES

16. Duty of Assured

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

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

17. Waiver

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

AVOIDANCE OF DELAY

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

LAW AND PRACTICE

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

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

INSTITUTE CARGO CLAUSES (AIR)

(excluding sendings by Post)

RISKS COVERED

1. Risks

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

2. Salvage Charges

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

EXCLUSIONS

3. In no case shall this insurance cover

- 3.1 loss damage or expense attributable to wilful misconduct of the Assured
- 3.2 ordinary leakage, ordinary loss in weight or volume, or ordinary wear and tear of the subject-matter insured
- 3.3 loss damage or expense caused by insufficiency or unsuitability of packing or preparation of the subject-matter insured to withstand the ordinary incidents of the insured transit where such packing or preparation is carried out by the Assured or their employees or prior to the attachment of this insurance (for the purpose of these Clauses "packing" shall be deemed to include stowage in a container and "employees" shall not include independent contractors)
- 3.4 loss damage or expense caused by inherent vice or nature of the subject-matter insured
- 3.5 loss damage or expense arising from unfitness of aircraft conveyance or container for the safe carriage of the subject-matter insured, where loading therein or thereon is carried out prior to attachment of this insurance or by the Assured or their employees and they are privy to such unfitness at the time of loading. This exclusion shall not apply where the contract of insurance has been assigned to the party claiming hereunder who has bought or agreed to buy the subject-matter insured in good faith under a binding contract.
- 3.6 loss damage or expense caused by delay, even though the delay be caused by a risk insured against
- 3.7 loss damage or expense caused by insolvency or financial default of the owners managers charterers or operators of the aircraft where, at the time of loading of the subject-matter insured on board the aircraft, the Assured are aware, or in the ordinary course of business should be aware, that such insolvency or financial default could prevent the normal prosecution of the transit
This exclusion shall not apply where the contract of insurance has been assigned to the party claiming hereunder who has bought or agreed to buy the subject-matter insured in good faith under a binding contract
- 3.8 loss damage or expense directly or indirectly caused by or arising from the use of any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.

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

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

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

- 5.1 caused by strikers, locked-out workmen, or persons taking part in labour disturbances, riots or civil commotions
- 5.2 resulting from strikes, lock-outs, labour disturbances, riots or civil commotions
- 5.3 caused by any act of terrorism being an act of any person acting on behalf of, or in connection with, any organisation which carries out activities directed towards the overthrowing or influencing, by force or violence, of any government whether or not legally constituted
- 5.4 caused by any person acting from a political, ideological or religious motive.

DURATION

6. Transit Clause

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

continues during the ordinary course of transit

and terminates either

- 6.1.1 on completion of unloading from the carrying vehicle or other conveyance in or at the final warehouse, premises or place of storage at the destination named in the contract of insurance,
 - 6.1.2 on completion of unloading from the carrying vehicle or other conveyance in or at any other warehouse, premises or place of storage, whether prior to or at the destination named in the contract of insurance, which the Assured or their employees elect to use either for storage other than in the ordinary course of transit or for allocation or distribution, or
 - 6.1.3 when the Assured or their employees elect to use any carrying vehicle or other conveyance or any container for storage other than in the ordinary course of transit
- or
- 6.1.4 on the expiry of 30 days after completion of unloading of the subject-matter insured from the aircraft at the final place of discharge, whichever shall first occur.
- 6.2 If, after unloading from the aircraft at the final place of discharge, but prior to termination of this insurance, the subject-matter insured is to be forwarded to a destination other than that to which it is insured, this insurance, whilst remaining subject to termination as provided in Clauses 6.1.1 to 6.1.4, shall not extend beyond the time the subject-matter insured is first moved for the purpose of the commencement of transit to such other destination.
 - 6.3 This insurance shall remain in force (subject to termination as provided for in Clauses 6.1.1 to 6.1.4 above and to the provisions of Clause 7 below) during delay beyond the control of the Assured, any deviation, forced discharge, reshipment or transshipment and during any variation of the adventure arising from the exercise of a liberty granted to the air carriers under the contract of carriage.

7. Termination of Contract of Carriage

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

- 7.1 until the subject-matter insured is sold and delivered at such place, or, unless otherwise specially agreed, until the expiry of 30 days after arrival of the subject-matter insured at such place, whichever shall first occur,
- or
- 7.2 if the subject-matter insured is forwarded within the said period of 30 days (or any agreed extension thereof) to the destination named in the contract of insurance or to any other destination, until terminated in accordance with the provisions of Clause 6 above.

