

## Introduction

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**Law and Jurisdiction** This insurance is subject to English law and practice and to the exclusive jurisdiction of the English courts sitting in London. This insurance is therefore governed, inter alia, by common law rules of insurance and by the Marine Insurance Act 1906. In particular, there are rules of law in relation to disclosure and under-insurance.

**Material Facts** If at any time after inception of this insurance there is a substantial change in your business, for example affecting the subject matter insured or the overseas markets from which you buy or to which you sell, you must advise Underwriters, who reserve the right to amend the rates, terms and conditions of this insurance.

***If you are in any doubt as to whether this insurance meets your needs, you should seek independent advice from your insurance advisor.***

**Cancellation** This insurance may be cancelled by Underwriters or the Assured giving 30 days' notice in writing to take effect from midnight on the date of issue; reduced to 7 days in respect of War, Strikes, Riots and Civil Commotions risks, and 48 hours in respect of Strikes, Riots and Civil Commotions risks on shipments to or from United States of America.

**Non-Contribution** This insurance does not cover subject matter that is insured by or would, but for the existence of this insurance, be insured by any other existing policy or policies; except in respect of any additional sum beyond the amount which would have been payable under such policy or policies had this insurance not been effected.

**Institute Clauses** The Institute Clauses referred to herein are those current at inception of this insurance. In the event that such clauses are revised, then provided we give you at least 30 days' notice, the revised clauses will apply to risks attaching after expiry of that notice.

**Insurance Premium Tax** Underwriters will calculate the tax liability of the Assured, who agrees to pay all amounts due. Late notification by Underwriters of tax due as a result of de minimis rules being exceeded or any other reason will not reduce or negate the liability of the Assured to pay the tax.

**Declaration and Adjustment** The Assured is bound to declare all shipments falling within the scope of this insurance and Underwriters are bound to accept up to but not exceeding the limits specified herein. If this Policy requires periodic declarations, then the Assured shall maintain an accurate record of all sendings falling within the scope of this insurance and shall make such records available to Underwriters for inspection at any reasonable time. Declarations shall be made and premium shall be payable thereon in accordance with the **Bases of Valuation** detailed herein. Errors or unintentional omissions in the making of declarations shall not invalidate this insurance provided steps are taken to rectify these as soon as possible.

## Service Standards

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### **Northern Marine Underwriters Limited**

Faulkner House  
Faulkner Street  
Manchester  
M1 4DY

0161 236 3380  
(fax) 0161 236 0633

Northern Marine Underwriters Limited is authorised and regulated by the Financial Services Authority.

We aim to provide you with a high quality service. If you are dissatisfied in any way, then please write to or telephone the office which issued this Policy and we will do our best to resolve the problem.

If you are unhappy with the reply or explanation received, we ask that you contact our Compliance Manager, at the address shown left.

We will acknowledge your communication within 5 business days of receipt, letting you know who will be dealing with your problem and when you can expect a response.

We will let you have a formal response within 20 business days.

If that is not our final response, we will let you know the reason why and when you can expect to receive our final response.

### **Munich Re Underwriting Limited**

St Helens  
1 Undershaft  
London  
EC3A 8EE

020 7886 3900  
(fax) 020 7886 3901

In issuing this insurance, Northern Marine Underwriters Limited acts as agent for Watkins Syndicate (WTK/457) at Lloyd's.

The Managing Agent for the Syndicate is Munich Re Underwriting Limited.

If we cannot resolve any problem to your satisfaction, you may contact the Compliance Director of Munich Re Underwriting Limited.

### **Lloyd's of London**

Lloyd's Market Services  
One Lime Street  
London  
EC3M 7HA

020 7327 5693  
(fax) 020 7327 5225

complaints@lloyds.com

Lloyd's is regulated by the Financial Services Authority.

Lloyd's has strict guidelines as to how complaints should be dealt with. You may, if the matter is still not resolved to your satisfaction, or at any time, take your concerns to the Policyholder and Market Assistance team at Lloyd's.

### **Financial Ombudsman Service**

Where appropriate, the Managing Agent and Lloyd's will also give you details of the independent arbitration scheme administered by the Financial Ombudsman Service.

