



兆豐保險
Chung Kuo Insurance

兆豐產物船舶保險 –
Transport Operator Cover
保單條款

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TRANSPORT OPERATOR COVER

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STANDARD RISKS

T1 CARGO LIABILITIES CLAUSE

1 You are insured for:

Your liability for physical loss/damage of cargo and consequential loss arising from this

2 You are *not* insured under this Clause:

2.1 To the extent that your liability is incurred/increased by:

2.1.1 a declaration of value by your customer

2.1.2 an incorrect statement in or omission from any bill of lading*

2.1.3 package/unit enumeration in your subcontractor's bill of lading* for sea carriage which fails to correspond with the enumeration in your bill of lading*

*or other contract of carriage or handling documentation

For liabilities in respect of bullion, precious stones or cash/securities

2.2 For liabilities arising from unexplained losses discovered on inventory/stocktaking

3 Approved Contracts

3.1 You are *only* insured for liabilities arising under:

- a compulsorily applicable transport law or convention or
- a contract in your Approved Contracts Schedule

3.2 If:

- it is established by a court or
- the Managers agree settlement on the basis that you are not entitled to rely on any defence or limitation of liability provided for in a law, convention or contract specified at 3.1, you are insured against the resulting liability (subject to the terms of your insurance)

4 Uninsured Subcontractors

You are not insured for liabilities arising from the carriage of cargo within the following territories:

- Afghanistan
- Iran
- Lebanon
- Syria
- Yemen (entire territory)
- Africa (except Republic of South Africa)
- Commonwealth of Independent States (CIS)

to the extent that the claim is incurred or increased by the fact that your subcontractor is uninsured unless:

before the accident giving rise to the claim, you obtain written confirmation



from the subcontractor insurer or broker that the subcontractor is fully insured, *on* the date of the accident, for its liability to you under any contract *and* under any applicable mandatory law

5 Commonwealth of Independent States (CIS)

5.1 You are not insured for any liability arising from delivery of cargo within the CIS to a person not entitled to receive it unless:

- *if you are the actual carrier*, you comply with 5.1.1-5.1.3
- *if you are not the actual carrier*, you take all reasonable steps to ensure that 5.1.1-5.1.3 are complied with

5.1.1 Your customer provides in writing

- the precise location of the point of delivery *and*
- the identity of the person authorised to receive the cargo *and*
- details of authorisation which the person will produce

5.1.2 You give written notice to your customer that you will not be liable for claims arising from failure to give correct information as at 5.1

5.1.3 On delivery:

- the cargo is delivered as at 5.1 and authorisation, endorsed with the consignee stamp, is obtained as specified at 5.1 *and*
- the passport number of the person receiving the cargo is noted, and compared with his/her passport *and*
- the number of any vehicle used by the person receiving the cargo is noted

5.2 You are not insured for any liability arising from compliance by you/your employee with instructions to deal with the cargo in the CIS *other than* from:

- someone authorised as at 5.1.1 *or*
- an authority

unless compliance was reasonable in the circumstances (the burden of proof of this is on you)

5.3 You are not insured for liabilities arising from the carriage of cargo within the following territories:

- Abkhazia
- Chechnya
- Dagestan
- Ingushetia
- Kabardino-Balkariya
- Nagorno Karabakh
- Osetia (North and South)
- Tajikistan

6 Iraq

You are only insured for liabilities arising from carriage of goods to Iraq if:

6.1 The carriage within Iraq is subcontracted, or arranged as stated at 6.2.2, *and*

6.2 You contract with your customer on the following terms:

6.2.1 You will have full benefit of all rights, limitations and exclusions of



liability available to your subcontractor in its contract with you *and* your liability will not exceed the amount, if any, which you recover from the subcontractor *or*

- 6.2.2 You act only as your customer agent in obtaining the services of a carrier in Iraq *and* you are not liable for any loss, damage or claim which does not directly arise from your own negligent act or omission

7 Personal Effects

You are *only* insured for liabilities in respect of personal effects *if*:

- you could not, with reasonable care, have known that the consignment consisted of personal effects *or*
- your customer is a transport operator *or*
- you specifically offer in writing to arrange cargo insurance

8 Special Limit: Valuable Cargoes

Unless otherwise stated in your certificate, a special limit of US\$100,000 each accident applies to claims in respect of:

- processed tobacco/tobacco products
- bottled spirits
- precious jewellery/precious metal
- valuable works of art
- thoroughbred horses
- computers/handheld electronic products/mobile telephones (and electronic components of these)

STANDARD RISKS

T2 ERRORS & OMISSIONS LIABILITIES CLAUSE

1 You are insured for:

Your liability for:

- 1.1 Financial loss incurred by your customer arising from:
- 1.1.1 delay in performing your contractual obligations
 - 1.1.2 failure to perform your contractual obligations - but *not* for liabilities for financial loss arising from physical loss/damage of cargo or property
- 1.2 Financial loss incurred by:
- 1.2.1 your customer *or*
 - 1.2.2 the person entitled to delivery under a bill of lading* arising from delivery of cargo contrary to your contractual obligations
- 1.3 Physical loss/damage of cargo - to the extent that your liability is incurred or increased by an incorrect statement *or* omission in any bill of lading*
*or other contract of carriage or handling documentation



2 You are *not* insured under this Clause:

- 2.1 to the extent that your liability for delay is increased by special instructions by your customer
- 2.2 for your own operational loss (unless in mitigation of a claim as specified at T5:1.1)

3 Intentional or Reckless Conduct

The Directors may reduce or reject a claim if it appears to them that you or your employee have acted (or failed to act) intentionally or recklessly. In exercising this discretion the Directors may, among other things, consider your corporate systems/procedures.

4 References to T1

The following paragraphs of T1 also apply:

- 4.1 2.1.3 Package enumeration
- 4.2 2.2 Valuable cargo (exclusions)
- 4.3 2.3 Inventory/stocktaking
- 4.4 3 Approved contracts
- 4.5 4 Uninsured subcontractors
- 4.6 5 Commonwealth of Independent States
- 4.7 6 Iraq
- 4.8 7 Personal effects
- 4.9 8 Valuable cargo (special limit)

5 Special Limit

Special limit: US\$100,000

each accident and in the aggregate each account year - unless otherwise stated in your certificate

STANDARD RISKS

T3 THIRD PARTY LIABILITIES CLAUSE

1 You are insured for:

Your liability:

- 1.1 For physical loss/damage of third party property
- 1.2 For death, injury or illness of any third party
You are *not* insured for your liability to your employee except as stated at 3 below.
You are not insured *in any case* as specified at 2.3
- 1.3* To compensate a third party for *its* liability:
 - 1.3.1 for physical loss/damage of third party property



- 1.3.2 for death or injury of any third party, *including* your employee *unless* excluded at 2.3
- 1.4* To compensate:
- 1.4.1 a third party for its own third party liabilities *if* your liability arises solely under a contract:
- for lease/sale of equipment for use in your insured services or
 - with your subcontractor or joint service/venture partner or
- 1.4.2 your subcontractor or joint service/venture partner for physical loss/damage to its own property *if* your liability arises solely under a contract with the subcontractor or joint service/venture partner
- 1.5 For consequential loss arising from 1.1-1.3 and 1.4.1
**you are insured under 1.3 and 1.4 for your contractual liability only*

2 You are *not* insured under this Clause for liabilities:

- 2.1 incurred under a provision in a contract that you incur liability without your fault or negligence
- 2.2 which are liquidated damages
- 2.3 for death, injury or illness of your employee which you incur as an employer
- 2.4 which would normally be insured under an Employers Liability insurance - *except* as specified at 1.4 or 3
- 2.5 arising from ownership, lease or operation by you/your employee of a road vehicle which is required to be licensed
- 2.6 arising from an accident in USA/Canada involving your* chassis/trailer for use on public roads
- 2.7 in respect of your* equipment leased to someone else *other than* to your joint service/venture partner for use in the joint service
- 2.8 in respect of your handling equipment used with your consent by someone else
- 2.9 in respect of your* carrying equipment *not* insured for loss or damage
- 2.10 as owner/lessee of land which is *not* an insured location
- 2.11 arising from erection or dismantling of insured handling equipment - *unless* for inspection, maintenance or repair (or relocation if not excluded under 2.12)
- 2.12 arising from relocation of insured handling equipment - *other than* within the same terminal, port or depot
- 2.13 which are *contractual* liabilities to compensate someone else for physical loss/damage to your* property
**owned or leased*

3 Employees

The following are insured as specified at 1.2:

- The *assured* for liabilities directly to an employee of a joint assured and *conversely*
- A *joint assured* for liabilities directly to an employee of the assured or another joint assured



- 4 Transfer of Interest in Equipment under Contract of Sale**
You are *only* insured for liabilities in respect of equipment after your interest in it has been transferred under a contract of sale *if*:
- 4.1 we insured it immediately before the transfer *and*
- 4.2 the contract of sale:
- provides that the equipment is sold "as is where is" *and*
 - includes no warranty except that the equipment is as described and that the purchaser has quiet use *and*
 - expressly excludes any other warranty, including fitness of use and merchantability
- and*
- 4.3 the accident occurs during your period of insurance. The date of the accident for these purposes is the date of the loss/damage (or death, injury or illness) - not the date of sale
- 5 Limit of Liability**
In the event that it is held in any court or tribunal that, under the applicable law, anyone, other than the assured, a named joint assured or co-assured, using or legally responsible for the use of a chassis or trailer, is entitled to be insured under this insurance, then the general limit of liability for this insurance for such a person will not exceed the minimum insurance requirements under the applicable law for injury to or death of a person or damage to property.
- 6 Special Limits**
Special limit: US\$1,000,000 - each accident and in the aggregate each account year - unless otherwise stated in your certificate applies to claims:
- 6.1 under 1.3.2 & 3 above (and consequential loss arising from these claims under 1.5)
- 6.2 in USA arising from host liquor

STANDARD RISKS

T4 FINES & DUTY CLAUSE

- 1 You are insured for:**
- 1.1 ***The following arising from a breach of regulations specified at 1.2:***
- 1.1.1 Your liability for:
- Fines and other penalties
 - Duty and sales/excise tax and similar fiscal charges imposed on you (or anyone acting for you) by an authority *and* which would not have been payable except for the breach of regulations specified at 1.2
- 1.1.2 Confiscation by an authority of property including your insured equipment



- 1.2 **The regulations referred to at 1.1 relate to:**
- 1.2.1 import/export and carriage of cargo, conveyances or equipment
 - 1.2.2 immigration
 - 1.2.3 safety at work
 - 1.2.4 security/anti-terrorism
 - 1.2.5 pollution - *only* if arising from physical loss/damage of cargo or equipment

2 **You are *not* insured under this Clause:**

- 2.1 *in respect of* regulations relating to tariffs, competition or regulation of companies
- 2.2 *in respect of* your owned/leased carrying equipment *not* insured for loss/damage
- 2.3 *for* liability/confiscation arising from your making your customs bond/guarantee available to another operator - *unless* this arises from:
 - assistance which the operator provides to you in your insured services or
 - insured services which you provide to the operator

3 **Joint Service/Venture Partner**

You are also insured for your liability to compensate your joint service/venture partner for its liability as specified at 1 above which arises from your failure to perform your contractual obligations

4 **Intentional or Reckless Conduct**

The Directors may reduce or reject a claim for breach of regulations if it appears to them that you or your employee have acted (or failed to act) intentionally or recklessly

5 **Illegality**

If insurance for any of the matters specified at 1 above is held to be illegal, this will apply only to the matters concerned and will not affect other insurance under this clause or elsewhere in your policy

6 **References to T1**

The following paragraphs of T1 also apply:

- 6.1 2.2 Valuable cargo (exclusions)
- 6.2 4 Uninsured subcontractors
- 6.3 5 Commonwealth of Independent States
- 6.4 6 Iraq
- 6.5 8 Valuable cargo (special limit)



7 Special Limit

Special limit: US\$100,000 - each accident and in the aggregate each account year - unless otherwise stated in your certificate as follows:

- 7.1 all claims under this clause, except as specified at 7.2
- 7.2 for liability/confiscation arising from your customer failure to pay properly assessed duty/tax - either to an authority or to you

STANDARD RISKS

T5 COSTS CLAUSE

1 You are insured for:

The following costs:

- 1.1 **Mitigation**
Costs of minimising a claim under your policy
- 1.2 **Investigation & Defence**
Costs arising from investigating an accident which may give rise to a claim under this cover and protecting your interests in relation to it (including legal and survey fees) - including the costs of recovering a debt if payment is withheld solely because of a claim under this cover
- 1.3 **Disposal**
Costs, additional to costs which you would have incurred in any event, of disposing of cargo or insured equipment/property after an accident to it
- 1.4 **Quarantine & Disinfection** (including fumigation) - other than in the normal course of business
- 1.5 **Misdirection**
Extra costs incurred in sending misdirected cargo to the correct destination - calculated as at 5 below
- 1.6 **General average & Salvage**
Cargo's contribution for which you are liable and which you cannot recover from your customer
- 1.7 **Uncollected Cargo**
Extra costs incurred solely by the total failure of the consignee to collect or remove cargo at the place of delivery *less*:
 - costs which you would have incurred in any event
 - proceeds from sale of cargo
 - sums which you can recover from anyone else
- 1.8 **Completion of carriage**
Costs, additional to costs which you would have incurred in any event, incurred to complete your contractual obligation to transport the cargo to the place of delivery - and arising solely from the failure of your subcontractor (or person acting on its behalf) to pay its debts (or pay promptly)



2 Approval/Agreement

Except for costs specified at 1.6, you are only insured if:

- 2.1 The Managers have agreed to the costs *or*
- 2.2 The Directors decide that the costs were properly incurred

3 Limits

Unless otherwise stated in your certificate claims are subject to limits as below:

- 1.1-1.2: as for the claim being investigated/defended, or mitigated, and costs will be included in this claim for this purpose
- 1.3-1.6: your general limit
- 1.7-1.8: US\$25,000 each accident and in the aggregate each account year

4 Deductibles

Unless otherwise stated in your certificate claims are subject to deductibles as below:

- 1.1: as for the claim being mitigated
- 1.2-1.8: nil

5 Calculation of Misdirection Costs

5.1 Misdirection costs are calculated as follows:

- costs of carriage of cargo from the place at which you originally received it to the place where it was misdirected *plus*
- costs of carriage from the place to which it was misdirected to the correct place *less*
- freight and other charges due to you for the carriage

5.2 Carriage from the place to which the cargo was misdirected to the correct place will *not* be by air *unless*:

- the original carriage was agreed to be by air *or*
- the Managers agree

5.3 Where the costs as calculated above do not exceed a minimum of US\$500, there is no claim under this clause

6 General Average & Salvage Guarantees

6.1 We may assist you in releasing cargo lien for general average or salvage contributions - usually by:

- arranging for cargo underwriters to give the necessary guarantee *or*
- ourselves giving a guarantee

6.2 When we give a guarantee you will obtain:

- a completed valuation form for the cargo *and*
- prior to delivery of the cargo, counter security acceptable to us from the consignee or its cargo underwriters



STANDARD RISKS

T6 DISCRETIONARY INSURANCE CLAUSE

1 You are insured as follows:

In addition to insurance under other clauses the Directors may in their discretion decide that we will reimburse you for risks incurred:

- 1.1 incidental to insured services
- 1.2 in case of interference by an international organisation or authority, which the Directors consider is unwarranted or requires investigation
- 1.3 where the Directors by special direction consider this in our interests, or those of our members

ADDITIONAL RISKS

T7 PROPERTY: PHYSICAL LOSS & DAMAGE CLAUSE

1 You are insured for:

Direct physical loss/damage of insured property as specified below from any accidental cause:

- 1.1 Buildings and infrastructure
- 1.2 Plant, machinery, fixtures and fittings

2 You are *not* insured under this Clause for:

- 2.1* Loss/damage arising from:
 - 2.1.1 defects in design/manufacture - or for loss/damage to property or equipment arising from the replacement, repair or rectification of property/equipment in respect of which a claim is excluded under this paragraph (2.1.1) - *other than* loss/damage which directly arises from fire/explosion arising from this
 - 2.1.2 the following in respect of equipment which you own or operate:
 - mechanical/electrical breakdown or malfunction
 - implosion/explosion of boilers or pressure/vacuum vessels
 - operation of relief valves or safety devices
 - 2.1.3 insects/vermin
 - 2.1.4 inherent vice or latent defect
 - 2.1.5 atmospheric conditions (dampness, dryness, extremes/changes of temperature), condensation or fog/smog
- 2.2* The following:
 - 2.2.1 wear and tear
 - 2.2.2 rot, spoilage, decay, decomposition or leakage
 - 2.2.3 microorganisms
 - 2.2.4 normal settling, shrinking or expansion in buildings, structures or foundations



- 2.2.5 subsidence *unless* this is sudden, unintended and unexpected
- 2.2.6 computer, data processing or program error/breakdown
- *2.1-2.2 are limited to the property (or part of the property) immediately affected*
- 2.3 War risks
- 2.4 Cessation of work
- 2.5 Loss/damage arising from nationalisation, embargo, quarantine, requisition, compulsory purchase or any order of an authority, depriving you of the use or value of insured property
- 2.6 Loss/damage or costs, fines (and other penalties):
- 2.6.1 arising from the enforcement of any regulation concerning the use, reconstruction, repair or demolition of insured property
- 2.6.2 imposed on you by an authority *other than* loss/damage by an authority during a fire, not caused (wholly/partly) by war risks, for the sole purpose of retarding the fire
- 2.7 Loss/damage arising from backing up of sewers/drains or seepage of any substance
- 2.8 Mysterious disappearance (and loss discovered on inventory)
- 2.9 Theft, fraud, wrongful conversion or abstraction by you*, your employee or your bailee* *whether or not*:
- in collusion with others
 - in the course of your/his/her duties
- *including any associate or officer*
- 2.10 Loss/damage arising from the insolvency (or financial impairment) of anyone to whom your property is entrusted
- 2.11 Loss/damage arising from renovating, repairing or working on insured property - *unless* the loss/damage is caused by fire or explosion which directly arises from renovating, repairing or working on insured property.
- 2.12 Loss/damage to electronic recordings arising from electrical/magnetic interference - *other than* by lightning
- 2.13 Loss/damage arising from cessation/fluctuation/insufficiency of water, gas or electricity supplies
- 2.14 Loss/damage to personal property arising from:
- shrinkage, evaporation, loss of weight or leakage
 - marring, scratching, exposure to light or change in colour/texture/flavour *unless* caused directly by fire or combating fire
- 2.15 The following property:
- 2.15.1 land - defined here as including land values, soil, earth, spoil, unmined minerals, open pits/pitwalls and roadways - and including land on which insured property is situated. The definition of land at G6:2 does *not* apply to this paragraph (2.15.1)
- 2.15.2 naturally occurring substances including water *unless* contained in plumbing or firefighting installations
- 2.15.3 shafts, mines, tunnels, wells, ponds, earth dams, dikes, embankments and earthen structures
- 2.15.4 driveways, pavements, kerbs and culverts
- 2.15.5 buildings/structures:



- under construction (and materials/supplies for them)
- vacant or inoperative for more than 30 days (and property inside them)
- 2.15.6 power transmission/feeder lines not on your premises
- 2.15.7 signs of all types, including ornamentation and lettering
- 2.15.8 awnings and glass
- 2.15.9 property in transit
- 2.15.10 property which you have sold (or over which you have a charge) after it leaves your/your employee custody
- 2.15.11 cash/securities and valuable papers
- 2.15.12 aircraft, ships, road vehicles and railway locomotives/rolling stock
- 2.15.13 animals, plants and other living things
- 2.15.14 precious jewellery, precious stones, furs and garments
- 2.15.15 cargo
- 2.16 The following loss/damage in the countries specified below:
 - 2.16.1 *France: Catastrophes Naturelles*
Declared a natural disaster and published in the Official Journal of the French Republic
 - 2.16.2 *Germany: Sturmflut*
Flooding of dry land by storm driven waves on coastal areas into bays or inland waters connected to the ocean or sea
 - 2.16.3 *Netherlands: Flood Exclusion*
Arising from damage/overflowing of dams, dikes, floodgates, and other similar works, whether or not the resulting flood is due to an accident covered by your insurance
 - 2.16.4 *South Africa: SASRIA/Namibia: NASRIA*
Arising directly/indirectly from an from an accident for which a fund has been established under the War Damage Insurance and Compensation Act (No. 85 of 1976), commonly known as the SASRIA or NASRIA Pool
 - 2.16.5 *Spain: Consorcio de Compensacion de Seguros & Calamidad Nacional*
Arising from an accident declared within the *Consorcio* or leading to the declaration of a *Calamidad*

3 Valuation

Property will be valued for the purposes of:

- the insured value according to your declaration
- your recovery from us in the event of a claim (which will not exceed the insured value)
- 3.1 Third party property
the amount for which you are liable, not exceeding the indemnity value
- 3.2 Tenants improvements/betterments
the indemnity value if you make the improvement/betterment (you are not insured in the case of improvement/betterment by others for your use)
- 3.3 Film, tape, disc and electronic recording/storage media
 - if electronic data is restored/replaced
the cost of restoring/replacing the media to its condition before the



