



## 兆豐產物船舶保險

# Equipment/Containers Insurance

97.06.09兆產(97)備字第0588號函備查

客戶申訴及24小時服務專線:0800-053-588

### A.) COVERAGE – EQUIPMENT/CONTAINERS SCHEDULE

1. Subject to the following terms and conditions and the General Policy Terms, Conditions and Exclusions, Insurers will indemnify the Insured in respect of:
  - 1.1 The risk of physical loss or damage, including total and/or constructive total loss to any equipment or container owned, operated, leased to, or hired by the Insured and declared to Insurers and as per the scope of cover stated on the Schedule.
  - 1.2 Contributions in general average, salvage and/or salvage charges in respect of loss or damage under Clause 1.1 above. Claims under Clause 1.2 shall be payable without application of deductible.

### B.) SPECIAL CONDITIONS AND EXCLUSIONS (Applicable to all Sections of Equipment/Container Schedule & Extensions)

1. Claims arising out of the following are excluded:
  - 1.1 wear, tear and gradual deterioration;
  - 1.2 mysterious disappearance, unexplained loss or loss only discovered upon taking an inventory;
  - 1.3 mechanical or electrical derangement, malfunction or breakdown;
  - 1.4 detention, confiscation, seizure, expropriation, requisition or removal by an authority including but not limited to a governmental organisation or department;
  - 1.5 nationalisation;
  - 1.6 defect in design, or manufacture;
  - 1.7 failure to carry out proper maintenance or repair;
  - 1.8 insolvency or financial default.
2. **Basis of Valuation**
  - 2.1 Insurer's liability in respect of any one item shall not exceed the limit on the Schedule.
  - 2.2 Notwithstanding Clause 2.1 above, Insurer's liability shall not in any event exceed the basis of valuation stated on the Schedule, or if no such valuation is stated then:-
    - (a) the depreciated value of any item, or
    - (b) the market value of any item, or
    - (c) in the event of an item being subject to a lease/rental agreement, the value stated in that agreement,whichever shall be the lower of (a), (b) or (c).
  - 2.3 In the event of a claim under this Schedule an item shall be deemed a constructive total loss where the cost of repairing such item exceeds the value under Clause 2.2 above.
3. **Maintenance**
  - 3.1 It is a condition precedent to liability of Insurers that all items insured hereunder shall be maintained and/or repaired according to internationally accepted standards.
  - 3.2 It is a condition precedent to liability of Insurers that the Insured shall maintain written records in relation to transport, storage, inspection, repair and/or maintenance carried out on any item which is insured and shall make such records available to Insurers.



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#### 4. Vessels

It is a condition precedent to liability of Insurers that throughout the period of this insurance, any vessel used for the carriage of any item insured, where such vessel is owned, chartered, slot chartered, managed or operated by the Insured, must be and remain fully classed with an International Association of Classification Society member and should be ISM compliant and, unless otherwise agreed by Insurers, shall not exceed 20 years in age.

### DEFINITIONS

#### **Definitions: -**

**Additional Insured:** An Additional Insured is a party identified in an Endorsement to the Policy and is insured under this Policy to the same extent as the Insured and subject to the same rights and obligations, but only in respect of operations and activities covered under this Policy whether carried out by the Insured or the Additional Insured. The Additional Insured shall not be required to maintain separate insurance in respect of such operations or activities. In the event of a claim under the Policy by the Insured, Insurers shall be at liberty to maintain a claim against the Additional Insured.

**Aggregate Limit:** This shall be the maximum sum payable by Insurers to the Insured, including any indemnity and costs, during the period of the policy, less any deductible that may apply.

**Co-Insured:** A Co-Insured is a party identified in an Endorsement to the Policy and is insured under this policy to the same extent as the Insured and subject to the same rights and obligations, but only in respect of operations and activities covered under this Policy whether carried out by the Insured or the Co-Insured. The Co-Insured shall not be required to maintain separate insurance in respect of such operations or activities. In the event of a claim under the Policy by the Insured, Insurers shall not maintain any claim against the Co-Insured.

**Container:** An ISO standard container, transportable tank or flat rack in conformance with ISO standards.

**Costs:** Costs shall mean fees, disbursements and expenses including but not limited to those relating to surveyors, adjusters, lawyers, experts and other professional advisers.

**Error and Omission:** This denotes an act/conduct or failure to act, as the case may be that is unintentional.

**Geographical Limit:** This is the geographical scope relating to the insurance cover.

**Incident or Occurrence:** Any one incident or occurrence or a series of incidents or occurrences arising from one event.