8. Change of Transit

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

CLAIMS

9. Insurable Interest

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

10. Forwarding Charges

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

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

11. Constructive Total Loss

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

12. Increased Value

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

BENEFIT OF INSURANCE

13. This insurance

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

MINIMISING LOSSES

14. Duty of Assured

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

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

15. Waiver

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

AVOIDANCE OF DELAY

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

LAW AND PRACTICE

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

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

INSTITUTE CLASSIFICATION CLAUSE

QUALIFYING VESSELS

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

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

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

AGE LIMITATION

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

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 openhatch gantry crane vessels (OHGCs) and have been continuously used as such on an established and regular pattern of trading between a range of specified ports, and do not exceed 30 years of age.

CRAFT CLAUSE

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

NATIONAL FLAG SOCIETY

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

PROMPT NOTICE

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

LAW AND PRACTICE

6 This insurance is subject to English law and practice.

** For a current list of IACS Members and Associate Members please refer to the IACS website at www.iacs.org.uk*

INSTITUTE WAR CLAUSES (CARGO)

RISKS COVERED

1. Risks

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

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

EXCLUSIONS

3. In no case shall this insurance cover

- 3.1 loss damage or expense attributable to wilful misconduct of the Assured
- 3.2 ordinary leakage, ordinary loss in weight or volume, or ordinary wear and tear of the subject-matter insured
- 3.3 loss damage or expense caused by insufficiency or unsuitability of packing or preparation of the subject-matter insured to withstand the ordinary incidents of the insured transit where such packing or preparation is carried out by the Assured or their employees or prior to the attachment of this insurance (for the purpose of these Clauses "packing" shall be deemed to include stowage in a container and "employees" shall not include independent contractors)
- 3.4 loss damage or expense caused by inherent vice or nature of the subject-matter insured
- 3.5 loss damage or expense caused by delay, even though the delay be caused by a risk insured against (except expenses payable under Clause 2 above)
- 3.6 loss damage or expense caused by insolvency or financial default of the owners managers charterers or operators of the vessel where, at the time of loading of the subject-matter insured on board the vessel, the Assured are aware, or in the ordinary course of business should be aware, that such insolvency or financial default could prevent the normal prosecution of the voyage
This exclusion shall not apply where the contract of insurance has been assigned to the party claiming hereunder who has bought or agreed to buy the subject-matter insured in good faith under a binding contract
- 3.7 any claim based upon loss of or frustration of the voyage or adventure
- 3.8 loss damage or expense directly or indirectly caused by or arising from any hostile use of any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.

4.

- 4.1 In no case shall this insurance cover loss damage or expense arising from
 - 4.1.1 unseaworthiness of vessel or craft or unfitness of vessel or craft for the safe carriage of the subject-matter insured, where the Assured are privy to such unseaworthiness or unfitness, at the time the subject-matter insured is loaded therein
 - 4.1.2 unfitness of container or conveyance for the safe carriage of the subject-matter insured, where loading therein or thereon is carried out prior to attachment of this insurance or by the Assured or their employees and they are privy to such unfitness at the time of loading.
- 4.2 Exclusion 4.1.1 above shall not apply where the contract of insurance has been assigned to the party claiming hereunder who has bought or agreed to buy the subject-matter insured in good faith under a binding contract.
- 4.3 The Insurers waive any breach of the implied warranties of seaworthiness of the ship and fitness of the ship to carry the subject-matter insured to destination.

