

Cargo Policy



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Data protection statement

Zurich takes the privacy and security of your personal information seriously. We collect, use and share your personal information so that we can provide policies and services that meet your insurance needs, in accordance with applicable data protection laws.

The type of personal information we will collect includes: basic personal information (i.e. name, address and date of birth), occupation and financial details, health and family information, claims and convictions information and where you have requested other individuals be included in the arrangement, personal information about those individuals.

We and our selected third parties will only collect and use personal information (i) where the processing is necessary in connection with providing a quotation and/or contract of insurance; (ii) to meet our legal or regulatory obligations; (iii) where you have provided the appropriate consent; (iv) for our 'legitimate interests'.

It is in our legitimate interests to collect personal information as it provides us with the information that we need to provide our services more effectively including providing information about our products and services. We will always ensure that we keep the amount of information collected and the extent of any processing to the absolute minimum to meet this legitimate interest.

A full copy of our data protection statement can be viewed via www.zurich.co.uk/dataprotection

How you can contact us

If you have any questions or queries about how we use your data, or require a paper copy of the statement, you can contact us via gbz.general.data.protection@uk.zurich.com or alternatively contact our Data Protection Officer at Zurich Insurance, Unity Place, 1 Carfax Close, Swindon, SN1 1AP.

Important notes

Fraud prevention and detection

In order to prevent and detect fraud we may at any time:

- check your personal data against counter fraud systems
- use your information to search against various publicly available and third party resources
- use industry fraud tools including undertaking credit searches and to review your claims history
- share information about you with other organisations including but not limited to the police, the Insurance Fraud Bureau (IFB), other insurers and other interested parties.

If you provide false or inaccurate information and fraud is identified, the matter will be investigated and appropriate action taken. This may result in your case being referred to the Insurance Fraud Enforcement Department (IFED) or other police forces and fraud prevention agencies. You may face fines or criminal prosecution. In addition, Zurich may register your name on the Insurance Fraud Register, an industry-wide fraud database.

Claims history

We may pass information relating to claims or potential claims to any relevant database.

We and other insurers may search these databases when you apply for insurance, when claims or potential claims are notified to us or at time of renewal to validate your claims history or that of any other person or property likely to be involved in the policy or claim.

This helps to check information provided and prevent fraudulent claims.

Our complaints procedure

Our commitment to customer service

We are committed to providing a high level of customer service. If you feel we have not delivered this, we would welcome the opportunity to put things right for you.

Who to contact in the first instance

Many concerns can be resolved straight away. Therefore in the first instance, please get in touch with your usual contact at Zurich or your broker or insurance intermediary, as they will generally be able to provide you with a prompt response to your satisfaction.

Contact details will be provided on correspondence that we or our representatives have sent you.

Many complaints can be resolved within a few days of receipt

If we can resolve your complaint to your satisfaction within the first few days of receipt, we will do so. Otherwise, we will keep you updated with progress and will provide you with our decision as quickly as possible.

Next steps if you are still unhappy

If you are not happy with the outcome of your complaint, you may be able to ask the Financial Ombudsman Service to review your case.

We will let you know if we believe the ombudsman service can consider your complaint when we provide you with our decision. The service they provide is free and impartial, but you would need to contact them within 6 months of the date of our decision.

More information about the ombudsman and the type of complaints they can review is available via their website www.financial-ombudsman.org.uk.

You can also contact them as follows:

Post: Financial Ombudsman Service, Exchange Tower, London, E14 9SR

Telephone: 08000 234567 (free on mobile phones and landlines)

Email: complaint.info@financial-ombudsman.org.uk

If the Financial Ombudsman Service is unable to consider your complaint, you may wish to obtain advice from the Citizens Advice Bureau or seek legal advice.

The Financial Services Compensation Scheme (FSCS)

We are covered by the Financial Services Compensation Scheme (FSCS) which means that you may be entitled to compensation if we are unable to meet our obligations to you. Further information is available on www.fscs.org.uk or by contacting the FSCS directly on 0800 678 1100.

Your Cargo policy

This policy is a contract between **you** and **us**.

This policy, the statement of facts, any schedule and endorsements should be read as if they are one document.

We will insure **you** during any period of insurance for which **we** have accepted **your** premium. **Our** liability will in no case exceed the amount of any sum insured or limit of indemnity stated within this policy, the schedule or any endorsement to this policy.

Any reference to the singular will include the plural and vice versa.

Any reference to any statute or statutory instrument will include any amendments thereto or re-enactment thereof.

Any heading in this policy is for ease of reference only and does not affect its interpretation.

Law applicable to this contract

In the UK the law allows both **you** and **us** to choose the law applicable to this contract. This contract will be subject to the relevant law of England and Wales, Scotland, Northern Ireland, the Isle of Man or the Channel Islands depending upon **your** address as stated in **your** policy documentation. If there is any dispute as to which law applies it will be English law. The parties agree to submit to the exclusive jurisdiction of the English courts.

This is a legal document and should be kept in a safe place.

Please read this policy, statement of facts, schedule and endorsements carefully and if they do not meet **your** needs contact **us** or **your** broker or insurance intermediary.

Definitions

Certain words in this policy have special meanings. These words and their meanings are detailed in this section and apply wherever **we** have printed them in bold throughout.

Basis of valuation

As set out in provision 1 – Basis of valuation.

C&F or CFR

Cost and freight.

CIF

Cost, insurance and freight.

Communicable disease

Any disease which can be transmitted by means of any substance or agent from any organism to another organism where:

- a) the substance or agent includes, but is not limited to, a virus, bacterium, parasite or other organism or any variation thereof, whether deemed living or not; and
- b) the method of transmission, whether direct or indirect, includes but is not limited to, airborne transmission, bodily fluid transmission, transmission from or to any surface or object, solid, liquid or gas or between organisms; and
- c) the disease, substance or agent can cause or threaten bodily injury, illness, damage to human health, human welfare or property.

Container

Any demountable carrying unit including any ISO container, tank container or flat rack.

Conveyance

Any means of transport.

Damage/damaged

Physical loss and/or damage.

Data processing system

Any computer or data processing equipment or media or microchip or integrated circuit or any similar device or any computer software or firmware.

Excess

The amount stated in this policy, the schedule or any endorsement to this policy for which **you** are responsible and which will be deducted from any payment under this policy as ascertained after the application of all other terms and conditions of this policy.

Excluded territories

Transits to/from and within the following:

Afghanistan, Burma (Myanmar), Central African Republic, Crimea, Democratic Republic of Congo, Egypt, Eritrea, Guinea (Republic), Guinea-Bissau, Iraq, Israel, Lebanon, Libya, Mali, Moldova, Nicaragua, Nigeria, Occupied Palestinian Territories, Republic of Sudan (North), Rwanda, Sierra Leone, Somalia, South Sudan, Uganda, Venezuela, Yemen, Zimbabwe and any country where their local legislation decrees insurance must be effected locally, unless specially declared and accepted by us prior to shipment.

Transits to/from, within and/or through the following:

Belarus, Cuba, Iran, North Korea, Russia, Syria and Ukraine.

FOB

Free on board.

General average

A legal principle of maritime law to which all parties in a sea venture proportionally share any losses resulting from a voluntary sacrifice of part of the ship and cargo to save the whole adventure in an emergency.

Geographical definitions

United Kingdom/UK

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

Western Europe

Andorra, Austria, Belgium, Denmark, France, Germany, Gibraltar, Greece, Iceland, Ireland, Italy, Liechtenstein, Luxembourg, Malta, Monaco, Netherlands, Norway, Portugal, San Marino, Spain, Sweden, Switzerland, Vatican City.