However, the Financial Ombudsman Service will only consider referral of your complaint if you have given us the opportunity to resolve it and we have not, or if we do not resolve it within 40 working days (in which case you may contact them directly) **and you are**

- a private policyholder; or
- a business with a group annual turnover of less than £1million; or
- a charity with an annual income of less than £1million; or
- a trust with a net asset value of less than £1million.

### **Financial Services Authority**

25 The North Colonnade  
Canary Wharf  
London  
E14 5HS

020 7066 1000

The Financial Services Authority is an independent non-governmental body established to regulate the financial services industry, under statutory powers granted by the Financial Services and Markets Act 2000.

Further information about your rights as a policyholder and guidance about making complaints can be obtained by calling their helpline: 0845 606 1234, or from their website: [www.fsa.gov.uk/consumer](http://www.fsa.gov.uk/consumer).

**Claims Procedure**

**Instructions for Survey**

**Upon the occurrence of any happening or event likely to give rise to a claim under this insurance, immediate notice must be given in writing with full particulars to the broker named herein or, if overseas, the nearest Lloyd's Agent, whose details can be found at [www.lloydsagency.com](http://www.lloydsagency.com).**

In the UK or Republic of Ireland, we may choose not to arrange a survey where a claim is unlikely to exceed £2,500 or the equivalent in other currencies.

**Duty of the Assured**

In the event of loss of or damage to the subject matter insured, it is the duty of the Assured (and their servants or agents) to take all reasonable steps to avert or minimise such loss or damage and to ensure that all rights against third parties (for example shipping lines, carriers, warehouse keepers, other bailees and suppliers) are properly preserved and exercised.

In particular, the Assured is required:

1. In no circumstances, except under written protest, to give clean receipts where goods are in doubtful condition.
2. When delivery is made by container, to ensure that the container and its seals are examined immediately by a responsible official. If the container is delivered damaged or with seals broken or missing, or with seals other than as stated in the shipping documents, to clause the delivery receipt accordingly and retain all defective or irregular seals for subsequent identification.
3. To claim immediately on the relevant third party(ies) for any loss or damage and to give them the opportunity to arrange their own survey.
4. To give notice in writing to third parties within 3 days of delivery if the loss or damage was not apparent at the time of taking delivery.
5. To notify the Police in the event of theft or suspected theft.

**Note:** The consignee or their agents are recommended to make themselves familiar with the regulations of the port authorities at the port of discharge.

**Any claim under this insurance should be submitted without delay, accompanied by all correspondence with carriers and other parties regarding their alleged liability.**

**Documentation of Claims**

The following documents are required to support your claim (R) and assist (A) in the areas indicated:

	<b>Cause</b>	<b>Quantum</b>	<b>Recovery</b>
Sales invoice		R	A
Packing list		R	A
Original Certificate, or declaration		R	A
Repair invoice		R	A
Quantified statement of claim		R	A
Original Bill of lading	R	A	A
Air waybill	R	A	A
CMR consignment note	R	A	A
Other waybill or consignment note	R	A	A
Delivery or interchange receipt	R	A	R
Outturn report	R	A	A
Correspondence holding carrier liable			R
Reply or settlement from carrier	A		R

Depending on the precise circumstances of a shipment or claim, other supporting documentation may be requested.