DURATION

5. Transit Clause

- 5.1 This insurance
 - 5.1.1 attaches only as the subject-matter insured and as to any part as that part is loaded on an oversea vessel and
 - 5.1.2 terminates, subject to 5.2 and 5.3 below, either as the subject-matter insured and as to any part as that part is discharged from an oversea vessel at the final port or place of discharge, or on expiry of 15 days counting from midnight of the day of arrival of the vessel at the final port or place of discharge, whichever shall first occur; nevertheless, *subject to prompt notice to the Insurers and to an additional premium*, such insurance reattaches when, without having discharged the subject-matter insured at the final port or place of discharge, the vessel sails therefrom, and
 - 5.1.4 terminates, subject to 5.2 and 5.3 below, either as the subject-matter insured and as to any part as that part is thereafter discharged from the vessel at the final (or substituted) port or place of discharge, or on expiry of 15 days counting from midnight of the day of re-arrival of the vessel at the final port or place of discharge or arrival of the vessel at a substituted port or place of discharge, whichever shall first occur.
- 5.2 If during the insured voyage the oversea vessel arrives at an intermediate port or place to discharge the subject-matter insured for on-carriage by oversea vessel or by aircraft, or the subject-matter insured is discharged from the vessel at a port or place of refuge, then, subject to 5.3 below and to an additional premium if required, this insurance continues until the expiry of 15 days counting from midnight of the day of arrival of the vessel at such port or place, but thereafter reattaches as the subject-matter insured and as to any part as that part is loaded on an on-carrying oversea vessel or aircraft. During the period of 15 days the insurance remains in force after discharge only whilst the subject-matter insured and as to any part as that part is at such port or place. If the subject-matter insured is on-carried within the said period of 15 days or if the insurance reattaches as provided in this Clause 5.2
 - 5.2.1 where the on-carriage is by oversea vessel this insurance continues subject to the terms of these Clauses, or
 - 5.2.2 where the on-carriage is by aircraft, the current Institute War Clauses (Air Cargo) (excluding sendings by Post) shall be deemed to form part of the contract of insurance and shall apply to the on-carriage by air.
- 5.3 If the voyage in the contract of carriage is terminated at a port or place other than the destination agreed therein, such port or place shall be deemed the final port of discharge and this insurance terminates in accordance with 5.1.2. If the subject-matter insured is subsequently reshipped to the original or any other destination, then *provided notice is given to the Insurers before the commencement of such further transit and subject to an additional premium*, this insurance reattaches
 - 5.3.1 in the case of the subject-matter insured having been discharged, as the subject-matter insured and as to any part as that part is loaded on the on-carrying vessel for the voyage;
 - 5.3.2 in the case of the subject-matter not having been discharged, when the vessel sails from such deemed final port of discharge; thereafter this insurance terminates in accordance with 5.1.4.

- 5.4 The insurance against the risks of mines and derelict torpedoes, floating or submerged, is extended whilst the subject-matter insured or any part thereof is on craft whilst in transit to or from the oversea vessel, but in no case beyond the expiry of 60 days after discharge from the oversea vessel unless otherwise specially agreed by the Insurers.
- 5.5 *Subject to prompt notice to Insurers, and to an additional premium if required*, this insurance shall remain in force within the provisions of these Clauses during any deviation, or any variation of the adventure arising from the exercise of a liberty granted to carriers under the contract of carriage.

(For the purpose of Clause 5

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

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

6. Change of Voyage

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

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

CLAIMS

8. Insurable Interest

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

9. Increased Value

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

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

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

BENEFIT OF INSURANCE

10. This insurance

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

MINIMISING LOSSES

11. Duty of Assured

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

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

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

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

12. Waiver

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

AVOIDANCE OF DELAY

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

LAW AND PRACTICE

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

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

INSTITUTE WAR CLAUSES

(Sendings by Post)

RISKS COVERED

1. Risks

1. This insurance covers, except as excluded by the provisions of Clause 3 below, loss of or damage to the subject-matter insured caused by
 - 1.1 war civil war revolution rebellion insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power
 - 1.2 capture seizure arrest restraint or 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. General Average

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

EXCLUSIONS

3. In no case shall this insurance cover

- 3.1 loss damage or expense attributable to wilful misconduct of the Assured
- 3.2 ordinary leakage, ordinary loss in weight or volume, or ordinary wear and tear of the subject-matter insured
- 3.3 loss damage or expense caused by insufficiency or unsuitability of packing or preparation of the subject-matter insured to withstand the ordinary incidents of the insured transit where such packing or preparation is carried out by the Assured or their employees or prior to the attachment of this insurance (for the purpose of these Clauses "packing" shall be deemed to include stowage in a container and "employees" shall not include independent contractors)
- 3.4 loss damage or expense caused by inherent vice or nature of the subject-matter insured
- 3.5 loss damage or expense caused by delay, even though the delay be caused by a risk insured against (except expenses payable under Clause 2 above)
- 3.6 any claim based upon loss of or frustration of the voyage or adventure
- 3.7 loss damage or expense directly or indirectly caused by or arising from any hostile use of any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.