Eastern Europe

Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Cyprus, Czech Republic, Estonia, Finland, Georgia, Hungary, Latvia, Lithuania, North Macedonia, Montenegro, Poland, Romania, Serbia, Slovakia, Slovenia, Turkey.

North America

Canada, United States of America.

Middle East

Bahrain, Brunei, Jordan, Kuwait, Oman, Qatar, Saudi Arabia, United Arab Emirates.

Far East

Cambodia, China, Indonesia, Japan, South Korea, Laos, Malaysia, Mongolia, Philippines, Singapore, Thailand, Vietnam.

Australasia

Australia, Fiji, Kiribati, Marshall Islands, Micronesia, Nauru, New Zealand, Palau, Papua New Guinea, Samoa, Solomon Islands, Tonga, Tuvalu, Vanuatu.

Indian Subcontinent

Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan, Sri Lanka.

Rest of World

All other countries not contained in any of the above definitions and excluding **excluded territories**.

World

United Kingdom, Western Europe, Eastern Europe, North America, Middle East, Far East, Indian Subcontinent, Australasia and Rest of World.

ISM

International Safety Management.

ISPS

International Ship and Port Facility Security.

Journey

The imports/exports and sendings stated in the statement of facts, with the countries listed in the statement of facts to be interpreted as per the **geographical definitions**.

Nuclear installation

Any installation of such class or description as may be prescribed by regulations made by the relevant Secretary of State from time to time by statutory instrument being an installation designed or adapted for:

- a) the production or use of atomic energy
- b) the carrying out of any process which is preparatory or ancillary to the production or use of atomic energy and which involves or is capable of causing the emission of ionising radiation
- c) the storage, processing or disposal of nuclear fuel or of bulk quantities of other radioactive matter being matter which has been produced or irradiated in the production or use of nuclear fuel.

Nuclear reactor

Any plant including any machinery, equipment or appliance whether affixed to land or not designed or adapted for the production of atomic energy by a fission process in which a controlled chain reaction can be maintained without an additional source of neutrons.

Ordinary course of transit

The customary method of carriage relevant to the type of **subject-matter insured** and the most direct route to the destination including:

- a) delays during which the **subject-matter insured** is held up pending inspection by the Customs or similar authorities and awaiting arrival of the onward carrying **conveyance** or vessel
- b) any customary form of transport incidental to the overseas shipment of the **subject-matter insured**, including land, river and canal conveyances (e.g. rail, road transport, barge, lighter)
- c) carriage by air when this is incidental to a shipment by sea.

Excluding:

- i) any delay initiated by the cargo owner due to their unwillingness to take immediate delivery
- ii) any period of resultant **storage**.

Personal effects

Any item of clothing or any other personal item made to be worn, used or carried about the person.

Excluding money, credit, debit or charge cards, stamps, documents or securities.

Recorded information

Documents, business and/or personal records and/or similar information represented or stored upon or within paper, optical, electronic and/or other storage media.

Salvage charges

Charges which apply in maritime law to compensate a third party in the event of a successful salvage due to a voluntary act by that third party independent of any contract.

Specified perils

- a) Fire, lightning, explosion or earthquake
- b) theft
- c) attempted theft
- d) as a direct result of impact of the **subject-matter insured** with any object outside the carrying **conveyance** (other than water)
- e) as a direct result of impact of the **subject-matter insured** with the carrying **conveyance** or anything in or on it during loading and/or unloading
- f) as a direct result of the collision of or overturning of the carrying **conveyance**
- g) as a direct result of any vessel or craft being stranded, grounded or sunk
- h) by immersion of the **subject-matter insured** in any watercourse, lake, river or sea.

Storage

Storage outside the **ordinary course of transit**.

Storage location

A building at the location stated in the schedule that is:

- a) constructed of:
 - i) brick, stone or concrete; or
 - ii) profiled metal on a steel frame; and
- b) roofed with slate, concrete, tile, metal or asbestos.

Excluding:

- i) any yard, compound, garden or open space
- ii) any retail premises

unless otherwise stated in the schedule.

Strikes risks

- a) Strikers, locked-out workmen, or persons taking part in labour disturbances, riots or civil commotions
- b) any act of **terrorism**
- c) any person acting from a political, ideological or religious motive.

Subject-matter insured

The subject-matter insured stated in the schedule.

Terrorism

An act of any person acting on behalf of, or in connection with any organisation which carries out activities directed towards the overthrowing or influencing by force or violence of any government whether or not legally constituted or any person acting from a political motive.

Thief attractive goods

- a) Computers – hardware (excluding laptops and memory chips)
- b) footwear – shoes, sport trainers and the like – designer/branded.
- c) textiles – clothing, accessories and handbags – designer/branded.
- d) electrical – white goods (e.g. cookers, refrigerators, microwaves, toasters and the like)
- e) electrical – brown goods (e.g. audio, HiFi, TV, CD and DVD players, cameras and the like)
- f) wines, beers and spirits.

Third party equipment

Containers and/or rail wagons in **your** care, custody or control, or that of any third party working on **your** behalf for the purposes of conveying the **subject-matter insured** during any insured transit but not **containers** and/or rail wagons owned by or hired, leased or loaned to **you**.

War risks

Any:

- a) war, civil war, revolution, rebellion, insurrection,
- b) civil strife arising from a) above
- c) hostile act by or against a belligerent power
- d) capture, seizure, arrest, restraint or detainment arising from a), b) or c) above
- e) derelict mines, torpedoes, bombs or other derelict weapons of war.

We, us, our, ours

Zurich Insurance Company Ltd.

You, your, yours

The person, people (either acting in partnership or on behalf of an unincorporated organisation) or the company stated in the schedule as the assured.

Section A – Sendings

You are covered to the extent provided by this policy for **damage** caused to the **subject-matter insured** during the **journey**.

Other than in respect of **war risks**, cover attaches from the time the **subject-matter insured** is first moved in the warehouse or the place of **storage** for the purposes of the immediate loading into or onto the **conveyance** for the commencement of the **journey** and will continue during the **ordinary course of transit**, terminating either:

- a) on the completion of unloading from the carrying vehicle or other **conveyance** or **container** in or at the final warehouse or place of **storage** at the destination named in the contract of insurance; or
- b) on the completion of unloading from the carrying vehicle or other **conveyance** or **container** in or at any other warehouse or place of **storage** which **you** or **your** employees elect to use either for storage other than in the **ordinary course of transit** or for allocation or distribution; or
- c) when **you** or **your** employees elect to use any carrying vehicle, or other **conveyance** or any **container** for storage other than in the **ordinary course of transit**; or
- d) on the expiry of 60 days after completion of discharge overseas of the **subject-matter insured** from the overseas vessel at the final port of discharge

whichever will first occur.

For the purposes of this clause:

- i) 'immediate loading' means a continuous and uninterrupted movement of the **subject-matter insured** until set down onto or into the carrying vehicle or other **conveyance** or **container** for the commencement of transit
- ii) completion of unloading occurs when the **subject-matter insured** is first set down after a continuous and uninterrupted movement from the carrying vehicle or **conveyance** or **container**.

If, after discharge overseas from the overseas vessel at the final port of discharge, but prior to termination of this insurance, the **subject-matter insured** is to be forwarded to a destination other than that to which it is insured, this insurance, whilst remaining subject to termination as provided in clauses a) to d) above, will not extend beyond the time the **subject-matter insured** is first moved for the purpose of the commencement of transit to such other destination.

