

Chubb Marine Global Custom Made Policy No.002 (2 Main Policies and 28 Additional Risks)

1. **Institute Cargo Clauses (A) 1/1/82**
2. **Institute Cargo Clauses (Air) (Excluding Sending Post) 1/1/82**
3. Institute War Clauses 1/1/82
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("Each Occurrence Limit"))
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1/1/82

INSTITUTE CARGO CLAUSES (A)

RISKS COVERED

Risks Clause

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

General Average Clause

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

"Both to Blame Collision" Clause

3. This insurance is extended to indemnify the Assured against such proportion of liability under the contract of affreightment "Both to Blame Collision" Clause as is in respect of a loss recoverable hereunder. In the event of any claim by shipowners under the said Clause the Assured agree to notify the Underwriters who shall have the right, at their own cost and expense, to defend the Assured against such claim.

EXCLUSIONS

General Exclusions Clause

4. In no case shall this insurance cover

4.1 Loss damage or expense attributable to willful misconduct of the Assured,

4.2 ordinary leakage, ordinary loss in weight or volume, or ordinary wear and tear of the subject-matter insured.

4.3 loss damage or expense caused by insufficiency or unsuitability of packing or preparation of the subject-matter insured (for the purpose of this Clause 4.3 "packing" shall be deemed to include stowage in a container or liftvan but only when such stowage is carried out prior to attachment of this insurance or by the Assured or their servants),

4.4 loss damage or expense caused by inherent vice or nature of the subject-matter insured,

4.5 loss damage or expense proximately caused by delay, even though the delay be caused by a risk insured against (except expenses payable under Clause 2 above),

4.6 loss damage or expense arising from insolvency or financial default of the owners managers charterers of operators of the vessel,

4.7 loss damage or expense arising from the use of any weapon of war employing atomic or nuclear fission and / or fusion or other like reaction or radioactive force or matter.

Unseaworthiness and Unfitness Exclusion Clause

5.1 In no case shall this insurance cover loss damage or expense arising from unseaworthiness of vessel or craft, unfitness of vessel craft conveyance container or liftvan for the safe carriage of the subject-matter insured, where the Assured or their servants are privy to such unseaworthiness or unfitness, at the time the subject-matter insured is loaded therein.

5.2 The Underwriters waive any breach of the implied warranties of seaworthiness of the ship and fitness of the ship to carry the subject-matter insured to destination, unless the Assured or their servants are privy to such unseaworthiness or unfitness.

War Exclusion Clause

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

6.1 war, civil war, revolution, rebellion, insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power,

6.2 capture, seizure, arrest, restraint or detainment (piracy excepted), and the consequences thereof or any attempt thereat,

6.3 derelict mines, torpedoes, bombs or other derelict weapons of war.

Strikes Exclusion Clause

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

7.1 caused by strikers, locked-out workmen, or persons taking part in labour disturbances, riots or civil commotions,

7.2 resulting from strikes, lock-outs, labour disturbances, riots or civil commotions,

7.3 caused by any terrorist or any person acting from a political motive.

DURATION

Transit Clause

8.8. This insurance attaches from the time the goods leave the warehouse or place of storage at the place named herein for the commencement of the transit, continues during the ordinary course of transit and terminates either

8.8.1 on delivery to the Consignees' or other final warehouse or place of storage at the destination named herein,

8.1.2 on delivery to any other warehouse or place of storage, whether prior to or at the destination named herein, which the Assured elect to use either,

8.1.2.1 for storage other than in the ordinary course of transit or,

8.1.2.2 for allocation or distribution, or

8.1.3 on the expiry of 60 days after completion of discharge overside of the goods hereby insured from the overseas vessel at the final port of discharge,

Whichever shall first occur.

8.2 If, after discharge overside from the overseas vessel at the final port of discharge, but prior to termination of this insurance, the goods are to be forwarded to a destination other than that to which they are insured hereunder, this insurance, whilst remaining subject to termination as provided for above, shall not extend beyond the commencement of transit to such other destination.

8.3 This insurance shall remain in force (subject to termination as provided for above and to the provisions of Clause 9 below) during delay beyond the control of the Assured, any deviation, forced discharge, reshipment or transshipment and during any variation of the adventure arising from the exercise of a liberty granted to shipowners or charterers under the contract of affreightment.

Termination of Contract of Carriage Clause

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

9.1 until the goods are sold and delivered at such port or place, or, unless otherwise specially agreed, until the expiry of 60 days after arrival of the goods hereby insured at such port or place, whichever shall first occur, or

9.2 if the goods are forwarded within the said period of 60 days (or any agreed extension thereof) to the destination named herein or to any other destination, until

terminated in accordance with the provisions of Clause 8 above.

Change of Voyage Clause

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

CLAIMS

11. Insurable Interest Clause

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

11.2 Subject to 11.1 above, the Assured shall be entitled to recover for insured loss occurring during the period covered by this insurance, notwithstanding that the loss occurred before the contract of insurance was concluded, unless the Assured were aware of the loss and the Underwriters were not.

Forwarding Charges Clause

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

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

Constructive Total Loss Clause

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

14 Increased Value Clause

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

amount insured.

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

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

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

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

BENEFIT OF INSURANCE

Not to Inure Clause

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

MINIMISING LOSSES

Duty of Assured Clause

16. It is the duty of the Assured and their servants and agents in respect of loss recoverable hereunder

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

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

Waiver Clause

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

AVOIDANCE OF DELAY

Reasonable Despatch Clause

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

LAW AND PRACTICE

English Law and Practice Clause

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

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

DRAFT

1/1/82

INSTITUTE WAR CLAUSES (CARGO)

RISKS COVERED

1. - Risks Clause

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

1.1 war, civil war, revolution insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power

1.2 capture, seizure, arrest, restraint or detainment, arising from risks covered under 1.1 above, and the consequences thereof or any attempt thereat

1.3 derelict mines, torpedoes, bombs or other derelict weapons of war.

2. - General Average Clause

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

EXCLUSIONS

3. - General Exclusions Clause

3 In no case shall this insurance cover

3.1 loss, damage or expense attributable to wilful misconduct of the Assured

3.2 ordinary leakage, ordinary loss in weight or volume, or ordinary wear and tear of the subject-matter insured

3.3 loss, damage or expense caused by insufficiency or unsuitability of packing or preparation of the subject-matter insured (for the purpose of this Clause 3.3 "packing" shall be deemed to include stowage in a container or liftvan but only when such stowage is carried out prior to attachment of this insurance or by the Assured or their servants)

3.4 loss, damage or expense caused by inherent vice or nature of the subject-matter insured

3.5 loss, damage or expense proximately caused by delay, even though the delay be caused by a risk insured against (except expenses payable under Clause 2 above)

3.6 loss, damage or expense arising from insolvency or financial default of the owners, managers, charterers or operators of the vessel

3.7 any claim based upon loss of or frustration of the voyage or adventure

3.8 loss, damage or expense arising from any hostile use of any weapon of war, employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.