- loss/damage, including recreating/ assembling data, subject to a limit per accident of US\$50,000 (unless otherwise stated in your certificate)
- if electronic data is not (or cannot be) restored/replaced not exceeding the cost of the media in unexposed or blank form
- 3.4 *Documents other than as at 3.3*
not exceeding the cost of blank material plus labour costs of restoration, transcription and copying
- 3.5 *All other property*
the indemnity value
- 4 Amounts Recoverable from us - Damage**
- 4.1 Subject to 6 below, we will at our option:
- 4.1.1 replace what is damaged with equipment of the nearest (but no worse) age, type or condition or
- 4.1.2 pay reasonable repair costs - not exceeding the insured value - including reasonable costs of your own labour and materials, not exceeding the market cost
- 4.2 We will deduct:
- the value of any part or item that can be used again
 - costs of any other work done in conjunction with the repair
- 4.3 We will not be responsible for the cost of temporary repairs, or for damage arising from use of equipment in a state of temporary repair, unless we have approved the temporary repair
- 5 Amounts Recoverable from us - Total Loss**
- 5.1 *Actual total loss (ATL)*
We will pay the value:
- at the time of the accident
 - calculated as at 3 above
 - not exceeding the insured value
 - subject to 6 below
- 5.2 *Constructive total loss (CTL)*
If the reasonable costs of repair of damage sustained in one accident, calculated as at 4 above, are estimated to exceed the insured value, we will pay as at 5.1, less any salvage value
- 6 Average**
If the actual value of property at the time of an accident is greater than the value declared as at 3 above, we will pay the cost of loss/damage reduced by the percentage by which the declared value of the property is less than the actual value. This paragraph (6) applies:
- only if the declared value is less than 80% of the actual value of the property
 - separately to each item of property
- 7 Public Authorities**
- 7.1 You are insured for the additional cost of reinstatement of lost/damaged property solely to comply with a regulation, *excluding*:



- 7.1.1 Loss/damage which occurred before the commencement of your insurance
- 7.1.2 Loss/damage in respect of which notice was served on you before the loss/damage occurred
- 7.1.3 Loss/damage in respect of undamaged property (or part of property) *other than* foundations (unless foundations are excluded elsewhere under your policy)
- 7.1.4 Rates, taxes, duties, charges and assessments arising from capital appreciation arising from compliance with the regulation.
- 7.2 The reinstatement must be completed with reasonable despatch, and in any case within twelve months from the loss/damage, unless the Managers otherwise agree

8 Definition of Accident

- 8.1 For the purposes of this clause, *accident* means all individual losses or damage arising out of or directly occasioned by one event.
- 8.2 The extent of an accident is limited to 72 consecutive hours if the cause of the insured loss/damage is one of the following (or if an accident includes one or more individual losses or damage arising from one of the following):
 - storm
 - earthquake/volcanic eruption
 - strikes riots & terrorist risks (in this case the accident is also limited to one city, town or village)
- 8.3 You may choose the date and time when the period of 72 hours commences and if any event lasts longer than 72 hours you may divide it into two *accidents* provided:
 - no two periods overlap *and*
 - no period commences before your first recorded individual loss in that event during the period of your insurance
- 8.4 In the case of flood, *accident* means loss/damage, wherever occurring, arising between the movement of water into or over the insured property and its receding, regardless of the time involved *except* that no *accident* will be deemed to:
 - start before your first recorded individual loss in that accident occurring during the period of your insurance *or*
 - extend beyond 30 days after you cease to be insured
- 8.5 The definition of *accident* at G6:2 does not apply to this clause

9 SRT (Strikes Riots & Terrorist) Risks

- 9.1 You are not insured for SRT risks arising from war (including civil war, revolution, rebellion, insurrection and hostile act by/against a belligerent power)
- 9.2 The Managers may terminate your insurance for SRT risks on seven days notice - taking effect at 2400 GMT on the seventh day after issue of the notice
- 9.3 Insurance for SRT risks will automatically terminate on:
 - 9.3.1 hostile detonation of a nuclear weapon (*anywhere* - whether your equipment is involved or not)



9.3.2 war (declared or not) between permanent members of the UN Security Council

10 Debris Removal Costs

- 10.1 You are insured for the following costs in respect of insured property damaged as specified at 1 above:
- 10.1.1 debris removal from the site of the property, or immediately adjacent to it
 - 10.1.2 dismantling/demolishing the property
 - 10.1.3 shoring/propping up the property
 - 10.1.4 clearing drains/sewers
- 10.2 You are *not* insured under this paragraph 10 for costs arising from pollution/contamination
- 10.3 You are *not* insured under any other provision in your insurance for costs specified at 10.1 above
- 10.4 You are *only* insured for costs specified at 10.1 above if:
- 10.4.1 The Managers have agreed to the costs or
 - 10.4.2 The Directors decide that the costs were properly incurred

ADDITIONAL RISKS

T8 HANDLING EQUIPMENT CLAUSE

1 You are insured for:

- 1.1 Physical loss/damage of insured handling equipment *arising from*:
- any accidental cause including mechanical/electrical breakdown or malfunction
 - strikes riots & terrorist risks*
- 1.2 Your liability for general average and salvage contributions in respect of insured handling equipment (*including strikes riots & terrorist risks**)
- 1.3 **Per diem lease charges** incurred when re-delivery to the lessor of your insured leased handling equipment is:
- prevented because the equipment is a total loss or
 - delayed because you are obliged to repair it
- as a result of an insured risk *unless* the equipment is leased to you subject to a purchase option exercisable by you or for your benefit
- Special Limit (1.3): maximum of charges which you incur for 30 days from and including the original redelivery date - unless another period is specified in your certificate
- *subject to 4 and 8 below*



2 You are *not* insured under this Clause:

- 2.1* For costs of remedying/repairing:
- 2.1.1 defects in design/manufacture - or for loss/damage to property or equipment arising from the replacement, repair or rectification of property/equipment in respect of which a claim is excluded under this paragraph (2.1.1)
- 2.1.2 wear and tear
- 2.1.3 mechanical/electrical breakdown or malfunction of:
- communications equipment, alarm systems or external computers
 - equipment with market value less than US\$75,000
- 2.2* For loss/damage arising from:
- 2.2.1 inherent vice or latent defect
- 2.2.2 subsidence *unless* this is sudden, unintended and unexpected
- 2.2.3 computer, data processing or program error/breakdown
- *2.1-2.2 are limited to the equipment (or part of the equipment) immediately affected*
- 2.3 For loss/damage arising from:
- 2.3.1 mysterious disappearance (and loss discovered on inventory) - of spare parts, accessories, plant, tools or materials for maintenance/repair of equipment
- 2.3.2 nationalisation, embargo, quarantine, requisition or compulsory purchase by an authority
- 2.3.3 overload*
- 2.3.4 tests under abnormal conditions*
- 2.3.5 any modification - *unless* agreed by:
- the manufacturer or
 - an authority or
 - a surveyor approved by the Managers
- 2.3.6 erection or dismantling of equipment - *unless* for inspection, maintenance or repair (or relocation if not excluded under 2.3.7)
- 2.3.7 relocation of equipment - *other than* within the same terminal, port or depot
- * unless to comply with regulations*
- 2.4 For loss/damage or costs, fines (and other penalties):
- 2.4.1 arising from the enforcement of any regulation concerning the use, reconstruction, repair or demolition of insured equipment
- 2.4.2 imposed on you by an authority *other than* loss/damage by an authority during a fire, not caused (wholly/partly) by war risks, for the sole purpose of retarding the fire
- 2.5 For loss/damage arising from cessation/fluctuation/insufficiency of water, gas or electricity supplies
- 2.6 For loss/damage:
- 2.6.1 of an expendable/replaceable part - *unless* arising from loss/damage to the equipment which is external to the part
- 2.6.2 *while* the equipment is leased to someone else
- 2.6.3 *after* the equipment has been requisitioned



- 2.6.4 *after you cease to have an interest in the equipment*
2.6.5 *while the equipment is used with your consent by someone else
other than a stevedore handling cargo*

- 2.7 For war risks
2.8 For cessation of work

3 Declaration

- 3.1 You may add additional items subject to notifying us within 28 days of acquisition, and terms to be agreed
3.2 You will not reduce the insured value of any item during your account year
3.3 You will give us immediate notice of any change in location/working conditions which may increase the risk of a claim. If we do not agree to the increased risk, we will not be liable for resulting claims
3.4 A statement of value in your certificate reflects information which you have provided and is not binding on us for the purposes of 5.5

4 SRT (Strikes Riots & Terrorist) Risks

- 4.1 You are not insured for SRT risks arising from war (including civil war, revolution, rebellion, insurrection and hostile act by/against a belligerent power)
4.2 The Managers may terminate your insurance for SRT risks on seven days notice - taking effect at 2400 GMT on the seventh day after issue of the notice
4.3 Insurance for SRT risks will automatically terminate on:
4.3.1 hostile detonation of a nuclear weapon (*anywhere* - whether your equipment is involved or not)
4.3.2 war (declared or not) between permanent members of the UN Security Council
4.4 You are not insured *for SRT risks* if your equipment is in:

• Afghanistan	• Israel & the Palestinian Authority
• Algeria	• Lebanon
• Angola (including Cabinda)	• Libya (incl Gulf of Sidre/Sirte)
• Armenia	• Oman
• Azerbaijan	• Pakistan
• Chechnya	• Sierra Leone
• Congo	• Somalia
• Democratic Republic of Congo	• Sri Lanka
• Egypt	• Sudan
• Eritrea	• Syria
• Georgia	• Tajikistan
• Indonesia	• Turkmenistan
• Iran	• Uzbekistan
• Iraq	• Yemen (entire territory)
• Persian/Arabian Gulf (and adjacent waters including the Gulf of Oman North of 24°)	
• Gulf of Aqaba and the Red Sea	
• Territorial waters of the countries and areas listed above	



5 Amounts Recoverable from us - Damage

5.1 We will at our option:

- 5.1.1 replace what is damaged with property of the nearest (but no worse) age, type or condition *or*
- 5.1.2 pay reasonable repair costs - not exceeding the insured value - including reasonable costs of your own labour and materials, not exceeding the market cost

5.2 We will deduct:

- the value of any part that can be used again
- costs of any other work done in conjunction with the repair

5.3 We will not be responsible for the cost of temporary repairs, or for damage arising from use of equipment in a state of temporary repair, unless we have approved the temporary repair

5.4 You may commence permanent repairs immediately after notifying the Managers - provided you keep any damaged part for our inspection

5.5 If the insured value is also the *new replacement value* we will pay as at 5.1-5.3 without deduction for average. If the insured value is less than the *new replacement value* we will pay:

- cost of materials (including duties and taxes) - reduced by the percentage by which the insured value is less than the *new replacement value*
- freight charges and labour costs - without deduction for average

6 Amounts Recoverable from us - Total Loss

6.1 Actual total loss (ATL)

We pay the insured value

6.2 Constructive total loss (CTL)

If the reasonable costs of repair of damage sustained in one accident, calculated as at 5 above, are estimated to exceed the insured value, we pay the insured value as a CTL, less any salvage value

6.3 Leased equipment

Our payment will not exceed the lesser of:

- the amount you are obliged to pay under the lease
- the insured value

7 Market/Indemnity Value

7.1 If no insured value has been agreed - substitute *market value* for insured value in 5-6 above

7.2 If the equipment is over five years old - substitute indemnity value for insured value in 5-6 above. *Five years old means handed over by the manufacturer five years before the start of the account year in which the accident occurs*

8 Definition of Accident

8.1 For the purposes of this clause, *accident* means all individual losses or damage arising out of or directly occasioned by one event.

8.2 The extent of an accident is limited to 72 consecutive hours if the cause of



the insured loss/damage is one of the following (or if an accident includes one or more individual losses or damage arising from one of the following):

- storm
- earthquake/volcanic eruption
- strikes riots & terrorist risks (in this case the accident is also limited to one city, town or village)

8.3 You may choose the date and time when the period of 72 hours commences and if any event lasts longer than 72 hours you may divide it into two *accidents* provided:

- no two periods overlap *and*
- no period commences before your first recorded individual loss in that event during the period of your insurance

8.4 In the case of flood, *accident* means loss/damage, wherever occurring, arising between the movement of water into or over the insured equipment and its receding, regardless of the time involved *except* that no *accident* will be deemed to:

- start before your first recorded individual loss in that accident occurring during the period of your insurance or
- extend beyond 30 days after you cease to be insured

8.5 The definition of *accident* at G6:2 does not apply to this clause

9 Interest in Ship/Aircraft

G1:10 does not apply to this clause

ADDITIONAL RISKS

T9 BUSINESS INTERRUPTION CLAUSE

1 You are insured for:

1.1 The following arising from an accident as defined at 1.2 (and 6.1):

1.1.1 Loss of Profits

meaning here loss of *revenue* during the *indemnity period* less:

- savings from reduction in necessary expenses* during the *indemnity period*
- revenue from re-located operations*
- taxes saved in consequence of loss of revenue
- reduction of loss which would have been made possible by complete/partial resumption of operation of the equipment/property

*as a result of the accident



1.1.2 Increased Cost of Working

meaning here additional costs during the *indemnity period* solely to avoid/minimise loss of *revenue*:

- *not exceeding* the potential loss being avoided/minimised
- *excluding* costs in extinguishing a fire

1.1.3 Costs

of investigating an accident which may give rise to a claim under this clause and protecting your interests in relation to it (including legal and survey fees) - but *only* if:

- the Managers have agreed to the costs *or*
- the Directors decide that the costs were properly incurred

- 1.2 *Accident* as at 1.1 means, subject to 6.1, an accident which results in a claim for loss/damage of your insured handling equipment/property, which we accept, or which we would have accepted except for the applicable deductible *and* which results in your (wholly/partly) being unable to provide your insured services

2 You are *not* insured under this Clause for:

- 2.1 Your liability for sales tax
- 2.2 War risks
- 2.3 Cessation of work
- 2.4 Risks arising* from subsidence *unless* this is sudden, unintended and unexpected
- 2.5 Risks arising* from faulty repairs - the burden of proof on you if there is a dispute on this point
- 2.6 Increases in loss arising from suspension, lapse or cancellation of a lease, licence, contract or order *unless* arising directly from insured business interruption and then only to the extent that this affects gross earnings during the *indemnity period*
- 2.7 Increases in loss arising from enforcement of a regulation relating to the use, reconstruction, repair or damage of insured equipment/property
- 2.8 Loss of market
**directly/indirectly*

3 Definitions

- 3.1 *Revenue* means monies which you receive for providing insured services. We will take account of the previous experience of your operations and probable future experience if no loss/damage had occurred
- 3.2 *Indemnity period* means here:
 - 3.2.1 the period reasonably necessary to repair, rebuild or replace the lost/damaged equipment/property, not exceeding 12 months from the date of the accident - unless otherwise stated in your certificate (subject to 3.2.2)
 - 3.2.2 in the case of loss/damage of media/records for electronic data processing or electronically controlled equipment, and data on these, the *indemnity period* will not exceed the greater of:



- 30 consecutive days or the time reasonably necessary to reproduce the data from duplicates/originals - whichever is the less
- the time reasonably required to rebuild, repair or replace any other lost/damaged insured equipment/property - not exceeding 12 months

4 Loss Prevention

You will give us immediate notice of any change in reserve property or equipment or other factor, which existed at the start of the insurance, and which could have reduced the risk of a claim under this clause. If we do not agree to the change in risk, we will not be liable for claims caused or increased by it

5 On Account Payment

- 5.1 We may at your request make payments on account during the *indemnity period* provided you produce sufficient evidence to allow us to estimate your loss
- 5.2 You will immediately repay to us payments on account if, for any reason, you have been overpaid or the claim turns out to be invalid

6 References to T7/T8

- 6.1 The definition of *Accident* at T8:8* applies also to this Clause
- 6.2 The provisions concerning SRT risks at T8:4* apply also to this Clause
**or T7:8/T7:9 if the accident as specified at 1.2 above results in a claim to insured property*

7 Limits

- 7.1 Special limit: US\$50,000
each accident and in the aggregate each account year - unless otherwise stated in your certificate
- 7.2 Without prejudice to G1:6, your total claim will not exceed any general or special limit which applies, regardless of the number of locations affected by business interruption arising from one accident

ADDITIONAL RISKS

T10 CARRYING EQUIPMENT CLAUSE

1 You are insured for:

- 1.1 Physical loss/damage of insured carrying equipment arising from:
- any accidental cause
 - war/strikes riots & terrorist risks*
- 1.2 Your liability for general average and salvage contributions in respect of insured carrying equipment (*including war/strikes riots & terrorist risks**)
**subject to 5 below*



2 You are *not* insured under this Clause:

- 2.1 For costs of remedying/repairing:
 - 2.1.1 defects in design/manufacture - or for loss/damage to property or equipment arising from the replacement, repair or rectification of property/equipment in respect of which a claim is excluded under this paragraph (2.1.1)
 - 2.1.2 wear and tear
 - 2.1.3 mechanical/electrical breakdown or malfunction
- 2.2 For loss/damage arising from:
 - 2.2.1 mysterious disappearance (and loss discovered on inventory)
 - 2.2.2 order of any authority
 - 2.2.3 nationalisation, embargo, requisition or compulsory purchase by an authority
- 2.3 For loss/damage to lights, winding handles, tyres/wheels of a chassis/trailer unless due to loss of the chassis/trailer or to an accident also damaging another part of the chassis/trailer
- 2.4 For risks:
 - 2.4.1 while the equipment is leased to someone else
 - 2.4.2 after the equipment has been requisitioned
 - 2.4.3 after you cease to have an interest in the equipment
- 2.5 For loss/damage - except actual total loss - to equipment valued as at 6 below at less than:
 - US\$5000: reefer/tank container or trailer; rail wagon
 - US\$3000: trailer
 - US\$1000: all other carrying equipment

3 Declaration

- 3.1 You will show in your declaration the number of items - and aggregate insured value on the adjustment date - of each type of carrying equipment
- 3.2 You will not reduce the insured value of any item during your account year

4 Container Stowage & Securing System

The Directors may reduce or reject a claim arising from container stowage on a ship which you own or charter *to the extent that* the claim is incurred or increased by:

- 4.1 your failure to adhere to the relevant provisions of the SOLAS Convention, IMDG Code or any other IMO Code *or*
- 4.2 a stowage/securing system which is deficient *unless* the system:
 - complies with classification society recommendations *or*
 - has been approved by an organisation approved by the Managers *or* you have taken other reasonable measures to ensure the system was appropriate

5 War/SRT(Strokes Riots & Terrorist) Risks

- 5.1 CTL (Constructive Total Loss)
If you are deprived by capture or seizure* of possession of equipment for a continuous period of 12 months, it will be regarded as a constructive total



TRANSPORT OPERATOR COVER

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STANDARD RISKS

T1 CARGO LIABILITIES CLAUSE

1 You are insured for:

Your liability for physical loss/damage of cargo and consequential loss arising from this

2 You are *not* insured under this Clause:

- 2.1 To the extent that your liability is incurred/increased by:
- 2.1.1 a declaration of value by your customer
 - 2.1.2 an incorrect statement in or omission from any bill of lading*
 - 2.1.3 package/unit enumeration in your subcontractor's bill of lading* for sea carriage which fails to correspond with the enumeration in your bill of lading*
- *or other contract of carriage or handling documentation*
- 2.2 For liabilities in respect of bullion, precious stones or cash/securities
- 2.3 For liabilities arising from unexplained losses discovered on inventory/stocktaking

3 Approved Contracts

- 3.1 You are *only* insured for liabilities arising under:
- a compulsorily applicable transport law or convention or
 - a contract in your Approved Contracts Schedule
- 3.2 If:
- it is established by a court or
 - the Managers agree settlement on the basis
- that you are not entitled to rely on any defence or limitation of liability provided for in a law, convention or contract specified at 3.1, you are insured against the resulting liability (subject to the terms of your insurance)

4 Uninsured Subcontractors

You are not insured for liabilities arising from the carriage of cargo within the following territories:

- Afghanistan
- Iran
- Lebanon
- Syria
- Yemen (entire territory)
- Africa (*except* Republic of South Africa)
- Commonwealth of Independent States (CIS)

to the extent that the claim is incurred or increased by the fact that your subcontractor is uninsured unless:
before the accident giving rise to the claim, you obtain written confirmation



from the subcontractor insurer or broker that the subcontractor is fully insured, *on* the date of the accident, for its liability to you under any contract *and* under any applicable mandatory law

5 Commonwealth of Independent States (CIS)

5.1 You are not insured for any liability arising from delivery of cargo within the CIS to a person not entitled to receive it unless:

- *if you are the actual carrier*, you comply with 5.1.1-5.1.3
- *if you are not the actual carrier*, you take all reasonable steps to ensure that 5.1.1-5.1.3 are complied with

5.1.1 Your customer provides in writing

- the precise location of the point of delivery *and*
- the identity of the person authorised to receive the cargo *and*
- details of authorisation which the person will produce

5.1.2 You give written notice to your customer that you will not be liable for claims arising from failure to give correct information as at 5.1

5.1.3 On delivery:

- the cargo is delivered as at 5.1 and authorisation, endorsed with the consignee stamp, is obtained as specified at 5.1 *and*
- the passport number of the person receiving the cargo is noted, and compared with his/her passport *and*
- the number of any vehicle used by the person receiving the cargo is noted

5.2 You are not insured for any liability arising from compliance by you/your employee with instructions to deal with the cargo in the CIS *other than* from:

- someone authorised as at 5.1.1 *or*
- an authority

unless compliance was reasonable in the circumstances (the burden of proof of this is on you)

5.3 You are not insured for liabilities arising from the carriage of cargo within the following territories:

- Abkhazia
- Chechnya
- Dagestan
- Ingushetia
- Kabardino-Balkariya
- Nagorno Karabakh
- Osetia (North and South)
- Tajikistan

6 Iraq

You are only insured for liabilities arising from carriage of goods to Iraq if:

6.1 The carriage within Iraq is subcontracted, or arranged as stated at 6.2.2, *and*

6.2 You contract with your customer on the following terms:

6.2.1 You will have full benefit of all rights, limitations and exclusions of



liability available to your subcontractor in its contract with you *and* your liability will not exceed the amount, if any, which you recover from the subcontractor *or*

- 6.2.2 You act only as your customer agent in obtaining the services of a carrier in Iraq *and* you are not liable for any loss, damage or claim which does not directly arise from your own negligent act or omission

7 Personal Effects

You are *only* insured for liabilities in respect of personal effects *if*:

- you could not, with reasonable care, have known that the consignment consisted of personal effects *or*
- your customer is a transport operator *or*
- you specifically offer in writing to arrange cargo insurance

8 Special Limit: Valuable Cargoes

Unless otherwise stated in your certificate, a special limit of US\$100,000 each accident applies to claims in respect of:

- processed tobacco/tobacco products
- bottled spirits
- precious jewellery/precious metal
- valuable works of art
- thoroughbred horses
- computers/handheld electronic products/mobile telephones (and electronic components of these)

STANDARD RISKS

T2 ERRORS & OMISSIONS LIABILITIES CLAUSE

1 You are insured for:

Your liability for:

- 1.1 Financial loss incurred by your customer arising from:
- 1.1.1 delay in performing your contractual obligations
 - 1.1.2 failure to perform your contractual obligations - but *not* for liabilities for financial loss arising from physical loss/damage of cargo or property
- 1.2 Financial loss incurred by:
- 1.2.1 your customer *or*
 - 1.2.2 the person entitled to delivery under a bill of lading* arising from delivery of cargo contrary to your contractual obligations
- 1.3 Physical loss/damage of cargo - to the extent that your liability is incurred or increased by an incorrect statement or omission in any bill of lading*
*or other contract of carriage or handling documentation



2. You are *not* insured under this Clause:

- 2.1 to the extent that your liability for delay is increased by special instructions by your customer
- 2.2 for your own operational loss (unless in mitigation of a claim as specified at T5:1.1)

3 Intentional or Reckless Conduct

The Directors may reduce or reject a claim if it appears to them that you or your employee have acted (or failed to act) intentionally or recklessly. In exercising this discretion the Directors may, among other things, consider your corporate systems/procedures.