**Do not delay reporting a claim while gathering documentation.**

## Definitions

**For the purposes of this insurance, these words and phrases shall always be taken as having the following meanings:**

- Assured** As stated in the **Schedule**, and any party to whom insurable interest in subject matter insured hereunder passes under a contract of sale. And **you** and **your** shall be construed accordingly.
- Bases of Valuation** The bases that the Assured should use for declarations and that Underwriters will use for claims adjustment, unless otherwise declared by the Assured and agreed by Underwriters prior to known loss damage or arrival.
- Excess** The amount for which the Assured is responsible as the first part of each claim.
- Excluded Goods** Goods or merchandise for which we do not provide cover unless declared by the Assured and agreed by Underwriters prior to shipment:
1. Precious metals, diamonds and other stones;
  2. Bullion, money, credit cards, debit cards, ATM cards, cash-replacement cards, store and gift vouchers and cards, travellers' cheques, securities, bonds, deeds, bank notes, treasury notes, stamps, and similar cash substitutes;
  3. Weapons and explosives of all kinds;
  4. Live animals and plants;
  5. Laptop computers, personal computers, computer chips, memory modules, expansion cards, software licences, and the like;
  6. Plasma screens;
  7. Mobile telephones, pre-paid mobile phone vouchers, SIM cards, accessories, and the like;
  8. Assured's own computer equipment;
  9. Household goods and personal effects; privately-owned motor vehicles.
- Excluded Voyages** Countries to, from or within which we do not provide cover unless declared by the Assured and agreed by Underwriters prior to shipment:
- |                  |                     |                       |
|------------------|---------------------|-----------------------|
| Afghanistan      | Haiti               | Rwanda*               |
| Angola           | Iraq                | Serbia & Montenegro   |
| Armenia          | Kazakhstan          | Sierra Leone*         |
| Azerbaijan       | Kyrgyzstan          | Somalia*              |
| Belarus          | Lebanon             | Sudan*                |
| Burundi*         | (other than         | Syrian Arab Republic* |
| Cambodia*        | Tripoli & Beirut)   | Tajikistan            |
| Colombia         | Liberia*            | Turkmenistan          |
| DR Congo*        | FYR Macedonia       | Uganda*               |
| (formerly Zaire) | Malawi              | Ukraine               |
| Eritrea          | Republic of Moldova | Uzbekistan            |
| Ethiopia*        | Nigeria*            | Yemen*                |
| Georgia          | Paraguay            | Zambia                |
| Guinea-Bissau    | Russian Federation  |                       |

### Note

*This insurance automatically provides cover only for those transits specifically detailed in the Premium Basis.*

*Countries indicated by \* have legislation which may require insurance of imports from or exports to be arranged within that country.*

*As the risks presented by shipment to various territories change from time to time, cover may not always be available to other countries in addition to those listed above.*

***If you are in any doubt, please refer to your insurance advisor.***

**Definitions**

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<b>Geographical Areas</b>	<b>Australasia</b>	Australia, New Zealand.
	<b>Europe</b>	Andorra, Austria, Belgium, Denmark, Finland, Faroe Islands, France, Germany, Gibraltar, Greece, Holland, Iceland, Italy, Liechtenstein, Luxembourg, Monaco, Norway, Portugal, Republic of Ireland, Spain, Sweden, Switzerland.
	<b>Wider Europe</b>	Bulgaria, Croatia, Cyprus, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Romania, Slovakia, Turkey.
	<b>Far East</b>	Hong Kong, Japan, Malaysia, Philippines, Singapore, South Korea, Taiwan, Thailand, Vietnam.
	<b>Middle East</b>	Bahrain, Israel, Kuwait, Qatar, Saudi Arabia, United Arab Emirates.
	<b>North America</b>	The United States of America (excluding Hawaii) and Canada.
	<b>United Kingdom</b>	The United Kingdom of Great Britain and Northern Ireland, including the Channel Islands, the Isle of Man and other offshore islands.
<b>Incident</b>	Any occurrence or series of occurrences attributable to one proximate cause.	
<b>Period</b>	As stated in the <b>Schedule</b> . Insurance on shipments will attach no earlier than the beginning of the period and no later than the end of the period. Insurance on goods in storage will attach no earlier than the beginning of the period and will terminate no later than the end of the period. If notice of cancellation is given, then the end of the period will be midnight on the last day before cancellation becomes effective.	
<b>Subsidiary Company</b>	As defined in section 736 of the Companies Act 1985.	
<b>Underwriters</b>	Northern Marine Underwriters Limited, as agent for Watkins Syndicate (WTK/457) at Lloyd's, part of the Munich Re Group. And <b>we, us</b> and <b>our</b> shall be construed accordingly.	

**Accumulation**

CRG/ACC/BSC/1/5/04

In the event of an accumulation of goods during the ordinary course of transit by reason of circumstances beyond the control of the Assured, Underwriters will hold covered an amount at risk not exceeding twice the relevant vessel or conveyance limit stated in the schedule.