4. - Unseaworthiness and Unfitness Exclusion Clause

4.1 In no case shall this insurance cover loss, damage or expense arising from unseaworthiness of vessel or craft, unfitness of vessel craft conveyance container or liftvan for the safe carriage of the subject-matter insured, where the Assured or their servants are privy to such unseaworthiness or unfitness, at the time the subject-matter insured is loaded therein,

4.2 The Underwriters waive any breach of the implied warranties of seaworthiness of the ship and fitness of the ship to carry the subject-matter insured to destination, unless the Assured or their servants are privy to such unseaworthiness or unfitness.

DURATION

5. - Transit Clause

5.1 This insurance

5.1.1 attaches only as the subject-matter insured and as to any part as that part is loaded on an oversea vessel and

5.1.2 terminates, subject to 5.2 and 5.3 below, either as the subject-matter insured and as to any part as that part is discharged from an oversea vessel at the final port or place of discharge, or on expiry of 15 days counting from midnight of the day of arrival of the vessel at the final port or place of discharge, whichever shall first occur; nevertheless, subject to prompt notice to the Underwriters and to an additional premium, such insurance

5.1.3 reattaches when, without having discharged the subject-matter insured at the final port or place of discharge, the vessel sails from, and

5.1.4 terminates, subject to 5.2 and 5.3 below, either as the subject-matter insured and as to any part as that part is thereafter discharged from the vessel at the final (or substituted) port or place of discharge, or on expiry of 15 days counting from midnight of the day of re-arrival of the vessel at the final port or place of discharge or arrival of the vessel at a substituted port or place of discharge, whichever shall first occur.

5.2 If during the insured voyage the oversea vessel arrives at an intermediate port or place to discharge the subject-matter insured for on-carriage by oversea vessel or by aircraft, or the

goods are discharged from the vessel at a port or place of refuge, then, subject to 5.3 below and to an additional premium if required, this insurance continues until the expiry of 15 days counting from midnight of the day of arrival of the vessel at such port or place, but thereafter reattaches as the subject-matter insured and as to any part as that part is loaded on an on-carrying oversea vessel or aircraft. During the period of 15 days the insurance remains in force after discharge only whilst the subject-matter insured and as to any part as that part is at such port or place. If the goods are on-carried within the said period of 15 days or if the insurance reattaches as provided in this Clause 5.2

5.2.1 where the on-carriage is by oversea vessel this insurance continues subject to the terms of these clauses, or

5.2.2 where the on-carriage is by aircraft, the current Institute War Clauses (Air Cargo) (excluding sendings by Post) shall be deemed to form part of this insurance and shall apply to the on-carriage by air.

5.3 If the voyage in the contract of carriage is terminated at a port or place other than the destination agreed therein, such port or place shall be deemed the final port of discharge and such insurance terminates in accordance with 5.1.2. If the subject-matter insured is subsequently reshipped to the original or any other destination, then provided notice is given to the Underwriters before the commencement of such further transit and subject to an additional premium, such insurance reattaches

5.3.1 in the case of the subject-matter insured having been discharged, as the subject-matter insured and as to any part as that part is loaded on the on-carrying vessel for the voyage;

5.3.2 in the case of the subject-matter not having been discharged, when the vessel sails from such deemed final port of discharge; thereafter such insurance terminates in accordance with 5.1.4.

5.4 The insurance against the risks of mines and derelict torpedoes, floating or submerged, is extended whilst the subject-matter insured or any part thereof is on craft whilst in transit to or from the oversea vessel, but in no case beyond the expiry of 60 days after discharge from the oversea vessel unless otherwise specially agreed by the Underwriters.

5.5 Subject to prompt notice to Underwriters, and to an additional premium if required, this insurance shall remain in force within the provisions of these Clauses during any deviation, or any variation of the adventure arising from the exercise of a liberty granted to shipowners or charterers under the contract of affreightment. (For the purpose of Clause 5 "arrival" shall be deemed to mean that the vessel is anchored, moored or otherwise secured at a berth or place within the Harbour Authority area. If such a berth or place is not available, arrival is deemed to have occurred when the vessel first anchors, moors or otherwise secures either at or off the intended port or place of discharge "oversea vessel" shall be deemed to mean a vessel

carrying the subject matter from one port or place to another where such voyage involves a sea passage by that vessel)

6. - Change of Voyage Clause 6 Where, after attachment of this insurance, the destination is changed by the Assured, held covered at a premium and on conditions to be arranged subject to prompt notice being given to the Underwriters.

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

CLAIMS

8. - Insurable Interest Clause

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

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

9. - Increased Value Clause

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

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

BENEFIT OF INSURANCE

10. - Not to Inure Clause

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

MINIMISING LOSSES

11. - Duty of Assured Clause

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

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

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

12. - Waiver Clause

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

AVOIDANCE OF DELAY

13. - Reasonable Despatch Clause

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

LAW AND PRACTICE

14. English Law and Practice Clause

14 This insurance is subject to English law and practice.

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

1/1/82

INSTITUTE STRIKES CLAUSES (CARGO)

RISKS COVERED

1. - Risks Clause

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

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

1.2 any terrorist or any person acting from a political motive.

2. - General Average Clause

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

EXCLUSIONS

3. - General Exclusions Clause

3 In no case shall this insurance cover

3.1 loss, damage or expense attributable to wilful misconduct of the Assured

3.2 ordinary leakage, ordinary loss in weight or volume, or ordinary wear and tear of the subject-matter insured

3.3 loss, damage or expense caused by insufficiency or unsuitability of packing or preparation of the subject-matter insured (for the purpose of this Clause 3.3 "packing" shall be deemed to include stowage in a container or liftvan but only when such stowage is carried out prior to attachment of this insurance or by the Assured or their servants)

3.4 loss, damage or expense caused by inherent vice or nature of the subject-matter insured

3.5 loss, damage or expense proximately caused by delay, even though the delay be caused by a risk insured against (except expenses payable under Clause 2 above)

3.6 loss, damage or expense arising from insolvency or financial default of the owners managers charterers or operators of the vessel

3.7 loss, damage or expense arising from the absence shortage or withholding of labour of any description whatsoever resulting from any strike, lockout, labour disturbance, riot or civil commotion

3.8 any claim based upon loss of or frustration of the voyage or adventure

3.9 loss, damage or expense arising from the use of any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter

3.10 loss, damage or expense caused by war civil war revolution rebellion insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power.