This insurance will remain in force (subject to termination as provided for in clauses a) to d) above and to the provisions of Provision 22 – Termination of transit clause (terrorism) during delay beyond **your** control, any deviation, forced discharge, reshipment or transshipment and during any variation of the adventure arising from the exercise of a liberty granted to carriers under the contract of carriage.

War risks cover attaches from the time the **subject-matter insured** or part thereof is loaded on board a vessel or aircraft and terminates either:

- a) on completion of discharge from the vessel or aircraft at the final port or airport of destination; or
- b) on the expiry of 15 days commencing midnight on the day of arrival of the vessel or aircraft at the final port or airport of destination

whichever will first occur.

The most **we** will pay is the limit of indemnity stated in the schedule.

The **excess** applicable to each and every loss is as stated in the schedule.

Additional cover extensions

1. Accumulation

In the event of any accumulation of **subject-matter insured** during the **ordinary course of transit** due to circumstances beyond **your** control **we** will indemnify **you** for **damage** to the **subject-matter insured** up to twice the relevant limit of indemnity stated in the schedule or £5,000,000 whichever is the lesser provided always that prompt notice is given by **you** to **us** when **you** become aware that such an accumulation exists.

2. Acquisition

In the event that **you** acquire a new company this policy will provide cover from the date of acquisition on a Difference in Conditions and Difference in Limits basis between the cover provided by this policy and that provided by the new company's existing policy until the acquired company's policy expires or is cancelled. Cover under this clause includes the difference in value between the value insured under this policy and the amount recoverable under the acquired company's policy. A copy of the new company's policy to be provided to **us** within 90 days from the date the acquisition is completed and continued coverage may be subject to an additional premium to be agreed.

In the event that an acquired company does not have a policy in place then **we** agree to cover the acquired company subject to full risk information being provided to **us** as soon as is practical but no later than 30 days from the date the acquisition is completed. Cover will be subject to an additional premium to be agreed.

This extension is for **your** benefit and is not to be deemed a double insurance.

3. Additional discharge expenses

In the event of **damage** covered under this policy to the **subject-matter insured** **we** will pay reasonable additional costs necessarily incurred by **you** to:

- a) unload, discharge, handle and store **subject-matter insured** whether **damaged** or not
- b) re-load, transport and forward the **damaged** and undamaged **subject-matter insured** to its intended destination by any means.

We will be entitled to treat any claim as a constructive total loss and will be entitled to any salvage unless **your** rights under Provision 2 – Brands are affected.

4. Airfreight replacement

In the event of **damage** to the **subject-matter insured** **we** will pay the charges incurred for transporting either the **damaged subject-matter insured** by air back to manufacturers for repair and return or the transport by air of replacement **subject-matter insured** to destination notwithstanding that the **subject-matter insured** was not originally despatched by air. Subject to a limit of 5 times the original sea freight charges paid.

5. Buyer's and seller's contingent interest

This policy includes **your** contingent financial interest in the **subject-matter insured** where **you** have no responsibility to insure under the terms of sale or where the cover provided under it is more restrictive than under this policy or the other party failed to effect insurance.

Where interest in the **subject-matter insured** reverts to **you** for any reason during transit such **subject-matter insured** will be covered continuously during any reasonable period whilst awaiting resale or return including any additional transit resultant upon such resale or return.

This cover is limited to **damage** which would otherwise be recoverable under the terms and conditions of this policy but only to the extent that **you** are unable to recover such **damage** under the insurance effected by the buyer or seller.

Provided always that:

- a) the existence of this cover will not be disclosed to any other party interested in any shipment
- b) immediate notice will be given to **us** of any known **damage** to the **subject-matter insured** covered under this clause or any known circumstances which may render this clause operative
- c) **you** will in the first instance take all reasonable steps to invoke the terms of the contract of sale and obtain reimbursement from the buyers or sellers and any other interested party
- d) in the event of any claim payment under this clause all **your** rights of recovery against buyers or seller's and any other interested party will be subrogated to **us**.

6. Cargo ISM forwarding charges

In consideration of an additional premium to be agreed this policy is extended to reimburse **you** for any extra charges properly and reasonably incurred in unloading, storing and forwarding the **subject-matter insured** to the destination to which it is insured hereunder following release of cargo from a vessel arrested or detained at or diverted to any other port or place (other than the intended port of destination) where the **journey** is terminated due to:

- a) such vessel not being certified in accordance with the **ISM** Code; or
- b) a current Document of Compliance not being held by the vessel's owners or operators as required under the SOLAS Convention 1974 as amended.

We will pay up to 20% of the limit of indemnity for the **journey** or £100,000 whichever is the lesser.

We agree to waive any additional premium in respect of any forwarding charges.

This clause does not apply to **general average** or **salvage charges** but is subject to all other terms and conditions of this policy.

7. Cargo ISPS forwarding charges

In consideration of an additional premium to be agreed this policy is extended to reimburse **you** for any extra charges properly and reasonably incurred in unloading, storing and forwarding the **subject-matter insured** to the destination to which it is insured hereunder following release of cargo from a vessel arrested or detained at or diverted to any other port or place (other than the intended port of destination) where the **journey** is terminated due to such vessel not being certified in accordance with the **ISPS** Code as required under the SOLAS Convention 1974 as amended.

We will pay up to 20% of the limit of indemnity for the **journey** or £100,000 whichever is the lesser.

We agree to waive any additional premium in respect of any forwarding charges.

This clause does not apply to **general average** or **salvage charges** but is subject to all other terms and conditions of this policy.

8. Customs

This policy includes **damage** caused by the actions of Customs Authorities in the course of their inspection duties.

9. Debris removal

This policy includes in addition to any other amount recoverable under this policy reasonable costs and expenses necessarily incurred by **you** in:

- a) removing and disposing of debris
- b) dismantling or demolishing
- c) shoring up or propping
- d) dumping or destroying
- e) transshipment and recovery charges consequent upon fire or accident to a **conveyance**.

The most **we** will pay is 10% of the relevant limit of indemnity stated in the schedule.

Excluding:

- i) any expenses incurred in consequence of or to avert or mitigate pollution or contamination or any threat thereof or liability therefore
- ii) the cost of removal of cargo from any vessel or craft.

10. Deliberate damage pollution

This policy is extended to cover **damage** to the **subject-matter insured** directly caused by governmental authorities acting for the public welfare to prevent or mitigate a pollution hazard or threat thereof provided always that a recoverable claim would have resulted under this policy had the **subject-matter insured** suffered **damage** as a direct result of the accident or occurrence which gave rise to the threatened pollution hazard.

11. Duty

This policy includes duty payable on **damaged subject-matter insured**.

In ascertaining the amount of claim recoverable credit will be given for any rebate or refund of duty which may become allowable.

Excluding claims in respect of:

- a) total loss of whole or part of the **subject-matter insured** prior to the duty becoming payable
- b) **general average** or **salvage charges** arising from any casualty occurring prior to the duty becoming payable.

12. Fumigation

We will pay fumigation expenses incurred by **you** to minimise or avoid a loss covered under this policy.

We will also pay for **damage** to the **subject-matter insured** caused by fumigation provided always that such fumigation is not customary and is beyond **your** control.

13. General average

General average and **salvage charges** will be payable under this policy in full without reference to insured and contributory values.