**Insolvency:** Shall include the inability to pay debts as and when they fall due.



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**Insured:** The Insured is the party identified in the Policy Cover. The Insured does not include an associate, subsidiary, or other related company, corporation, association, individual, partnership, or agent unless stated in the Policy Cover, or endorsed on the Policy (or as expressly stated otherwise in the Policy Terms Conditions and Exclusions).

**Insurers:** International Insurance Company of Hannover Limited.

**Locked:** Locked shall mean secured by means of a suitable deadlock or mortice lock or other similar locking mechanism.

**Loss:** Loss shall include partial, constructive or total loss. Subject to Clause 2.3 of the Container/Equipment Schedule, there shall be constructive total loss where the cost of survey and/or repair and/or retrieval exceeds the insured value

**Loss Payee:** A loss payee is not insured under this policy. However upon receiving written notice Insurers agree that any claim may be paid to the loss payee and such payment shall be a full discharge of any obligations under any such claim.

**Period:** This is the period shown on the Schedule. The period shall run to and from Midnight GMT on the dates stated.

**Policy:** The Policy shall comprise the Policy Cover, Schedules, Policy Endorsements, General Policy Terms and Conditions, Exclusions and Definitions which shall all be read together as one contract.

**Policy Cover Limit:** The Policy Cover limit shall be the maximum sum including any indemnity and costs, that Insurers shall pay to the Insured (or Co-Insured) per incident or occurrence, less any deductible that may apply.

**Policy Endorsement:** A policy endorsement shall be issued to amend the Policy and shall be read together with the Policy as one contract

**Schedule Limit:** A Schedule Limit is the maximum sum, including any indemnity and costs that Insurers shall pay to the Insured under a Schedule per incident or occurrence, less any deductible that may apply. In no event shall a Schedule Limit exceed the Policy Cover Limit.

**Schedules:** The Policy Schedules and the Insured Operation Schedules shall form part of the Policy and shall provide details of the Insured, Limits, Sub-limits and Aggregate Limits, Deductible, Period, and Geographical Limits.

**Sub-limit:** A Sub-Limit is the maximum sum, including any indemnity and costs, (irrespective of Policy Cover Limit, Schedule Limit or Aggregate Limit) that Insurers shall pay to the Insured per incident or occurrence less any deductible

**Temporary Storage:** Temporary storage shall mean:-

1. storage in secure and locked premises, including a warehouse or building, suitable for care and protection of the cargo (bearing in mind the type, value, and nature of the cargo) and
2. storage not in the ordinary course of transit and
3. storage not exceeding 72 consecutive hours.

**Transport Equipment:** Trailer or similar item used for transport of cargo or containers.



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### GENERAL POLICY TERMS, CONDITIONS AND EXCLUSIONS

#### 1. Indemnity

We will indemnify only the Insured identified on the Policy Cover and will only make payment to the Insured, Co-Assured or loss payee. The Policy is non-assignable. The Policy shall only cover the Insured (or Co-Insured) and shall not cover, benefit or be enforceable by any third party under the Contracts (Rights of Third Parties) Act 1999.

#### 2. Claims Occurrence

We will indemnify the Insured only in relation to a claim arising out of an incident or occurrence during the period of the Policy.

#### 3. Disclosure : Misrepresentation

3.1 The Insured, its employees, agents or broker shall disclose all material information to the Insurer prior to inception of the Policy.

3.2 The Insured, its employees, agents or broker shall not make any material misrepresentation prior to inception of the Policy.

3.3 Failure to disclose material information or any material misrepresentation, whether deliberate or innocent, shall entitle Insurers to cancel the Policy from inception.

#### 4. Continuing Duty of Disclosure

The Insured, its employees, agents or broker shall be under a continuing duty throughout the period of the Policy to disclose any change in material information or circumstance. Failure to comply with this continuing duty, whether deliberate or innocent, shall entitle the Insurers to cancel the Policy from inception.

#### 5. Premium

The premium is due to Insurers in accordance with the Payment Terms stated on the Policy Cover. Failure to make payment as required will entitle Insurers to cancel the Policy from inception, upon 14 days written notification to the Insured or the Insured's broker or agent.

#### 6. Brokers

Where the Insured effects insurance via an insurance broker or agent, the broker or agent shall be the broker or agent of the Insured. Payment of premium by the Insured to the broker or agent shall not constitute payment to Insurers. Where Insurers pay a commission or brokerage to a broker or agent it shall be disclosed to the Insured if requested. The payment of a commission or brokerage shall not be construed as an appointment of the broker or agent as broker or agent of Insurers.

