

RedSky

INSURANCE

CARGO SINGLE TRANSIT

**PRODUCT DISCLOSURE STATEMENT
(PDS) & POLICY DOCUMENT**

Coverholder at **LLOYD'S**

Contents

Preparation Date: 1st September 2024

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Institute Clause - all or some of the attached Institute Clauses may apply. Please review and contact your insurance broker if you have any questions.

Introduction & Important Notices

Thank you for choosing Our Single Transit Policy.

This is an important document. Please read it carefully before making a decision to purchase this insurance. It will help You to:

- decide whether this product will meet Your needs; and
- compare this product with other products You may be considering.

Please note that any general advice that may be contained within this Policy Wording or accompanying material does not take into account Your individual objectives, financial situation or needs. You need to decide if this insurance product is right for You and You should read all the documents that make up the Policy to ensure You have the cover You need.

REDSKY INSURANCE

RedSky Insurance Pty Ltd (ABN: 96 635 566 399) is an authorised representative (AR No. 1279326) of Allstate Insurance Pty Ltd (ABN: 82 073 267 053; AFSL 239010) manages this Policy that is underwritten by Certain Underwriters at Lloyd's.

RedSky's contact details are:-

Telephone: 1300 217 024

Email: info@redskyinsurance.com.au

Address: Level 15, 50 Pitt Street, Sydney
NSW 2000 AUSTRALIA

Website: www.redskyinsurance.com.au

RedSky is an Australian organisation specialising in providing insurance products for cargo, commercial hull and marine liabilities.

In this Policy document RedSky Insurance is referred to as "Insurer" "We" or "Our" or "Us".

ABOUT LLOYD'S

Lloyd's is the world's specialist insurance and reinsurance market. With expertise earned over centuries, Lloyd's is the foundation of the insurance industry and the future of it. Led by expert underwriters and brokers who cover more than 200 territories, the Lloyd's market develops the essential, complex and critical insurance needed to underwrite human progress.

Backed by diverse global capital and excellent financial ratings, Lloyd's works with a global network to grow the insured world – building resilience for businesses and local communities and strengthening economic growth around the world.

OUR CONTRACT WITH YOU

Where We agree to enter into a Policy with You it is a contract of insurance between Us and You (see the definition of "You" (Words with Special Meanings) for details of who is covered by this term). We only cover those parties shown in the Schedule unless otherwise stated in the Policy as being a person or entity entitled to cover. If more than one person is insured under the Policy, a failure or wrongful action by one of those persons may adversely affect the rights of any other person insured under the Policy.

The Policy is made up of:

- this document which sets out the standard terms of Your cover and its limitations;
- the application, which is the information You provide to Us when applying for insurance cover;
- the Policy Schedule issued by Us. The Schedule is a separate document unique to You. It may include changes, exclusions or additional terms relevant to Your circumstances and may amend this Policy document;
- any other changes to the terms of Your Policy advised by Us in writing (such as an Endorsement). These written changes may vary or modify the above documents.

These are all important documents and should be carefully read together and kept in a safe place for future reference.

Please note, only those covers shown in the Schedule are insured.

We reserve the right to change the terms of this insurance where permitted to do so by law.

APPLYING FOR COVER

When You apply for cover by completing Our application process You need to provide the information We require to determine whether to issue a policy and if so, on what terms.

Where We agree to issue a Policy, cover is provided on the basis:-

- that You have paid or agreed to pay Us the Premium for the cover provided;
- of the verbal and/or written information provided by You in accordance with Your Duty of Disclosure shown below.

SIGNIFICANT ISSUES TO CONSIDER

Insurance contracts contain exclusions, terms and conditions, limits and sub-limits that You should be aware of when deciding to purchase Our product. These things may affect the amount of the payment that We will make to You if You have a claim.

To properly understand the significant features, benefits and risks of this insurance You need to consider:

- the available type of cover, benefits and exclusions in the Policy,
- the section headed "Words with Special Meanings" which sets out what We mean by certain words used in the Policy. These words begin with a capital letter throughout this document;
- the Exclusions and cover limitations that apply to this Policy;
- the "Conditions" and "Claims Procedures" sections which set out certain general rights and obligations that You and We have. These sections may also have other cover restrictions.

YOUR DUTY OF DISCLOSURE

Before entering into a contract of general insurance with Us You have a duty, under the Insurance Contracts Act 1984 and the Marine Insurance Act 1909 (whichever is applicable) to disclose to Us every matter which:

- You know; or
- a reasonable person in the circumstances could be expected to know,

is relevant to Our decision whether to accept the risk of the insurance and, if so, on what terms.

You have the same duty to disclose those matters to Us before You renew, extend, vary or reinstate a contract of general insurance.