DURATION

4. Transit Clause

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

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

CLAIMS

6. Insurable Interest

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

BENEFIT OF INSURANCE

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

MINIMISING LOSSES

8. Duty of Assured

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

- 8.1 to take such measures as may be reasonable for the purpose of averting or minimising such loss,
and
- 8.2 to ensure that all rights against carriers, bailees or other third parties are properly preserved and exercised

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

9. Waiver

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

AVOIDANCE OF DELAY

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

LAW AND PRACTICE

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

INSTITUTE WAR CLAUSES (AIR CARGO)

(excluding sendings by Post)

RISKS COVERED

1. Risks

- This insurance covers, except as excluded by the provisions of Clause 3 below, loss of or damage to the subject-matter insured caused by
- 1.1 war civil war revolution rebellion insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power
 - 1.2 capture seizure arrest restraint or 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. Salvage Charges

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

EXCLUSIONS

3. In no case shall this insurance cover

- 3.1 loss damage or expense attributable to wilful misconduct of the Assured
- 3.2 ordinary leakage, ordinary loss in weight or volume, or ordinary wear and tear of the subject-matter insured
- 3.3 loss damage or expense caused by insufficiency or unsuitability of packing or preparation of the subject-matter insured to withstand the ordinary incidents of the insured transit where such packing or preparation is carried out by the Assured or their employees or prior to the attachment of this insurance (for the purpose of these Clauses "packing" shall be deemed to include stowage in a container and "employees" shall not include independent contractors)
- 3.4 loss damage or expense caused by inherent vice or nature of the subject-matter insured
- 3.5 loss damage or expense arising from unfitness of aircraft conveyance or container for the safe carriage of the subject-matter insured, where loading therein or thereon is carried out prior to attachment of this insurance or by the Assured or their employees and they are privy to such unfitness at the time of loading. This exclusion shall not apply where the contract of insurance has been assigned to the party claiming hereunder who has bought or agreed to buy the subject-matter insured in good faith under a binding contract.
- 3.6 loss damage or expense caused by delay, even though the delay be caused by a risk insured against
- 3.7 loss damage or expense caused by insolvency or financial default of the owners managers charterers or operators of the aircraft where, at the time of loading of the subject-matter insured on board the aircraft, the Assured are aware, or in the ordinary course of business should be aware, that such insolvency or financial default could prevent the normal prosecution of the transit
This exclusion shall not apply where the contract of insurance has been assigned to the party claiming hereunder who has bought or agreed to buy the subject-matter insured in good faith under a binding contract
- 3.8 any claim based upon loss of or frustration of the transit or adventure
- 3.9 loss damage or expense directly or indirectly caused by or arising from any hostile use of any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.

DURATION

4. Transit Clause

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

(For the purpose of Clause 4

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

5. Change of Transit

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

CLAIMS

7. Insurable Interest

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

8. Increased Value

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

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

BENEFIT OF INSURANCE

9. This insurance

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

MINIMISING LOSSES

10. Duty of Assured

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

- 10.1 to take such measures as may be reasonable for the purpose of averting or minimising such loss,
and
- 10.2 to ensure that all rights against carriers, bailees or other third parties are properly preserved and exercised

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

11. Waiver

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

AVOIDANCE OF DELAY

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

LAW AND PRACTICE

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

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

INSTITUTE STRIKES CLAUSES (CARGO)

RISKS COVERED

1. Risks

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

- 1.1 strikers, locked-out workmen, or persons taking part in labour disturbances, riots or civil commotions
1. 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
2. any person acting from a political, ideological or religious motive.

2. General Average

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

EXCLUSIONS

3.