#### 7. Notification of Claims

It is a condition precedent to the Insured's right to be indemnified under this Policy that the Insured, its employees or agents or broker, gives prompt notice in writing, (and provide originals/copies of relevant documents), of:

7.1 any claim, whether or not in writing, made or intimated against the Insured for which the Insured may claim indemnification under this Policy;



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- 7.2 any notification, whether or not in writing, holding the Insured responsible for any incident, occurrence, event or other matter for which the Insured may claim to be indemnified under the Policy;
- 7.3 any legal claim, summons, application, or other legal process, document, submission or pleading relating to or pertaining to a claim against the Insured;
- 7.4 any incident, occurrence or event that will probably result in matters referred to under Clauses 7.1, 7.2 or 7.3 above.

#### 8. Claims Procedures

It is a condition precedent to indemnification under this policy that in the event of a claim being made, intimated or notified in accordance with Clause 7 above that: -

- 8.1 the Insured must take all reasonable steps to avoid, mitigate, or minimise liability including but not limited to giving proper notice in due time to any other party and ensuring that any time limit or other necessary legal step is protected.
- 8.2 the Insured must not admit liability (expressly or impliedly), or agree to compromise or settle any claim against the Insured unless expressly permitted by Insurers.
- 8.3 the Insured must promptly, at the request of Insurers, take or procure such steps and actions, and permit to be done such steps and actions as may be necessary or reasonably required by Insurers for the purpose of investigating and/or defending any claim or legal process against the Insured and/or enforcing any rights and remedies or of obtaining relief or indemnity from any other party to which Insurers shall or become entitled or subrogated upon paying any claim regardless, of whether such action shall be or become necessary or required before indemnification by Insurers.

#### 9. Investigation, Defence and Mitigation Costs

- 9.1 Subject to Clause 9.3 below, Insurers will pay reasonable costs incurred with their written consent relating to the investigation, defence or mitigation of any claim exceeding the deductible or costs of enforcing or obtaining relief or indemnity in relation to any claim exceeding the deductible. Such costs shall be payable by Insurers without application of any deductible.
- 9.2 Subject to Clause 9.3 below Insurers will pay reasonable costs incurred with their written consent relating to a debt owed to the Insured, provided that the monies due to the Insured are being withheld by a third party solely because of a claim for which the Insurers may be liable under the Policy.
- 9.3 Insurers shall not however be liable to pay to the Insured costs if they exceed the Policy Cover Limit, Schedule Limit, Sub-Limit or Aggregate Limit, or if costs combined with any indemnity payable under the Policy exceed any applicable limit.
- 9.4 Further to Clauses 9.1 and 9.2 above, Insurers shall not be under any obligation to defend a claim made against the Insured (or expend costs in relation thereto), which is less than the applicable deductible, nor shall they be obliged to pay costs referable to such a claim even if such costs on their own or when added to the claim exceed the applicable deductible.

#### 10. Admission of Liability

By giving consent to the incurring of costs relating to the investigation, defence or mitigation of any claim or by requiring the Insured to take or procure any actions or step or by taking any other action or step, Insurers shall not be considered as having admitted liability under this policy.



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#### 11. Right to Settle

Where in the sole opinion of Insurers a claim insured under the Policy may be settled or compromised, Insurers shall be entitled to demand that the Insured shall settle and/or compromise the claim. If the Insured shall unreasonably refuse, then Insurers may discharge their obligations under the Policy either by payment to the Insured of any sum representing the amount at which the claim could be settled or compromised (in the opinion of Insurers) less the applicable deductible, or if the claim may be settled or compromised under such deductible, then by giving written notice to the Insured that Insurers consider their liability to have been discharged and by giving such notice Insurers shall be discharged in respect of the claim. Failure to do so will entitle Insurers to reject the claim.