4 References to T1

The following paragraphs of T1 also apply:

- 4.1 2.1.3 Package enumeration
- 4.2 2.2 Valuable cargo (exclusions)
- 4.3 2.3 Inventory/stocktaking
- 4.4 3 Approved contracts
- 4.5 4 Uninsured subcontractors
- 4.6 5 Commonwealth of Independent States
- 4.7 6 Iraq
- 4.8 7 Personal effects
- 4.9 8 Valuable cargo (special limit)

5 Special Limit

Special limit: US\$100,000

each accident and in the aggregate each account year - unless otherwise stated in your certificate

STANDARD RISKS

T3 THIRD PARTY LIABILITIES CLAUSE

1 You are insured for:

Your liability:

- 1.1 For physical loss/damage of third party property
- 1.2 For death, injury or illness of any third party
You are *not* insured for your liability to your employee except as stated at 3 below.
You are not insured *in any case* as specified at 2.3
- 1.3* To compensate a third party for *its* liability:
 - 1.3.1 for physical loss/damage of third party property



- 1.3.2 for death or injury of any third party, *including* your employee
unless excluded at 2.3
- 1.4* To compensate:
- 1.4.1 a third party for its own third party liabilities *if* your liability arises solely under a contract:
- for lease/sale of equipment for use in your insured services or
 - with your subcontractor or joint service/venture partner or
- 1.4.2 your subcontractor or joint service/venture partner for physical loss/damage to its own property *if* your liability arises solely under a contract with the subcontractor or joint service/venture partner
- 1.5 For consequential loss arising from 1.1-1.3 and 1.4.1
**you are insured under 1.3 and 1.4 for your contractual liability only*

2 You are *not* insured under this Clause for liabilities:

- 2.1 incurred under a provision in a contract that you incur liability without your fault or negligence
- 2.2 which are liquidated damages
- 2.3 for death, injury or illness of your employee which you incur as an employer
- 2.4 which would normally be insured under an Employers Liability insurance - except as specified at 1.4 or 3
- 2.5 arising from ownership, lease or operation by you/your employee of a road vehicle which is required to be licensed
- 2.6 arising from an accident in USA/Canada involving your* chassis/trailer for use on public roads
- 2.7 in respect of your* equipment leased to someone else *other than* to your joint service/venture partner for use in the joint service
- 2.8 in respect of your handling equipment used with your consent by someone else
- 2.9 in respect of your* carrying equipment *not* insured for loss or damage
- 2.10 as owner/lessee of land which is *not* an insured location
- 2.11 arising from erection or dismantling of insured handling equipment - *unless* for inspection, maintenance or repair (or relocation if not excluded under 2.12)
- 2.12 arising from relocation of insured handling equipment - *other than* within the same terminal, port or depot
- 2.13 which are *contractual* liabilities to compensate someone else for physical loss/damage to your* property
**owned or leased*

3 Employees

The following are insured as specified at 1.2:

- The *assured* for liabilities directly to an employee of a joint assured and *conversely*
- A *joint assured* for liabilities directly to an employee of the assured or another joint assured



- 4 Transfer of Interest in Equipment under Contract of Sale**
You are *only* insured for liabilities in respect of equipment after your interest in it has been transferred under a contract of sale *if*:
- 4.1 we insured it immediately before the transfer *and*
- 4.2 the contract of sale:
- provides that the equipment is sold "as is where is" *and*
 - includes no warranty except that the equipment is as described and that the purchaser has quiet use *and*
 - expressly excludes any other warranty, including fitness of use and merchantability
- and*
- 4.3 the accident occurs during your period of insurance. The date of the accident for these purposes is the date of the loss/damage (or death, injury or illness) - not the date of sale
- 5 Limit of Liability**
In the event that it is held in any court or tribunal that, under the applicable law, anyone, other than the assured, a named joint assured or co-assured, using or legally responsible for the use of a chassis or trailer, is entitled to be insured under this insurance, then the general limit of liability for this insurance for such a person will not exceed the minimum insurance requirements under the applicable law for injury to or death of a person or damage to property.
- 6 Special Limits**
Special limit: US\$1,000,000 - each accident and in the aggregate each account year - unless otherwise stated in your certificate applies to claims:
- 6.1 under 1.3.2 & 3 above (and consequential loss arising from these claims under 1.5)
- 6.2 in USA arising from host liquor

STANDARD RISKS

T4 FINES & DUTY CLAUSE

1 You are insured for:

- 1.1 **The following arising from a breach of regulations specified at 1.2:**
- 1.1.1 Your liability for:
- Fines and other penalties
 - Duty and sales/excise tax and similar fiscal charges imposed on you (or anyone acting for you) by an authority *and* which would not have been payable except for the breach of regulations specified at 1.2
- 1.1.2 Confiscation by an authority of property including your insured equipment



- 1.2 **The regulations referred to at 1.1 relate to:**
- 1.2.1 import/export and carriage of cargo, conveyances or equipment
 - 1.2.2 immigration
 - 1.2.3 safety at work
 - 1.2.4 security/anti-terrorism
 - 1.2.5 pollution - *only* if arising from physical loss/damage of cargo or equipment

2 **You are *not* insured under this Clause:**

- 2.1 *in respect of* regulations relating to tariffs, competition or regulation of companies
- 2.2 *in respect of* your owned/leased carrying equipment *not* insured for loss/damage
- 2.3 *for* liability/confiscation arising from your making your customs bond/guarantee available to another operator - *unless* this arises from:
 - assistance which the operator provides to you in your insured services or
 - insured services which you provide to the operator

3 **Joint Service/Venture Partner**

You are also insured for your liability to compensate your joint service/venture partner for its liability as specified at 1 above which arises from your failure to perform your contractual obligations

4 **Intentional or Reckless Conduct**

The Directors may reduce or reject a claim for breach of regulations if it appears to them that you or your employee have acted (or failed to act) intentionally or recklessly

5 **Illegality**

If insurance for any of the matters specified at 1 above is held to be illegal, this will apply only to the matters concerned and will not affect other insurance under this clause or elsewhere in your policy

6 **References to T1**

The following paragraphs of T1 also apply:

- 6.1 2.2 Valuable cargo (exclusions)
- 6.2 4 Uninsured subcontractors
- 6.3 5 Commonwealth of Independent States
- 6.4 6 Iraq
- 6.5 8 Valuable cargo (special limit)



7 Special Limit

Special limit: US\$100,000 - each accident and in the aggregate each account year - unless otherwise stated in your certificate as follows:

- 7.1 all claims under this clause, except as specified at 7.2
- 7.2 for liability/confiscation arising from your customer failure to pay properly assessed duty/tax - either to an authority or to you

STANDARD RISKS

T5 COSTS CLAUSE

1 You are insured for:

The following costs:

- 1.1 **Mitigation**
Costs of minimising a claim under your policy
- 1.2 **Investigation & Defence**
Costs arising from investigating an accident which may give rise to a claim under this cover and protecting your interests in relation to it (including legal and survey fees) - including the costs of recovering a debt if payment is withheld solely because of a claim under this cover
- 1.3 **Disposal**
Costs, additional to costs which you would have incurred in any event, of disposing of cargo or insured equipment/property after an accident to it
- 1.4 **Quarantine & Disinfection** (including fumigation) - other than in the normal course of business
- 1.5 **Misdirection**
Extra costs incurred in sending misdirected cargo to the correct destination - calculated as at 5 below
- 1.6 **General average & Salvage**
Cargo's contribution for which you are liable and which you cannot recover from your customer
- 1.7 **Uncollected Cargo**
Extra costs incurred solely by the total failure of the consignee to collect or remove cargo at the place of delivery *less*:
 - costs which you would have incurred in any event
 - proceeds from sale of cargo
 - sums which you can recover from anyone else
- 1.8 **Completion of carriage**
Costs, additional to costs which you would have incurred in any event, incurred to complete your contractual obligation to transport the cargo to the place of delivery - and arising solely from the failure of your subcontractor (or person acting on its behalf) to pay its debts (or pay promptly)



2 Approval/Agreement

Except for costs specified at 1.6, you are only insured if:

- 2.1 The Managers have agreed to the costs *or*
- 2.2 The Directors decide that the costs were properly incurred

3 Limits

Unless otherwise stated in your certificate claims are subject to limits as below:

- 1.1-1.2: as for the claim being investigated/defended, or mitigated, and costs will be included in this claim for this purpose
- 1.3-1.6: your general limit
- 1.7-1.8: US\$25,000 each accident and in the aggregate each account year

4 Deductibles

Unless otherwise stated in your certificate claims are subject to deductibles as below:

- 1.1: as for the claim being mitigated
- 1.2-1.8: nil

5 Calculation of Misdirection Costs

- 5.1 Misdirection costs are calculated as follows:

- costs of carriage of cargo from the place at which you originally received it to the place where it was misdirected *plus*
- costs of carriage from the place to which it was misdirected to the correct place *less*
- freight and other charges due to you for the carriage

- 5.2 Carriage from the place to which the cargo was misdirected to the correct place will *not* be by air *unless*:

- the original carriage was agreed to be by air *or*
- the Managers agree

- 5.3 Where the costs as calculated above do not exceed a minimum of US\$500, there is no claim under this clause

6 General Average & Salvage Guarantees

- 6.1 We may assist you in releasing cargo lien for general average or salvage contributions - usually by:

- arranging for cargo underwriters to give the necessary guarantee *or*
- ourselves giving a guarantee

- 6.2 When we give a guarantee you will obtain:

- a completed valuation form for the cargo *and*
- prior to delivery of the cargo, counter security acceptable to us from the consignee or its cargo underwriters



STANDARD RISKS

T6 DISCRETIONARY INSURANCE CLAUSE

1 You are insured as follows:

In addition to insurance under other clauses the Directors may in their discretion decide that we will reimburse you for risks incurred:

- 1.1 incidental to insured services
- 1.2 in case of interference by an international organisation or authority, which the Directors consider is unwarranted or requires investigation
- 1.3 where the Directors by special direction consider this in our interests, or those of our members

ADDITIONAL RISKS

T7 PROPERTY: PHYSICAL LOSS & DAMAGE CLAUSE

1 You are insured for:

Direct physical loss/damage of insured property as specified below from any accidental cause:

- 1.1 Buildings and infrastructure
- 1.2 Plant, machinery, fixtures and fittings

2 You are not insured under this Clause for:

2.1* Loss/damage arising from:

- 2.1.1 defects in design/manufacture - or for loss/damage to property or equipment arising from the replacement, repair or rectification of property/equipment in respect of which a claim is excluded under this paragraph (2.1.1) - *other than* loss/damage which directly arises from fire/explosion arising from this
- 2.1.2 the following in respect of equipment which you own or operate:
 - mechanical/electrical breakdown or malfunction
 - implosion/explosion of boilers or pressure/vacuum vessels
 - operation of relief valves or safety devices
- 2.1.3 insects/vermin
- 2.1.4 inherent vice or latent defect
- 2.1.5 atmospheric conditions (dampness, dryness, extremes/changes of temperature), condensation or fog/smog

2.2* The following:

- 2.2.1 wear and tear
- 2.2.2 rot, spoilage, decay, decomposition or leakage
- 2.2.3 microorganisms
- 2.2.4 normal settling, shrinking or expansion in buildings, structures or foundations



- 2.2.5 subsidence *unless* this is sudden, unintended and unexpected
- 2.2.6 computer, data processing or program error/breakdown
- *2.1-2.2 are limited to the property (or part of the property) immediately affected*
- 2.3 War risks
- 2.4 Cessation of work
- 2.5 Loss/damage arising from nationalisation, embargo, quarantine, requisition, compulsory purchase or any order of an authority, depriving you of the use or value of insured property
- 2.6 Loss/damage or costs; fines (and other penalties):
- 2.6.1 arising from the enforcement of any regulation concerning the use, reconstruction, repair or demolition of insured property
- 2.6.2 imposed on you by an authority *other than* loss/damage by an authority during a fire, not caused (wholly/partly) by war risks, for the sole purpose of retarding the fire
- 2.7 Loss/damage arising from backing up of sewers/drains or seepage of any substance
- 2.8 Mysterious disappearance (and loss discovered on inventory)
- 2.9 Theft, fraud, wrongful conversion or abstraction by you*, your employee or your bailee* *whether or not*:
- in collusion with others
 - in the course of your/his/her duties
- *including any associate or officer*
- 2.10 Loss/damage arising from the insolvency (or financial impairment) of anyone to whom your property is entrusted
- 2.11 Loss/damage arising from renovating, repairing or working on insured property - *unless* the loss/damage is caused by fire or explosion which directly arises from renovating, repairing or working on insured property.
- 2.12 Loss/damage to electronic recordings arising from electrical/magnetic interference - *other than* by lightning
- 2.13 Loss/damage arising from cessation/fluctuation/insufficiency of water, gas or electricity supplies
- 2.14 Loss/damage to personal property arising from:
- shrinkage, evaporation, loss of weight or leakage
 - marring, scratching, exposure to light or change in colour/texture/flavour
- unless* caused directly by fire or combating fire
- 2.15 The following property:
- 2.15.1 land - defined here as including land values, soil, earth, spoil, unmined minerals, open pits/pitwalls and roadways - and including land on which insured property is situated. The definition of land at G6:2 does *not* apply to this paragraph (2.15.1)
- 2.15.2 naturally occurring substances including water *unless* contained in plumbing or firefighting installations
- 2.15.3 shafts, mines, tunnels, wells, ponds, earth dams, dikes, embankments and earthen structures
- 2.15.4 driveways, pavements, kerbs and culverts
- 2.15.5 buildings/structures:



- under construction (and materials/supplies for them)
- vacant or inoperative for more than 30 days (and property inside them)
- 2.15.6 power transmission/feeder lines not on your premises
- 2.15.7 signs of all types, including ornamentation and lettering
- 2.15.8 awnings and glass
- 2.15.9 property in transit
- 2.15.10 property which you have sold (or over which you have a charge) after it leaves your/your employee custody
- 2.15.11 cash/securities and valuable papers
- 2.15.12 aircraft, ships, road vehicles and railway locomotives/rolling stock
- 2.15.13 animals, plants and other living things
- 2.15.14 precious jewellery, precious stones, furs and garments
- 2.15.15 cargo
- 2.16 The following loss/damage in the countries specified below:
 - 2.16.1 *France: Catastrophes Naturelles*
Declared a natural disaster and published in the Official Journal of the French Republic
 - 2.16.2 *Germany: Sturmflut*
Flooding of dry land by storm driven waves on coastal areas into bays or inland waters connected to the ocean or sea
 - 2.16.3 *Netherlands: Flood Exclusion*
Arising from damage/overflowing of dams, dikes, floodgates, and other similar works, whether or not the resulting flood is due to an accident covered by your insurance
 - 2.16.4 *South Africa: SASRIA/Namibia: NASRIA*
Arising directly/indirectly from an from an accident for which a fund has been established under the War Damage Insurance and Compensation Act (No. 85 of 1976), commonly known as the SASRIA or NASRIA Pool
 - 2.16.5 *Spain: Consorcio de Compensacion de Seguros & Calamidad Nacional*
Arising from an accident declared within the *Consorcio* or leading to the declaration of a *Calamidad*

3 Valuation

Property will be valued for the purposes of:

- the insured value according to your declaration
- your recovery from us in the event of a claim (which will not exceed the insured value)
- 3.1 Third party property
the amount for which you are liable, not exceeding the indemnity value
- 3.2 Tenants improvements/betterments
the indemnity value if you make the improvement/betterment (you are not insured in the case of improvement/betterment by others for your use)
- 3.3 Film, tape, disc and electronic recording/storage media
 - if electronic data is restored/replaced
the cost of restoring/replacing the media to its condition before the



- loss/damage, including recreating/ assembling data, subject to a limit per accident of US\$50,000 (unless otherwise stated in your certificate)
- if electronic data is not (or cannot be) restored/replaced not exceeding the cost of the media in unexposed or blank form
- 3.4 *Documents other than as at 3.3*
not exceeding the cost of blank material plus labour costs of restoration, transcription and copying
- 3.5 *All other property*
the indemnity value
- 4 Amounts Recoverable from us - Damage**
- 4.1 Subject to 6 below, we will at our option:
- 4.1.1 replace what is damaged with equipment of the nearest (but no worse) age, type or condition or
- 4.1.2 pay reasonable repair costs - not exceeding the insured value - including reasonable costs of your own labour and materials, not exceeding the market cost
- 4.2 We will deduct:
- the value of any part or item that can be used again
 - costs of any other work done in conjunction with the repair
- 4.3 We will not be responsible for the cost of temporary repairs, or for damage arising from use of equipment in a state of temporary repair, unless we have approved the temporary repair
- 5 Amounts Recoverable from us - Total Loss**
- 5.1 *Actual total loss (ATL)*
We will pay the value:
- at the time of the accident
 - calculated as at 3 above
 - not exceeding the insured value
 - subject to 6 below
- 5.2 *Constructive total loss (CTL)*
If the reasonable costs of repair of damage sustained in one accident, calculated as at 4 above, are estimated to exceed the insured value, we will pay as at 5.1, less any salvage value
- 6 Average**
If the actual value of property at the time of an accident is greater than the value declared as at 3 above, we will pay the cost of loss/damage reduced by the percentage by which the declared value of the property is less than the actual value. This paragraph (6) applies:
- only if the declared value is less than 80% of the actual value of the property
 - separately to each item of property
- 7 Public Authorities**
- 7.1 You are insured for the additional cost of reinstatement of lost/damaged property solely to comply with a regulation, *excluding*:



- 7.1.1 Loss/damage which occurred before the commencement of your insurance
- 7.1.2 Loss/damage in respect of which notice was served on you before the loss/damage occurred
- 7.1.3 Loss/damage in respect of undamaged property (or part of property) *other than* foundations (unless foundations are excluded elsewhere under your policy)
- 7.1.4 Rates, taxes, duties, charges and assessments arising from capital appreciation arising from compliance with the regulation.
- 7.2 The reinstatement must be completed with reasonable despatch, and in any case within twelve months from the loss/damage, unless the Managers otherwise agree