In no case shall this insurance cover

- 3.1 loss damage or expense attributable to wilful misconduct of the Assured
- 3.2 ordinary leakage, ordinary loss in weight or volume, or ordinary wear and tear of the subject-matter insured
- 3.3 loss damage or expense caused by insufficiency or unsuitability of packing or preparation of the subject-matter insured to withstand the ordinary incidents of the insured transit where such packing or preparation is carried out by the Assured or their employees or prior to the attachment of this insurance (for the purpose of this Clause 3.3 "packing" shall be deemed to include stowage in a container and "employees" shall not include independent contractors)
- 3.4 loss damage or expense caused by inherent vice or nature of the subject-matter insured
- 3.5 loss damage or expense caused by delay, even though the delay be caused by a risk insured against (except expenses payable under Clause 2 above)
- 3.6 loss damage or expense caused by insolvency or financial default of the owners managers charterers or operators of the vessel where, at the time of loading of the subject-matter insured on board the vessel, the Assured are aware, or in the ordinary course of business should be aware, that such insolvency or financial default could prevent the normal prosecution of the voyage
This exclusion shall not apply where the contract of insurance has been assigned to the party claiming hereunder who has bought or agreed to buy the subject-matter insured in good faith under a binding contract
- 3.7 loss damage or expense arising from the absence shortage or withholding of labour of any description whatsoever resulting from any strike, lockout, labour disturbance, riot or civil commotion
- 3.8 any claim based upon loss of or frustration of the voyage or adventure
- 3.9 loss damage or expense directly or indirectly caused by or arising from the use of any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter
- 3.10 loss damage or expense caused by war civil war revolution rebellion insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power.

4.

In no case shall this insurance cover loss damage or expense arising from

- 4.1 unseaworthiness of vessel or craft or unfitness of vessel or craft for the safe carriage of the subject-matter insured, where the Assured are privy to such unseaworthiness or unfitness, at the time the subject-matter insured is loaded therein
 - 4.1.1 unseaworthiness of vessel or craft for the safe carriage of the subject-matter insured, where the Assured are privy to such unseaworthiness or unfitness, at the time the subject-matter insured is loaded therein
 - 4.1.2 unfitness of container or conveyance for the safe carriage of the subject-matter insured, where loading therein or thereon is carried out prior to attachment of this insurance or by the Assured or their employees and they are privy to such unfitness at the time of loading.
- 4.2 Exclusion 4.1.1 above shall not apply where the contract of insurance has been assigned to the party claiming hereunder who has bought or agreed to buy the subject-matter insured in good faith under a binding contract.
- 4.3 The Insurers waive any breach of the implied warranties of seaworthiness of the ship and fitness of the ship to carry the subject-matter insured to destination.

DURATION

5. Transit Clause

- 5.1 Subject to Clause 8 below, this insurance attaches from the time the subject-matter insured is first moved in the warehouse or at the place of storage (at the place named in the contract of insurance) for the purpose of the immediate loading into or onto the carrying vehicle or other conveyance for the commencement of transit,

continues during the ordinary course of transit

and terminates either

- 5.1.1 on completion of unloading from the carrying vehicle or other conveyance in or at the final warehouse or place of storage at the destination named in the contract of insurance,
- 5.1.2 on completion of unloading from the carrying vehicle or other conveyance in or at any other warehouse or place of storage, whether prior to or at the destination named in the contract of insurance, which the Assured or their employees elect to use either for storage other than in the ordinary course of transit or for allocation or distribution, or
- 5.1.3 when the Assured or their employees elect to use any carrying vehicle or other conveyance or any container for storage other than in the ordinary course of transit or
- 5.1.4 on the expiry of 60 days after completion of discharge overseas of the subject-matter insured from the overseas vessel at the final port of discharge, whichever shall first occur.
- 5.2 If, after discharge overseas from the overseas vessel at the final port of discharge, but prior to termination of this insurance, the subject-matter insured is to be forwarded to a destination other than that to which it is insured, this insurance, whilst remaining subject to termination as provided in Clauses 5.1.1 to 5.1.4, shall not extend beyond the time the subject-matter insured is first moved for the purpose of the commencement of transit to such other destination.
- 5.3 This insurance shall remain in force (subject to termination as provided for in Clauses 5.1.1 to 5.1.4 above and to the provisions of Clause 6 below) during delay beyond the control of the Assured, any deviation, forced discharge, reshipment or transhipment and during any variation of the adventure arising from the exercise of a liberty granted to carriers under the contract of carriage.

6. Termination of Contract of Carriage

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

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

7. Change of Voyage

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

CLAIMS

8. Insurable Interest

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

9. Increased Value

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

BENEFIT OF INSURANCE

10. This insurance

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

MINIMISING LOSSES

11. Duty of Assured

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

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

12. Waiver

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

AVOIDANCE OF DELAY

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

LAW AND PRACTICE

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

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

INSTITUTE STRIKES CLAUSES (AIR CARGO)

RISKS COVERED

1. Risks

This insurance covers, except as excluded by the provisions of Clause 3 below, loss of or damage to the subject-matter insured caused by

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

2. Salvage Charges

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

EXCLUSIONS

3.