**Where practicable**, the Assured shall give prompt notice to Underwriters of all such circumstances.

**Additional Discharge Costs**

CRG/ADC/ENH/1/2/05

In the event of damage to subject matter insured, this insurance shall extend to reimburse the Assured for additional charges reasonably incurred to:

- discharge, unload, handle and store damaged and/or sound goods; and
- re-load, transport and forward damaged and/or sound goods to the original intended destination.

Subject to a limit any one incident as specified in the Schedule.

**Additional Forwarding Costs**

CRG/AFC/BSC/1/2/05

In the event of an insured transit being terminated at a port or place other than that to which the subject matter was insured hereunder, this insurance shall extend to reimburse the Assured for additional charges reasonably incurred to:

- discharge, unload, handle and store the goods; and
- re-load, transport and forward the goods to the original intended destination, or, at the Assured's option, forward the goods to any alternative destination.

Subject to a limit any one incident as specified in the Schedule.

**Attachment and Termination of Cover**

CRG/ATC/STD/1/5/04

This insurance commences at the attachment of the Assured's interest in the goods but unless specifically agreed elsewhere not prior to the time the goods are set in motion for the commencement of transit.

But, in respect of goods purchased by the Assured on FCA, CFR or similar terms, and in the event of dispute as to the time of loss or damage, it is agreed that cover commences at the time the goods are set in motion for the commencement of transit; in consideration of which, the Assured agrees to assist Underwriters in all respects to pursue rights of recovery against suppliers.

Cover continues during loading, packing (including transits to and from packers', forwarders', consolidators' and carriers' premises, including whilst there for a period not exceeding thirty days or held covered for any longer period at additional premium to be agreed), containerisation, deconsolidation and unloading, including customary transhipment.

Cover terminates in accordance with the provisions of the Duration clause of the applicable Institute Clauses; but in respect of sales by the Assured on FCA, CFR or similar terms, cover terminates once the goods have been finally positioned or stowed in the carrying vessel, aircraft or conveyance.

**Average**

CRG/AVG/BSC/1/5/04

If, at the time of loss or damage, subject matter insured is of greater value than any declared sum insured or the applicable limit expressed herein, then the Assured shall be considered as being their own insurer for the difference and shall bear a rateable share of such loss or damage.

## **Brands and Trade Marks**

CRG/BTM/ENH/1/5/04

Subject always to all other conditions and exclusions, damage to subject matter insured bearing embossed or indented brands or other permanent markings identifying the manufacturer or brand and carrying or implying any guarantee may be treated as a constructive total loss where the Assured is able to demonstrate to Underwriters' satisfaction that the sale of such damaged goods would be detrimental to the Assured's good name.

To mitigate the loss, the Assured shall dispose of the damaged goods to the best advantage, Underwriters receiving the benefit of any proceeds, or they shall be destroyed in the presence of a representative of both Underwriters and the Assured.

## **Certificates of Insurance**

CRG/COI/LOC/1/5/04

Where the Policyholder is granted the facility to issue negotiable certificates of insurance, such certificates must not exceed the scope or ambit of this insurance, unless agreed in writing by Underwriters, **otherwise** the Policyholder will be required to indemnify Underwriters for any losses sustained thereby.

### **Letters of Credit**

Where the Policyholder is obliged to arrange insurance in accordance with any instructions contained in a letter of credit, such cover is granted provided that it does not exceed the scope or ambit of this insurance.

Notwithstanding the above and irrespective of the requirements of the letter of credit, the interest of the named Assured shall always be protected by this insurance.

## **Concealed Damage**

CRG/CND/60D/1/5/04

Any loss or damage discovered on opening containers, cases or packages within 60 days of termination of the insured transit shall be deemed to have occurred during such transit (irrespective of attachment of Assured's interest) unless there is conclusive proof to the contrary, **provided always that** any containers, cases or packages showing visible signs of damage at the time of delivery must be opened and their contents checked for quantity and condition immediately.

## **Contingent Interest**

CRG/CIN/STD/1/5/04

Where proper annual estimates or individual shipments are declared by the Assured and accepted by Underwriters, this insurance is extended to cover the Assured's contingent interest in any goods for which they have no responsibility to insure under the terms of sale or purchase.