4. - Unseaworthiness and Unfitness Exclusion Clause

4.1 In no case shall this insurance cover loss, damage or expense arising from unseaworthiness of vessel or craft, unfitness of vessel craft conveyance container or liftvan for the safe carriage of the subject-matter insured, where the Assured or their servants are privy to such unseaworthiness or unfitness, at the time the subject-matter insured is loaded therein.

4.2 The Underwriters waive any breach of the implied warranties of seaworthiness of the ship and fitness of the ship to carry the subject-matter insured to destination, unless the Assured or their servants are privy to such unseaworthiness or unfitness.

DURATION

5. - Transit Clause

5.1 This insurance attaches from the time the goods leave the warehouse or place of storage at the place named herein for the commencement of the transit, continues during the ordinary course of transit and terminates either,

5.1.1 on delivery to the Consignees' or other final warehouse or place of storage at the destination named herein,

5.1.2 on delivery, to any other warehouse or place of storage, whether prior to or at the destination named herein, which the Assured elect to use either

5.1.2.1 for storage other than in the ordinary course of transit or

5.1.2.2 for allocation or distribution, or

5.1.3 on the expiry of 60 days after completion of discharge overseas of the goods hereby insured from the overseas vessel at the final port of discharge whichever shall first occur.

5.2 If, after discharge overseas from the overseas vessel at the final port of discharge, but prior to termination of this insurance, the goods are to be forwarded to a destination other than that

to which they are insured hereunder, this insurance, whilst remaining subject to termination as provided for above, shall not extend beyond the commencement of transit to such other destination.

5.3 This insurance shall remain in force (subject to termination as provided for above and to the provisions of Clause 6 below) during delay beyond the control of the Assured, any deviation, forced discharge, reshipment or transshipment and during any variation of the adventure arising from the exercise of a liberty granted to shipowners or charterers under the contract of affreightment.

6. - Termination of Contract of Carriage Clause

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

6.1 until the goods are sold and delivered at such port or place, or, unless otherwise specially agreed, until the expiry of 60 days after arrival of the goods hereby insured at such port or place, whichever shall first, occur, or

6.2 if the goods are forwarded within the said period of 60 days (or any agreed extension thereof) to the destination named herein or to any other destination, until terminated in accordance with the provisions of Clause 5 above.

7. - Change of Voyage Clause

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

CLAIMS

8. - Insurable Interest Clause

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

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

9. - Increased Value Clause

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

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

BENEFIT OF INSURANCE

10. - Not to Inure Clause

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

MINIMISING LOSSES

11. - Duty of Assured Clause

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

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

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

12. - Waiver Clause

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

AVOIDANCE OF DELAY

13. - Reasonable Despatch Clause

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

LAW AND PRACTICE

14. - English Law and Practice Clause

14 This insurance is subject to English law and practice.

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

DRAFT

1/1/82

INSTITUTE CARGO CLAUSES (AIR)

(excluding sendings by Post)

RISKS COVERED

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

EXCLUSIONS

- 2 In no case shall this insurance cover
- 2.1 loss, damage or expense attributable to wilful misconduct of the Assured
- 2.2 ordinary leakage, ordinary loss in weight or volume, or ordinary wear and tear of the subject-matter insured
- 2.3 loss, damage or expense caused by insufficiency or unsuitability of packing or preparation of the subject-matter insured (for the purpose of this Clause 2.3 "packing" shall be deemed to include stowage in a container or liftvan but only when such stowage is carried out prior to attachment of this insurance or by the Assured or their servants)
- 2.4 loss, damage or expense caused by inherent vice or nature of the subject-matter insured
- 2.5 loss, damage or expense arising from unfitness of aircraft conveyance container or liftvan for the safe carriage of the subject-matter insured, where the Assured or their servants are privy to such unfitness at the time the subject-matter insured is loaded therein

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- 2.6 **loss, damage or expense proximately caused by delay, even though the delay be caused by a risk insured against**
 - 2.7 **loss, damage or expense arising from insolvency or financial default of the owners managers charterers or operators of the aircraft**
 - 2.8 **loss, damage or expense arising from the use of any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.**
 - 3 **In no case shall this insurance cover loss damage or expense caused by**
 - 3.1 **war, civil war, revolution, rebellion, insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power**
 - 3.2 **capture, seizure, arrest, restraint or detainment (piracy excepted), and the consequences thereof or any attempt thereat**
 - 3.3 **derelict mines, torpedoes, bombs or other derelict weapons of war.**
 - 4 **In no case shall this insurance cover loss damage or expense**
 - 4.1 **caused by strikers, locked-out workmen, or persons taking part in labour disturbances, riots or civil commotions**
 - 4.2 **resulting from strikes, lock-outs, labour disturbances, riots or civil commotions**
 - 4.3 **caused by any terrorist or any person acting from a political motive.**

DURATION

- 5 5.1 This insurance attaches from the time the subject-matter insured leaves the warehouse, premises or place of storage at the place named herein for the commencement of the transit, continues during the ordinary course of transit and terminates either
 - 5.1.1 on delivery to the Consignees' or other final warehouse, premises or place of storage at the destination named herein,

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- 5.1.2 on delivery to any other warehouse, premises or place of storage, whether prior to or at the destination named herein, which the Assured elect to use either
- 5.1.2.1 for storage other than in the ordinary course of transit or
- 5.1.2.2 for allocation or distribution or
- 5.1.3 on the expiry of 30 days after unloading the subject-matter insured from the aircraft at the final place of discharge,
- whichever shall first occur,
- 5.2 If, after unloading from the aircraft at the final place of discharge, but prior to termination of this insurance, the subject-matter insured is forwarded to a destination other than that to which it is insured hereunder, this insurance, whilst remaining subject to termination as provided for above, shall not extend beyond the commencement of transit to such other destination.
- 5.3 This insurance shall remain in force (subject to termination as provided for above and to the provisions of Clause 6 below) during delay beyond the control of the Assured, any deviation, forced discharge, reshipment or transhipment and during any variation of the adventure arising from the exercise of a liberty granted to the air carriers under the contract of carriage.
- 6 If owing to circumstances beyond the control of the Assured either the contract of carriage is terminated at a place other than the destination named therein or the transit is otherwise terminated before delivery of the subject-matter insured as provided for in Clause 5 above, then this insurance shall also terminate unless prompt notice is given to the Underwriters and continuation of cover is requested when the insurance shall remain in force, subject to an additional premium if required by the Underwriters, either
- 6.1 until the subject-matter is sold and delivered at such place or, unless otherwise specially agreed, until the expiry of 30 days after arrival of the subject-matter hereby insured at such place, whichever shall first occur,
- or
- 6.2 if the subject-matter is forwarded within the said period of 30 days (or any agreed extension thereof) to the destination named herein or to any other destination, until terminated in accordance with the provisions of Clause 5 above.