In no case shall this insurance cover

- 3.1 loss damage or expense attributable to wilful misconduct of the Assured
- 3.2 ordinary leakage, ordinary loss in weight or volume, or ordinary wear and tear of the subject-matter insured
- 3.3 loss damage or expense caused by insufficiency or unsuitability of packing or preparation of the subject-matter insured to withstand the ordinary incidents of the insured transit where such packing or preparation is carried out by the Assured or their employees or prior to the attachment of this insurance (for the purpose of this Clause 3.3 "packing" shall be deemed to include stowage in a container and "employees" shall not include independent contractors)
- 3.4 loss damage or expense caused by inherent vice or nature of the subject-matter insured
- 3.5 loss damage or expense arising from unfitness of aircraft conveyance or container for the safe carriage of the subject-matter insured, where loading therein or thereon is carried out prior to attachment of this insurance or by the Assured or their employees and they are privy to such unfitness at the time of loading. This exclusion shall not apply where the contract of insurance has been assigned to the party claiming hereunder who has bought or agreed to buy the subject-matter insured in good faith under a binding contract.
- 3.6 loss damage or expense caused by delay, even though the delay be caused by a risk insured against
- 3.7 loss damage or expense caused by insolvency or financial default of the owners managers charterers or operators of the aircraft where, at the time of loading of the subject-matter insured on board the aircraft, the Assured are aware, or in the ordinary course of business should be aware, that such insolvency or financial default could prevent the normal prosecution of the transit
This exclusion shall not apply where the contract of insurance has been assigned to the party claiming hereunder who has bought or agreed to buy the subject-matter insured in good faith under a binding contract
- 3.8 loss damage or expense arising from the absence shortage or withholding of labour of any description whatsoever resulting from any strike, lockout, labour disturbance, riot or civil commotion
- 3.9 any claim based upon loss of or frustration of the transit or adventure
- 3.10 loss damage or expense directly or indirectly caused by or arising from the use of any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter
- 3.11 loss damage or expense caused by war civil war revolution rebellion insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power.

DURATION

4. Transit Clause

- 4.1 Subject to Clause 7 below, this insurance attaches from the time the subject-matter insured is first moved in the warehouse, premises or at the place of storage (at the place named in the contract of insurance) for the purpose of the immediate loading into or onto the carrying vehicle or other conveyance for the commencement of transit.

continues during the ordinary course of transit

and terminates either

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

5. Termination of Contract of Carriage

If owing to circumstances beyond the control of the Assured either the contract of carriage is terminated at a place other than the destination named therein or the transit is otherwise terminated before unloading of the subject-matter insured as provided for in Clause 4 above, then this insurance shall also terminate *unless prompt notice is given to the Insurers and continuation of cover is requested when this insurance shall remain in force, subject to an additional premium if required by the Insurers*, either

- 5.1 until the subject-matter insured is sold and delivered at such place, or, unless otherwise specially agreed, until the expiry of 30 days after arrival of the subject-matter insured at such place, whichever shall first occur.
- or
- 5.2 if the subject-matter insured is forwarded within the said period of 30 days (or any agreed extension thereof) to the destination named in the contract of insurance or to any other destination, until terminated in accordance with the provisions of Clause 4 above.

6. Change of Transit

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

- 6.2 Where the subject-matter insured commences the transit contemplated by this insurance (in accordance with Clause 4.1), but, without the knowledge of the Assured or their employees the aircraft leaves for another destination, this insurance will nevertheless be deemed to have attached at commencement of such transit.

CLAIMS

7. Insurable Interest

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

8. Increased Value

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

BENEFIT OF INSURANCE

9. This insurance

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

MINIMISING LOSSES

10. Duty of Assured

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

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

11. Waiver

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

AVOIDANCE OF DELAY

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

LAW AND PRACTICE

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

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

01/12/2008

CL372

INSTITUTE REPLACEMENT CLAUSE

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.