Underwriters agree to provide cover subject to Policy terms, but only to the extent that the Assured is unable to recover any loss or damage from the insurance effected by the buyer or seller, as applicable.

Where interest in the goods reverts to the Assured during transit for any reason, the goods will be covered continuously, including any reasonable period whilst awaiting re-sale or return and any additional transit consequent upon such resale or return.

### **Provided always that:**

- prompt notice is given to Underwriters of any incident that might result in this extension becoming operative;
- the existence of this extension is not disclosed to any other party having an interest in the goods;
- the Assured takes all reasonable steps to enforce the terms of the underlying sale or purchase contract;
- all rights and benefits of any action that the Assured possesses or acquires against third parties are subrogated to Underwriters.

This extension is not deemed to be double insurance.

**Debris Removal  
(Transit)**

CRG/DRT/STD/1/2/05

This insurance is extended to reimburse the Assured, in addition to any other amount recoverable hereunder, for extra expenses reasonably incurred for the removal and disposal of debris of subject matter insured, or part thereof, damaged or destroyed by the operation of an insured peril, but excluding absolutely:

- any expenses incurred in consequence of or to prevent or mitigate pollution or contamination, or any threat thereof or liability therefor; and/or
- the cost of removal of cargo from any vessel or craft.

Subject to a limit any one incident as specified in the Schedule.

**Derangement Exclusion**

CRG/DRX/BCS/1/5/04

This insurance does not cover electrical, electronic or mechanical breakdown, failure, derangement or disturbance, unless proven to have been caused by a peril insured against.

**Duty**

CRG/DTY/BSC/1/5/04

The Assured may declare as an additional insurance the duty (including levy or similar charges, howsoever described) paid or payable at the port or place of destination on subject matter insured, on the same terms and conditions, and with claims to be adjusted in the same proportion, as the subject matter insured, excluding duty which does not become payable.

**Exhibitions and  
Demonstrations**

CRG/EXD/EXC/1/2/05

Where a limit for such is specified in the Schedule, this insurance is extended to cover the subject matter insured plus display stands and equipment including advertising and promotional items, owned by the Assured or for which they are responsible, whilst in transit to and from and whilst at exhibition or demonstration site for a maximum of 14 days, including during unpacking, assembly, awaiting and on exhibition, dismantling and repacking.

**Excluding** loss or damage due to:

- moth, vermin, wear and tear, and gradual deterioration;
- latent defect, faulty assembly or construction;
- theft from the exhibition or demonstration site, unless following forcible or violent entry, exit or removal.

**And**, in respect of used and/or second-hand items, **excluding** loss or damage due to:

- rust, oxidation and discolouration;
- scratching, bruising, chipping, denting and subsequent cost of repainting;
- twisting, bending and distortion;

unless proven to have been caused by a peril insured against.

**Exhibition Costs**

In the event that subject matter insured is lost or damaged en-route to exhibition and the Assured's attendance at that exhibition is consequently cancelled, this insurance shall extend to reimburse the Assured for exhibition fees that are not refundable

Subject to a limit any one incident as specified in the Schedule.

**Fumigation**

CRG/FUM/STD/1/2/05

In the event that subject matter insured is fumigated during the ordinary course of transit and irrespective of whether actual infestation is identified, this insurance shall extend to reimburse the Assured for the fumigation costs incurred, if they are additional to normal practice and necessitated by the operation of an insured peril.

Subject to a limit any one incident as specified in the Schedule.

**General Average**

CRG/GAV/BSC/1/5/04

For the purpose of claims for General Average contributions and Salvage charges recoverable hereunder, the subject matter insured shall be deemed to be insured for its full contributory value.

**Labels**  
CRG/LAB/BSC/1/5/04

Where only labels wrappers or capsules are damaged, this insurance will not pay more than the lesser of the insured value of the damaged goods and the cost of replacing the damaged labels wrappers or capsules, and shall not extend to include any depreciation consequent thereon.