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

CLAIMS

- 8 8.1 In order to recover under this insurance the Assured must have an insurable interest in the subject-matter insured at the time of the loss
- 8.2 Subject to 8.1 above, the Assured shall be entitled to recover for insured loss occurring during the period covered by this insurance, notwithstanding that the loss occurred before the contract of insurance was concluded, unless the Assured were aware of the loss and the Underwriters were not.
- 9 Where, as a result of the operation of a risk covered by this insurance, the insured transit is terminated at a place other than that to which the subject-matter is covered under this insurance, the Underwriters will reimburse the Assured for any extra charges properly and reasonably incurred in unloading storing and forwarding the subject-matter to the destination to which it is insured hereunder.
- This Clause 9, which does not apply to general average or salvage charges, shall be subject to the exclusions contained in Clauses 2, 3 and 4 above, and shall not include charges arising from the fault negligence insolvency or financial default of the Assured or their servants.**
- 10 **No claim for Constructive Total Loss shall be recoverable hereunder unless the subject-matter insured is reasonably abandoned either on account of its actual total loss appearing to be unavoidable or because the cost of recovering, reconditioning and forwarding the subject-matter to the destination to which it is insured would exceed its value on arrival.**
- 11 11.1 If any Increased Value insurance is effected by the Assured on the cargo insured

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

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

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

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

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

BENEFIT OF INSURANCE

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

MINIMISING LOSSES

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

AVOIDANCE OF DELAY

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

LAW AND PRACTICE

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

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

DRAFT

1/1/82

INSTITUTE WAR CLAUSES (AIR CARGO)

(excluding sendings by Post)

RISKS COVERED

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

EXCLUSIONS

- 2 In no case shall this insurance cover
 - 2.1 loss, damage or expense attributable to wilful misconduct of the Assured
 - 2.2 ordinary leakage, ordinary loss in weight or volume, or ordinary wear and tear of the subject-matter insured
 - 2.3 loss, damage or expense caused by insufficiency or unsuitability of packing or preparation of the subject-matter insured (for the purpose of this Clause 2.3 "packing" shall be deemed to include stowage in a container or liftvan but only when such stowage is carried out prior to attachment of this insurance or by the Assured or their servants)
 - 2.4 loss, damage or expense caused by inherent vice or nature of the subject-matter insured

- 2.5 loss, damage or expense arising from unfitness of aircraft conveyance container or liftvan for the safe carriage of the subject-matter insured, where the Assured or their servants are privy to such unfitness at the time the subject-matter insured is loaded therein**
- 2.6 loss, damage or expense proximately caused by delay, even though the delay be caused by a risk insured against**
- 2.7 loss, damage or expense arising from insolvency or financial default of the owners managers charterers or operators of the aircraft**
- 2.8 any claim based upon loss of or frustration of the voyage or adventure**
- 2.9 loss, damage or expense arising from any hostile use of any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.**

DURATION

- 3 3.1 This insurance
- 3.1.1 attaches only as the subject-matter insured and as to any part as that part is loaded on the aircraft for the commencement of the air transit insured
- 3.1.2 terminates, subject to 3.2 and 3.3 below, either as the subject-matter insured and as to any part as that part is discharged from the aircraft at the final place of discharge
- or
- on expiry of 15 days counting from midnight of the day of arrival of the aircraft at the final place of discharge,
- whichever shall first occur;
- nevertheless,
- subject to prompt notice to the Underwriters and to an additional premium, such insurance*

-
- 3.1.3 reattaches when, without having discharged the subject-matter insured at the final place of discharge, the aircraft departs therefrom, and
- 3.1.4 terminates, subject to 3.2 and 3.3 below, either as the subject-matter insured and as to any part as that part is thereafter discharged from the aircraft at the final (or substituted) place of discharge, or
- on expiry of 15 days counting from midnight of the day of re-arrival of the aircraft at the final place of discharge or arrival of the aircraft at a substituted place of discharge,
- whichever shall first occur.
- 3.2 If during the insured transit the aircraft arrives at an intermediate place to discharge the subject-matter insured for on-carriage by aircraft or oversea vessel, then, subject to 3.3 below and to an additional premium if required, this insurance continues until the expiry of 15 days counting from midnight of the day of arrival of the aircraft at such place, but thereafter reattaches as the subject-matter insured and as to any part as that part is loaded on an on-carrying aircraft or oversea vessel. During the period of 15 days the insurance remains in force after discharge only whilst the subject-matter insured and as to any part as that part is at such intermediate place. If the goods are on-carried within the said period of 15 days or if the insurance reattaches as provided in this Clause 3.2
- 3.2.1 where the on-carriage is by aircraft this insurance continues subject to the terms of these clauses, or
- 3.2.2 where the on-carriage is by oversea vessel, the current Institute War Clauses (cargo) shall be deemed to form part of this insurance and shall apply to the on-carriage by sea.
- 3.3 If the air transit in the contract of carriage is terminated at a place other than the destination agreed therein, that place shall be deemed to be the final place of discharge and such insurance terminates in accordance with 3.1.2. If the subject-matter insured is subsequently consigned to the original or any other destination, then, *provided notice is given to the Underwriters before the*

commencement of such further transit and subject to an additional premium, such insurance reattaches

- 3.3.1 in the case of the subject-matter insured having been discharged, as the subject-matter insured and as to any part as that part is loaded on the on-carrying aircraft for the transit;
- 3.3.2 in the case of the subject-matter insured not having been discharged, when the aircraft departs from such deemed final place of discharge;

thereafter such insurance terminates in accordance with 3.1.4.

- 3.4 *Subject to prompt notice to Underwriters, and to an additional premium if required*, this insurance shall remain in force within the provisions of these Clauses during any deviation, or any variation of the adventure arising from the exercise of a liberty granted to the air carrier under the contract of carriage.

(For the purpose of Clause 3

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

- 4 Where, after attachment of this insurance, the destination is changed by the Assured, held covered at a premium and on conditions to be arranged subject to prompt notice being given to the Underwriters.
- 5 **Anything contained in this contract which is inconsistent with Clauses 2.8, 2.9 or 3 shall, to the extent of such inconsistency, be null and void.**

CLAIMS

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

the loss occurred before the contract of insurance was concluded, unless the Assured were aware of the loss and the Underwriters were not.

- 7 7.1 If any Increased Value insurance is effected by the Assured on the cargo insured

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

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

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

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

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

BENEFIT OF INSURANCE

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

MINIMISING LOSSES

- 9 It is the duty of the Assured and their servants and agents in respect of loss recoverable hereunder
- 9.1 to take such measures as may be reasonable for the purpose of averting or minimising such loss,
and

-
- 9.2 to ensure that all rights against carriers, bailees or other third parties are properly preserved and exercised and the Underwriters will, in addition to any loss recoverable hereunder, reimburse the Assured for any charges properly and reasonably incurred in pursuance of these duties.
- 10 Measures taken by the Assured or the Underwriters with the object of saving, protecting or recovering the subject-matter insured shall not be considered as a waiver or acceptance of abandonment or otherwise prejudice the rights of either party.