#### 12. Exclusions

Insurers shall not under any circumstance whatsoever be liable under the Policy for a claim against the Insured (whether made in contract, tort or otherwise howsoever) arising out of, caused or contributed by, or connected with (directly or indirectly):

- 12.1 The use, management, ownership or rental of a motor vehicle, trailer, chassis or similar motorised conveyance and/or an incident relating thereto which is covered by any law, statute, rule, regulation or directive (including but not limited to licensing) of any government (local or national) or international body.
- 12.2 A contract of employment or for supply of labour, director's service contract (or similar), statutory legislation relating to employer's liability or workman's compensation, disability or unemployment benefit, or employment practice.
- 12.3 Ionising radiation or contamination by radioactivity from nuclear fuel or nuclear waste or from the combustion of nuclear fuel or any derivative or similar substance.
- 12.4 Radioactive toxic explosive other hazardous properties of any explosive or nuclear assembly or nuclear component or any derivative or similar substance.
- 12.5 Seepage and/or pollution including but not limited to discharge, dispersal, release or escape of smoke, vapours, soot, fumes, alkalis, toxic substance or derivative including any oil refuse or oil mixed waste or other irritant, contaminant or pollutant into or upon land, the atmosphere, property, persons, animals or other living creatures, watercourse or body of fresh or salt water unless:
  - 12.5.1 the seepage and/or pollution is sudden and unexpected and does not result from any failure to comply with any statute, rule, regulation or directive of any government (local or national) or international body.
  - 12.5.2 the seepage and/or pollution occurs during the period of this Policy, and
  - 12.5.3 the seepage and/or pollution is notified to Insurers within 7 clear days of the occurrence whether continuous or not, and
  - 12.5.4 any claim by the Insured is made within 3 calendar months of the expiry of the Policy.

But in any event Insurers liability shall not exceed US\$1,000,000 per incident or occurrence nor shall it exceed US\$ 1,000,000 in the aggregate (aggregate limit).

- 12.6 War (whether war be declared or not), hostilities, military or usurped power, acts of a foreign enemy or power, civil war, revolution, rebellion, insurrection or terrorist act (or act by any person acting from political or religious motive), mines, torpedoes, bombs, weapons of explosion or of war whether derelict or not, unless such claims arise whilst at sea. However where there is detonation of a nuclear device and/or where there is outbreak of war involving the following: the United States of America, former CIS States, People's Republic of China and member states of the European Union, cover shall be excluded absolutely;



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- 12.7 Civil strife, riot, civil commotion, strike, lockout, labour disturbance or stoppage, unless these arise during loading or unloading operations to or from a vessel or within the designated boundaries of a Port.
- 12.8 Piracy, capture, seizure, arrest, restraint or detainment or the consequences arising therefrom.
- 12.9 Confiscation, seizure, arrest, expropriation, nationalisation, requisition, detainment, destruction or damage under the order of any government, public or local authority or Customs authority.
- 12.10 Libel, slander or malicious statement.
- 12.11 Fraudulent, criminal or illegal activity by the Insured, its employees or agents/brokers.
- 12.12 Deliberate, intentional, reckless or wilful act or omission by the Insured, its employees or agents or brokers.
- 12.13 Infringement of personal and/or human rights, and civil liberties and/or wrongful imprisonment.
- 12.14 Sexual or racial discrimination and/or any other discriminatory act.
- 12.15 Insolvency (whether or not officially declared) and/or financial default of the Insured or a party with whom Insured has contracted. "Insolvency" shall include the inability to pay debts as and when they fall due.
- 12.16 Exercise of a lien and/or possessory claim (whether or not lawful) over property of the Insured (including but not limited to property bailed to the Insured, under lease or hire/conditional purchase) by a party with whom the Insured has contracted, or other third party.
- 12.17 Subject to Clause 9.2 above, failure to obtain payment, collect monies, or to pay debts by the Insured or a party with whom the Insured has contracted or other third party.
- 12.18 Punitive, exemplary, aggravated, multiple or compound damages.
- 12.19 Death, bodily or mental injury or illness including but not limited to death, injury or illness relating to inhalation, ingestion or absorption of asbestos, tobacco or tobacco based products or coal dust and/or relating to any form of repetitive strain or, stress (physical or mental).
- 12.20 Subject always to the exclusions under Clause 12.19 above, death bodily or mental injury or illness relating to other matters except where covered under a Third Party Liability Extension.
- 12.21 Any property including but not limited to containers and transport equipment whilst leased, rented or licensed out by the Insured to a third party unless specifically agreed to be covered in writing by Insurers.
- 12.22 Third Party liability arising from the ownership, rental or licence of any office building or premises.
- 12.23 Chartering (or slot chartering) of an aircraft or vessel except where covered under charterer's/slot charterer's liability Schedule.
- 12.24 Any operation or activity of the Insured not notified to and agreed by Insurers as covered prior to commencement of this Policy or any operation or activity subsequently undertaken during the currency of this Policy and not notified to and agreed by the Insurers as covered.
- 12.25 Any operation or activity of the Insured or a claim arising therefrom, which occurs or takes place outside the geographical limits or specified location under the Policy Cover or the applicable Schedule.
- 12.26 Any fine or penalty for breach of any law, statute, rule, regulation or directive including but not limited to a fine or penalty imposed by a Customs Authority or Governmental authority (local or national), except where insured under an Errors and Omissions Extension.