14. Journey/transit extension

Provided always that **you** give **us** prompt notice **we** will cover **you** at a premium to be agreed if the **ordinary course of transit** of the **subject-matter insured** takes more than 60 days from the time it is discharged from the overseas vessel or aircraft at the final port or airport of discharge.

If **you** are unable to give prompt advice to **us** due to circumstances beyond **your** control or due to **your** negligence or that of a third party this policy will remain in force for an additional 30 days.

15. Labels

In the event of **damage** affecting only the labels, wrappers and capsules of the **subject-matter insured** **we** will pay the costs of reconditioning or replacement.

16. Letter of credit

Where **you** are obligated to arrange insurance in accordance with any instructions contained in a Letter of Credit cover is granted provided that it does not exceed the existing terms and conditions of this policy unless with **our** prior consent and at an additional premium if required.

17. Professional packers

We will indemnify **you** for **damage** to the **subject-matter insured** whilst in transit to, from and whilst at the premises of professional packing contractors for a period not exceeding 30 days prior to final despatch. During the transit to the premises of the packing contractor cover is restricted to **specified perils** including non-delivery or theft of a complete shipping package, malicious damage and any **war risks** and **strikes risks** applicable to this policy, unless sufficiently and suitably packed or prepared to withstand the ordinary incidents of the intended transit prior to despatch from **your** premises.

You will not be prejudiced by a packing contractor's inability to perform unless **you** are aware of the non-performance prior to commencement of transit and fail to prevent the transit.

18. Purchases on terms other than delivered to final destination (warehouse to warehouse)

Our liability to **you** commences from the time of leaving any supplier's factory, warehouse, store, mill or other premises notwithstanding that the **subject-matter insured** or interest may have been purchased on terms which provide that the responsibility of the seller or their insurer ceases at any point prior to delivery.

Provided always that **you** will:

- a) not make any third party aware of the existence of the cover provided under this clause
- b) take reasonable steps to pursue suppliers and other parties where evidence exists to show that loss occurred prior to the attachment of **your** risk.

Your right of recourse against any supplier or other party in the event of payment under this clause will be subrogated to **us**.

19. Return shipments

This policy includes **subject-matter insured** refused or returned by any consignee or by **you** provided always that:

- a) the **subject-matter insured** is insured under this policy for the outward journey
- b) cover has been continuous
- c) the **subject-matter insured** has not been unpacked and are returned in their original packing.

In all other cases the **subject-matter insured** is held covered for **specified perils** including non-delivery or theft of a complete shipping package, malicious damage and any **war risks and strikes risks** applicable to this policy. If an independent survey is held prior to attachment of cover hereunder and this shows that the **subject-matter insured** has been examined, found to be in good order and re-packed in adequate export packing cover will attach in accordance with the terms and conditions of this policy.

20. Segregation

This policy includes reasonable costs necessarily incurred if it is necessary for **you** in order to avert or minimise further **damage** to sort or segregate **damaged** from undamaged **subject-matter insured** following a loss covered under this policy. Cover is for a period not exceeding 120 days commencing midnight from the day of completion of discharge of the **subject-matter insured** from the vessel or aircraft at the final port or airport of destination to allow for such segregation or sorting prior to delivery to the final destination.

21. Sheets, ropes and the like

This policy includes cover for **damage** to sheets, ropes, dunnage, securing chains, toggles and the like owned by **you** whilst in transit.

The amount payable under this clause will be in addition to indemnity provided elsewhere under this policy but **we** will not pay more than £5,000 in respect of any claim.

22. Trademarked cartons

This policy includes cover for trademarked cartons provided always that they are suitably protected for transit. Any claim payable will be limited to an amount sufficient to pay the cost of new cartons including forwarding charges of the new cartons and the cost of repacking.

23. Vehicles owned or operated by you

We will indemnify **you** for **damage** to the **subject-matter insured** whilst on or contained in any vehicle owned by **you** or under **your** control in accordance with the terms and conditions of this policy, including:

- a) whilst the vehicle is left unattended during the transit; or
- b) whilst the principal person in charge of the vehicle at the time of loss is asleep within the vehicle but excluding where such person is under the influence of drink or drugs to the extent that they would be legally unfit to drive immediately prior to the time of the loss.

It is a condition precedent to **our** liability that:

- i) all doors are locked and windows and other means of access are securely closed and fastened; and
- ii) all security devices are set to operate.

This clause also extends to include **subject-matter insured** which has been loaded in or onto a vehicle up to one working day prior to the commencement of the onward transit.

The most **we** will pay in respect of any one loss is the limit of indemnity stated in the schedule.

In circumstances where **you** fail to comply with these requirements **we** will only indemnify **you** to the extent of 90% of any claim after the application Provision 23 - Underinsurance with **you** bearing the remaining 10%.

Section B – Optional extensions

1. Consequential loss

This extension only applies if stated in the schedule to be operative.

This policy is extended to include reasonable costs necessarily incurred by **you** as a result of:

- a) **damage** to the **subject-matter insured** recoverable under this policy
- b) as a result of delay to the **subject-matter insured** whilst in transit caused by the carrying vessel or **conveyance** suffering **damage** from:
 - i) fire or explosion
 - ii) stranding, grounding, capsizing or sinking
 - iii) overturning or derailment of land conveyance
 - iv) collision or contact of vessel, craft or **conveyance** with any external object other than water
 - v) **general average** sacrifice
- c) delay in delivery due to closure of any transport route following accident, fire, flood or act of God.

The benefit of this insurance will not enure to a third party.

The most **we** will pay in respect of any one loss and in the aggregate in any period of insurance is the limit stated in the schedule.

The **excess** applicable to this extension is stated in the schedule. This is in addition to any other **excess** which applies to the loss.

Excluding:

- i) any pecuniary penalties imposed under contract
- ii) any claim for loss of future orders unless such are the subject of a confirmed written contract which predates the incident giving rise to the claim.

2. Drivers' personal effects

This extension only applies if stated in the schedule to be operative.

This policy is extended to include **personal effects** of **your** drivers or attendants whilst in or on any road vehicle operated by **you**.

The most **we** will pay in respect of any one loss is the limit stated in the schedule.

The **excess** applicable to this extension is stated in the schedule.

3. Exhibitions

This extension only applies if stated in the schedule to be operative.

- a) This policy is extended to include the **subject-matter insured** whilst in transit to and from and whilst at any exhibition, trade fair or demonstration site stated in the schedule.

In the event of the **subject-matter insured** remaining at any exhibition, trade fair or demonstration site for more than 30 days **you** agree to pay an additional premium to be agreed.

The most **we** will pay in respect of any one loss is the limit stated in the schedule. The **excess** applicable to this extension is stated in the schedule.

- b) **We** will indemnify **you** for fees that **you** are contractually obliged to pay the organiser of any exhibition, trade fair or demonstration and for any penalty fare or charge made by an air, rail or road transport operator should **you** reasonably cancel **your** booking due to **your** inability to attend following an insured loss or due to the death or incapacitation of **you** or **your** employees.

The most **we** will pay is £5,000 in respect of any one loss and £25,000 in the aggregate in any period of insurance, and these limits will be in addition to the limits in a) above.

Excluding:

- i) loss or damage caused by theft or attempted theft from any inadequately secured site
- ii) loss or damage caused by heating, frost, vermin, weevil, mildew and mould
- iii) loss or damage arising from latent defect or arising from faulty assembly or construction
- iv) loss or damage resulting directly from mechanical, electrical or manual operation of the **subject-matter insured** for demonstration or other purposes
- v) loss or damage during transit to and from any exhibition, trade fair or demonstration unless the **subject-matter insured** is packed or prepared to withstand the ordinary incidents of the **journey**.