10/11/03

CL370

INSTITUTE RADIOACTIVE CONTAMINATION, CHEMICAL, BIOLOGICAL, BIO-CHEMICAL AND ELECTROMAGNETIC WEAPONS EXCLUSION CLAUSE

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
 - 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.
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10/11/03

CL380

INSTITUTE CYBER ATTACK EXCLUSION CLAUSE

- 1.1 Subject only to clause 1.2 below, in no case shall this insurance cover loss damage liability or expense directly or indirectly caused by or contributed to by or arising from the use or operation, as a means for inflicting harm, of any computer, computer system, computer software programme, malicious code, computer virus or process or any other electronic system.
 - 1.2 Where this clause is endorsed on policies covering risks of war, civil war, revolution, rebellion, insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power, or terrorism or any person acting from a political motive, Clause 1.1 shall not operate to exclude losses (which would otherwise be covered) arising from the use of any computer, computer system or computer software programme or any other electronic system in the launch and/or guidance system and/or firing mechanism of any weapon or missile.
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Appendix 1 – Areas definitions

United Kingdom

England, Scotland, Wales, Northern Ireland, Channel Isles, Isle of Man.

Western Europe

Andorra, Austria, Belgium, Corsica, Denmark, Faroe Islands, Finland, France, Germany, Gibraltar, Greece, Iceland, Italy, Lichtenstein, Luxembourg, Malta, Monaco, Netherlands, Norway, Portugal, Republic of Ireland, San Marino, Slovenia, Spain, Sweden, Switzerland, Vatican.

Eastern Europe

Albania, Belarus, Bosnia and Herzegovina, Bulgaria, Croatia, Cyprus, Czech Republic, Estonia, Hungary, Kosovo, Latvia, Lithuania, Macedonia, Rep. of, Moldova, Republic of, Montenegro, Poland, Romania, Russia, Serbia, Slovakia (Slovak Republic), Turkey (West of Bosphorus), Ukraine.

North America

Canada, Greenland, USA.

Australasia

Australia, New Zealand and other Melanesian Islands (including Papua New Guinea, Fiji, Solomon islands).

Far East 1

Brunei Darussalam, China, Hong Kong, India, Indonesia, Japan, Macao, Malaysia, Singapore, South Korea, Sri Lanka, Taiwan (Republic of China), Thailand, Myanmar / Burma.

Middle East

Bahrain, Israel, Jordan, Kuwait, Oman, Palestinian territories, Qatar, Saudi Arabia, Turkey (Asia), United Arab Emirates,

Africa 1

Algeria, Botswana, Canary Islands, Cape Verde, Ceuta, Ethiopia, Gabon, Ghana, Kenya, Madagascar, Madeira, Mauritius, Morocco, Nigeria, Réunion, Seychelles, South Africa, Tanzania, Tunisia, Uganda.

Far East 2

Bangladesh, Bhutan, Cambodia, Christmas Island, Cocos (Keeling) Islands, East Timor (Timor-Leste), Laos, Maldives, Mongolia, Nepal, Pakistan, Philippines, Tajikistan, Tibet, Vietnam.

South America (including Central America and Caribbean)

South: Argentina, Bolivia, Brazil, Chile, Colombia, Ecuador, Falkland Islands, French Guiana, Guyana, Mexico, Paraguay, Peru, Suriname, Uruguay, Venezuela.

Central: Belize, Bermuda, Costa Rica, Guatemala, El Salvador, Honduras, Nicaragua, Panama.

Caribbean: Anguilla, Antigua & Barbuda, Antigua and Barbuda, Aruba, Bahamas, Barbados, Cayman Islands, Cuba, Dominica, Dominican Republic, Grenada, Guadeloupe, Haiti, Jamaica, Martinique, Montserrat, Puerto Rico, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Trinidad & Tobago, Turks and Caicos Islands, Virgin Islands (British), Virgin Islands (U.S.), Virgin Islands.

Africa 2

Angola, Benin, Burkina Faso, Cameroon, Cape Verde, Comoros, Djibouti, Egypt, Equatorial Guinea, Gambia, Guinea-Bissau, Ivory Coast, Lesotho, Malawi, Mauritania, Mayotte, Melilla, Mozambique, Namibia, Reunion Island, Republic of Congo, Rwanda, Sahrawi Arab Democratic Republic, Sao Tome and Principe, Senegal, Swaziland, Togo, Western Sahara, Zambia.

Rest of World

Armenia, Azerbaijan, Georgia (Republic of), Kazakhstan, Kyrgyzstan, Micronesian, Polynesian islands (except New Zealand), Moldova, Tadjikistan, Turkmenistan, Uzbekistan.



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