**Packing Exclusion and Endorsement**  
CRG/PXE/STD/1/5/04

Underwriters agree that they will not use alleged insufficiency or unsuitability of the packing or preparation of the subject matter insured as a defence against a claim if that packing or preparation was carried out by a party other than the named Assured and the insufficiency or unsuitability arose entirely without their privity or knowledge.

In consideration of which, the Assured agrees to assist Underwriters in all respects to pursue rights of recovery against sellers and/or other responsible third parties.

For the purposes of this clause, "packing" shall be deemed to include stowage in a container and/or other similar inter-modal method of unit load.

**Postal Sendings**  
CRG/POS/BSC/1/5/04

Where a limit is specified in the Schedule, this insurance is extended to cover dispatches via ordinary letter post, private postal systems, personal courier, bicycle courier, motorcycle courier and taxi.

**Presentation Packaging and Trade-Marked Cartons**  
CRG/PTM/ENH/1/5/04

Subject always to all other conditions and exclusions, this insurance is extended to reimburse the Assured for the reasonable cost of replacing any presentation packaging or trade-marked cartons, where the condition of such prevents the product being displayed for retail sale.

**Process**  
CRG/PRO/BSC/1/5/04

This insurance does not cover damage to subject matter insured which is sustained whilst it is in use or being worked upon and results directly therefrom.

**Replacement**  
CRG/REP/BSC/1/5/04

In the event of loss of or damage to any part or parts of the subject matter insured, the sum recoverable shall not exceed the cost of replacement or repair of such part or parts plus charges for forwarding and refitting, if incurred.

But, in respect of used and/or second-hand goods, where cover has been agreed by Underwriters, the sum recoverable shall not exceed such proportion of the cost of replacement or repair as the insured value bears to the value of the goods when new plus charges for forwarding and refitting, if incurred.

Excluding duty unless the full duty is included in the amount insured, in which case loss, if any, sustained by payment of additional duty shall also be recoverable.

Provided always that in no case shall the liability of Underwriters exceed the insured value of the complete item.

**Replacement by Air**  
CRG/RPA/STD/1/2/05

The Replacement clause is extended to reimburse the Assured for the costs of air freighting replacement or damaged goods to or from suppliers, customers or repairers, even though the insured goods were not originally dispatched by airfreight.

Subject to a limit any one incident as specified in the Schedule.

**Returned Goods**

CRG/RTG/STD/1/5/04

This insurance is extended to continuously cover subject matter insured which is immediately returned by the consignee, including temporary storage for a period of up to 30 days, excluding goods returned for refurbishment, reconditioning or repair, unless necessitated by the operation of an insured peril during the original transit.

Where returned goods were not insured under this insurance for the original voyage or where cover under this insurance has not been continuous, then cover will be subject to Institute Cargo Clauses (B) including heavy weather damage, loss overboard, malicious damage and theft or non-delivery of a complete shipping unit, and Institute War and Strikes Clauses.

These risks are held covered at rates to be agreed, subject to the particular circumstances of each case, and subject to Underwriters' agreement regarding the overall extension period required. Reports of such return shipments to be made to Underwriters as soon as they come to the notice of the Assured.

For the purposes of this clause, "complete shipping unit" shall mean any unit of shipment comprising more than one package box or carton, such as a pallet load or a container load, specifically detailed in a bill of lading, air waybill or other similar consignment note.

**Seals Intact**

CRG/SIN/STD/1/5/04

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

Production of:

- documentary evidence that the package or item was loaded into the container, and
  - a copy of the discharge tally sheet or claused delivery note
- shall be sufficient evidence of loss, in the absence of proof to the contrary.

**Sonic Boom Exclusion**

CRG/SBX/BSC/1/5/04

This insurance does not cover loss, destruction or damage directly caused by pressure waves created by aircraft or other aerial devices travelling at sonic or supersonic speeds.

**Sorting, Segregation and Testing**

CRG/SST/STD/1/2/05

This insurance is extended to reimburse the Assured for costs (including transportation, repacking and reshipment) reasonably incurred to sort or segregate shipping packages showing signs of external damage and/or to test any items contained therein to ascertain possible loss or damage, even though a claim may not subsequently arise.

Subject to a limit any one incident as specified in the Schedule.