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#### 13. Cancellation and non-renewal

This Policy may be cancelled by the Insurers or Insured giving 60 clear days written notice in writing to the other, but where cover includes War and Strikes risk the period of notice shall be 7 clear days. Insurers shall be under no obligation to renew any Policy nor under any obligation to give notice of non-renewal, nor be obliged to give any reason for non-renewal.

#### 14. Policy Cover Limits/Deductibles

14.1 The Policy Cover limit shall apply even when an incident or occurrence falls under more than one Schedule and where the combined Schedule limits exceed the Policy Cover limit. In this latter event the claim as limited by the Policy Cover Limit will be apportioned pro rata between the applicable Schedules.

14.2 Where a claim falls under more than one Schedule, the deductible (if any) under each Schedule shall be applied.

#### 15. Double Insurance

If the Insured's claim is insured under another Policy of insurance or the claim would have been insured under another Policy but for a breach of a warranty or condition or due to misrepresentation, non disclosure, non-payment of premium, fraud, or breach of the obligation as to good faith then the claim shall not be payable under this Policy. This exclusion shall apply even if there is a different insurable interest.

#### 16. Words & Headings

All words in the singular shall include, where the context permits, the plural and vice versa. All words importing the masculine gender shall include the feminine gender. Headings to Clauses are for identification purposes only and shall not be an aid to construction.

#### 17. Express Rights

In addition to any express right of Insurers to avoid a claim and/or cancel or avoid the Policy, breach of any term stated to be a warranty, condition or condition precedent shall entitle Insurers to avoid cover.

#### 18. Errors and Omissions Claims

Insurer's liability under the Policy in respect of claims insured under an Errors and Omission Extension shall cease 24 calendar months after the expiry of the Policy unless Insurers have been previously notified as stipulated in Clause 7 above. Where the policy is renewed the 24 calendar month period shall run from the expiry of the renewal period.

#### 19. Sub-contractors/Contracting Parties

The Insured shall take reasonable care to ensure that any party with whom it contracts shall be reasonably competent to carry out contractual obligations, have sufficient financial means to satisfy any claim against it by the Insured that may arise and/or have relevant, adequate and valid insurance cover. In the event of non-compliance with the above by the Insured and Insurers are prejudiced, Insurers may avoid the claim or at their absolute discretion reduce the amount payable under the Policy by the amount attributable to the non-observance of this obligation by the Insured.

#### 20. Subrogation

The principles of subrogation shall at all times apply to this Policy and the Insured agrees to take all reasonable steps (including but not limited to the provision of all relevant information and documentation at Insurer's request but at no cost to them) to enable Insurers to pursue a subrogated claim.



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#### 21. Good Faith

- 21.1 The Insured shall act in good faith at all times and shall be under a continuing obligation to act in good faith before, during and after the Policy. Failure to comply with this obligation will entitle the Insurer to cancel the Policy from inception.
- 21.2 If the Insured shall submit any claim to Insurers knowing the claim to be false or fraudulent, or shall fail to act in good faith in any respect whatsoever when submitting a claim, this Policy may be cancelled from inception.

#### 22. Disputes

This Policy shall be construed according to and governed by English Law. Any dispute shall be submitted to the exclusive jurisdiction of the High Court of Justice, England.

#### 23. Alternative Dispute Resolution

- 23.1 In the event of a dispute between the parties under the Policy, prior to commencement of legal proceedings, both parties agree that they will endeavour to resolve the dispute by submitting the matter to Alternative Dispute Resolution (ADR), including but not limited to mediation.
- 23.2 If ADR is agreed, then both parties will use best endeavours to expedite resolution as soon as relevant information and documentation has been obtained.
- 23.3 The parties will endeavour in good faith to complete the ADR procedures within three calendar months from the date of agreement to ADR.
- 23.4 Where one party no longer wishes to resolve the matter by ADR, it shall give written notification to the other.
- 23.5 In order to assist the resolution of any dispute, Insurers agree that ADR procedures, including but not limited to mediation, may take place outside England. However, by agreeing to such procedures, both parties accept and agree that this cannot be considered as a waiver of the provisions contained in Clause 22 above.