8 Definition of Accident

- 8.1 For the purposes of this clause, *accident* means all individual losses or damage arising out of or directly occasioned by one event.
- 8.2 The extent of an accident is limited to 72 consecutive hours if the cause of the insured loss/damage is one of the following (or if an accident includes one or more individual losses or damage arising from one of the following):
 - storm
 - earthquake/volcanic eruption
 - strikes riots & terrorist risks (in this case the accident is also limited to one city, town or village)
- 8.3 You may choose the date and time when the period of 72 hours commences and if any event lasts longer than 72 hours you may divide it into two *accidents* provided:
 - no two periods overlap *and*
 - no period commences before your first recorded individual loss in that event during the period of your insurance
- 8.4 In the case of flood, *accident* means loss/damage, wherever occurring, arising between the movement of water into or over the insured property and its receding, regardless of the time involved *except* that no *accident* will be deemed to:
 - start before your first recorded individual loss in that accident occurring during the period of your insurance *or*
 - extend beyond 30 days after you cease to be insured
- 8.5 The definition of *accident* at G6:2 does not apply to this clause

9 SRT (Strikes Riots & Terrorist) Risks

- 9.1 You are not insured for SRT risks arising from war (including civil war, revolution, rebellion, insurrection and hostile act by/against a belligerent power)
- 9.2 The Managers may terminate your insurance for SRT risks on seven days notice - taking effect at 2400 GMT on the seventh day after issue of the notice
- 9.3 Insurance for SRT risks will automatically terminate on:
 - 9.3.1 hostile detonation of a nuclear weapon (*anywhere* - whether your equipment is involved or not)



9.3.2 war (declared or not) between permanent members of the UN Security Council

10 Debris Removal Costs

- 10.1 You are insured for the following costs in respect of insured property damaged as specified at 1 above:
- 10.1.1 debris removal from the site of the property, or immediately adjacent to it
 - 10.1.2 dismantling/demolishing the property
 - 10.1.3 shoring/propping up the property
 - 10.1.4 clearing drains/sewers
- 10.2 You are *not* insured under this paragraph 10 for costs arising from pollution/contamination
- 10.3 You are *not* insured under any other provision in your insurance for costs specified at 10.1 above
- 10.4 You are *only* insured for costs specified at 10.1 above if:
- 10.4.1 The Managers have agreed to the costs *or*
 - 10.4.2 The Directors decide that the costs were properly incurred

ADDITIONAL RISKS

T8 HANDLING EQUIPMENT CLAUSE

1 You are insured for:

- 1.1 Physical loss/damage of insured handling equipment *arising from*:
- any accidental cause including mechanical/electrical breakdown or malfunction
 - strikes riots & terrorist risks*
- 1.2 Your liability for general average and salvage contributions in respect of insured handling equipment (*including strikes riots & terrorist risks**)
- 1.3 **Per diem lease charges**
incurred when re-delivery to the lessor of your insured leased handling equipment is:
- prevented because the equipment is a total loss *or*
 - delayed because you are obliged to repair it
- as a result of an insured risk *unless* the equipment is leased to you subject to a purchase option exercisable by you or for your benefit
- Special Limit (1.3): maximum of charges which you incur for 30 days from and including the original redelivery date - unless another period is specified in your certificate
- *subject to 4 and 8 below*



2 You are *not* insured under this Clause:

- 2.1* For costs of remedying/repairing:
- 2.1.1 defects in design/manufacture - or for loss/damage to property or equipment arising from the replacement, repair or rectification of property/equipment in respect of which a claim is excluded under this paragraph (2.1.1)
 - 2.1.2 wear and tear
 - 2.1.3 mechanical/electrical breakdown or malfunction of:
 - communications equipment, alarm systems or external computers
 - equipment with market value less than US\$75,000
- 2.2* For loss/damage arising from:
- 2.2.1 inherent vice or latent defect
 - 2.2.2 subsidence *unless* this is sudden, unintended and unexpected
 - 2.2.3 computer, data processing or program error/breakdown
- *2.1-2.2 are limited to the equipment (or part of the equipment) immediately affected*
- 2.3 For loss/damage arising from:
- 2.3.1 mysterious disappearance (and loss discovered on inventory) - of spare parts, accessories, plant, tools or materials for maintenance/repair of equipment
 - 2.3.2 nationalisation, embargo, quarantine, requisition or compulsory purchase by an authority
 - 2.3.3 overload*
 - 2.3.4 tests under abnormal conditions*
 - 2.3.5 any modification - *unless* agreed by:
 - the manufacturer or
 - an authority or
 - a surveyor approved by the Managers
 - 2.3.6 erection or dismantling of equipment - *unless* for inspection, maintenance or repair (or relocation if not excluded under 2.3.7)
 - 2.3.7 relocation of equipment - *other than* within the same terminal, port or depot
- * unless to comply with regulations*
- 2.4 For loss/damage or costs, fines (and other penalties):
- 2.4.1 arising from the enforcement of any regulation concerning the use, reconstruction, repair or demolition of insured equipment
 - 2.4.2 imposed on you by an authority *other than* loss/damage by an authority during a fire, not caused (wholly/partly) by war risks, for the sole purpose of retarding the fire
- 2.5 For loss/damage arising from cessation/fluctuation/insufficiency of water, gas or electricity supplies
- 2.6 For loss/damage:
- 2.6.1 of an expendable/replaceable part - *unless* arising from loss/damage to the equipment which is external to the part
 - 2.6.2 *while* the equipment is leased to someone else
 - 2.6.3 *after* the equipment has been requisitioned



- 2.6.4 *after* you cease to have an interest in the equipment
2.6.5 *while* the equipment is used with your consent by someone else
other than a stevedore handling cargo
2.7 For war risks
2.8 For cessation of work

3 Declaration

- 3.1 You may add additional items subject to notifying us within 28 days of acquisition, and terms to be agreed
3.2 You will not reduce the insured value of any item during your account year
3.3 You will give us immediate notice of any change in location/working conditions which may increase the risk of a claim. If we do not agree to the increased risk, we will not be liable for resulting claims
3.4 A statement of value in your certificate reflects information which you have provided and is not binding on us for the purposes of 5.5

4 SRT (Strikes Riots & Terrorist) Risks

- 4.1 You are not insured for SRT risks arising from war (including civil war, revolution, rebellion, insurrection and hostile act by/against a belligerent power)
4.2 The Managers may terminate your insurance for SRT risks on seven days notice - taking effect at 2400 GMT on the seventh day after issue of the notice
4.3 Insurance for SRT risks will automatically terminate on:
4.3.1 hostile detonation of a nuclear weapon (*anywhere* - whether your equipment is involved or not)
4.3.2 war (declared or not) between permanent members of the UN Security Council
4.4 You are not insured *for SRT risks* if your equipment is in:

• Afghanistan	• Israel & the Palestinian Authority
• Algeria	• Lebanon
• Angola (including Cabinda)	• Libya (incl Gulf of Sidre/Sirte)
• Armenia	• Oman
• Azerbaijan	• Pakistan
• Chechnya	• Sierra Leone
• Congo	• Somalia
• Democratic Republic of Congo	• Sri Lanka
• Egypt	• Sudan
• Eritrea	• Syria
• Georgia	• Tajikistan
• Indonesia	• Turkmenistan
• Iran	• Uzbekistan
• Iraq	• Yemen (entire territory)

 - Persian/Arabian Gulf (and adjacent waters including the Gulf of Oman North of 24°)
 - Gulf of Aqaba and the Red Sea
 - Territorial waters of the countries and areas listed above



5 Amounts Recoverable from us - Damage

5.1 We will at our option:

- 5.1.1 replace what is damaged with property of the nearest (but no worse) age, type or condition or
- 5.1.2 pay reasonable repair costs - not exceeding the insured value - including reasonable costs of your own labour and materials, not exceeding the market cost

5.2 We will deduct:

- the value of any part that can be used again
- costs of any other work done in conjunction with the repair

5.3 We will not be responsible for the cost of temporary repairs, or for damage arising from use of equipment in a state of temporary repair, unless we have approved the temporary repair

5.4 You may commence permanent repairs immediately after notifying the Managers - provided you keep any damaged part for our inspection

5.5 If the insured value is also the *new replacement value* we will pay as at 5.1-5.3 without deduction for average. If the insured value is less than the *new replacement value* we will pay:

- cost of materials (including duties and taxes) - reduced by the percentage by which the insured value is less than the *new replacement value*
- freight charges and labour costs - without deduction for average

6 Amounts Recoverable from us - Total Loss

6.1 Actual total loss (ATL)

We pay the insured value

6.2 Constructive total loss (CTL)

If the reasonable costs of repair of damage sustained in one accident, calculated as at 5 above, are estimated to exceed the insured value, we pay the insured value as a CTL, less any salvage value

6.3 Leased equipment

Our payment will not exceed the lesser of:

- the amount you are obliged to pay under the lease
- the insured value

7 Market/Indemnity Value

7.1 If no insured value has been agreed - substitute *market value* for insured value in 5-6 above

7.2 If the equipment is over five years old - substitute indemnity value for insured value in 5-6 above. *Five years old* means *handed over by the manufacturer five years before the start of the account year in which the accident occurs*

8 Definition of Accident

8.1 For the purposes of this clause, *accident* means all individual losses or damage arising out of or directly occasioned by one event.

8.2 The extent of an accident is limited to 72 consecutive hours if the cause of



- the insured loss/damage is one of the following (or if an accident includes one or more individual losses or damage arising from one of the following):
- storm
 - earthquake/volcanic eruption
 - strikes riots & terrorist risks (in this case the accident is also limited to one city, town or village)
- 8.3 You may choose the date and time when the period of 72 hours commences and if any event lasts longer than 72 hours you may divide it into two *accidents* provided:
- no two periods overlap *and*
 - no period commences before your first recorded individual loss in that event during the period of your insurance
- 8.4 In the case of flood, *accident* means loss/damage, wherever occurring, arising between the movement of water into or over the insured equipment and its receding, regardless of the time involved *except* that no *accident* will be deemed to:
- start before your first recorded individual loss in that accident occurring during the period of your insurance or
 - extend beyond 30 days after you cease to be insured
- 8.5 The definition of *accident* at G6:2 does not apply to this clause
- 9 **Interest in Ship/Aircraft**
G1:10 does not apply to this clause

ADDITIONAL RISKS

T9 BUSINESS INTERRUPTION CLAUSE

1 You are insured for:

- 1.1 The following arising from an accident as defined at 1.2 (and 6.1):
- 1.1.1 **Loss of Profits**
meaning here loss of *revenue* during the *indemnity period* less:
- savings from reduction in necessary expenses* during the *indemnity period*
 - revenue from re-located operations*
 - taxes saved in consequence of loss of revenue
 - reduction of loss which would have been made possible by complete/partial resumption of operation of the equipment/property
- *as a result of the accident



1.1.2 Increased Cost of Working

meaning here additional costs during the *indemnity period* solely to avoid/minimise loss of *revenue*:

- *not exceeding* the potential loss being avoided/minimised
- *excluding* costs in extinguishing a fire

1.1.3 Costs

of investigating an accident which may give rise to a claim under this clause and protecting your interests in relation to it (including legal and survey fees) - but *only* if:

- the Managers have agreed to the costs *or*
- the Directors decide that the costs were properly incurred

- 1.2 *Accident* as at 1.1 means, subject to 6.1, an accident which results in a claim for loss/damage of your insured handling equipment/property, which we accept, or which we would have accepted except for the applicable deductible *and* which results in your (wholly/partly) being unable to provide your insured services

2 You are *not* insured under this Clause for:

- 2.1 Your liability for sales tax
- 2.2 War risks
- 2.3 Cessation of work
- 2.4 Risks arising* from subsidence *unless* this is sudden, unintended and unexpected
- 2.5 Risks arising* from faulty repairs - the burden of proof on you if there is a dispute on this point
- 2.6 Increases in loss arising from suspension, lapse or cancellation of a lease, licence, contract or order *unless* arising directly from insured business interruption and then only to the extent that this affects gross earnings during the *indemnity period*
- 2.7 Increases in loss arising from enforcement of a regulation relating to the use, reconstruction, repair or damage of insured equipment/property
- 2.8 Loss of market
**directly/indirectly*

3 Definitions

- 3.1 *Revenue* means monies which you receive for providing insured services. We will take account of the previous experience of your operations and probable future experience if no loss/damage had occurred
- 3.2 *Indemnity period* means here:
 - 3.2.1 the period reasonably necessary to repair, rebuild or replace the lost/damaged equipment/property, not exceeding 12 months from the date of the accident - unless otherwise stated in your certificate (subject to 3.2.2)
 - 3.2.2 in the case of loss/damage of media/records for electronic data processing or electronically controlled equipment, and data on these, the *indemnity period* will not exceed the greater of:



- 30 consecutive days or the time reasonably necessary to reproduce the data from duplicates/originals - whichever is the less
- the time reasonably required to rebuild, repair or replace any other lost/damaged insured equipment/property - not exceeding 12 months

4 Loss Prevention

You will give us immediate notice of any change in reserve property or equipment or other factor, which existed at the start of the insurance, and which could have reduced the risk of a claim under this clause. If we do not agree to the change in risk, we will not be liable for claims caused or increased by it

5 On Account Payment

- 5.1 We may at your request make payments on account during the *indemnity period* provided you produce sufficient evidence to allow us to estimate your loss
- 5.2 You will immediately repay to us payments on account if, for any reason, you have been overpaid or the claim turns out to be invalid

6 References to T7/T8

- 6.1 The definition of *Accident* at T8:8* applies also to this Clause
- 6.2 The provisions concerning SRT risks at T8:4* apply also to this Clause
**or T7:8/T7:9 if the accident as specified at 1.2 above results in a claim to insured property*

7 Limits

- 7.1 Special limit: US\$50,000
each accident and in the aggregate each account year - unless otherwise stated in your certificate
- 7.2 Without prejudice to G1:6, your total claim will not exceed any general or special limit which applies, regardless of the number of locations affected by business interruption arising from one accident

ADDITIONAL RISKS

T10 CARRYING EQUIPMENT CLAUSE

1 You are insured for:

- 1.1 Physical loss/damage of insured carrying equipment arising from:
- any accidental cause
 - war/strikes riots & terrorist risks*
- 1.2 Your liability for general average and salvage contributions in respect of insured carrying equipment (*including war/strikes riots & terrorist risks**)
**subject to 5 below*



2 You are *not* insured under this Clause:

- 2.1 For costs of remedying/repairing:
 - 2.1.1 defects in design/manufacture - or for loss/damage to property or equipment arising from the replacement, repair or rectification of property/equipment in respect of which a claim is excluded under this paragraph (2.1.1)
 - 2.1.2 wear and tear
 - 2.1.3 mechanical/electrical breakdown or malfunction
- 2.2 For loss/damage arising from:
 - 2.2.1 mysterious disappearance (and loss discovered on inventory)
 - 2.2.2 order of any authority
 - 2.2.3 nationalisation, embargo, requisition or compulsory purchase by an authority
- 2.3 For loss/damage to lights, winding handles, tyres/wheels of a chassis/trailer unless due to loss of the chassis/trailer or to an accident also damaging another part of the chassis/trailer
- 2.4 For risks:
 - 2.4.1 while the equipment is leased to someone else
 - 2.4.2 after the equipment has been requisitioned
 - 2.4.3 after you cease to have an interest in the equipment
- 2.5 For loss/damage - except actual total loss - to equipment valued as at 6 below at less than:
 - US\$5000: reefer/tank container or trailer; rail wagon
 - US\$3000: trailer
 - US\$1000: all other carrying equipment

3 Declaration

- 3.1 You will show in your declaration the number of items - and aggregate insured value on the adjustment date - of each type of carrying equipment
- 3.2 You will not reduce the insured value of any item during your account year

4 Container Stowage & Securing System

The Directors may reduce or reject a claim arising from container stowage on a ship which you own or charter *to the extent that* the claim is incurred or increased by:

- 4.1 your failure to adhere to the relevant provisions of the SOLAS Convention, IMDG Code or any other IMO Code *or*
- 4.2 a stowage/securing system which is deficient *unless* the system:
 - complies with classification society recommendations *or*
 - has been approved by an organisation approved by the Managers *or* you have taken other reasonable measures to ensure the system was appropriate

5 War/SRT(Strokes Riots & Terrorist) Risks

- 5.1 CTL (Constructive Total Loss)
If you are deprived by capture or seizure* of possession of equipment for a continuous period of 12 months, it will be regarded as a constructive total



loss for the purposes of your insurance for war/SRT risks at the date this period commenced - *provided that* the equipment:

- was insured for war/SRT risks *on that date and*
- had not already become a total loss as a result of an insured risk *at some time during the period*

5.2 You are not insured *for war risks* arising from:

- 5.2.1 hostile detonation of a nuclear weapon
- 5.2.2 war (declared or not) between permanent members of the UN Security Council
- 5.2.3 capture or seizure* by an authority of your country
- 5.2.4 seizure* under *any* customs or quarantine regulation
- 5.2.5 ordinary judicial process, failure to pay a fine/penalty or provide security or any financial cause

5.3 You are not insured *for war or SRT risks* if your equipment is in:

- | | |
|--|--------------------------------------|
| • Afghanistan | • Israel & the Palestinian Authority |
| • Algeria | • Lebanon |
| • Angola (including Cabinda) | • Libya (incl Gulf of Sidre/Sirte) |
| • Armenia | • Oman |
| • Azerbaijan | • Pakistan |
| • Chechnya | • Sierra Leone |
| • Congo | • Somalia |
| • Democratic Republic of Congo | • Sri Lanka |
| • Egypt | • Sudan |
| • Eritrea | • Syria |
| • Georgia | • Tajikistan |
| • Indonesia | • Turkmenistan |
| • Iran | • Uzbekistan |
| • Iraq | • Yemen (entire territory) |
| • Persian/Arabian Gulf (and adjacent waters including the Gulf of Oman North of 24°) | |
| • Gulf of Aqaba and the Red Sea | |
| • Territorial waters of the countries and areas listed above | |

5.4 Subject to 5.3, if the equipment is not on board an overseas ship or aircraft when the loss/damage occurs you are insured for war risks only up to a limit of US\$50,000 - each accident and in the aggregate each account year

5.5 The Managers may terminate your insurance for war/SRT risks on seven days notice, taking effect at 2400 GMT on the seventh day after issue of the notice

5.6 Insurance for war/SRT risks will automatically terminate on:

- 5.6.1 hostile detonation of a nuclear weapon (*anywhere* - whether your equipment is involved or not)
- 5.6.2 war as at 5.2.2

**seizure here includes arrest, restraint, detainment, confiscation or expropriation*

6 **Amounts Recoverable**

Amounts recoverable from us will not exceed:



- 6.1 *Owned equipment: Loss:* insured value at time of loss – or market value if no insured value
- 6.2 *Damage:* reasonable repair costs* - not exceeding insured value at the time of the damage - or market value if no insured value
- 6.3 *Leased equipment: Loss:* amount payable under lease - or market value if no amount specified
- 6.4 *Damage:* reasonable repair costs* - not exceeding amount payable under lease
- *may include reasonable cost of your own labour and materials (not exceeding the market cost)*

7 Constructive Total Loss (CTL)

If the reasonable costs of repair of damage sustained in one accident are estimated to exceed the applicable amount specified at 6 above, we will pay this amount as a CTL, less any salvage value

8 Interest in Ship/Aircraft

G1:10 does not apply to this clause

ADDITIONAL RISKS

T11 N AMERICAN CHASSIS LIABILITIES CLAUSE

1 You are insured for:

The following liabilities arising out of an accident in USA/Canada and involving a chassis or trailer for use on public roads which you own or lease

- 1.1 Your *non-contractual* liability for:
- 1.1.1 Physical loss/damage of third party property
- 1.1.2 Death injury or illness of any third party
- 1.2 Your *contractual* liability to:
- 1.2.1 compensate a third party for its own third party liabilities *if* your liability arises solely under a contract:
- for lease/sale of equipment for use in your insured services or
 - with your subcontractor/joint service partner or
 - pertaining to chassis pooling
- 1.2.2 compensate your subcontractor/joint service partner for physical loss/damage to its own property *if* your liability arises solely under a contract with the subcontractor/joint service partner
- 1.3 Your liability for consequential loss arising from 1.1 and 1.2.2



2 You are not insured under this Clause for Liabilities:

- 2.1 for death, injury or illness of your employee, or spouse, child, parent or sibling of your employee - or *contractual* liability to compensate anyone in respect of this
- 2.2 arising from ownership, lease or operation by you (or your employee) of a road vehicle which is required to be licensed
- 2.3 arising from an accident involving a chassis/trailer attached to a licensed vehicle which you (or your employee) own, lease or operate
- 2.4 in respect of your equipment leased to someone else *other than*:
 - to your joint service partner for use in the joint service or
 - while interchanged to a motor carrier or used in a chassis pool in which you participate
- 2.5 in respect of your handling equipment used with your consent by someone else
- 2.6 in respect of a chassis/trailer *not* insured for loss/damage
- 2.7 incurred *after* you cease to have an interest in the chassis/trailer. The date of the accident for the purposes of your insurance is the date of the loss/damage (or death injury or illness) - not the date on which your interest ceases
- 2.8 which are *contractual* liabilities to compensate someone else for physical loss/damage to your owned/leased property
- 2.9 arising from handling of cargo:
 - *before* you accept cargo for movement on to the insured chassis/trailer
 - *after* you move cargo from the insured chassis/trailer to the place where you finally deliver it
- 2.10 arising from your product or any part of your product
- 2.11 arising from your work, after that work has been completed or abandoned. For the purposes of this paragraph (2.11) your work *includes* manufacture and remanufacture of chassis/trailers but *excludes* maintenance or repair of chassis/trailers by you or on your behalf
- 2.12 arising from:
 - transportation of pollutants as waste
 - release of gases, fumes or vapours within a building from materials brought there in connection with operations performed by you or on your behalf
 - investigation, clean up or removal of pollution