**Stowage Accessories**

CRG/STA/STD/1/2/05

Where a limit for goods in own vehicles is specified in the Schedule, this insurance is extended to cover loss of or damage to stowage accessories such as ropes, sheets and the like owned by the Assured or for which they are responsible whilst on any vehicle used in connection with their business.

Subject to a limit any one incident as specified in the Schedule.

## **Tools and Samples**

CRG/TAS/STD/1/5/04

Where a limit for such is specified in the Schedule, this insurance is extended to cover the Assured's engineers' tools or representatives' samples during the normal working day

- whilst conveyed out of sight, in a locked boot where possible, in vehicles owned operated or under the control of the Assured; or
- whilst temporarily removed therefrom but still in the personal custody of the engineer or representative, including
  - during transit by foot or any ancillary means of transport; or
  - whilst on site at customers' or clients' premises;

or, outside the normal working day

- whilst contained in any hotel room or private residence; or
- whilst deposited for safe custody with hotel proprietors or any responsible public transport authority;

**excluding** theft unless consequent upon forcible or violent entry exit removal.

For the purposes of this clause, "normal working day" shall mean all times when the vehicle is specifically being used for the purpose of or in connection with the Assured's trade, excluding overnight stops and all use by the driver solely for social, domestic or pleasure purposes.

## **Transit Clause Extension**

CRG/TCE/BSC/1/5/04

Underwriters will hold covered, upon receipt of prompt notice from the Assured and at a premium to be agreed, if in the ordinary course of transit the subject matter insured

- takes more than 60 days from the time it is discharged from the overseas vessel at the final port of discharge, or
- takes more than 30 days from the time it is unloaded from the aircraft at the final airport of discharge

to reach the intended destination for termination of the voyage insured hereunder, or

- is in bonded store and/or warehouse at the port of discharge for which cover would otherwise terminate by reason of delay beyond the Assured's control.

**Cargo ISM  
Endorsement**

JC98-019

Applicable to shipments on board Ro-Ro passenger ferries.

Applicable with effect from 1st July 1998 to shipments on board:

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

Applicable with effect from 1st July 2002 to shipments on board all other cargo ships and mobile offshore drilling units of 500gt or more.

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

- (a) Either that such vessel was not certified in accordance with ISM Code.
- (b) Or that a current Document of Compliance was not held by her owners or operators.

As required under the SOLAS convention 1974 as amended.

The exclusion shall not apply where this insurance has been assigned to the party claiming hereunder who has bought or agreed to buy the subject matter insured in good faith under a binding contract.

**Cargo ISM Forwarding  
Charges**

(for use only with JC98-019)

CRG/CIF/STD/1/5/04

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

- (a) to such vessel not being certified in accordance with the ISM Code, or
- (b) to a current Document of Compliance not being held by her owners or operators

as required under the SOLAS Convention 1974 as amended.

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

**Computer Millennium  
Clause**

JC98-024

In no case shall this insurance cover any loss, damage, expense or liability of whatsoever nature which might otherwise be recoverable under this insurance arising out of or in any way connected with, whether directly or indirectly, the use or operation of any computer, computer system, computer software, programme or process or any electronic system where any such loss, damage, expense or liability arises, whether directly or indirectly, as a consequence of (i) the date change to the year 2000 or any other date change and/or (ii) any change or modification of or to such computer, computer system, computer software, programme or process or any electronic system in relation to such date change.

This exclusion does not apply to:

1. Claims for loss of or damage to the subject matter insured reasonably attributable to
  - a. fire or explosion
  - b. vessel or craft being stranded grounded sunk or capsized
  - c. overturning or derailment of land conveyance
  - d. collision or contact of vessel craft aircraft or conveyance with any external object other than water
  - e. total loss of aircraft in flight
  - f. discharge of cargo at a port of distress
  - g. total loss of any package lost overboard or dropped whilst loading on to, or unloading from, vessel craft or aircraft
  - h. general average sacrifice
  - i. jettison or washing overboard
  - j. entry of sea lake or river water into vessel craft hold conveyance liftvan or place of storage
2. 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 any cause except those excluded elsewhere in this insurance.