AVOIDANCE OF DELAY

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

LAW AND PRACTICE

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

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

1/1/82

INSTITUTE STRIKES CLAUSES (AIR CARGO)

RISKS COVERED

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

EXCLUSIONS

- 2 In no case shall this insurance cover
 - 2.1 loss, damage or expense attributable to wilful misconduct of the Assured
 - 2.2 ordinary leakage, ordinary loss in weight or volume, or ordinary wear and tear of the subject-matter insured
 - 2.3 loss, damage or expense caused by insufficiency or unsuitability of packing or preparation of the subject-matter insured (for the purpose of this Clause 2.3 "packing" shall be deemed to include stowage in a container or liftvan but only when such stowage is carried out prior to attachment of this insurance or by the Assured or their servants)
 - 2.4 loss, damage or expense caused by inherent vice or nature of the subject-matter insured
 - 2.5 loss, damage or expense arising from unfitness of aircraft conveyance container or liftvan for the safe carriage of the subject-matter insured, where the Assured or their servants are privy to such unfitness at the time the subject-matter insured is loaded therein
 - 2.6 loss, damage or expense proximately caused by delay, even though the delay be caused by a risk insured against

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- 2.7 loss, damage or expense arising from insolvency or financial default of the owners managers charterers or operators of the aircraft**
 - 2.8 loss, damage or expense arising from the absence shortage or withholding of labour of any description whatsoever resulting from any strike, lockout, labour disturbance, riot or civil commotion**
 - 2.9 any claim based upon loss of or frustration of the voyage or adventure**
 - 2.10 loss, damage or expense arising from the use of any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter**
 - 2.11 loss, damage or expense caused by war, civil war, revolution, rebellion, insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power.**

DURATION

- 3 3.1 This insurance attaches from the time the subject-matter insured leaves the warehouse, premises or place of storage at the place named herein for the commencement of the transit, continues during the ordinary course of transit and terminates either
 - 3.1.1 on delivery to the Consignees' or other final warehouse, premises or place of storage at the destination named herein
 - 3.1.2 on delivery to any other warehouse, premises or place of storage, whether prior to or at the destination named herein, which the Assured elect to use either
 - 3.1.2.1 for storage other than in the ordinary course of transit or
 - 3.1.2.2 for allocation or distribution
 - or
 - 3.1.3 on the expiry of 30 days after unloading the subject-matter insured from the aircraft at the final place of discharge,
- whichever shall first occur.

-
- 3.2 If, after unloading from the aircraft at the final place of discharge, but prior to termination of this insurance, the subject-matter insured is forwarded to a destination other than that to which it is insured hereunder, this insurance, whilst remaining subject to termination as provided for above, shall not extend beyond the commencement of transit to such other destination.
- 3.3 This insurance shall remain in force (subject to termination as provided for above and to the provisions of Clause 4 below) during delay beyond the control of the Assured, any deviation, forced discharge, reshipment or transshipment and during any variation of the adventure arising from the exercise of a liberty granted to the air carriers under the contract of carriage.
- 4 If owing to circumstances beyond the control of the Assured either the contract of carriage is terminated at a place other than the destination named therein or the transit is otherwise terminated before delivery of the subject-matter insured as provided for in Clause 3 above, then this insurance shall also terminate *unless prompt notice is given to the Underwriters and continuation of cover is requested when the insurance shall remain in force, subject to an additional premium if required by the Underwriters*, either
- 4.1 until the subject-matter is sold and delivered at such place or, unless otherwise specially agreed, until the expiry of 30 days after arrival of the subject-matter hereby insured at such place, whichever shall first occur, or
- 4.2 if the subject-matter is forwarded within the said period of 30 days (or any agreed extension thereof) to the destination named herein or to any other destination, until terminated in accordance with the provisions of Clause 3 above.
- 5 Where, after attachment of this insurance, the destination is changed by the Assured, *held covered at a premium and on conditions to be arranged subject to prompt notice being given to the Underwriters*.

CLAIMS

- 6 6.1 In order to recover under this insurance the Assured must have an insurable interest in the subject-matter insured at the time of the loss.

- 6.2 Subject to 6.1 above, the Assured shall be entitled to recover for insured loss occurring during the period covered by this insurance, notwithstanding that the loss occurred before the contract of insurance was concluded, unless the Assured were aware of the loss and the Underwriters were not.
- 7 7.1 If any Increased Value insurance is effected by the Assured on the cargo Insured herein the agreed value of the cargo shall be deemed to be increased to the total amount insured under this insurance and all Increased Value insurances covering the loss, and liability under this insurance shall be in such proportion as the sum insured herein bears to such total amount insured.

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

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

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

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

BENEFIT OF INSURANCE

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

MINIMISING LOSSES

- 9 It is the duty of the Assured and their servants and agents in respect of loss recoverable hereunder
- 9.1 to take such measures as may be reasonable for the purpose of averting or minimising such loss,
- and

-
- 9.2 to ensure that all rights against carriers, bailees or other third parties are properly preserved and exercised and the Underwriters will, in addition to any loss recoverable hereunder, reimburse the Assured for any charges properly and reasonably incurred in pursuance of these duties.
- 10 Measures taken by the Assured or the Underwriters with the object of saving, protecting or recovering the subject-matter insured shall not be considered as a waiver or acceptance of abandonment or otherwise prejudice the rights of either party.

AVOIDANCE OF DELAY

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

LAW AND PRACTICE

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

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

Parcel Post Insurance Clauses

PLEASE READ THE ENDORSEMENT CAREFULLY ESPECIALLY THE UNDERLINED PARTS WHICH EXEMPT THE COMPANY FROM LIABILITY UNDER THIS POLICY.

I. Scope of Cover

This insurance is classified into Parcel Post Risks and Parcel Post All Risks and shall, in case of loss of or damage to the insured parcel, assume liability according to the conditions of the risks covered as specified in the Policy.

1. Parcel Post Risks

This insurance shall undertake to indemnify for:

- (1) Total or partial loss of the insured parcel caused by:
 - a) Heavy weather, lightning, tsunami, earthquake, flood;
 - b) Grounding, stranding, sinking, collision, overturning, derailing, crashing or missing of the carrying conveyance or;
 - c) Fire or explosion.
- (2) Reasonable cost incurred by the Insured in salvaging the insured parcel or averting or minimizing a loss recoverable under the Policy, provided that such cost shall not exceed the sum insured of the parcel so saved.

2. Parcel Post All Risks.

Aside from the liability covered under the aforesaid Parcel Post Risks, this insurance shall also indemnify for total or partial loss of the insured parcel arising from external causes in the course of transit.