This paragraph (2.12) will prevail in case of inconsistency with G1:9.2-9.3
- 2.13 *to the extent that* they are incurred/increased by your agreeing to hold harmless a transporter of chassis/trailers
- 2.14 arising from loss/damage or death, injury or illness which:
 - 2.14.1 you intend or expect (without prejudice to G1:9.8)
 - 2.14.2 results from movement of property by a mechanical device (other than a hand truck) unless the device is attached to an insured chassis/trailer
- 2.15 for war risks
- 2.16 arising from the conduct of any current or past partnership or joint venture not specified as an assured under this clause in your certificate



3 Scope of Insurance

- 3.1 You are only insured to the extent that liabilities are *not* insured under other insurances available to you and *other parties* besides the *domestic policy*
- 3.2 You will use your best endeavours to recover losses, and claim indemnity from *other parties* (and their insurers)
- 3.3 This insurance:
- 3.3.1 does not insure *other parties*
- 3.3.2 is in excess of any sums recoverable from *other parties* (or their insurers)
- 3.3.3 is not automobile or excess automobile liability insurance
- 3.4 *Other parties* means parties other than you involved in the accident, and any owner, lessor, lessee, operator or user of the chassis/trailer (or motor vehicle towing it)

4 Domestic Policy

- 4.1 On your request we will provide you with a certificate of insurance evidencing a policy issued by an approved insurer in USA/Canada, insuring your liability as specified at 1 above (a *domestic policy*)
- 4.2 The *domestic policy* is subject to its terms, to a special limit of US\$ 10,000,000 each accident, *unless* a lower limit is specified in your certificate, and to a *retained amount* of US\$ 200,000 each accident
- 4.3 The limits at 4.2 are *not* in addition to your limit with us. The total of your limits under the domestic policy and under your insurance with us will therefore not exceed your limit for claims under this clause
- 4.4 You will be a joint assured together with us under the *domestic policy* but will not:
- be responsible for payment of premium to the domestic underwriter
 - exercise any right to cancel the policy
 - be responsible for the *retained amount* unless otherwise stated in your certificate

5 Limit of Liability

In the event that it is held in any court or tribunal that, under the applicable law, anyone, other than the assured, a named joint assured or co-assured, using or legally responsible for the use of a chassis or trailer, is entitled to be insured under this insurance, then the general limit of liability for this insurance for such a person will not exceed the minimum insurance requirements under the applicable law for injury to or death of a person or damage to property

6 Uniform Intermodal Interchange & Facilities Access Agreement

It is a condition precedent that the Uniform Intermodal Interchange and Facilities Access Agreement (UIIA) of 15 September 2000, or other similar equipment interchange or lease agreement which the Managers have approved, remain in effect and in good standing at all times during your period of insurance



ADDITIONAL RISKS

T12 COSTS: TANK PER DIEM CLAUSE

1 You are insured:

To a maximum of US\$25 per day for costs of hiring a replacement tank container following a claim under your insurance for cargo contamination in the original container:

- if no container is available from your existing stock and
- while you cannot use the original container due to the alleged contamination

2 You are *not* insured under this Clause for liabilities:

To the extent that you have failed to minimise the period during which you cannot use the original container as specified at 1 above

3 Approval/Agreement

You are *only* insured if:

- 3.1 The Managers have agreed to the costs *or*
- 3.2 The Directors decide that the costs were properly incurred

ADDITIONAL RISKS

T13 ADVICE & INFORMATION CLAUSE

1 You are insured for:

Your liability for financial loss:

- incurred by someone engaging you as a supplier of advice/information on services of the same type as insured services and
- as a result of your negligence in providing the advice/information

2 You are *not* insured under this Clause for liabilities:

incurred in the provision of training

3 Insurance under other Clauses

You are not insured under any other clause in this cover for your liability specified at 1 above



- 4 **Special Limit**
Special limit: US\$500,000
each accident and in the aggregate each account year - unless otherwise
stated in your certificate

ADDITIONAL RISKS

T14 PERSONAL RIGHTS CLAUSE

1 **You are insured for:**

Your liability for:

- 1.1 **Malicious prosecution, false arrest, detention and imprisonment**
- 1.2 **Defamation - but not if the defamation:**
 - 1.2.1 was made before your insurance started - or a similar defamation
 was made before your insurance started
 - 1.2.2 concerns any organisation/business and was made by you (or on
 your order or by or on the order of your executive officer) knowing it
 to be false
 - 1.2.3 was made during or relates to your advertising/broadcasting
 activities
- 1.3 **Wrongful entry/eviction**
 or other invasion of rights of private occupancy

2 **You are *not* insured under this Clause for liabilities:**

- 2.1 arising from wilful violation of a penal law/regulation - by you or with your
 knowledge (or by or with the knowledge of your executive officer)
- 2.2 to a person and relating to your employment of that person - directly or
 indirectly
- 2.3 arising under a contract

- 3 **Special Limit**
Special limit: US\$1,000,000
each accident and in the aggregate each account year - unless otherwise
stated in your certificate



ADDITIONAL RISKS

T15 PROPERTY: FIRE LEGAL LIABILITY CLAUSE

1 You are insured for:

Your liability for physical destruction/damage by fire of buildings:

- leased to you *and*
- used by you in your insured services

2 You are *not* insured under this Clause:

- 2.1 Where you have a contractual obligation to insure the buildings against fire
- 2.2 For risks which are insured under any other insurance you may have or which would have been insured except for an exclusion/qualification. You are also not insured for any reduction in the amount recoverable from that insurance because of:
- a deductible or limit of liability
 - the existence of our insurance (directly or indirectly)

3 Contractual Liabilities

You are only insured for contractual liabilities *to the extent that* your liability does *not* exceed what it would have been without the contract

4 Special Limit

Special limit: US\$500,000

each accident and in the aggregate each account year - unless otherwise stated in your certificate

ADDITIONAL RISKS

T16 PROPERTY: TENANTS LEGAL LIABILITY CLAUSE

1 You are insured for:

Your liability for physical destruction/damage of buildings:

- leased to you *and*
- used by you in your insured services

2 You are *not* insured under this Clause:

- 2.1 Where you have a contractual obligation to insure the buildings against the risk giving rise to your claim
- 2.2 For risks which are insured under any other insurance you may have or which would have been insured except for an exclusion/qualification. You



are also not insured for any reduction in the amount recoverable from that insurance because of:

- a deductible or limit of liability
- the existence of our insurance (directly or indirectly)

3 Contractual Liabilities

You are only insured for contractual liabilities *to the extent that* your liability does *not* exceed what it would have been without the contract

4 Special Limit

Special limit: US\$500,000

each accident and in the aggregate each account year - unless otherwise stated in your certificate

GENERAL PROVISIONS

G1 GENERAL EXCLUSIONS & QUALIFICATIONS CLAUSE

G1 APPLIES TO YOUR ENTIRE POLICY – UNLESS OTHERWISE STATED

1 Period of Insurance

You are only insured for insured risks arising from accidents which occur during your insurance with us

2 Indemnity Insurance

2.1 Unless the Directors decide otherwise, it is a condition precedent that we pay you only after:

2.1.1 the loss of your owned insured equipment/property or

2.1.2 you have spent money - for example: by paying a claim for which you are liable, repairing your insured equipment/property or paying under a lease in respect of loss/damage of equipment

2.2 The Managers may, at their discretion, reimburse the costs of reasonable repair in cases where your owned damaged insured equipment/property is not repaired

3 Overlapping Risks & Insured Services

3.1 Where a risk appears to be insured under more than one paragraph, it will be insured only under, and in accordance with, the paragraph which relates most directly to it

3.2 An *express* exclusion or qualification of a risk in one paragraph in your policy (whether or not by Additional Term & Condition) will override an inclusion or reference elsewhere in your policy

3.3 If a service is specifically excluded in your policy you are not insured for risks arising from it - even if these risks also arise in the course of your insured services



4 Insurance Terms

A term in your certificate which varies your policy will be subject to all other terms in your policy, except to the extent that it specifically varies them

5 Deductibles

5.1 *Special* deductibles apply to risks under specified clauses, paragraphs or insured services

General deductibles apply to all other risks under the cover specified

All deductibles are specified in your certificate

5.2 Except as specified at 5.3-5.4, if there is more than one deductible for claims arising from the same accident only the highest one will apply

5.3 In the case of two or more of the following types of claim arising from the same accident:

- handling equipment *and/or* property loss/damage
- business interruption
- any other claim

a separate deductible will apply to each type of claim. (The highest deductible will apply, as at 5.2, if there is more than one for any type of claim)

5.4 In the case of claims under more than one cover:
a separate deductible will apply to each cover

6 Limits of Liability (except Terrorism)

6.1 *Special* limits apply to risks under specified clauses, paragraphs or insured services

General limits apply to all other risks under the cover specified

Limits are specified in your certificate

6.2 Your General Limit is US\$1,000,000 each accident unless otherwise specified in your certificate

6.3 Total reimbursement in respect of one accident is subject to the provisions of your policy. Notwithstanding these provisions, total reimbursement will not exceed US\$50 million *unless* this paragraph (6.3) is specifically deleted in your certificate

6.4 Total reimbursement in respect of risks arising from:

6.4.1 one accident or

6.4.2 a series of accidents arising from a cause or series of causes which are repeated, intermittent or continuous
will not exceed the limits specified at 6.2

6.5 Where there are risks under different provisions in your policy, including under different covers/clauses/paragraphs, arising from the same accident:

6.5.1 *If limits are specified separately for any of the risks:*

- each limit will apply to the part(s) of the claim for which it is specified
- the total claim (including any part(s) to which separately specified limits already apply as above) will not exceed the highest of the separately specified limits. Unless the claim is subject to an aggregate or combined aggregate limit, this will be a combined single limit



- 6.5.2 *If the risks are under different covers:*
a separate limit will apply to each cover
- 6.5.3 *In any case:*
the total claim will not exceed the applicable limit shown in your certificate
- 6.6 If there are aggregate special limits under a clause and under a *paragraph* within the clause, claims under the *paragraph* will:
- count towards the limit under the clause *and*
 - not exceed the *lesser* of the unexhausted limit against:
 - the clause or
 - the *paragraph*
- 6.7 Limits are applied collectively to the assured and any joint assureds
- 6.8 Unless this paragraph (6.8) is specifically deleted in your certificate, claims for loss/damage of property/handling equipment and business interruption arising from:
- earthquake or volcanic eruption
 - storm
 - flood
- within zones identified in the risk mapping model will be subject to the lesser of:
- any general/special limit stated elsewhere in your policy as applying to the claim
 - a special limit of US\$5 million each accident
- 7 Limits of Liability (Terrorism)**
- 7.1 Subject to 7.2, a special limit each accident applies to claims for loss/damage to property/handling equipment and business interruption arising from terrorism as follows:
- *If a special limit for terrorism is specified in your certificate*
the specified limit applies, subject to a maximum limit of US\$10 million
 - *If no special limit for terrorism is specified in your certificate*
a limit of US\$1,000,000 applies
- 7.2 If a claim is subject to the US Terrorism Risk Insurance Act 2002 (TRIA), the Australian Commonwealth Terrorism Insurance Act 2003 (TIA) or similar legislation in other jurisdictions, 7.1 will be disregarded for the purposes of specifying the general/special limit which applies to it. But any part of the claim which would *not* have been reimbursed if 7.1 *had* applied to it, will be insured on TRIA/TIA* terms. This is subject to any special limit which is specifically stated in your certificate as applying to TRIA/TIA* claims.
- *or other similar legislation*
- 7.3 A special limit applies as follows:
- 7.3.1 A special limit of Sterling 00,000 each accident per terrorism class applies to claims:
- for loss/damage to property/handling equipment and business interruption in the United Kingdom (excluding Northern Ireland, Channel Islands and Isle of Man) *and*



- arising from fire/explosion arising (directly/indirectly) from terrorism
- 7.3.2 If there are:
 - risks not included in a terrorism class and
 - risks included in a terrorism classarising from the same accident, any limits applied under this paragraph will be ignored for the purposes of calculating limits applying to risks not included in a terrorism class
- 7.3.3 This paragraph (7.3) will prevail in the case of inconsistency with 6 above or 7.1
- 7.4 If a limit lower than the limit stated at 7.1/7.3.1 is stated elsewhere in your policy in respect of a claim arising from a risk specified at 7.1/7.3.1, the lower limit will apply to the claim
- 8 Reduction of Claims**
Claims will be reduced by:
 - 8.1 amounts which you receive or to which you are entitled by way of salvage
 - 8.2 your interest in any residual value in insured property
- 9 General Exclusions**
You are not insured for risks arising from:
 - 9.1 **Radioactive/nuclear risks**
 - 9.2 **Pollution unless:**
 - 9.2.1 the accident occurred within your period of insurance *and*
 - 9.2.2 the claim is made against you within one year from the accident *and*
 - 9.2.3 the pollution is sudden, unintended *and* unexpected *and*
 - 9.2.4 you are aware of it within one week of the first occurrence - *unless* arising from cargo not in your possession
 - 9.3 **Landfill, operation/use of dump site or disposal of waste** which you perform or permit *other than* carriage, handling or storage of cargo prior to its disposal as waste
 - 9.4 **Dredging operations** (while being performed) or dumping of spoil
 - 9.5 **Your failure to pay your debts***
 - 9.6 **Your insolvency***
 - 9.7 **Your involvement in illegal trade** - about which you knew or reasonably should have known
 - 9.8 **Your intentional/reckless conduct** (to the extent that the likelihood of your incurring a risk is increased by this)
 - 9.9 **Punitive, exemplary or multiple damages** - against you or anyone for whose conduct you are liable
 - 9.10 **Your waiving your rights of recourse***
 - 9.11 **Your management/operation of an airport** - or area/building where aircraft land or manoeuvre or are housed, maintained or repaired
 - 9.12 **Asbestos**
 - 9.13 **Any chemical, biological, bio-chemical or electromagnetic weapon**



9.14 Use of any computer, program, virus, or any other electronic system/process as a means of inflicting harm

**or to the extent that a claim is increased by this*

10 Interest in Ship/Aircraft

10.1 You are not insured for risks:

- arising from your interest in a ship/aircraft and
- arising from its management, navigation or operation

10.2 You have an interest if you:

10.2.1 own or operate the ship/aircraft

10.2.2 charter the ship except under a slot or space charter

10.2.3 charter the ship under a slot or space charter *unless*:

- You contract with the ship operator on terms which are no more adverse than Hague-Visby Rules or any compulsorily applicable transport law or convention *and*
- You are not liable to the ship owner, lessee or operator, or performing carrier, for risks arising from the management, navigation or operation of the ship *and*
- You are not responsible for loading the ship

10.2.4 charter the aircraft *unless*:

- You do not manage, navigate or operate the aircraft *and*
- You are not liable to the aircraft owner, lessee or operator for risks arising from the management, navigation or operation of the aircraft *and*
- You contract with the aircraft operator on terms which are no more adverse than the Warsaw Convention or any compulsorily applicable transport law or convention *and*
- You are not responsible for loading the aircraft

11 Loss Prevention

11.1 You will:

11.1.1 allow us to inspect your insured equipment/property

11.1.2 comply with regulations applying to your insured equipment

11.1.3 not habitually or intentionally overload your insured equipment - except for inspection/testing

11.1.4 comply with regulations, and industry/national standards, relating to vertical tandem lifts

11.1.5 maintain in good order, and use as appropriate, any protection provided for your insured equipment/property

11.1.6 take all reasonable steps to avoid or reduce risks of a claim under your equipment/property clauses

11.1.7 comply with regulations relating to dangerous goods

11.1.8 comply with regulations, and industry/national standards, relating to safety, security/anti-terrorism and people smuggling

11.1.9 allow us to inspect your operations

11.1.10 allow us to have copies of your contracts

11.1.11 comply with our reasonable requirement to implement loss prevention measures



- 11.1.12 maintain a tracking system allowing the location of insured equipment to be ascertained at any time
- 11.2 If you do not comply as at 11.1:
- 11.2.1 we may inform you, with at least 30 days notice, that your insurance is wholly or partly suspended until you do
- 11.2.2 the Directors may reduce or reject a claim which they consider results wholly or partly from the failure to comply
- 12 Double Insurance**
If you are insured by us and by another insurer for the same risk, we will exclude any claim to the extent that it is recoverable from the other insurer, or would be recoverable except for a double insurance exclusion
- 13 Benefit of the Insurance**
It is not the intention to confer any benefit of this insurance on any third party not specifically identified in the certificate
- 14 Northern Ireland**
You are not insured for loss/damage to property/handling equipment or for business interruption in Northern Ireland arising (directly or indirectly) from civil commotion or terrorism
- 15 Abandonment**
There will be no abandonment to us of any property
- 16 Fraudulent Claims**
If you, or anyone acting on your behalf, makes a claim or seeks to obtain any benefit under your insurance which you know, or should have known, is in any respect fraudulent we may cancel all your insurances immediately. This cancellation will have the effect stated at G3:17
- 17 Paperless Trading**
You are insured, subject to all other terms of your policy, for risks arising from your participation in the Bolero system, and in any other system of paperless trading/documentation approved by the Managers
- 18 Currency**
If we pay a claim in a currency other than the Member currency, limits of liability and deductibles will be converted from the Member currency at the rate prevailing:
- 18.1 in respect of liability claims, on the date on which you paid the claim
- 18.2 in respect of equipment/property claims, on the date of loss
- 19 English Language**
If we issue a version of any part of your policy in a language other than English, this is for guidance only. The English version will take precedence in the event of any dispute or possible inconsistency



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GENERAL PROVISIONS

G2 CLAIMS CLAUSE

G2 APPLIES TO YOUR ENTIRE POLICY – UNLESS OTHERWISE STATED

- 1 **Notification**
 - 1.1 You will notify the Managers as at 1.2, and as directed in your certificate, of any accident likely to lead to a claim under your insurance and any claim made against you for which you are (or may be) insured
 - 1.2 Notification as at 1.1 will be immediate and in any case by the earliest of the following:
 - 1.2.1 in time for appropriate investigation, defence or mitigation - for example: by survey
 - 1.2.2 before terms are agreed for your next account year
 - 1.2.3 three months after any accident or claim specified at 1.1

- 2 **Obligation of Member**
 - 2.1 take all reasonable measures to avoid/minimise the risk
 - 2.2 give prompt notice to a third party who may be responsible
 - 2.3 take all reasonable measures to obtain maximum recovery from a third party as at 2.2 and avoid time bars. You will fail to comply with this paragraph (2.3) if you fail to take measures because of the possibility of a claim/counterclaim by the third party against you arising from the same accident, if we are prejudiced by this
 - 2.4 cooperate with the Managers:
 - 2.4.1 in the exercise of the powers specified at 7 below
 - 2.4.2 by promptly providing information/documentation and facilitating surveys
 - 2.4.3 by complying with their request to establish whether a claim arises from terrorism
 - 2.5 *not* admit liability or settle a claim without the Managers' prior agreement

- 3 **Presentation of Claims**
 - 3.1 Claims for reimbursement from us must be presented within one year from:
 - Date of loss as at G1:2.1.1
 - Date of payment as at G1:2.1.2

- 4 **Proof of Loss**
 - 4.1 If you make a claim, you will if the Managers require:
 - provide signed and sworn proof of your payment or loss as specified at 1 above
 - submit to examination on oath



5 Directors Discretion

The Directors may reduce or reject your claim if you fail to comply with 1-4 above - and in that event you will return to us sums already reimbursed (unless the Directors decide otherwise)

6 Distribution of Third Party Recoveries

- Amounts recovered from third parties in respect of a claim will be credited to us to the full extent of the amounts which we have paid out (including costs of making the recovery)
- Any balance will be credited to you to the extent of amounts which you have incurred (for example: deductibles)
- Any excess will be distributed equitably between you and us - taking into account amounts paid/incurred and the relevant dates

7 Powers of the Managers

The Managers may:

- 7.1 direct the conduct of any claim or proceedings relating to a risk for which you are or may be insured
- 7.2 settle, compromise or dispose of the claim/proceedings as at 7.1 as they see fit
- 7.3 at any time appoint - and discontinue the appointment of - lawyers, surveyors and others on your behalf, in connection with a matter which may result in a claim
- 7.4 require from persons appointed as at 7.3 relevant advice, documents and information in their control:
 - at any time - whether or not the appointment has been discontinued
 - as if the persons were appointed to act and at all times had acted on our behalf
 - notwithstanding legal or other privilege

8 Death, Injury & Illness

1-7 above apply also to claims for death, injury and illness for which you would/might have been insured except for a deductible



GENERAL PROVISIONS

G3 POLICY CONDITIONS CLAUSE

G3 APPLIES TO YOUR ENTIRE POLICY – UNLESS OTHERWISE STATED

1 Material Information

It is a condition precedent that you will:

- 1.1 provide full and accurate information in response to the Managers' request - in connection with your application for insurance, or at any other time
- 1.2 provide the Managers with all material information
 - 1.2.1 when you apply for insurance
 - 1.2.2 when an amendment to the terms of insurance is sought
 - 1.2.3 when the policy is reviewed - whether or not changes to the policy are agreed
 - 1.2.4 promptly at any other time during the period of your insurance