These exclusions are only applicable to a) above.

4. Goods, samples and tools

This extension only applies if stated in the schedule to be operative.

This policy is extended to include **damage** to travellers' goods belonging to **you** or held by **you** in trust or for which **you** are legally responsible whilst:

- a) contained in any fully enclosed vehicle including whilst loading or unloading or in transit but excluding travellers' goods in vehicles left unattended on the travellers' own premises between the hours of 9.00 pm and 6.00 am on working days or during non-working days
- b) temporarily removed from vehicle but remaining in the personal custody of **you** or **your** employees:
 - i) whilst contained in any hotel room or private residence occupied by such person and lockfast when unoccupied
 - ii) whilst deposited for safe custody with hotel proprietors or any responsible public transport authority but excluding whilst in hotel stockrooms or similar places or whilst on or off vehicles in any business premises owned or occupied by **you**
- c) away from **your** premises during the ordinary course of business on third party premises for up to 14 days
- d) in the personal custody of **you** or **your** employees during transit by foot and public transport whilst still engaged in the ordinary course of business including commuting.

The most **we** will pay in respect of any one loss is the limit stated in the schedule.

The **excess** applicable to this extension is stated in the schedule.

Excluding loss or damage:

- i) caused by theft or attempted theft from inadequately secured premises
- ii) to the travellers' goods which are contained in any vehicle being used outside the normal course of **your** business for social, domestic or pleasure purposes
- iii) to the **personal effects** of **you** or **your** agent or employees except where covered by Optional extension 2 – Drivers' personal effects where operative
- iv) expense consequent upon the travellers' goods undergoing any process or loss or damage directly resulting therefrom.

5. Storage

This extension only applies if stated in the schedule to be operative.

This policy is extended to include the **subject-matter insured** whilst in **storage** at any **storage location** stated in the schedule.

Cover in respect of **subject-matter insured** in **storage** at any **storage location** will attach on the inception date of this policy irrespective of the date the **subject-matter insured** commenced transit to any **storage location** and will terminate in accordance with the policy expiry date in respect of all **subject-matter insured** in the **storage location** at that time.

It is a condition precedent to **our** liability in respect of **damage** caused by theft or attempted theft from any **storage location** under **your** direct control when unattended that:

- a) i) all external doors including those to common parts or other areas to be secured by locks which conform to BS3621: Thief Resistant Locks or the equivalent
- ii) all accessible opening windows including fanlights to be secured with key operated locking devices.
Any door or window designated a fire exit by a competent person is excluded from these requirements
- b) any intruder alarm installed:
 - i) is maintained in an efficient working order
 - ii) has a maintenance contract and the maintenance contract company is immediately advised of any defect
 - iii) is in full operation at all times when the **storage location** is unattended.

Provided always that:

- i) the most **we** will pay in respect of any one loss is the limit stated in the schedule
- ii) the **excess** applicable to this extension is stated in the schedule.

Excluding:

- i) theft unless following forcible and violent entry to or exit from the **storage location**
- ii) disappearance or stocktaking losses
- iii) any act of fraud or dishonesty by **you** or any business partner or director employed by **you** whether acting alone or in collusion with others
- iv) loss or damage to **subject-matter insured** contained in the ground floor or any basement of the **storage location** unless placed on racks or stillages at least 15 centimetres above the floor.

Exclusions

1. Capture, seizure, arrest, restraint or detention

This policy does not cover any claim caused by or arising from capture, seizure, arrest, restraint or detention of the **subject-matter insured** and/or third party equipment by any Authority other than in respect of **war risks**.

2. Cargo ISM

This policy does not cover loss, damage or expense where the **subject-matter insured** is carried by a vessel:

- a) that is not **ISM** Code certified; or
- b) 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 **you** were aware or in the ordinary course of business should have been aware that:

- i) such vessel was not certified in accordance with the **ISM** Code; or
- ii) a current Document of Compliance was not held by the vessel's owners or operators

as required under the SOLAS Convention 1974 as amended.

This exclusion will 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.

This exclusion is only applicable to the **subject-matter insured** carried onboard:

- 1) Ro-Ro passenger ferries
- 2) passenger-carrying vessels transporting more than 12 passengers
- 3) oil tankers, chemical tankers, gas carriers, bulk carriers and cargo high-speed craft of 500 gross tonnes or more
- 4) all other cargo ships and mobile offshore drilling units of 500 gross tonnes or more.

3. Cargo ISPS

This policy does not cover loss, damage or expense where the **subject-matter insured** is carried by a vessel that does not hold a valid International Ship Security Certificate as required under the **ISPS** Code when at the time of loading of the **subject-matter insured** on board the vessel **you** were aware or in the ordinary course of business should have been aware that such vessel was not certified in accordance with the **ISPS** Code as required under the SOLAS Convention 1974 as amended.

This exclusion will not apply where this policy has been assigned to the party claiming hereunder who has bought or agreed to buy the **subject-matter insured** in good faith under a binding contract.

4. Communicable diseases

Notwithstanding any provision to the contrary within this insurance, this policy does not cover any loss, damage, liability, claim, cost or expense of whatsoever nature caused by, contributed to by, resulting from, arising out of, or in connection with a **communicable disease** or the fear or threat (whether actual or perceived) of a **communicable disease** regardless of any other cause or event contributing concurrently or in any other sequence thereto.

5. Cyber

- a) Subject only to clause c) below, this policy does not cover loss, damage, liability or expense directly or indirectly caused by or contributed to by or arising from the use or operation, as a means for inflicting harm, of any computer, computer system, computer software programme, malicious code, computer virus, computer process or any other electronic system.
- b) Subject to the conditions, limitations and exclusions of this policy, the indemnity otherwise recoverable hereunder shall not be prejudiced by the use or operation of any computer, computer system, computer software programme, computer process or any other electronic system, if such use or operation is not as a means for inflicting harm.
- c) Where this policy covers **war risks** or **terrorism**, clause a) shall not operate to exclude losses (which would otherwise be covered) arising from the use of any computer, computer system or computer software programme or any other electronic system in the launch and/or guidance system and/or firing mechanism of any weapon or missile.

6. Date recognition

This policy does not cover liability in respect of any loss or damage of whatsoever nature directly or indirectly caused by or contributed to by or consisting of or arising in whole or in part from:

- a) the way in which any **data processing system** responds to or deals with or fails to respond to or fails to deal with any true calendar date
- b) any **data processing system** responding to or dealing in any way with:
 - i) any data denoting a calendar date or dates as if such data did not denote a calendar date or dates
 - ii) any data not denoting a calendar date or dates as if such data did not denote a calendar date or dates

whether such **data processing system** is **your** property or not.

7. Delay

This policy does not cover loss, damage or expense caused by delay, except as set out in Optional extension 1 – Consequential loss.

8. Inherent vice

This policy does not cover loss, damage or expense caused by inherent vice or nature of the **subject-matter insured**.

9. Insolvency

This policy does not cover loss, damage or expense caused by insolvency or financial default of the owners, managers, charterers or operators of the vessel except where:

- a) **you** or **your** agent have taken all reasonable, practicable and prudent measures prior to the loading of the **subject-matter insured** on board the vessel or aircraft to establish the financial reliability of the party in default
- b) this insurance has been assigned to the party claiming hereunder who has bought the **subject-matter insured** in good faith without notice of such insolvency or financial default
- c) any loss, damage or reforwarding costs would have been recoverable under this insurance but for the said exclusion.