II. Exclusions

This Insurance does not cover:

- 1. Loss or damage caused by the intentional act or fault of the Insured.**
- 2. Loss or damage falling under the liability of the consignor.**
- 3. Loss or damage arising from the inferior quality or shortage of the insured parcel prior to attachment of this insurance.**

4. **Loss or damage arising from normal loss, inherent vice or nature of the insured parcel, loss of market and/or delay in transit and any expenses arising therefrom.**
5. **Risks and liabilities covered and excluded by the Parcel Post War Risks Clauses and Strikes, Riots and Civil Commotion Clauses of this Company.**

III. Commencement and Termination of Cover

This insurance attaches from the time the insured parcel leave the premises or the place of business of the sender for transit to the post office and continues in force until the expiry of fifteen (15) days counting from midnight of the day of issuing of the notice of arrival of the parcel by the post office at the destination named in the policy when the parcel arrive there, or until delivery of the parcel to the premises or place of business of the recipient if such delivery takes place prior to the expiry of the aforesaid fifteen (15) days.

IV. Duty of the Insured

It is the duty of the Insured to attend to all matters as specified hereunder, failing which the Company reserves the rights to reject his claim for any loss if and when such failure prejudices the rights of the Company.

1. The Insured shall take delivery of the insured parcel in good time upon arrival thereof at the destination named in the Policy. If the insured parcel are found damaged, the Insured shall immediately apply for survey to the surveying and/or settling agent stipulated in the Policy. If the insured parcel are found short in entire parcel on parcels or to show apparent traces of damage, the Insured shall obtain from the post office a certificate of shortage or damage and lodge a claim in writing with the said post office, obtaining, if necessary, its confirmation of an extension of the time limit of validity of such claim. **The Company shall not be liable for any loss in the event that the Insured fails to perform the duties mentioned above.**
2. The Insured shall take reasonable measures immediately in salvaging the insured parcel or preventing or minimizing a loss or damage thereto, when they sustain loss or damage covered under this insurance. The measures so taken by the Insured shall not be considered as a waiver of abandonment hereunder, nor shall they be considered as an acceptance of abandonment in the event that they are taken by the Company. **The Company shall not be liable for any part of the loss enlarged due to the Insured's failure in performing the duties mentioned above.**

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3. The following documents should accompany any claim hereunder made against the Company; Original Policy, Postal Receipt, Invoice, Packing List, Weight memo, Certificate of Loss or Damage or Shortage, Survey Report and Statement of Claim. If any third party is involved, documents relative to pursuing of recovery from such party should also be included.

The Company shall not be liable for any part of the loss which can not be verified as a result of the Insured's failure in submitting the documents required above.

V. Handling of Claims

Upon receiving the claim notice and the full supporting documentation, the Company will make a determination as to the coverage position with respect to such claim in a timely fashion. Any claim that is finally determined as covered under this policy, the Company shall pay the loss within ten (10) days of its final disposition.

DRAFT

OVERLAND TRANSPORTATION CARGO INSURANCE CLAUSE (TRUCK TRAIN)

PLEASE READ THE ENDORSEMENT CAREFULLY ESPECIALLY THE UNDERLINED PARTS WHICH EXEMPT THE COMPANY FROM LIABILITY UNDER THIS POLICY.

I. Scope of cover

This insurance is classified into two conditions--Overland Transportation Risks and Overland Transportation All Risks. Where the goods insured hereunder sustain loss or damage, the insurer shall undertake to indemnify therefor according to the Insured condition specified in the Policy and the provisions of these Clauses:

1. Overland Transportation Risks

This insurance covers:

- 1) Total or partial loss of or damage to the insured goods caused in the course of transportation by natural calamities--windstorm, lightning, earthquake, flood etc., or by accidents--collision, overturning or derailment of the conveyance, including grounding, stranding, sinking or collision of the craft in case crafts are employed and/or collapse of tunnel, landslide, fire, explosion etc.
- 2) Reasonable cost incurred by the Insured in salvaging the goods or averting or minimizing a loss recoverable under the Policy, provided that such cost shall not exceed the sum Insured of the consignment so saved.

2. Overland Transportation All Risks

Aside from the risks covered under the Overland Transportation Risks as above, this insurance also covers all risks of loss of or damage to the insured goods whether partial or total, arising from external causes in the course of transit.

II. Exclusions

This insurance does not cover:

1. **Loss or damage caused by the intentional act or fault of the Insured.**
2. **Loss or damage falling under the liability of the consignor.**
3. **Loss or damage arising from the quality or shortage of the insured goods prior to the attachment of this insurance.**
4. **Loss or damage arising from normal loss, inherent vice or nature of the insured goods, loss of market and/or delay in transit and any expenses arising therefrom.**
5. **Risks and liabilities covered and excluded by the Overland Transportation Cargo War Risks Clauses and Strike, Riot and Civil Commotion Clauses of the insurer.**

III. Commencement and Termination of Cover

Warehouse to warehouse clause:

This insurance attaches from the time the goods hereby insured leave the warehouse or place of storage named in the Policy for the commencement of the transit and continues in force in the ordinary course of transit including incidental transit by craft until the insured goods are delivered to the Consignee's final Warehouse or place of storage at the destination named in the Policy or to any other place used by the Insured for allocation or distribution of the goods. This insurance shall, however, be limited to sixty(60)days upon arrival of the insured goods at the final station of discharge before the insured goods reach the Consignee's warehouse.

IV. Duty of the Insured

It is the duty of the Insured to attend to all matters as specified hereunder:

1. The Insured shall take delivery of the insured goods in good time upon their arrival at the port of destination named in the Policy. In the event of any damage to the goods, the Insured shall immediately apply for survey to the Survey and/or Settling Agent stipulated in the Policy.

If the insured goods are found short in entire package or packages or to show apparent traces of damage, the Insured shall obtain from the carrier, bailee or other relevant authorities certificate of loss or damage and/or short delivery. Should the carrier, bailee or the other relevant authorities be responsible for such shortage or damage, the Insured shall lodge a claim with them in writing.

If the Insured fails to fulfill the aforesaid obligations, the Insurer shall not be liable for the loss or damage attributable to such failure.

2. The Insured shall, and the insurer may also, take reasonable measures immediately in salvaging the goods or preventing or minimizing a loss or damage thereto.

The Insurer shall not be liable for the increased loss or damage attributable to the Insured's failure to fulfill the aforesaid obligations.

3. The following documents should accompany any claim hereunder made against the insurer:

Original Policy, Consignment Note, Invoice, Packing List, Weight Memo, Certificate of Loss or Damage and/or Short Delivery, Survey Report, Statement of Claim.

If any third party is involved, documents relative to pursuing of recovery from such party should also be included.

The insured should provide other insurance nature of the incident identified, causes, extent of losses and other relevant evidence and information.