2 Powers

- 2.1 If you fail to comply with 1 above we may:
 - 2.1.1 avoid the insurance
 - 2.1.2 reject a claim which relates to circumstances which should have been disclosed or which is the subject of misleading/inaccurate information
- 2.2 If the Directors consider that information specified at 1 above adversely affects the nature of the risk under your insurance we may inform you, with at least 30 days notice, that you will cease to be insured

3 Audit

- 3.1 We may examine your books and records at any time during your insurance, and for three years afterwards, as far as they relate to your insurance (without prejudice to G1:11)
- 3.2 If you fail to cooperate with the Managers as at 3.1 we may avoid the insurance

4 Surveys

The Managers may require a survey of your premises, operations, equipment or insured ships at any reasonable time, whether before or after your insurance has commenced. If:

- you fail to comply with this requirement or
- the results of the survey are, in the opinion of the Managers, unsatisfactory or
- you fail to comply with the Managers' recommendations following a survey within a reasonable time



we may inform you, with at least 30 days notice, that you will cease to be insured

5 Confirmation of Insurance

If the assured requests us to confirm insurance to someone else, our confirmation:

- is only for information
- confers no rights on the person to whom we make it
- does not extend or amend the insurance

6 The Assured and Joint Assureds

6.1 There is only one assured under each policy - designated in the certificate. Anyone else insured under the same policy is a joint assured

6.2 An applicant for joint assurance:

6.2.1 will comply fully with 1.1 - in case of failure to do this we may avoid the insurance of the assured and all joint assureds

6.2.2 is deemed to have appointed the assured (or applicant for insurance) as its agent, with whom we can deal exclusively

6.3 If the Managers agree to joint assurance:

6.3.1 the insurance will be subject to all the provisions of the assured's insurance - and to terms relating to the joint assurance

6.3.2 the joint assured is insured only for risks arising out of the assured's insured services and for which the assured would itself have been insured

7 Assignment

7.1 You will not assign your insurance (or any interest under it) unless and to the extent that the Managers agree

7.2 Any purported assignment without the Managers' agreement (or not complying with any terms which the Managers require) will be void

7.3 We may, in settling a claim presented by the assignee, retain an amount which the Managers estimate as sufficient to discharge the assignor's liabilities to us which:

- are in existence at the time of the assignment or
- have arisen later or
- are thought likely to arise later

We may do this whether or not it is stipulated as a term of the Managers agreement to the assignment

8 Continuous Contract

Every insurance is a continuous contract and terms continue unchanged from one year to the next - *unless* otherwise agreed, and subject to 9-11 and 16-17 below

- This is not affected by the issue of subsequent policies
- Policies apply from 0000 GMT on the commencement date specified in the certificate - unless another time is specified



9 Notice

- 9.1 Not later than one month in advance the Managers may give the assured - or the assured may give the Managers - notice that on the review date:
- 9.1.1 a change in terms may be required or
- 9.1.2 the insurance will cease
- 9.2 If notice is given as at 9.1.1 and no change is agreed by the review date:
- 9.2.1 the Managers may agree a *continuation period* - subject to agreed terms
- 9.2.2 changes agreed during the *continuation period* will apply retrospectively from the review date - or as otherwise agreed
- 9.3 Your insurance will cease automatically:
- 9.3.1 on the review date if no change or *continuation period* is agreed
- 9.3.2 on expiry of a *continuation period* if no change is agreed
- 9.4 The Directors may give you notice that your insurance will cease - taking effect not less than 30 days from the date on which the notice is given

10 Cesser of Insurance

You immediately cease to be insured on:

- 10.1 your winding up/bankruptcy
- 10.2 termination of your insured services
- 10.3 your ceasing to have an insurable interest in the subject matter of the insurance
- 10.4 your death or insanity - in the case of an individual

11 Effect of Cesser

- 11.1 If you cease to be insured as specified at the following paragraphs of this Clause (G3): 9.3, 9.4 or 10 - *unless* 16-17 below apply:
- 11.1.1 you remain liable for amounts due from you to us - whether levied before or after cessation
- 11.1.2 we remain liable for claims arising from accidents on or before the date of cessation
- 11.2 If premium is a lump sum or deposit subject to a minimum *and* you cease to be insured as specified at 9.3 or 10.1 you will pay the lump sum or minimum premium in full - if already paid no part will be repayable
- 11.3 otherwise than as at 11.2 - premium will be calculated pro-rata up to cessation

12 Mutual Premium

The price for your insurance is a mutual premium - unless the Managers agree that it will be a fixed premium, or a combination of the two

13 Calculation of Premium

- 13.1 Premium may be:
- a lump sum
 - a deposit - which may be subject to a minimum and adjusted by an adjustment rate
 - determined by applying an adjustment rate
 - any combination of the above



13.2 If premium is calculated by applying an adjustment rate you will provide the Managers with a declaration within 28 days after the adjustment date, to allow the premium to be calculated

14 Interest

We may charge you interest on amounts due not received by the due date. The rate is determined by the Directors in accordance with para 4.2 Part E Section 1 of the Bye-Laws

15 Claims Held

If we do not receive an amount due from you in due time we may withhold any payments due from us to you until the amount is received

16 Cancellation

16.1 If we do not receive an amount due or declaration from you in due time the Managers may (in addition to our rights specified at 14-15 above) give notice requiring you to pay (or make the declaration) by a specified date within not less than seven days from the date the notice is served

16.2 If we do not receive full payment (or the declaration) by the date specified at 16.1, all your insurances are cancelled immediately and without further formality

16.3 If the insurance has previously ceased under 9 or 10 above, this paragraph (16) and 17 below will supersede 11 above

16.4 If at the time your insurance ceases as specified at 10.1 we have not received any due payment or declaration, the insurance will be cancelled without notice or formality - but the Directors may decide to reinstate it on terms as they think fit

17 Effect of Cancellation

17.1 In the event of cancellation as at 16 above or as at G1:16, you remain liable for amounts due from you to us - whether levied before or after cessation

17.1.1 If premium is a lump sum or deposit subject to a minimum - you will pay the lump sum or minimum premium in full - if already paid no part will be repayable

17.1.2 Otherwise than at 17.1.1 - premium will be calculated pro-rata up to cancellation

17.2 We cease to be liable for claims unpaid at the date of cancellation *whether:*

- the claim arises before the date of cancellation - *or* after it
- the claim arises during the account year in which the insurance is cancelled - *or* in any other year
- we have admitted responsibility or appointed a lawyer, surveyor etc - *or* not

17.3 The Directors may admit claims excluded as at 17.2 on terms as they think fit

17.4 If we receive the amount (or declaration) after cancellation, the Managers may reinstate the insurance - but you will not be insured, unless the Directors decide otherwise, for claims arising out of accidents occurring



between the dates of cancellation and reinstatement

18 Set Off

- 18.1 No set off will be taken into account in assessing amounts due from you to us - including set off arising from winding up or bankruptcy - even if set off has been allowed in the past
- 18.2 We may set off any amounts due from you to us against amounts due from us to you - without prejudice to any other provision in your insurance

19 Claims for Amounts Due

You will claim (in writing) amounts due to you from us (including repayment of premium) within six months from the end of the account year to which the credit relates - otherwise your claim is absolutely barred

20 Directors & Managers Discretion

The Directors and Managers may exercise, or refrain from exercising, any power or duty under the policy or Bye-Laws in their absolute discretion

21 Brokers

Your insurance broker:

- is your agent, not ours
- has no authority to issue or confirm policies on our behalf to anyone

22 Service of Notices

- 22.1 We will serve notices required by your insurance in accordance with the Bye-Laws Part F:
- ☐ by post/fax to the assured or its broker, at the address or fax number last recorded by the Managers
 - personally (on a director/officer in the case of a company)
Notice will be deemed served:
 - If sent by post - on the third day after posting, subject to 22.2
 - If sent by fax - on the date of transmission
- 22.2 A notice terminating insurance for war/strikes riots & terrorist risks will be deemed served on the day it is posted, collected by courier or sent by fax

23 Law & Jurisdiction

- 23.1 Our insurance, and any other contract between you and us, is subject to English law. Every insurance which we provide and the rights and obligations of you (or anyone else) and us arising out of or in connection with the insurance is subject to and will be construed in accordance with English law
- 23.2 All disputes between you (or anyone else, including your broker) and us relating to the insurance (or application for or offer of insurance) or contract will be referred to London arbitration in accordance with the Arbitration Act 1996 and any statutory modification or re-enactment. If the parties are unable to agree on a sole arbitrator within 21 days of the first party giving notice of a dispute and calling for the appointment of an arbitrator, then the Chairman of the General Council of the Bar of England and Wales will



appoint a sole arbitrator. The submission to arbitration and all proceedings in connection with it will be subject to English law

23.3 In respect of disputes as at 23.2:

- No other action or legal proceedings will be maintained against us unless and until the dispute has been referred to arbitration and the award has been published and become final
- Our sole obligation is to pay any sum as directed by the final arbitration award

23.4 23.1-23.3 also apply to disputes involving:

- the Managers
- anyone acting on our, or the Managers' behalf
- your broker

GENERAL PROVISIONS

G4 INSURED SERVICES CLAUSE

1 Insured Services

1.1 You may be insured for your liability arising from any service:

- listed in this clause *and* specified in your certificate. If a service listed in this clause is *not* specified in your certificate, you are not insured for liabilities in respect of it
- *not* listed in this clause, which is specified in your certificate

1.2 You are also insured for the following to the extent that they are solely in support of your insured services:

1.2.1 administration and sales/marketing activities

1.2.2 facilities for visitors at your insured location

This paragraph (1.2) is subject to any exclusion in your policy relating to liabilities to your employee

2 Transport Operator Cover

You may be insured, subject to 1 above, for your liability arising from any of the following services provided directly or through your subcontractor. You are in any case insured for transit storage and incidental handling

2.1 Transport Operator Services

Air charterer

Barge operator

Cargo broker

FDA Agent

Freight forwarder

Haulage operator

NVOC

Rail operator

Ship operator (short sea)

Slot/space charterer

Stack train operator

Tank operator

Truck broker

2.2 Warehouse operator - see 9 below

2.3 Customs (house) broker or customs carrier



- 3 Cargo Handling Facility and Operational Port Authority Cover**
including North American Port Authorities
You may be insured, subject to 1 above, for your liability arising from any of the following services:
- provided directly or through your subcontractor *and*
 - in respect of premises included in your Insured Locations Schedule
- 3.1 Operational facilities**
- | | |
|---|-----------------------|
| Air freight terminal | Intermodal rail depot |
| Bonded area/customs warehouse | Marine terminal |
| Container freight station | Storage/repair depot |
| Inland container depot | |
| Leasing company depot for containers/trailers | |
- 3.2 Traffic handled**
- | | |
|---|------------------------------------|
| Cars(accompanied on ferries) | Fruit/meat/fish(non-containerised) |
| Cars (new) | General cargo (breakbulk) |
| Containers | Livestock |
| Cruise/liner passengers | Oil/gas/hazardous liquids |
| Dry bulk | Trailers/other ro-ro cargoes |
| Ferry passengers | |
| Wet bulk (other than oil/gas/hazardous liquids) | |
- 3.3 Other activities**
- | | |
|--|--|
| Advice and information | New car preparation |
| Chassis pool | Reefer container pre-trip inspection |
| Fumigation/coloration of cargo | Ships Agency |
| <u>Freight forwarder</u> | Social Club |
| Garbage collection | Stevedoring: at your terminal |
| Haulage operator | Stevedoring: <i>not</i> at your terminal |
| Lighterage | Tank container repair/cleaning |
| Minor maintenance/repair | |
| Local collection/delivery of <u>cargo</u> from/to your premises | |
| Provision/installation/maintenance for your customer of computer hardware/software | |
- 3.4 Warehouse Operator**
see 9 below
- 3.5** You are only insured for liabilities arising from ship repair or marina operations as follows:
- *Ship repair*: if Clause C13 (or N13/P13) applies to your insurance
 - *Marina*: if Clause C14 (or N14/P14) applies to your insurance
- 4 Landlord Port Authority Cover**
including North American Port Authorities
- 4.1 Port traffic**
You may be insured* for your liability as landlord port authority in respect of any of the following - or for any of the warehouse operator services specified at 8 below:
- | | |
|------------------------------|------------------------------------|
| Cars(accompanied on ferries) | Fruit/meat/fish(non-containerised) |
| Cars (new) | General cargo (breakbulk) |
| Containers | Livestock |



- Cruise/liner passengers
Dry bulk
Ferry passengers
Wet bulk (other than oil/gas/hazardous liquids)
- Oil/gas/hazardous liquids
Trailers/other ro-ro cargoes
- 4.2 *Port activities/facilities (1)*
You may be insured* for your liability arising from any of the following activities:
- as landlord port authority and/or
 - undertaken by you directly or through your subcontractor as specified in your certificate
- | | |
|------------------------------|-----------------------------|
| Advice and information | Marine traffic control |
| Buoys/lights provision | Navigational aids provision |
| Diving | Pilotage |
| Drydock | River authority |
| Emergency services provision | Security |
| Garbage collection | Social club |
- Maintenance of clean berths/channels - subject to G1:9.4 - excluding liability arising during dredging operations
Provision/installation/maintenance for your customer of computer hardware/software
- 4.3 *Port activities/facilities (2)*
You may be insured* for your liability as landlord port authority only in respect of any of the following facilities:
- | | |
|----------------------|----------------------|
| Factories/warehouses | Residential property |
| Fishing berths/port | Restaurants |
| Offices | Shop |
| Public car parks | |
- 4.4 *Port activities/facilities (3)*
You may be insured* for your liability arising from any of the following activities:
- as landlord port authority and/or
 - undertaken through your subcontractor, subject to G1:10 as specified in your certificate. You cannot be insured if you undertake these activities directly (unless you are insured under port ships cover):
- | | |
|----------------------------|---------------|
| Ferry services within port | Tug provision |
| Operation of pilot ships | |
- 4.5 You are only insured for liabilities arising from ship repair or marina operations as follows:
- *Ship repair*: if Clause P13 (or N13) applies to your insurance
 - *Marina*: if Clause P14 (N14) applies to your insurance
- *subject to 1 above, in respect of facilities included in your Insured Locations Schedule
- 5 **Airport Cover**
You may be insured, subject to 1 above, for your liability from any of the following services:
Airport owner/operator



Airport contractor (under a contract specified in your Approved Contract Schedule)

Supplier of aviation fuel (including fuelling/de-fuelling aircraft)

6 Small Ships Cover

You may be insured, subject to 1 above, for your liability arising as any of the following:

Owner/bareboat charterer

Time charterer

Ship manager

Ship operator

7 Logistics Operator Cover

You may be insured, subject to 1 above, for your liability as specified at 2 and 3 above and 9 below (in addition to services specified at L1:4)

8 Rail Operator Cover

You may be insured, subject to 1 above, for your liability as specified at 2 and 3 above and 9 below

9 Warehouse Operator Cover

at your insured locations

Cover as specified at 2.2, 3.4, 7 & 8 for:

Transit storage and consolidation/deconsolidation:

- for your other insured services
- for other operators

Operating a bonded area or customs warehouse

Operating delivery vans for your other insured services

Operating temperature controlled warehouses

Storing cargo (other than transit storage)

GENERAL PROVISIONS

G5 REINSURANCE CLAUSE

1 Structure

1.1 The *reinsured insurer* insures the *primary assured*, under a *primary insurance* policy

1.2 We reinsure the *reinsured insurer*

2 Certificate of Reinsurance

We issue a *Certificate of Reinsurance* to the *reinsured insurer*

2.1 The certificate will specify:

- the percentage which we reinsure



- the conditions of reinsurance
- 2.2 The certificate may also confer membership of the Association on the primary assured
- 3 **Premium**
 - 3.1 The *reinsured insurer* pays a mutual premium - as set out in the certificate
 - 3.2 The *primary assured* will receive return of premium or pay additional premium at the same percentage of its basic premium as the percentage which we pay to our assureds - adjusted proportionately in respect of:
 - the period covered by the *primary insurance* policy
 - the percentage of the liability of the *reinsured insurer* which we reinsure (if we do not fully reinsure this liability)
- 4 **More than One Insurer**

If the *primary insurance* policy is subscribed by more than one *reinsured insurer*:

 - the *reinsured insurers* will be liable to the assureds and
 - the assureds will be liable to the *reinsured insurers* jointly, not severally, for any amounts due - in the proportions set out in the policy
- 5 **Powers etc under the Primary Insurance**
 - 5.1 It is a condition precedent to our liability under the reinsurance that the *reinsured insurer* will:
 - 5.1.1 *not* exercise any of its powers, duties and discretions (including those of the *reinsured insurer* management) without the Managers prior approval
 - 5.1.2 comply with G2:1-3
 - 5.2 We will control handling of claims likely to affect our reinsurance
- 6 **Definitions**

The following words will be interpreted as stated below

 - 6.1 For the purpose of construing the primary insurance:

<i>we/us</i>	<i>the Reinsured Insurer</i>
<i>you/the assured</i>	<i>the Primary Assured</i>
<i>the Managers</i>	<i>the Managers for the time being of the Reinsured Insurer</i>
<i>Certificate of Insurance</i>	<i>Certificate of Reinsurance</i>
 - 6.2 For the purpose of construing the reinsurance:

<i>we/us</i>	<i>as at G6:1.3.2</i>
<i>you/the assured</i>	<i>the Reinsured Insurer</i>
<i>the Managers</i>	<i>as at G6:1.3.4</i>
<i>Certificate of Insurance</i>	<i>Certificate of Reinsurance</i>



- 7 **Premium**
G3:12 does not apply to the *primary insurance* policy
- 8 **Primary Insurance**
The term *primary* is used in this clause solely to distinguish the insurance of the primary assured by the reinsured insurer and does not mean that the insurance is primary to any other insurance

GENERAL PROVISIONS

G6 DEFINITIONS CLAUSE

- 1 **Introduction**
- 1.1 **Application**
In any documentation relating to an offer or policy of insurance the words listed below have the meaning set against them - if not inconsistent with the context
- 1.2 **Layout**
- 1.2.1 capitals, italics, bold type and variable font sizes are used for clarity or emphasis, but are not relevant to the interpretation of the insurance
- 1.2.2 text is *generally* (although not necessarily) underlined, for guidance only, to indicate that a word or phrase is included in the list at 2 below
- 1.3 **You and We**
- 1.3.1 *You/your* means:
an assured and any joint assured under the assured's insurance - as designated in your certificate(s)
- 1.3.2 *We/us/the Association (our)* means:
the Club (Club), ie Through Transport Mutual Insurance Association Limited or Through Transport Mutual Insurance Association (EurAsia) Limited, whichever one is providing the insurance cover in any particular case
- 1.3.3 *Assured/Joint Assured* means:
the person(s) so designated in your certificate
- 1.3.4 *The Managers* means:
the Managers of the Club (or its branches) as defined at 1.3.2 and their employees and agents acting within the scope of their authority
- 1.3.5 *The Directors* means:
the Board of Directors for the time being of the Club as defined at 1.3.2
- 1.4 **Documentation**
- 1.4.1 *Policy (of insurance)* means:
the terms of your insurance with us, as set out in the Act, the Bye-



Laws and your certificate of insurance (and schedules) - which incorporates, to the extent stated in the certificate in each particular case, your policy book (as at 1.4.6)

1.4.2 *Certificate (of insurance)* includes:

endorsements, schedules and certificates of reinsurance

1.4.3 *Cover* means:

a grouping of clauses, *for example* Transport Operator cover

1.4.4 *Clause* means:

a constituent, numbered part of your cover, *for example* T1 - Cargo Liabilities as part of the Transport Operator cover

1.4.5 *Paragraph* means:

a numbered paragraph within a clause, *for example* T1:6 - rules concerning personal effects within the Transport Operator cover for Cargo Liabilities

1.4.6 *Policy Book* means:

a collection of clauses (as at 1.4.4) which are, wholly or partly, incorporated into your policy by means of your certificate

1.5 **Insurance/insured**

Insurance/insured means insurance/insured - or reinsurance/reinsured - by us in accordance with the applicable terms. Subject to this:

- *insured berth* means a berth specified in your Assets Schedule
- *insured (carrying/handling) equipment* means equipment specified in your Assets Schedule
- *insured location* is defined separately at 2 below
- *insured property* is defined separately at 2 below
- *insured services* is defined separately at 2 below
- *insured ship* means a ship specified in your Assets Schedule
- *insured trading area* is the area stated in respect of each ship in your Assets Schedule
- *insured value* is defined separately at 2 below

1.6 **General Interpretation**

1.6.1 *May* is "permissive"

1.6.2 *Will* is "imperative"

1.6.3 Singular words include the plural - and vice versa

1.6.4 Words representing persons, eg *anyone, another person, someone else*, also include companies and associations

1.6.5 *By* includes *on behalf of*

1.6.6 *Agree/agreed/agreement* means *agree (etc) in writing*

1.6.7 *Carried* includes intended for carriage and *having been carried*

1.6.8 *Costs* includes *expenses*

1.6.9 *Electrical* includes *electronic*

1.6.10 *For example (eg)* means *by way of example without limitation of the generality of the foregoing*