10. Mechanical, electrical and electronic derangement

This policy does not cover any claim for mechanical, electrical and/or electronic breakdown, failure and/or derangement of the **subject-matter insured** unless there is evidence that **damage** to the **subject-matter insured** (and/or its packing and/or the carrying **conveyance** or **container**) occurred during the **journey** or whilst otherwise covered by this policy.

11. Misconduct

This policy does not cover loss, damage or expense attributable to **your** reckless or wilful misconduct.

12. Nuclear risks

This policy does not cover death, injury, disablement or loss or damage to any property or any loss or expense resulting or arising therefrom or any legal liability of whatsoever nature directly or indirectly caused by or contributed to by or arising from:

- a) ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel
- b) the radioactive, toxic, explosive or other hazardous or contaminating properties of any **nuclear installation**, **nuclear reactor** or other nuclear assembly or nuclear component thereof
- c) any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter
- d) the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter but this exclusion d) will not apply to radioactive isotopes other than nuclear fuel when such isotopes are being prepared, carried, stored or used for commercial, agricultural, medical, scientific or other peaceful purposes.

13. Ordinary loss

This policy does not cover ordinary leakage, ordinary loss in weight or volume, ordinary wear and tear or gradual deterioration of the **subject-matter insured**.

14. Packing

This policy does not cover loss or damage caused by or arising from insufficiency or unsuitability of packing, stowage or preparation of the **subject-matter insured** unless:

- a) carried out by a third party and such insufficiency or unsuitability was without **your** knowledge, privity or control.
- b) it is customary for the **subject-matter insured** to be transported unpacked, in which case **you** will not be covered for rust, oxidation, discolouration, corrosion, breakage, scratching, denting, bruising, twisting, bending and/or distortion unless caused by the **specified perils**.

15. Process

This policy does not cover loss or damage to the **subject-matter insured** or any consequential loss resulting therefrom arising out of its undergoing any process or test or being worked upon.

16. Recorded information

This policy does not cover any claim for **recorded information**

- a) unless caused by **damage** to the storage medium; and
- b) for more than the:
 - i) replacement cost of the medium upon and/or within which such **recorded information** was represented or stored; and
 - ii) clerical and/or administrative cost of copying such **recorded information** on to fresh stationery or other storage medium.

17. Second-hand or used goods

This policy does not cover loss or damage to second-hand or used **subject-matter insured** caused by or consisting of rust, oxidation, scratching, denting, chipping or marring unless the **subject-matter insured** has been fully reconditioned.

18. Storage

This policy does not cover any claim for the **subject-matter insured** whilst in **storage** unless insured under Optional extension 5 – Storage.

Provisions

1. Basis of valuation

The method of establishing the value of the **subject-matter insured** subject of a claim recoverable under this policy is as follows:

Cover type	Basis of valuation
Inland transits (purchases and sales) including the subject-matter insured sold FOB, C&F, CFR or on similar terms	Invoice cost to the buyer
Imports or exports	Invoice cost or CIF plus 10% plus duty if incurred
Storage – unsold subject-matter insured	CIF plus 10% plus duty if incurred
Storage – sold subject-matter insured	Invoice cost to buyer
Returned subject-matter insured	Market value at the time of loss or invoice cost whichever is the lesser
All other subject-matter insured which is not the subject of a purchase or sale invoice	Market value at the time of loss

2. Brands

You will have full rights of possession of all **subject-matter insured** bearing embossed or indented brands or labels or other permanent markings identifying the manufacturer thereof or exclusive or any secret formula that may be involved in any loss hereunder and will retain control of all such **subject-matter insured**. On shipments covered under this policy **we** will pay a total loss on any **subject-matter insured** or **containers damaged** by insured perils which **you** elect to either destroy or return or recondition **we** being entitled to any salvage.

You exercising reasonable care and discretion will be the sole judge as to whether the **subject-matter insured** involved in any loss hereunder are suitable for use in any manufacturing process and no **subject-matter insured** deemed by **you** to be unfit for manufacturing or marketing will be sold or otherwise disposed of except by **you** or with **your** consent but **you** will allow any salvage obtained on any sale or other disposal of such **subject-matter insured** as a credit against any claim.

3. Certificates

Permission is granted to **you** or **your** agent to issue claims payable abroad certificates as and when required.

4. Claused bills of lading

This insurance will not be prejudiced by reason of the inclusion of any clause in Bills of Lading to the following effect: 'Insufficiently packed, vessel not responsible'.

5. Concealed damage

You will not be prejudiced by delay in opening up packages for examination of the **subject-matter insured**. It is agreed that any **damage** discovered on opening any **container**, case or package within 90 days of arrival will be deemed to have occurred during the transit insured hereunder (and irrespective of attachment of **your** interest) and will be paid for accordingly unless proof conclusive to the contrary be established **you** agree that any **containers**, case or package showing external signs of **damage** are to be opened as soon as reasonably possible.

6. Contracts (Rights of Third Parties) Act 1999

For the purposes of the Contracts (Rights of Third Parties) Act 1999 this policy is not enforceable by any third party.

7. Cutting clause

In the event of any **damage** covered by this policy the **damaged** broken length or portion will be cut off the remaining length or portion be considered as sound and **we** will only be liable for the insured value of the length or portion which has been lost by being broken off or cut off. In addition, **we** will be liable for the cost of cutting.

8. Dock strikes or labour disturbances

In the event of shipments being delayed or diverted due to dock strikes or other labour disturbances we agree to cover **you** at an additional premium to be agreed pending the receipt of the relevant details.

9. Errors and omissions

This insurance will not be prejudiced by any unintentional or inadvertent error, omission, incorrect valuation or incorrect description of the interest, risk, vessel or **journey** provided always that notice is given to **us** as soon as reasonably possible on discovery of any such error or omission. This insurance will not be affected by **your** failure to comply with any of the terms or conditions of this policy over which **you** have no control.

10. Fitness of container

Your right to indemnity hereunder will not be prejudiced by any inadvertent omission to establish the fitness of a **container** or similar carrying unit for the safe transit of the **subject-matter insured** hereby where such **container** or similar carrying unit is supplied by a third party.

11. General average and salvage charges

You are covered for **your** liability in respect of the **subject-matter insured** for contribution to **general average** and **salvage charges** for any **general average** or salvage act occurring during the **journey**.

12. Journeys, rates and inter-company movements

Any changes to **journeys** are subject to conditions and rates being agreed by **us** prior to commencement of transit.

This insurance covers **subject-matter insured** sold **FOB, CFR** and similar. All other **subject-matter insured** is subject to conditions and rates being agreed by **us** prior to commencement of transit.

Transshipment other than customary is subject to an additional premium to be agreed.

Inter-company movements are included.

13. Non-delivery losses

In the event of a claim for non-delivery of the **subject-matter insured** and after **you** have taken all reasonable steps to locate it **we** will make settlement to **you** if it has not been located after the expiry of 60 days commencing from the date the **subject-matter insured** should have been delivered. In the event that the **subject-matter insured** is subsequently located **you** will reimburse **us** for any payment made.

14. Packing

In the event of a claim being made for **damage** which is alleged to be caused by insufficiency or unsuitability of packing or preparation of the **subject-matter insured** **we** will not use such alleged insufficiency or unsuitability as a defence against the claim in any case where the packing or preparation was carried out by a party other than **you** or the claimant and the insufficiency or unsuitability arose entirely without the privity or knowledge of **you** or the claimant. For the purposes of this clause 'packing' includes stowage in a **container** or other inter-modal method of unit load.