If the Insured fails to provide the aforesaid claim documents, the Insurer shall not be liable for the parts of the loss or damage which can not be verified due to such failure.

V. Claims Handling

The Insurer shall upon receipt of a claim from the Insured, check and ascertain without delay whether this insurance covers the loss or damage, then notify the Insured of the result. Where in the circumstances of complicated claim, the Insurer fails to ascertain the facts within thirty days after receiving the claim and the relevant documents from the Insured, the Insurer shall discuss and agree on a reasonable claim handling period with the Insured according to the actual situation. Then the Insurer shall ascertain the facts and notify the insured of the result within this period. Where the loss or damage is covered by the insurance, the Insurer shall fulfill his obligations of indemnity to settle the claim within ten days from reaching an agreement on the amount of indemnity with the Insured.

DRAFT

INSTITUTE CLASSIFICATION CLAUSE 1/1/2001

PLEASE READ THE ENDORSEMENT CAREFULLY ESPECIALLY THE UNDERLINED PARTS WHICH EXEMPT THE COMPANY FROM LIABILITY UNDER THIS POLICY.

QUALIFYING VESSELS

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

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

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

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

AGE LIMITATION

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

Bulk or combination carrier over 10 years of age or Other vessels over 15 years of age unless they

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

2.2 were constructed as container ships, vehicle carriers or double-skin open-hatch gantry crane vessels (OHGCs) and have been continuously used as such on an established and regular pattern of trading between a range of specified ports, and do not exceed 30 years of age.

CRAFT CLAUSE

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

NATIONAL FLAG SOCIETY

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

PROMPT NOTICE

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

LAW AND PRACTICE

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

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**30 DAYS NOTICE OF CANCELLATION BY INSURER
(IMMEDIATE NOTICE OF CANCELLATION BY INSURED)**

This insurance may be terminated at any time at the request of the Insured, in which case the Company will retain the customary short period rate for the time the Policy has been in force. This insurance may also be terminated at the option of the Company, giving 30 days' notice to that effect being given to the Insured, in which case the Company shall be liable to repay on demand a rate-able proportion of the premium for the un-expired term from the date of the cancellation.

HOISTING EXTENSION CLAUSE

It is hereby agreed that this Policy shall be extended to indemnify the Insured against physical loss or damage to the Subject Matter Insured arising accidentally during hoisting. Coverage takes effect when the hoisting operation is started and ceases when the Property Insured has been hoisted and thence to the destined floor.

It is warranted that

- (a) the whole hoisting operation must be executed by a professional transportation company,
- (b) the weight of the Property Insured being hoisted must not exceed the registered lifting capacity of the lifting or hoisting machine or apparatus.

Subject otherwise to the terms, exceptions and conditions of this Policy.

LOADING AND UNLOADING CLAUSE

Including loss of or damage to the subject-matter during loading prior to dispatch and unloading after arrival at the Insured's or Consignees premises, and in the case of Containers, during the stuffing and destuffing thereof.

Consignments for which the Insured is only responsible up to Free on Board vessel &/or Free on Board Aircraft held covered until completion of loading on board vessel &/or aircraft.

TEMPORARY & INTERMEDIATE STORAGE (60 DAYS)

It is hereby agreed that this policy extends to cover Property insured hereunder while in Bond and/or other temporary storages (not exceed 60 days) during the ordinary course of transit and then until delivered to final warehouse, all at cover terms.

DRAFT

ERRORS AND OMISSIONS CLAUSE

The Insured shall not be prejudiced by any unintentional or inadvertent delay or omission in the reporting hereunder or any unintentional error in the amount or description of the Insured Property risk vessel conveyance or voyage or if the Insured Property be shipped by any other vessel if notice be given to Insurers as soon as practicable after such facts become known to the Insured and deficiency of premium if any made good. This insurance shall be affected by the failure of the Insured to comply with any of the warranties or conditions over which they have no control.

EXHIBITION RISKS CLAUSE

This insurance is extended to include on cover conditions the insured property whilst in transit to and from exhibition &/or demonstration site and whilst the insured property remains on such premises during unpacking, assembly, awaiting and on exhibition, dismantling, repacking and lifting for removal from the exhibition site. Subject to a limit anyone exhibition as stated in the Policy schedule.

Excluding credit cards, cheques, cash, bank notes, tickets, vouchers or similar.

Notwithstanding anything contained herein to the contrary, this insurance excludes:-

- 1. Wear, tear and Gradual Deterioration.**
- 2. Loss or damage arising from latent defect or arising from faulty assembly or construction.**
- 3. Loss or damage resulting directly from mechanical, electrical or manual operation of the insured property for demonstration or other purposes.**
- 4. Theft &/or pilferage from unattended exhibition stand.**
- 5. Theft &/or pilferage from unattended exhibition site unless following forcible or violent entry or exit to the premises.**

Periods at exhibition site in excess of 60 days held covered on terms to be agreed.

Warranted repacked to not less than same standard as for outward journey and that repacking is supervised by a responsible official of the Insured.

EXPEDITING EXPENSES

The insurance afforded by this Policy is extended to include express delivery, airfreight, overtime or holiday work incurred in connection with repairs, or replacement of the Property Insured consequent upon its loss destruction or damage by the insured perils.

DRAFT

INSTITUTE THEFT, PILFERAGE AND NON-DELIVERY CLAUSE

In consideration of an additional premium, it is hereby agreed that this insurance covers loss of or damage to the subject-matter insured caused by theft or pilferage, or by non-delivery of an entire package, subject always to the exclusions contained in this insurance.

TRANSHIPMENT RISKS

Notwithstanding anything contained herein to the contrary, it is specially understood and agreed that in the event of the interest hereby insured or any part thereon being transhipped, whether by the exercise of a liberty granted to shipowners or charters under the contract of affreightment or not, the conditions on such transhipment shall be All Risks (subject to All Risks Clause contained in the Institute Cargo Clauses (All Risks or A)), as from the commencement of this insurance.

PAYMENT ON ACCOUNT CLAUSE

The Underwriters hereunder agree that where claim papers submitted demonstrate that only the quantum of the claim is in question, they will make a "payment on account" equal to 80% of the lower of the amounts claimed and agreed to by Underwriters, no later than 30 days after the date of submitting the full claim papers and determination of Underwriters Liability whichever shall last occur.

BRANDS CLAUSE

The Assured shall have full rights to possession of all goods bearing embossed or indented brands or labels or other permanent markings identifying the Assured as the manufacturer thereof, or exclusive or secret formulas that may be involved in any loss hereunder, and shall return control of all such goods.

On shipments covered under this Policy, Insurers are to pay a total loss on any and all goods &/or containers damaged by perils insured against which the Assured elects to either destroy or return to their factory, or recondition, Insurers being entitled to such salvage as may be obtained.