1.6.11 *General limit* means *our general limit of liability* as defined at G1:6

1.6.12 *Includes/including* means *includes/including without limitation of the generality of the foregoing*

1.6.13 *Injury* means *bodily injury*

1.6.14 *Liability (liable)* means *legal liability (legally liable)*



- 1.6.15 *Notice* means *notice in writing*
 1.6.16 *Port* includes *harbour*
 1.6.17 *Premium* (used on its own) means a mutual premium, a fixed premium or a combination of the two
 1.6.18 *Regulations* means *regulations made by any authority*
 1.6.19 *Risk* means *(legal) liability, loss, damage or costs*
 1.6.20 *Special limit* means *our special limit of liability as defined at G1:6*
 1.6.21 *Terms* includes *conditions, exclusions, qualifications and (where applicable) price*

2 The Definitions

Accident

one accident or occurrence or a series of accidents or occurrences arising from one fortuitous event

Account year

the annual period of the insurance of the assured commencing each year on the date shown in your certificate

Act

- in respect of Through Transport Mutual Insurance Association Limited - the Through Transport Mutual Insurance Association Limited Consolidation and Amendment Act (Bermuda 1993) (and every amendment thereto in force)
- in respect of Through Transport Mutual Insurance Association (EurAsia) Limited - the Memorandum of Association

Adjustment date

the date on which the declaration of your gross freight receipts, gross annual income or similar earnings, insured values, movements, handling or any other agreed adjustment factor is to be made

Adjustment rate

one of the following rates, as specified in your certificate:

- a rate on your gross freight receipts or gross annual income or similar earnings during an account year
- a rate per movement or handling during an account year
- a rate per annum on the insured value of equipment
- any other rate agreed by the Managers

Aircraft

includes aeroplane/helicopter (fixed or rotary wing), airship and balloon

All risks policy

policy covering fortuities generally though not inevitabilities such as wear and tear or depreciation

Amount due (from you)

any of the following amounts due from you to us:

- all or part of any mutual/fixed/supplementary/release premium
- any amount due from you in respect of a claim
- any other sum due for any reason whatsoever

Asbestos

asbestos in any form whether or not the asbestos was at any time:



- airborne as a fibre, particle or dust
- contained in or formed as part of a product, structure or other real or personal property
- carried on clothing
- inhaled or ingested
- transmitted by any other means

Authority

- any central or local government, or agency of such government
- any body or person empowered to make regulations or issue directions in relation to:
 - the administration of any seaport, airport or railway
 - the import, export or transport of any cargo
 - safety of working conditions
 - immigration
 - the imposition of any tax or duty
 - the control of pollution
- any court or tribunal

Avalanche

includes mudslide

Average

reduction of reimbursement of a claim because the value of equipment or property in your declaration is less than its actual or new replacement value (see also *general average*)

Barratry

intentional sinking of a vessel by the master or crew to the prejudice of, and without the connivance of, the owner

Berth

any quay, jetty, pier, wharf or other structure or object alongside which ships moor

Breach of copyright

includes infringement of plans, patents, trade names, trade marks and registered designs

Breakbulk

cargo (except bulk cargo) which is not in carrying equipment, when carried on board a ship

Broker

an insurance broker, consultant or other intermediary or agent directly or indirectly involved in dealing on your behalf as regards your insurance

Bulk

unpackaged goods of a homogeneous nature

Bullion

gold, silver or platinum in bars or similar bulk form

Bye-laws

as the case may be:

- the Bye-Laws for the time being of Through Transport Mutual Insurance Association Limited or
- the Articles of Association for the time being of Through Transport Mutual Insurance Association (EurAsia) Limited



Cargo

goods, including:

- carrying equipment *unless* supplied by you
- anything used or intended to be used to pack or secure goods, carried from one place to another place

in respect of which you contract to provide services, or in which you have an insurable interest

Carrying equipment

any container, chassis, trailer, rolling stock, genset, swap body, igloo and anything else specified as carrying equipment in your Assets Schedule

Cash

bank notes and coins (whether or not currently legal tender) - and travellers and bank cheques, drafts, credit and charge cards and any cards or documents entitling the holder to receive cash, goods or services

Cessation of work

loss/damage arising from

- cessation of work (total or partial)
- cessation, interruption or retarding of any process or operation

as a result of strikes, labour disturbances or locked out workers - *except* physical loss/damage directly caused by strikers, locked out workers or similar persons

Charter(chartered)

a time, voyage, space or slot *charter*, but *not* a bareboat charter (*chartered* under a time, voyage, space or slot charter)

Chassis

- a trailer or semi-trailer designed to be hauled by a truck or tractor and used for the transportation of containers or intermodal cargo
- a part, including spares and accessories, of a chassis
- plant, tools or materials for the maintenance or repair of a chassis

Clean Up Costs

costs of removal of a pollutant after pollution of land, sea, the atmosphere, any watercourse or body of water

Combined single limit

the limit to which a total claim in respect of one accident, parts of which arise from different risks, will be subject

Computer

a device which accepts information in digital form and processes it for some result based on a program or sequence of instructions and which can perform substantial computation, including numerous arithmetic operations or logic operations - including the base unit but not a keyboard, monitor or other peripheral

Condition precedent

a condition which must be fulfilled for the cover to be valid

Container

- an article of transport of permanent character fitted with corner castings specifically designed to facilitate transport by more than one mode of carriage
- plant tools or materials for the maintenance or repair of a container



Contract (contractual)

any contract relating to your insured services, including a port statute, port tariff and port regulations to which you are subject (under such a contract)

Conveyance

any ship, aircraft, road vehicle or rail wagon used or intended to be used for the carriage of cargo

Customer

any person for whom you provide, directly or through your subcontractors, insured services

Damage protection plan

an agreement between you and a customer whereby, in return for additional premium, the lessee is relieved of its obligation under the leasing contract to pay for repair of damage to equipment during the period of the lease

Death, injury or illness

includes hospital, medical and funeral expenses

Death or injury

includes hospital, medical and funeral expenses

Declaration

declaration of information which is to be provided by you to us in order to calculate your premium

Defamation

libel, slander and publication or utterance of disparaging material in violation of privacy rights

Deposit

the part of the premium payable each account year in advance, adjusted at the adjustment rate on the adjustment date, subject to any applicable minimum

Earthquake

includes seaquake, tsunami and seismic activity

Electronic components

integrated circuits, system boards and SIM cards, computer memory and computer processors, CD-ROM drives, DVD drives, sound cards, video cards and modems

Equipment

carrying or handling equipment

Executive officer

any director, board member, commissioner, president, vice-president or managerial employee

Expendable/replaceable parts

flexible drives, ropes, belts, chains, elevator and conveyor bands, batteries, tyres, trailing wires and cables, flexible pipes and hoses, jointing and packing materials, transistors, fuses and similar electrical component

FDA Agent

Food and Drugs Administration US Resident Agent

Financial lessor

lessor of property/equipment under an agreement or option to purchase



Fiscal representative

a person acting as representative for tax or duty purposes or as otherwise defined in any applicable national or international law or convention

Fixed premium

price (or any part of price) for insurance which has not been agreed to be a mutual premium

Flood

rising water, surface water, waves, tidal waves, tidal water, overflow of streams, rivers, lakes, ponds or other bodies of water, spray from any of the foregoing, all whether driven by wind or not

Freight forwarder

a transport operator providing services, which may include documentation and customs clearance, as agent or principal, but sub contracting all physical carriage and handling to one or more operators

General average

sacrifice or expenditure to save property involved in a sea voyage, to which, in principle, all owners of the saved property contribute proportionately (see also *average*)

Gross freight receipts

gross revenue plus payments to agents and subcontractors in respect of services as transport operator, but excluding customs duty, sales tax or similar fiscal charges, paid on behalf of customers

Gross revenue

revenue net of payments to agents and subcontractors in respect of services as transport operator

Handheld electronic products

products designed primarily for the storage, management, use or transmission of information by electronic means (for example: organisers, computer games, remote control devices), but not products in which the electronic component only controls another, mechanical or other, function (for example: toothbrushes, power tools)

Handling equipment

- an item of machinery or other apparatus (not being an aircraft, container, locomotive, ship or trailer) used for the handling, movement or storage of cargo or carrying equipment, and operations incidental to such activities
- a part, including spares and accessories, of handling equipment
- plant, tools or materials for the maintenance or repair of handling equipment or of any customer's equipment
- anything specified as handling equipment in your Assets Schedule

Host Liquor

supplying alcoholic beverages in the course of your insured services as long as you are not in the business of manufacturing, distributing, selling or serving alcoholic beverages

Illegal trade

handling, movement, storage of, or transaction in, people, goods, cargo or money in the course of trade which is prohibited by national law or international agreement/convention



In writing/written

visibly expressed in any permanent mode, including telegram, fax and electronic means

Incur as an employer

includes incurring liability under any state or private workers compensation insurance, disability benefits or similar law or scheme

Indemnity value

the cost of replacing an item of insured equipment/property with equipment/property of the nearest (but no worse) type, age and condition, and any labour, dismantling, freight and erection costs of the replacement equipment/property but only to the extent that the total of such costs does not exceed the insured value

Indirect declarant

a person making a customs declaration in his/her own name but on behalf of someone else or as otherwise defined in any applicable national or international law or convention

In flight

the time commencing with the actual take off run of the aircraft and continuing thereafter until it has completed its landing run and its engines are shut down

Insanity

becoming incapable by reason of mental disorder of managing and administering property and affairs

Insured location

the location at which you provide any insured services and in respect of which the Managers have agreed that you are insured, and which is included in your Insured Location Schedule (or Assets Schedule)

Insured property

property *at the locations specified in your certificate* which is

- specified in your certificate or
- third party property in your care, custody and control which you are legally liable to insure against physical loss and damage

Insured services

services set out in your certificate in respect of which the Managers have agreed that you are insured

Insured value

an amount, which may be *new replacement value, depreciated value, indemnity value* or other *agreed value*, which the Managers have agreed that we will pay in the event of the total loss of an insured item

Joint service partner

a ship operator or NVOC with whom you operate a joint service

Joint venture partner

an operator with whom you pool equipment in order to operate a joint service

Lack of due diligence

failure to exercise reasonable skill, care and competence in the circumstances



Land

includes buildings and other things fixed to land so as to become part of it, mines, subsoil and airspace

Landlord port authority

an authority which owns or is responsible for the infrastructure of a port, but which does not itself handle cargo (either directly or through subcontractors) and which itself undertakes activities or operates facilities (either directly or through subcontractors) in respect of which it is insured only if, and to the extent, specified in your policy

Lease/leased/lessor/lessee

includes rent and hire, but excludes owning and re-positioning of carrying equipment in respect of which payment is not made or received

Leasing contract

a contract approved by the Managers for the purposes of your lessor cover whereby you lease equipment to a customer on terms, amongst others, that the customer will be responsible for all physical loss/damage of the equipment (other than fair wear and tear) from the time the customer takes delivery of it until either the customer redelivers it to you or you repossess it, and will also be responsible for all third party liabilities arising from its condition or use during that period

Liquidated damages

a fixed sum agreed in advance under your contract with your customer as payable in the event of a breach of the contract

Logistics operator

an operator:

- undertaking supply chain management, defined as planning, implementing and controlling the flow and storage of goods, services and related information from point of origin to point of consumption
- operating under contracts specified in your Approved Contracts Schedule which extend liability provisions, for example: to just in time delivery, assembly (including packing, labelling and bar coding) and financial penalties for failure to conform

Loss Payee

includes mortgagees and mortgagors specified in your Loss Payee or Loss Payee Joint Assured Schedule

Lump sum

a premium not subject to adjustment by means of an adjustment rate

Material information

information and facts, and any changes in information and facts, which you know or ought to know, and which would influence us in fixing the premium or determining whether we will take the risk or accept an amendment which you seek, and, if so, on what terms, *including*:

- any material change/addition to information already given
- any merger, amalgamation or division affecting you
- opening/closing of business premises

Microorganism

mould, mildew, fungus, spores or other microorganism of any type, including any substance the presence of which poses actual or potential



threat to health

Mutual premium

price (or any part of price) for insurance which is subject to supplementary, return, and release premiums in accordance with Part E of the Bye-Laws

NVOC

(non vessel owning carrier) - a carrier, who is not a ship operator, providing freight forwarder services as a principal, usually under a bill of lading

Navigational aids

- provision and maintenance of marine navigational aid
- provision and maintenance of charted and advertised water depths
- provision and maintenance of buoyage and lighting for fairways, wrecks and obstruction
- provision of navigational information and warnings

New for old

without deduction for depreciation

Non-contractual

other than under a contract

Nuclear weapon

any weapon of war employing nuclear fission or fusion or other like reaction or radioactive force or matter

Off lease (equipment)

equipment which at the time of an accident giving rise to a claim under your lessor cover was not on lease

On lease (equipment)

equipment which at the time of an accident giving rise to a claim under your lessor cover:

- was on lease to your customer pursuant to a leasing contract or
- had been leased to your customer under a leasing contract which had terminated by reason of default or breach of the customer and had not yet been redelivered to or repossessed by you

Operation of airfield control tower

includes control only of aircraft on the ground and during take off and landing

Operator

a person who owns, leases, charters or otherwise operates means of transport or storage or handling facilities specified in your insured services

Oversea ship

a ship carrying insured equipment from one port or place to another when the voyage includes a sea passage

Overspill claim

that proportion of a political risks claim which is unpaid as a result of the total political risks claims for the political risks account year exceeding the political risks maximum and which is carried forward to the next political risks account year

Own/owned/ownership

includes lease purchase and bareboat charter

Personal property

all property except land



Picking

removal of a full pallet of a single product line from a storage position to fulfil an order

Plocking

selection of products to fulfil an order of less than a full pallet

Pollutant

any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapour, soot, fumes, liquid, gas, oil, petroleum substance or derivative acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed

Pollution

the emission, discharge, dispersal, release or escape of a pollutant into or upon land, sea, the atmosphere, any watercourse or body of water which is not naturally present in the environment in the amounts/concentrations discovered

Port authority

includes port operator, harbour board, harbour authority or harbour operator

Precious jewellery

jewellery made from precious stones or precious metal

Precious metal

gold (any carat and any colour), palladium, platinum, silver and objects made of or plated with precious metal (as defined here)

Precious stones

diamonds, emeralds, sapphires and rubies - except where made up into precious jewellery

Products liability

liability for loss/damage of property or bodily injury arising from any product, including containers packaging or labelling, which:

- is sold, supplied, erected, constructed, repaired, altered, treated, converted, installed, processed, manufactured, tested, serviced, hired out, stored, carried or delivered by or through you *and*
- has ceased to be in your possession, care, custody or control *and*
- is defective for the purposes of applicable products liability law

Professional services

includes preparation/approval of, maps, charts, plans, reports, surveys, designs calculations or specifications and supervisory, inspection, engineering or data processing services and services of or in the nature of a profession which would normally be insured by a professional Indemnity Insurer (whether actually insured or not) - and advice of a professional nature

Project cargo

cargo carried under a contract which requires you to accept liability:

- if delivery is not made within a time limit specified in the contract, *unless* the liability is calculated by reference to the freight in respect of the cargo or
- for loss or damage to cargo without a financial limit of liability based on the weight or the number of packages of the cargo



Quiet use

freedom from interference in enjoyment of the property by the seller or by anyone claiming through the seller

Radioactive/nuclear risks

risks caused or increased (directly or indirectly) by:

- ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste from combustion of nuclear fuel
- the radioactive, toxic, explosive or other hazardous properties of:
- an explosive nuclear assembly or nuclear component thereof or
- *source material, special nuclear material or by product material* as defined by the US Atomic Energy Act 1954 (and amendments) or
- radioactive products carried as cargo - other than *excepted matter* *excepted matter* is defined under s26(i) of the United Kingdom Nuclear Installations Act 1965 as nuclear matter consisting only of one or more of the following:
 - (a) isotopes prepared for use for industrial, commercial, agricultural, medical or scientific purposes
 - (b) natural uranium
 - (c) any uranium of which isotope 235 forms not more than 0.72 per cent.
 - (d) nuclear matter of such other description, if any, in such circumstances as may be prescribed (or, for the purposes of the application of this Act to a relevant foreign operator, as may be excluded from the operation of the relevant international agreement by the relevant foreign law)

Refurbishment

stripping equipment to its skeleton - in the case of a chassis this means to axles/frame - and then replacing *everything*, whether it needs replacement or not

Review date

the date on which your policy is reviewed as stated in your certificate

Risk mapping model

precise details are available from the Managers. Subject to this, and for *guidance only*:

For earthquake/volcanic eruption:

Afghanistan, Albania, Armenia, Azerbaijan, Canada (West Coast), Canary Islands, Chile, Colombia, Costa Rica, Cyprus, Ecuador, El Salvador, Greece, Guam, Guatemala, Honduras, Iceland, India (North West), Indonesia (excl Kalimantan), Iran, Israel, Italy (part), Japan, Leeward & Windward Islands, Mexico, Morocco, New Zealand, Nicaragua, Pakistan, Panama, Papua New Guinea, China (earthquake zones), Peru, Philippines, Taiwan, Turkey, USA (West Coast), Venezuela

For storm:

Bangladesh, Bermuda, Caribbean, Fiji, Guam, Honduras, Hong Kong, India, Indonesia, Macao, Mauritius, Mexico, Nauru, China (flood zones), Philippines, Reunion, Solomon Islands, South Korea, Sri Lanka, Taiwan, Thailand, Tonga, Tuvalu, Vanuata, USA (below Virginia, East Coast & Gulf)

For flood:

Bangladesh, Botswana, Chile (North), Ecuador, Germany, India, Netherlands, Peru, China (flood zones), Thailand, USA (Mississippi Delta)



Road vehicle

a vehicle with integral means of mechanical or electrical propulsion for use on public roads

Rolling Stock

railway wagon without integral means of mechanical or electrical propulsion

Seaman

any person (including the master and apprentices) employed as part of a ship complement under the terms of a crew agreement or other contract of service or employment to serve on board a ship

Securities

bonds, negotiable instruments or securities of any kind

Semi-trailer

- a trailer constructed to be attached to, and supported at its forward end by, the fifth wheel device of a tractor - but excluding for the purposes of your policy any semi-trailer which is defined as a chassis
- a part, including spares and accessories, of a semi-trailer
- plant, tools or materials for the maintenance or repair of a semi-trailer

Ship

boat (whether self propelled or not), hovercraft and any other vessel or structure for use in navigation on, under, over or in water

Ship operator

the owner, part owner, operator, charterer or manager of a ship

Slot charter

an agreement under which the shipowner agrees to place a certain number of container slots at the charterer's disposal

Space charter

an agreement under which the shipowner agrees to place part of the ship capacity at the charterer's disposal

Specified lessee

a lessee specified in your Specified Lessee Schedule

Statutory obligation

any obligation, liability or discretion imposed by any legislative enactment, decree, order or regulation having the force of law in any country

Storm

includes hurricane, typhoon, windstorm, rainstorm or tornado

Strikes riots & civil commotion risks

risks arising from strikers, locked-out workmen or persons taking part in labour disturbances, riots or civil commotions

Strikes riots & terrorist risks

risks arising from:

- strikers, locked-out workmen or persons taking part in labour disturbances, riots or civil commotions
- terrorists or persons acting from a political motive

Subsidence

includes landslip and heave



Terrorism(terrorist)

(an act of) any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s) or government(s), committed for political, religious or ideological purposes to:

- overthrow or influence any government (de facto or de jure) or
- put the public in fear for such purposes by force or violence

Terrorism class

as defined in the *Pool Reinsurance Company Limited 2002* rules for the purposes of reinsurance of risks arising from terrorism. The classes are (in brief):

- property damage/ buildings
- property damage/ other property (including handling equipment)
- business interruption
- book debts

Third party

anyone other than us, the assured or a joint assured

Third party liability

- liability for physical loss of or damage to third party property and for resulting consequential loss
- liability for death, injury or illness of any third party, and for resulting consequential loss

Third party property

any property of a third party except:

- cargo
- property leased to the assured or a joint assured (for example: equipment, land or buildings)

Trailer

- a vehicle, without integral means of propulsion, designed to be hauled by a truck or tractor for the purpose of transporting goods - but excluding for the purposes of your policy any trailer which is defined as a chassis
- a part, including spares and accessories, of a trailer
- plant, tools or materials for the maintenance or repair of a trailer

Transit storage

storage of cargo during, or immediately before or after, carriage (which is other than solely local distribution), if at the commencement of such storage it was intended that the storage would not exceed 30 days

Transport operator

a person undertaking transport of cargo, either directly or through a subcontractor, as specified at G4:2 - which may include transit storage and incidental handling

Unspecified lessee

a lessee other than a specified lessee

Valuable papers

formal documents expressing property, or debt, relations between parties and classified as follows:

- share capital certificates *if* it is possible to receive credit from a bank on the document



- bond certificates - issued by both companies and governments
- documents expressing proprietary interests *including* bills, cheques, warrants, certificates of deposit, bills of lading and other commercial papers
- international valuable papers *including* euroshares and eurobonds

Valuable works of art

includes antiques, paintings, furniture, sculptures, tapestries, collectibles or objects for display, if the value exceeds US\$20,000 each item or set of items