You agree to assist **us** in all respects to pursue rights of recovery against sellers or other responsible third parties.

This agreement will not interfere with rights of subrogation against any packer or their insurers.

15. Pairs and sets

If the **subject-matter insured** consists of articles which form a pair or set **we** will only pay for the proportionate sum insured of the article lost or damaged without reference to any special value the damaged article may have as part of a pair or set.

16. Payment on account

Where the recoverability of a claim has been demonstrated and the only outstanding issue is the quantum of the loss, **we** agree to make a payment of account equal to 75% of the lower amount in discussion.

17. Repacking

The cost of repacking, rebaling, rebagging, recartoning or repalletising will be for **our** account whether the **subject-matter insured** has sustained damage or not provided always that the said repacking, rebaling, rebagging, recartoning or repalletising is occasioned by an insured peril even if such cost is incurred at final destination.

18. Sanctions

We will not provide cover nor will **we** make any payment or provide any service or benefit to **you** or any other party to the extent that such cover, payment, service, benefit and/or any business or activity of **yours** would violate any applicable trade or economic sanctions law or regulation.

19. Second-hand machinery

In the event of **damage** to any part of any second-hand machinery in consequence of a risk covered under this policy the amount recoverable will not exceed such proportion of the cost of replacement of the part lost or damaged as the insured value bears to the value of new machinery and additional charges for forwarding and refitting the new part if incurred.

20. Shortages from containers

In respect of any **subject-matter insured** shipped in full **container** loads the fact that the **container's** seal is intact at the unloading point will not invalidate a claim for theft, pilferage, conversion, shortage or non-delivery of a whole package. **You** agree to co-operate with **us** to bring commercial pressure on suppliers in pursuing claims for shipments. **We** are subrogated to **your** rights against any carrier or bailee. Disclosure of the existence of this provision to any third party or their insurers will render it null and void.

21. Subrogation waiver and/or recourse rights

We agree to waive all rights of subrogation or recourse against **you** or any of **your** associated or subsidiary companies.

22. Termination of transit clause (terrorism)

This provision will be paramount and will override anything in this policy inconsistent therewith.

- a) In so far as this insurance covers **damage** to the **subject-matter insured** caused by any act of **terrorism** such cover is conditional upon the **subject-matter insured** being in the **ordinary course of transit** and in any event will terminate:
- i) on completion of unloading from the carrying vehicle or other **conveyance** in or at the final warehouse or place of storage at the destination named in this policy
 - ii) on completion of unloading from the carrying vehicle or other **conveyance** in or at any other warehouse or place of storage whether prior to or at the destination named in this policy which **you** elect to use either for storage other than in the **ordinary course of transit** or for allocation or distribution
 - iii) when **you** elect to use any carrying vehicle or other **conveyance** or any **container** for storage other than in the **ordinary course of transit**
 - iv) in respect of marine transits on the expiry of 60 days after completion of discharge over-side of the **subject-matter insured** hereby insured from the overseas vessel at the final port of discharge
 - v) 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 will first occur.
- b) 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 transit** terminating again in accordance with clause a) above.

23. Underinsurance

If the value of any **subject-matter insured** calculated in accordance with the applicable basis of valuation is at the time of the **damage** greater than the relevant limit of indemnity **we** will only pay the proportion of the **damage** which such limit of indemnity bears to the value of the **subject-matter insured**.

For the avoidance of doubt clause c) iii) of Condition 7 – Fair presentation of the risk will not apply.

24. Unseaworthiness and unfitness exclusion waiver

We waive any breach of warranties or conditions in respect of seaworthiness of ship and fitness of ship or fitness of aircraft to carry the **subject-matter insured** to destination unless the party claiming under this insurance is privy to such unseaworthiness or unfitness.

Conditions

1. Alteration

You must notify **us** as soon as possible during the period of insurance if there is any change in circumstances which materially increases the risk of loss or damage.

Upon notification of any such change **we** will be entitled to vary the premium and terms for the rest of the period of insurance. If the changes make the risk unacceptable to **us** then **we** may no longer be able to provide **you** with cover.

If **you** do not notify **us** of any such change this policy may be affected in one or more of the following ways depending on what **we** would have done had **we** known about the change in circumstances:

- a) if **we** would not have continued to provide **you** with any cover **we** may treat this policy as if it did not exist from the date of the change in circumstances; or
- b) if **we** would have applied different terms to the cover **we** may treat this policy as if those different terms applied from the date of the change in circumstances; and/or
- c) if **we** would have charged **you** a higher premium for providing the cover **we** will charge **you** the additional premium which **you** must pay in full.

You should keep a record (including copies of letters) of all information supplied to **us** in connection with this insurance.

2. Arbitration

If **we** admit liability for a claim but there is a dispute as to the amount to be paid the dispute will be referred to an arbitrator. The arbitrator will be appointed jointly by **you** and **us** in accordance with the law at the time. **You** may not take any legal action against **us** over the dispute before the arbitrator has reached a decision.

3. Assignment

Except where **you** are noted in the policy as receiving the sole benefit of this insurance cover will extend to any third party to whom **you** assign the policy pursuant to the terms of sale applying to the **subject-matter insured**.

In the event of such assignment, reference in this policy to **you** will include the third party assignee.

4. Cancellation

This policy may be cancelled by **us** under the following provisions of notice:

- a) **war risks:** 7 days
- b) **strikes risks:** 7 days with the exception of shipments to or from the United States of America where risks may be cancelled at 48 hours' notice
- c) otherwise 30 days.

In all cases the notice period will commence from midnight of the day on which notice of cancellation is issued but cancellation will not apply to any risks which have attached or which will attach prior to the end of the notice period.

You will be entitled to a pro rata return of premium from the date of cancellation.

We will not refund any premium if **we** have paid a claim or one is outstanding when the policy is cancelled. Where a claim is submitted after the policy has been cancelled **we** will deduct the amount of any premium returned to **you** following the cancellation from any claim payment **we** may make to **you**. If **you** are paying by instalments and **you** have made a claim **you** must still pay **us** the balance of the full annual premium. If **you** do not do this **we** may take the balance of any outstanding premium from any claim payment **we** are making to **you**.

5. Claims settlement on increased value basis

In the event of loss the agreed value of the **subject-matter insured** will be deemed to be the sum of the amount insured under the primary policy and all increased value policies arranged on the same **subject-matter insured** by **you** and liability under this policy will be calculated as the proportion which the sum insured under this policy bears to the total amount insured.

Where this policy acts as a primary policy the agreed value will be deemed to be the sum of the amount insured under this policy and all increased value policies (as above) and liability under this policy will be calculated as the proportion which the sum insured under this policy bears to the total amount insured.

In the event of any claim **you** will provide **us** with evidence of the amounts insured under all other policies covering the same **subject-matter insured**.

6. Contractual right of renewal (tacit)

If **you** pay the premium to **us** using **our** Direct Debit instalment scheme **we** will have the right which **we** may choose not to exercise to renew this policy each year and continue to collect premiums using this method. **We** may vary the terms of this policy including the premium at renewal. If **you** decide that **you** do not want **us** to renew this policy provided **you** tell **us** or **your** broker or insurance intermediary prior to the next renewal date **we** will not renew it.