The Assured, exercising a reasonable discretion shall be the sole judge as to whether the goods involved in any loss hereunder are suitable for marketing and no goods deemed by the Assured to be unfit for marketing shall be sold or otherwise disposed of except by the Assured or with the Assured's consent, but the Assured shall allow Insurers any salvage obtained on any sale or other disposition of such goods.

DRAFT

CONCEALED DAMAGES CLAUSE

It is agreed that any loss or damage discovered on opening containers, cases & for package within Thirty (30) days of the cessation of risk hereunder shall be deemed to have occurred during the transit Insured hereunder (and irrespective of attachment of Insured's interest) and shall be paid for accordingly unless proof conclusive to the contrary be established, it being understood that any containers, cases & for packages showing visible signs of damage are to be opened immediately on the cessation of risk hereunder .

It is further agreed that subject to prompt advice to Underwriters and the payment of an Additional Premium, if required, the above mentioned period may be extended.

RETURNED GOODS CLAUSE

It is agreed that returned goods are covered subject to the following:

In respect of goods that have suffered physical damage the following terms and conditions shall apply:

Institute Cargo Clauses (B)

Including Theft and Non-Delivery of an entire package Institute War and Strikes Clauses as applicable Institute Malicious Damage Clause Institute Classification Clause

Unless:

A Surveyors Report is made prior to the return of the goods when cover shall be subject to normal policy terms and conditions but excluding damage noted in such report. The report to be made available to Underwriters as required.

REMOVAL OF DEBRIS CLAUSE

It is agreed that subject to the operation of an insured peril Underwriters will pay costs and expenses necessarily incurred by the Assured in connection with:

- (a) removal of debris
- (b) dismantling &/or demolishing
- (c) shoring up &/or propping
- (d) the transfer of items, covered hereunder, from one conveyance to another in the event of an accident to the original conveyance which results in loss of or damage to such items which is recoverable hereunder.

The coverage is limited, however, to a sub-limit of _____ per occurrence.

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AUTOMATIC COVER FOR NEW GE BUSINESS

It is agreed that this Policy automatically covers all GE businesses newly established or acquired during the policy period. It is understood that the Insured shall advise the Company of all such new GE businesses within 120 days after their commencement of operations and no additional premium will be charged.

NOMINATED LOSS ADJUESTER

It is hereby declared and agreed that in the event of any loss covered by this Policy, the amount of such loss shall be adjusted subject to the terms and conditions of the Policy by McLarens Young International to be mutually agreed by the Insured and the Insurer.

CONTROL OF DAMAGED PROPERTY

This Policy gives control of physically damaged property consisting of raw materials, stock in process and finished goods manufactured by or for the Insured as follows:

- 1) the Insured will have full rights to the possession and control of damaged property in the event of insured physical damage to such property
- 2) the Insured using reasonable judgment will decide if the physically damaged property can be repaired, reprocessed, used or salvaged or sold.
- 3) property so judged by the Insured to be unfit for repairing, reprocessing or selling will not be sold or disposed of except by the Insured, or with the Insured's consent.
- 4) any salvage proceeds received will go to the:
 - a) Company at the time of loss settlement; or
 - b) Insured if received prior to loss settlement and such proceeds will reduce the amount of loss payable accordingly.
- 5) The insured may elect to retain the damaged property in exchange for a salvage value of the insured's reasonable determination, or to dispose of the damaged property if it is deemed to have no value to the insured.

WAREHOUSE TO WAREHOUSE CLAUSE

This insurance attaches from the time the goods leave the warehouse and/or store at the place named in the Policy for the commencement of the transit and continues during the ordinary course of the transit, including customary transshipment if any, until the goods are discharged overseas from the overseas vessel at the final port. Thereafter the insurance continues whilst the goods are in transit and/or awaiting transit until delivered to final warehouse at the destination named in the Policy or until the expiry of the 15 days (or 30 days if the destination to which the goods are insured is outside the limits of the port) whichever shall first occur. The time limits referred to above to be reckoned from midnight of the day on which the discharge overseas of the goods hereby insured from the overseas vessel is completed. Held covered at a premium to be arranged in the event of transshipment, if any, other than as above and/or in the event of delay in excess of the above time limits arising from circumstances beyond the control of the Assured.

IT IS NECESSARY FOR THE ASSURED TO GIVE PROMPT NOTICE TO THIS ASSURER WHEN THEY BECOME AWARE OF AN EVENT FOR WHICH THEY ARE "HELD COVERED" UNDER THIS POLICY AND THE RIGHT TO SUCH COVER IS DEPENDENT ON COMPLIANCE WITH THIS OBLIGATION.

CAPPING OF LIMITS ENDORSEMENT

It is agreed that Limit of Liability section of this policy, is amended by adding the following:

Notwithstanding any terms or conditions of this Policy which might be construed otherwise, this Policy is one of the locally admitted policies issued as per a Master Policy, and the maximum aggregate liability of the Insurer and any of its affiliates under this Policy, the Master Policy and all other locally admitted policies, or any direct or indirect renewal or replacement thereof ("Other Policy(ies)"), combined, shall be **Each Occurrence Limit of USD ("Each Occurrence Limit")**. Any loss paid under the Other Policy(ies) shall reduce by such amount the Limit of Liability under this Policy, and any loss under this Policy shall reduce by such amount the Limit of Liability of the Other Policy(ies). Nothing in this endorsement shall serve to increase the Limit of Liability of this Policy or the Other Policy(ies), which shall be the maximum liability of the insurer under the applicable policy.

SANCTION LIMITATION AND EXCLUSION CLAUSE

No (re)insurer shall be deemed to provide cover and no (re)insurer shall be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose that (re)insurer to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom, United States of America or P.R China.

50/50 CLAUSE – CONSTRUCTION / ERECTION ALL RISK POLICIES

1. Where separate Construction / Erection All Risk (CAR/EAR) Insurance has been effected by the Insured it is agreed that in the event of physical loss or damage to the goods and/or merchandise insured due to a peril insured against under this Policy being discovered after arrival at site where the CAR/EAR Policy attaches and, if after proper investigation, it is not possible to ascertain whether the cause of such physical loss or damage happened prior to the termination of the marine venture or subsequently, it is understood and agreed that the insurers hereon shall contribute 50% of the property adjusted claim(s) provided that the CAR/EAR insurers also agree to contribute 50% of the property claim(s), such contribution to be without prejudice to subsequent final apportionment of the property claim as may be agreed between the insurers hereon and the CAR/EAR insurers in the light of the terms and conditions of the respective policies.

2. It is further understood and agreed that in the event of a claim being settled under the provisions of this 50/50 Clause, the composite deductible applied to the claim settlement shall be the sum of 50% of the applicable deductible of this Policy and 50% of the CAR/EAR deductible.