Subject always to the terms, conditions, limits and exclusions contained elsewhere in this policy.

**Contracts (Rights of  
Third Parties) Act 1999 –  
Exclusion (Cargo)**

JC2000-002

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

**Insolvency Exclusion  
Endorsement**

CRG/IXE/STD/1/5/04

The exclusion of

**loss damage or expense arising from insolvency or financial default of the owners managers charterers or operators of the vessel or aircraft** (as applicable)

contained within the Institute Clauses incorporated herein is amended to read

**loss damage or expense proximately caused by insolvency or financial default of the owners managers charterers or operators of the vessel or aircraft.**

But, in any event, such exclusion shall not apply where:

- prior to loading of the subject matter insured on board the vessel or aircraft, all reasonable practicable and prudent measures have been taken by the Assured, their servants or agents, to establish the financial reliability of the party in default; or
- the insurance has been assigned to the party claiming hereunder, who has bought or agreed to buy the subject matter insured in good faith and without notice of such insolvency or financial default; or
- the Assured has purchased the subject matter insured on terms under which the supplier or their servants or agents have been responsible for arranging the carriage.

**Termination of Transit  
Clause (Terrorism)**

JC2001-056

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

- 1 Notwithstanding any provision to the contrary contained in this Policy or the Clauses referred to therein, it is agreed that in so far as this Policy covers loss of or damage to the subject matter insured caused by any terrorist or any person acting from a political motive, such cover is conditional upon the subject matter insured being in the ordinary course of transit and, in any event, SHALL TERMINATE:

**either**

- 1.1 As per the transit clauses contained within the Policy,

**or**

- 1.2 on delivery to the Consignee's or other final warehouse or place of storage at the destination named herein,

- 1.3 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 for storage other than in the ordinary course of transit or for allocation or distribution,

**or**

- 1.4 in respect of marine transits, on the expiry of 60 days after completion of discharge outside of the goods hereby insured from the oversea vessel at the final port of discharge,

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

**whichever shall first occur.**

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

**Storage risks, outside the ordinary course of transit, are subject to the following additional clauses:**

**Debris Removal  
(Storage)**

CRG/DRS/STD/1/5/04

This insurance is extended to reimburse the Assured, in addition to any other amount recoverable hereunder, for extra expenses reasonably incurred for the removal and disposal of debris of subject matter insured, or part thereof, damaged or destroyed by the operation of an insured peril.

Subject to a limit of £2,500 any one incident.

**Intruder Alarm Warranty  
(Own Premises)**

CRG/IAW/STD/1/2/05

Unless otherwise agreed in writing by Underwriters, **it is warranted that:**

1. subject matter insured in storage in premises owned by or under the direct control of the Assured shall be protected by an intruder alarm approved by Underwriters, installed inspected and maintained under contract by an NSI-registered installer; and
2. the alarm system shall be kept in full working order and tested regularly, and shall be set for operation and all alarm system keys removed from the premises whenever that part of the premises used for storage of subject matter insured is unoccupied or closed for business; and
3. Underwriters shall be informed immediately if:
  - the Assured receive notice of withdrawal or reduction, or possible withdrawal or reduction, of Police or alarm company response to alarm calls, or
  - the alarm is otherwise rendered inoperable or ineffective.

**Stillage Warranty**

CRG/STW/STD/1/2/05

**Warranted** that all subject-matter insured shall be stored a minimum of 10 cm (four inches) **above floor level** in premises owned by or under the control of the Assured,

**and** that written instructions that all subject-matter insured must be stored a minimum of 10 cm (four inches) **above floor level** shall be given to all third party warehouse operators used by the Assured for the storage of subject-matter insured.

**Exclusions**

CRG/STX/STD/1/5/05

This insurance does not cover:

1. Mysterious disappearance or unexplained shortage disclosed at normal stocktaking.
2. Theft, unless following violent and/or forcible entry into or exit from the premises.
3. Storage in basements or cellars, or otherwise below ground unless specifically agreed in writing by Underwriters.
4. Storage in the open, unless specifically agreed in writing by Underwriters.
5. Storage at retail premises, unless specifically agreed in writing by Underwriters.