7. Fair presentation of the risk

- a) At inception and renewal of this policy and also whenever changes are made to it at **your** request **you** must:
 - i) disclose to **us** all material facts in a clear and accessible manner; and
 - ii) not misrepresent any material facts.
- b) If **you** do not comply with clause a) of this condition and the non-disclosure or misrepresentation by **you** is proven by **us** to be deliberate or reckless **we** may from the relevant date specified in clause d):
 - i) treat this policy as if it had not existed; and
 - ii) not return the premium paid by **you**.
- c) If **you** do not comply with clause a) of this condition and the non-disclosure or misrepresentation is not deliberate or reckless the cover, meaning this policy or the changes made to it, may be affected from the relevant date in clause d) in one or more of the following ways depending on what **we** would have done if **we** had known about the facts which **you** failed to disclose or misrepresented:
 - i) if **we** would not have provided **you** with the cover **we** will have the option to treat the cover as if it had not existed and repay the premium paid for such cover; or
 - ii) if **we** would have applied different terms to the cover **we** will have the option to treat this policy as if those different terms apply; and/or
 - iii) if **we** would have charged **you** a higher premium for providing the cover **we** will charge **you** the additional premium which **you** must pay in full.
- d) Clauses b) and c) apply with effect from inception, renewal or the date of the changes, depending on when the non-compliance occurred. **We** may also recover any claims payments which have already been made to the extent that the cover under which such payments were made is being treated as if it did not exist or as if it had been subject to different terms under which the claim would not have been payable.

8. Fraudulent claims

If **you** or anyone acting on **your** behalf:

- a) makes a fraudulent or exaggerated claim under this policy; or
- b) uses fraudulent means or devices including the submission of false or forged documents in support of a claim whether or not the claim is itself genuine; or
- c) makes a false statement in support of a claim whether or not the claim is itself genuine; or
- d) submits a claim under this policy for loss or damage which **you** or anyone acting on **your** behalf or in connivance with **you** deliberately caused; or
- e) realises after submitting what **you** reasonably believed was a genuine claim under this policy and then fails to tell **us** that **you** have not suffered any loss or damage; or
- f) suppresses information which **you** know would otherwise enable **us** to refuse to pay a claim under this policy

we will be entitled to refuse to pay the whole of the claim and recover any sums that **we** have already paid in respect of the claim.

We may also notify **you** that **we** will be treating this policy as having terminated with effect from the date of any of the acts or omissions set out in clauses a) to f) of this condition.

If **we** terminate this policy under this condition **you** will have no cover under this policy from the date of termination and not be entitled to any refund of premium.

If any fraud is perpetrated by or on behalf of an insured person and not on behalf of **you** this condition should be read as if it applies only to that insured person's claim and references to this policy should be read as if they were references to the cover effected for that person alone and not to the policy as a whole.

9. In full premium

The premium stated in the schedule is a fixed amount based on the original declared estimated sendings or turnover. If **you** turnover or the value of **subject-matter insured** should increase by more than 15% of the original estimate **you** must tell **us** in writing in which case **we** may charge **you** an additional premium assessed on the increased turnover or value of **subject-matter insured** shipped.

10. Payment by instalments

Reference to the payment of premium includes payment by monthly instalments. If **you** pay by this method this policy remains an annual contract.

11. Premium adjustments

If any changes are made to the policy during the period of insurance that result in an additional or return premium of less than £100 plus insurance premium tax then this premium adjustment will not be charged or refunded.

12. Reasonable care

You will comply with all regulations imposed by any competent authority and take all reasonable precautions to prevent or minimise loss, damage, liability or expense.

13. Record keeping

a) If any part of the premium is calculated on estimates supplied by **you** an accurate record will be kept by **you** containing all information relative thereto and **you** will allow **us** to inspect such record.

b) Applicable to adjustment policies only:

You will within one month from the expiry of each period of insurance supply to **us** such particulars and information as **we** may require. The premium for such period will be adjusted and the difference paid by or allowed to **you** as the case may be subject always to the minimum premium stipulated.

Claims conditions

1. Claims notification

You must notify **us** of any claims or potential claims as soon as reasonably possible using the following contact details:

Marine Cargo Claims, Zurich Insurance Company Ltd, 8th Floor, 70 Mark Lane, London, EC3R 7NQ.

Tel: 0800 232 1910, Email: marinecargoclaims@uk.zurich.com

Please include, where applicable:

- a) original certificate of insurance
- b) original or copy shipping invoices
- c) original Bill of Lading and/or evidence of the contract of carriage
- d) survey report or other documentary evidence to show the extent of the loss or damage
- e) landing account and weight notes at final destination
- f) correspondence exchanged with third party carriers regarding their liability for the loss or damage.

2. Claims procedures

a) **Your** responsibilities

- i) On the happening of any circumstance which could give rise to a claim **you** will:
 - 1) as soon as reasonably possible give notice to **us**; and
 - 2) preserve any **damaged** or defective property for examination by **our** representatives unless **we** have authorised **you** to dispose of such property; and
 - 3) as soon as reasonably possible notify the police in respect of any **damage** caused by theft, attempted theft or malicious persons; and
 - 4) take action to minimise **damage** and to prevent further **damage**; and
 - 5) at **your** own expense and:
 - A) within 7 days of **damage** caused by riot, civil commotion, strikers, locked-out workers, persons taking part in labour disturbances or malicious persons
 - B) as soon as reasonably possible in respect of any other **damage**:
supply full details of the claim in writing to **us** together with any evidence and information that may be reasonably required by **us** for the purpose of investigating or verifying the claim and if demanded a statutory declaration of the truth of the claim and any matters connected therewith
- ii) no settlement, admission of liability, payment or promise of payment will be made to a third party without **our** written consent.

b) **Our** rights

We will:

- i) be entitled to take over the defence or settlement of any claim made against **you** or any person entitled to indemnity under this policy and **you** will give all assistance as may be reasonably required by **us**; and
- ii) have the right to enter the premises where the **damage** has occurred and to keep possession of any of the **property** insured and to deal with the salvage in a reasonable manner but **you** will not be entitled to abandon any **property** to **us**; and
- iii) be entitled to take the benefit of any rights of **yours** against any other party before or after **you** have received indemnification under this policy and **you** will give all assistance as may be reasonably required by **us**; and
- iv) not be bound if **we** elect to reinstate or replace any **property** to reinstate or replace it exactly or completely but only as circumstances permit and in a reasonably sufficient manner and will not in any case be bound to expend in respect of any one item insured more than the limit of indemnity stated in the schedule.

3. Claims surveys

No survey is necessary for any claim of less than £2,500 or equivalent in other currencies.

4. Other insurance

If at the time of any occurrence giving rise to a claim there is any other insurance **our** liability under this policy will be limited to any excess beyond the amount which would be payable under such other insurance had this policy not been effected.

5. Repair or replacement

We may, at **our** option, repair or replace any **subject-matter insured** subject of a claim recoverable under this policy.

6. Responsible parties

You must take all reasonable steps to hold responsible all relevant third parties who have (or may have) a liability in respect of any incident giving rise (or which may give rise) to a claim under this policy, including the giving of written notice in due time and ensuring that any time limit is protected.

7. Rights of recovery

Upon the payment of any claim, all **your** rights and remedies against such other parties will be subrogated to **us** and **we** will receive the benefit of any amount(s) recoverable from such other parties. In the event the net recovery received from any such other parties exceeds the amount paid by **us** to **you** in respect of the claim, then **we** will account to **you** for any such excess.

Zurich Insurance Company Ltd

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