Vertical tandem lift

Lift of more than one container linked together vertically

War risks

risks caused by the following:

- war, civil war, revolution, rebellion, insurrection or civil strife arising therefrom, or any hostile act by or against a belligerent power
- capture, seizure, arrest, restraint, detainment (piracy excepted), confiscation or expropriation and the consequences thereof and attempts thereat
- mines, torpedoes, bombs, rockets, missiles, shells, explosives or other similar weapons of war

Wear and tear

wastage, wearing away or wearing out of any material or part arising from ordinary usage or working, or other gradual deterioration, rust, oxidation, corrosion, or erosion, including slowly developing deformation, distortion, cracks or other flaws

Winding up/bankruptcy

- in the case of a corporation:
 - the passing of a resolution for voluntary winding up
 - an order being made for compulsory winding up
 - dissolution
 - appointment of a receiver or manager of all or part of the business or undertaking
 - possession being taken by a secured party of any property
 - commencing proceedings under any insolvency laws to seek protection from creditors or to reorganise its affairs
- in the case of an individual:
 - having a receiving order made against him/her
 - becoming bankrupt
 - making a composition or arrangement with creditors generally

Your country

any country in which:

- you are incorporated *or*
- the management of your business is conducted *or*
- your principal place of business is situated

Your product

any goods, other than real property, manufactured, sold, handled, distributed or disposed of by:



- you
- others trading under your name
- anyone whose business or assets you have acquired
- containers (other than vehicles), materials, parts or equipment furnished in connection with your goods or products

Your product includes

- warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of your product *and*
- the providing of, or failure to provide, warnings or instructions

Your work

- any work or operations performed by you or on your behalf *and*
- any materials, parts or equipment furnished in connection with this work or operations

Your work includes:

- warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of your work *and*
- the providing of, or failing to provide, warnings or instructions

ADDITIONAL INTERESTS

J1 LOSS PAYEE CLAUSE

1 The Schedule identifies

Loss payees in respect of specified:

- equipment *or*
- property *or*
- ships

supplied or financed for use in the assured's insured services

and

agreements under which the equipment/property/ships are supplied or financed

2 Payment

We will pay claims for physical loss/damage of an item specified at 1 above:

- 2.1 To the order of the assured - unless and until we receive notice from the loss payee that the assured/joint assured is in default under the agreement specified at 1 above
- 2.2 To the order of a loss payee specified at 1 above - on receipt of notice as at 2.1

3 General Qualifications

- 3.1 We are not bound to pay as specified at 2.2 until the expiration of the next



- two business days after receipt of the notice
- 3.2 The assured/loss payee will clearly identify the equipment/property/ship involved
- 3.3 If the claim results from an accident which also gives rise to other claims, any deductible or limit of liability will be apportioned pro rata
- 4 Cesser**
A loss payee will cease to be a loss payee:
- 4.1 as specified in the Schedule
- 4.2 on expiry/termination of an agreement specified in the Schedule
- 4.3 on cancellation/cessation of the assured's insurance
- 5 Notice to Loss Payee**
- 5.1 Notice to a loss payee will be served:
- by post/fax to the loss payee or its broker, at the address or fax number last recorded by the Managers
 - personally (on a director/officer in the case of a company)
- Notice will be deemed served:
- if sent by post - on the third day after posting
 - if sent by fax - on the date of transmission
- 5.2 If we have undertaken to give notice regarding a similar matter to another loss payee or joint assured we may (but are not obliged to) give notice to all loss payees/joint assureds within the longest period of notice required by the undertakings
- 6 Notice of Change**
We will not agree to the cesser or reduction of insurance of an item without giving 15 days notice to the loss payee - *except*:
- as specified at G3:9.3
 - for war/strikes riots & terrorist risks
- 7 Notice of Cancellation**
If we give the assured notice of cancellation of insurance for non payment of amounts due, we will not cancel without giving 15 days notice to the loss payee



ADDITIONAL INTERESTS

J2 LOSS PAYEE JOINT ASSURED CLAUSE

1 The Schedule identifies

Joint assured loss payees in respect of specified:

- equipment *or*
- property *or*
- ships

supplied or financed for use in the assured's insured services
and

agreements under which the equipment/property/ships are supplied or
financed

2 A Joint Assured is insured:

- in respect of its interest specified at 1 above
- to the extent that the assured is insured
for:

- 2.1 liabilities arising from condition/use of an item specified at 1 above
- 2.2 physical loss/damage of an item specified at 1 above
- 2.3 general average/salvage contributions in relation to an item specified at 1
above

3 Exclusions

A joint assured is *not* insured under this clause for liabilities arising:

- 3.1 from the joint assured's own fault or negligence, or that of its servants,
employees, agents or subcontractors
- 3.2 solely by reason of the joint assured's own interest in the
equipment/property/ship specified at 1 above

4 Payment

We will pay claims for physical loss/damage of an item specified at 1
above:

- 4.1 To the order of the assured - unless and until we receive notice from the
loss payee that the assured/joint assured is in default under the agreement
specified at 1 above
- 4.2 To the order of a joint assured as loss payee specified at 1 above - on
receipt of notice as at 4.1



5 Relationship of Insureds*

- 5.1 If the assured insurance ceases or is cancelled the insurance of all insureds* will cease or be cancelled at the same time
- 5.2 No insured* is insured for any liability to any other insured*
- 5.3 Insureds* are jointly and severally liable for amounts due to us
- 5.4 Receipt by one insured* of a sum from us relieves us of liability to all insureds*
- 5.5 Conduct of one insured* disentitling it to recovery from us disentitles all other insureds* in respect of the risk
- 5.6 A customer of one insured* is deemed to be a customer of all insureds*
- 5.7 Communication between us (or our representative) and an insured* will be deemed to be within the knowledge of all insureds*
- *insured is defined for the purposes of this paragraph 5 only as the assured and all joint assureds under the same policy*

6 Service of Notice

Service of notice on the assured (or its broker) is deemed to be service on the assured and all joint assureds

7 General Qualifications

- 7.1 We are not bound to pay as specified at 4.2 until the expiration of the next two business days after receipt of the notice
- 7.2 The assured/loss payee will clearly identify the equipment/property/ship involved
- 7.3 If the claim results from an accident which also gives rise to other claims, any deductible or limit of liability will be apportioned pro rata

8 Cesser

Insurance of a joint assured will cease:

- 8.1 as specified in the Schedule (in respect of the equipment/property/ship or of the joint assured)
- 8.2 on expiry/termination of an agreement specified in the Schedule
- 8.3 on cancellation/cessation of the assured's insurance

9 Notice to Joint Assured

- 9.1 Notice to a joint assured will be served:
- by post/fax to the joint assured or its broker, at the address or fax number last recorded by the Managers
 - personally (on a director/officer in the case of a company)
- Notice will be deemed served:
- if sent by post - on the third day after posting
 - if sent by fax - on the date of transmission
- 9.2 If we have undertaken to give notice regarding a similar matter to another loss payee or joint assured we may (but are not obliged to) give notice to all loss payees/joint assureds within the longest period of notice required by the undertakings



10 Notice of Change

We will not agree to the cesser or reduction of insurance of an item without giving 15 days notice to the loss payee - *except*:

- as specified at G3:9.3
- for war/strikes riots & terrorist risks

11 Notice of Cancellation

If we give the assured notice of cancellation of insurance for non payment of amounts due, we will not cancel without giving 15 days notice to the joint assured

ADDITIONAL INTERESTS

J3 CONTRACTOR JOINT ASSURED CLAUSE

1 The Schedule identifies

Joint assureds in respect of specified agreements under which they provide services

2 A Joint Assured is insured for:

Liabilities incurred in performing services specified at 1 above:

- arising from the fault or negligence of the assured or an operational joint assured
- to the extent that the assured is insured

3 Relationship of Insureds*

- 3.1 If the assured insurance ceases or is cancelled the insurance of all *insureds** will cease or be cancelled at the same time
- 3.2 *Insureds** are jointly and severally liable for amounts due to us
- 3.3 Receipt by one *insured** of a sum from us relieves us of liability to all *insureds**
- 3.4 Conduct of one *insured** disentitling it to recovery from us disentitles all other *insureds** in respect of the risk
- 3.5 A customer of one *insured** is deemed to be a customer of all *insureds**
- 3.6 Communication between us (or our representative) and an *insured** will be deemed to be within the knowledge of all *insureds**
- 3.7 In the event of a claim by one *insured** against another *insured** the claimant will be deemed to be a third party. The definition of third party at G6:2 is modified to this extent
insured* is defined **for the purposes of this paragraph 3 only as the assured and all joint assureds under the same policy

4 Service of Notice

Service of notice on the assured (or its broker) is deemed to be service on the assured and all joint assureds



- 5 Cesser**
Insurance of a joint assured will cease:
- 5.1 as specified in the Schedule
 - 5.2 on cessation of the assured's relevant insured services
 - 5.3 on cancellation/cessation of the assured's insurance

ADDITIONAL INTERESTS

J4 SUPPLIER JOINT ASSURED CLAUSE

1 The Schedule identifies

Joint assureds in respect of specified:

- equipment, land or premises - which the joint assured supplies for use in the assured's insured services
- agreements - under which the joint assured supplies the equipment, land or premises

2 A Joint Assured is insured for:

Liabilities arising from the condition or use of equipment, land or premises specified at 1 above - to the extent that the assured is insured

3 Exclusions

A joint assured is *not* insured under this clause for liabilities arising:

- 3.1 from the joint assured's own fault or negligence, or that of its servants, employees, agents or subcontractors
- 3.2 solely by reason of the joint assured's own interest in the equipment, land or premises specified at 1 above

4 Relationship of Insureds*

- 4.1 If the assured insurance ceases or is cancelled the insurance of all *insureds** will cease or be cancelled at the same time
- 4.2 *Insureds** are jointly and severally liable for amounts due to us
- 4.3 Receipt by one *insured** of a sum from us relieves us of liability to all *insureds**
- 4.4 Conduct of one *insured** disentitling it to recovery from us disentitles all other *insureds** in respect of the risk
- 4.5 A customer of one *insured** is deemed to be a customer of all *insureds**
- 4.6 Communication between us (or our representative) and an *insured** will be deemed to be within the knowledge of all *insureds**
- 4.7 In the event of a claim by one *insured** against another *insured** the claimant will be deemed to be a third party. The definition of third party at G6:2 is modified to this extent

**insured is defined for the purposes of this paragraph 4 only as the assured and all joint assureds under the same policy*



5 Service of Notice

Service of notice on the assured (or its broker) is deemed to be service on the assured and all joint assureds

6 Cesser

Insurance of a joint assured will cease:

- 6.1 as specified in the Schedule
- 6.2 on cessation of the assured's relevant insured services
- 6.3 on expiry/termination of an agreement specified in the Schedule
- 6.4 on cancellation/cessation of the assured's insurance

ADDITIONAL INTERESTS

J5 CUSTOMER JOINT ASSURED CLAUSE

1 The Schedule identifies

Joint assureds in respect of specified agreements - under which the assured or operational joint assureds perform insured services for the joint assureds

2 A Joint Assured is insured for:

Liabilities arising from the performance by the assured or an operational joint assured of services specified at 1 above:

- arising from fault or negligence of the assured or operational joint assured
- to the extent that the assured is insured

3 Relationship of *Insureds**

- 3.1 If the assured insurance ceases or is cancelled the insurance of all *insureds** will cease or be cancelled at the same time
- 3.2 *Insureds** are jointly and severally liable for amounts due to us
- 3.3 Receipt by one *insured** of a sum from us relieves us of liability to all *insureds**
- 3.4 Conduct of one *insured** disentitling it to recovery from us disentitles all other *insureds** in respect of the risk
- 3.5 A customer of one *insured** is deemed to be a customer of all *insureds**
- 3.6 Communication between us (or our representative) and an *insured** will be deemed to be within the knowledge of all *insureds**
- 3.7 In the event of a claim by one *insured** against another *insured** the claimant will be deemed to be a third party. The definition of third party at G6:2 is modified to this extent

**insured is defined for the purposes of this paragraph 3 only as the assured and all joint assureds under the same policy*



- 4 **Service of Notice**
Service of notice on the assured (or its broker) is deemed to be service on the assured and all joint assureds
- 5 **Cesser**
Insurance of a joint assured will cease:
 - 5.1 as specified in the Schedule
 - 5.2 on cessation of the assured's relevant insured services
 - 5.3 on cancellation/cessation of the assured's insurance
 - 5.4 on expiry/termination of the agreement specified in the Schedule

ADDITIONAL INTERESTS

J6 DIRECTORS & OFFICERS JOINT ASSURED CLAUSE

1 The Schedule identifies

Directors & Officers Joint Assureds

2 A Joint Assured is insured for:

Liabilities arising from the assured insured services - to the extent that the assured (or any joint assured) is insured for a claim directed against it

3 Relationship of *Insureds**

- 3.1 If the assured insurance ceases or is cancelled the insurance of all *insureds** will cease or be cancelled at the same time
 - 3.2 No *insured** is insured for any liability to any other *insured**
 - 3.3 Receipt by one *insured** of a sum from us relieves us of liability to all *insureds**
 - 3.4 Conduct of one *insured** disentitling it to recovery from us disentitles all other *insureds** in respect of the risk
 - 3.5 A customer of one *insured** is deemed to be a customer of all *insureds**
 - 3.6 Communication between us (or our representative) and an *insured** will be deemed to be within the knowledge of all *insureds**
- *insured is defined for the purposes of this paragraph 3 only as the assured and all joint assureds under the same policy*

- 4 **Service of Notice**
Service of notice on the assured (or its broker) is deemed to be service on the assured and all joint assureds

- 5 **Separate Insurance**
Separate directors and officers insurance will be maintained for each joint assured, to the extent permitted by law. Insurance under this clause (J6)



excludes claims insurable under this separate insurance (or which would be insurable except for an exclusion, qualification, deductible or limit of liability)

- 6 Cesser**
Insurance of a joint assured will cease:
- 6.1 as specified in the Schedule
- 6.2 on cancellation/cessation of the assured's insurance

ADDITIONAL INTERESTS

J7 CONNECTED INTERESTS CLAUSE

1 The Schedule identifies

Connected Interests

2 The Assured is insured for:

Claims enforced against connected interests specified at 1 above:

- arising from the assured's insured services
- to the extent that the assured (or any joint assured) is insured for a claim directed against it

3 Separate Insurance

Connected interests will insure their own operations. Insurance under this clause (J7) excludes claims insurable under this separate insurance (or which would be insurable except for an exclusion, qualification, deductible or limit of liability)

4 Cesser

Insurance under this clause will cease:

- 4.1 as specified in the Schedule
- 4.2 on cancellation/cessation of the assured's insurance
- 4.3 on the connected interest ceasing

ADDITIONAL INTERESTS

J8 CONNECTED INTERESTS JOINT ASSURED CLAUSE

1 The Schedule identifies

Connected Interests Joint Assureds



2 The Assured is insured for:

Claims enforced against the joint assured:

- arising from the assured's insured services
- to the extent that the assured (or any other joint assured) is insured for a claim directed against it

3 Exclusions

A joint assured is *not* insured under this clause for liabilities arising from the joint assured own fault or negligence, or that of its servants, employees, agents or subcontractors

4 Relationship of Insureds*

- 4.1 If the assured insurance ceases or is cancelled the insurance of all insureds* will cease or be cancelled at the same time
- 4.2 No insured* is insured for any liability to any other insured*
- 4.3 Receipt by one insured* of a sum from us relieves us of liability to all insureds*
- 4.4 Conduct of one insured* disentitling it to recovery from us disentitles all other insureds* in respect of the risk
- 4.5 A customer of one insured* is deemed to be a customer of all insureds*
- 4.6 Communication between us (or our representative) and an insured* will be deemed to be within the knowledge of all insureds*

**insured is defined for the purposes of this paragraph 4 only as the assured and all joint assureds under the same policy*

5 Service of Notice

Service of notice on the assured (or its broker) is deemed to be service on the assured and all joint assureds

6 Separate Insurance

Joint assureds will insure their own operations. Insurance under this clause (J8) excludes claims insurable under this separate insurance (or which would be insurable except for an exclusion, qualification, deductible or limit of liability)

7 Cesser

Insurance of a joint assured will cease:

- 7.1 as specified in the Schedule
- 7.2 on cancellation/cessation of the assured's insurance
- 7.3 on the connected interest ceasing



ADDITIONAL INTERESTS

J9 EQUIPMENT LESSEE JOINT ASSURED CLAUSE

1 The Schedule identifies

Joint Assureds

2 The Assured is insured for:

Risks in respect of insured equipment leased from the assured to the extent that the assured is insured

3 Relationship of *Insureds**

- 3.1 If the assured insurance ceases or is cancelled the insurance of all *insureds** will cease or be cancelled at the same time
 - 3.2 No *insured** is insured for any liability to any other *insured**
 - 3.3 Receipt by one *insured** of a sum from us relieves us of liability to all *insureds**
 - 3.4 At the Directors discretion, conduct of one *insured** disentitling it to recovery from us disentitles all other *insureds** in respect of the risk
 - 3.5 A customer of one *insured** is deemed to be a customer of all *insureds**
 - 3.6 Communication between us (or our representative) and the assured will be deemed to be within the knowledge of all *insureds**
- *insured is defined for the purposes of this paragraph 3 only as the assured and all joint assureds under the same policy*

4 Service of Notice

Service of notice on the assured (or its broker) is deemed to be service on the assured and all joint assureds

5 Cesser

Insurance of a joint assured will cease:

- 5.1 as specified in the Schedule
- 5.2 on cancellation/cessation of the assured's insurance
- 5.3 on termination of the lease concerned

ADDITIONAL INTERESTS

J10 OPERATIONAL JOINT ASSURED CLAUSE

1 The Schedule identifies

Operational Joint Assureds



2 The Joint Assured is insured for:

Liabilities arising from the assured's insured services - for which the assured would be insured if it had itself incurred the liability

3 Relationship of Insureds*

- 3.1 If the assured insurance ceases or is cancelled the insurance of all insureds* will cease or be cancelled at the same time
 - 3.2 No insured* is insured for any liability to any other insured*
 - 3.3 Insureds* are jointly and severally liable for amounts due to us
 - 3.4 Receipt by one insured* of a sum from us relieves us of liability to all insureds*
 - 3.5 Conduct of one insured* disentitling it to recovery from us disentitles all other insureds* in respect of the risk
 - 3.6 A customer of one insured* is deemed to be a customer of all insureds*
 - 3.7 Communication between us (or our representative) and an insured* will be deemed to be within the knowledge of all insureds*
- *insured is defined for the purposes of this paragraph 3 only as the assured and all joint assureds under the same policy*

4 Service of Notice

Service of notice on the assured (or its broker) is deemed to be service on the assured and all joint assureds

5 Cesser

Insurance of a joint assured will cease:

- 5.1 as specified in the Schedule
- 5.2 on cancellation/cessation of the assured's insurance.

ADDITIONAL INTERESTS

J11 AFFILIATE JOINT ASSURED CLAUSE

1 Affiliate Joint Assureds are identified

By notification to us by the assured. Notification will specify the carriage in respect of which the joint assured is insured

2 The Joint Assured is insured for:

Claims under T1, T2 & T5 enforced against the joint assured:

- arising from the carriage specified at 1 above
- to the extent that the assured is insured for a claim directed against it

3 Relationship of Insureds*

- 3.1 If the assured insurance ceases or is cancelled the insurance of all



- insureds** will cease or be cancelled at the same time
- 3.2 Receipt by one *insured** of a sum from us relieves us of liability to all *insureds**
- 3.3 A customer of one *insured** is deemed to be a customer of all *insureds**
- 3.4 Communication between us (or our representative) and the assured will be deemed to be within the knowledge of all *insureds**
- 3.5 In the event of a claim by one *insured** against another *insured** the claimant will be deemed to be a third party. The definition of third party at G6:2 is modified to this extent
**insured is defined for the purposes of this paragraph 3 only as the assured and all joint assureds under the same policy*
- 4 Service of Notice**
Service of notice on the assured (or its broker) is deemed to be service on the assured and all joint assureds
- 5 Cesser**
Insurance of an affiliate joint assured will cease on cancellation/cesser of the assured insurance
- 6 Approval of Joint assureds**
All affiliate joint assureds will be approved by the Managers in advance. We may, on giving 30 days notice to the assured, decline to continue to insure anyone as an affiliate joint assured
- 7 Limits**
Claims against:
- the assured arising out of carriages as specified at 1 above undertaken by each affiliate joint assured
 - each affiliate joint assured will be subject to a limit each claim and in the aggregate each account year stated in the assured certificate. This aggregate limit is separate from the assured limits in respect of:
 - any other affiliate joint assured *and*
 - risks not arising from carriages as specified at 1 above
- 8 Delivery of Cargo**
No affiliate joint assured is insured in respect of any liability resulting from delivery of cargo to someone not entitled to receive it
- 9 Subcontractors**
- 9.1 Subject to 9.2, the assured *is* insured:
- for risks arising out of a carriage specified at 1 above
 - notwithstanding any other term in the assured policy for claims arising from, or increased by, the fact that its sub-contractor is not insured for its liability to the assured
- 9.2 Neither the assured nor an affiliate joint assured is insured if the carriage is sub-contracted by the affiliate joint assured