This duty of disclosure applies until the contract is entered into (or renewed, extended, varied or reinstated as applicable).

Your duty however does not require disclosure of any matter:

- that diminishes the risk to be undertaken by Us; or
- that is of common knowledge; or
- that We know or, in the ordinary course of Our business as an insurer, ought to know; or
- in respect of which We have waived Your duty.

If You do not Comply with this Duty

If You fail to comply with Your duty of disclosure or make a misrepresentation to Us:-

Where the Marine Insurance Act 1909 applies, We may avoid the contract from inception.

Where the Insurance Contracts Act 1984 applies, We may be entitled to reduce Our liability under the Policy in respect of a claim or in certain circumstances, We may cancel the Policy.

If the non-disclosure or misrepresentation is fraudulent, We may also have the option of refusing to pay a claim or avoiding the Policy from its beginning.

ALTERATION OF RISK

You should advise Your insurance broker to notify Us as soon as reasonably practicable if You become aware of any material changes to the facts or circumstance that change the nature of the risk We have insured.

If you do not tell your broker of these changes, in the event of a claim You may not be adequately covered, or You may not have any cover under Your Policy.

If You want to make a change to this Policy, the change becomes effective when We agree to it in writing.

No claim arising after the change shall be payable unless We have agreed to the change in writing.

DETERMINING YOUR PREMIUM

Your Premium is the amount You pay for Your Policy. The base Premium We charge is calculated based on a number of factors such as:

- the type of goods to be insured;
- where they are to be transported to and from;
- the cover and
- the sum insured or Limit of Liability required;
- Your insurance history etc;

In addition to the Premium we will add relevant government taxes and charges. For example, GST payable in relation to the Policy.

When You apply for this insurance, You will be advised of the total Premium amount payable, when it needs to be paid and how it can be paid. A Minimum Premium may apply.

CANCELLATION OF YOUR POLICY

When You can cancel

You may cancel Your Policy at any time prior to the Insured Transit commencing by contacting Your insurance broker or by emailing Us at info@redskyinsurance.com.au or calling 1300 217 024. **You cannot cancel the Policy once the Insured Transit has commenced.**

Where there is more than one contracting Insured We will only cancel the Policy when a written agreement to cancel the Policy is received from all contracting parties named as the Insured or from a person authorised to act as agent of all such persons.

When We can cancel

We may cancel the Policy only when the law allows Us to do so and We will allow three (3) business days notice for You to seek alternative insurance or as otherwise required under the Insurance Contracts Act 1984 or Marine Insurance Act 1909 whichever is relevant.

Where the Marine Insurance Act 1909 applies

We may cancel this Policy in the event of non- payment of the Premium or for any other reason available at law by giving notice as follows:

Marine Risks

Subject to 30 days notice of cancellation.

War Risks

Subject to 7 days notice of cancellation.

Strikes Riots and Civil Commotions Risks

Subject to 7 days notice in writing, except for consignments to and/or from the United States of America which is subject to 48 hours notice in writing.

In the event that You have made a claim under the Policy and We have agreed to pay the full sum insured or Limit of Liability no return of Premium will be made for any unused portion of the Policy Period.

CLAIMS

Refer to Part 3 Section 3 Claims Procedures of this document in respect to what You need to do in the event of a claim.

CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999 (UK) OR OTHER SUBSTANTIVELY SIMILAR LEGISLATION EXCLUSION CLAUSE

No benefit of this insurance is intended to be conferred on or enforceable by any party other than the Assured, save as may be expressly provided for herein to the contrary. This insurance may, by agreement between the Assured and the Insurers, be rescinded or varied without the consent of any third party to whom the enforcement of any terms have been expressly provided for.

JURISDICTION AND LAW & PRACTICE

This Policy is subject to Australian Law, including the Marine Insurance Act 1909 and the Insurance Contracts Act 1984 as applicable. It is also subject to Australian jurisdiction.

GENERAL INSURANCE CODE OF PRACTICE

The General Insurance Code of Practice was developed by the Insurance Council of Australia to further raise standards of practice and service across the general insurance industry. We keenly support and uphold the standards set out in the Code. Further information about the Code is available at www.codeofpractice.com.au or on request.

CONTACT FOR ASSISTANCE

If You have any questions or need further information concerning Your insurance, You should contact Your insurance broker to assist You with Your enquiry or contact Us via the details shown at the beginning of this Introduction section.

PRIVACY NOTICE

We are committed to protecting Your privacy in accordance with the Privacy Act 1988 (Cth). We use Your personal information to assess the risk of and provide insurance and other insurance services to service Your Policy. We may use Your contact details to send You information and offers about products and services that We believe will be of interest to You. If You do not provide Us with full information, We may not be able to provide You or Your organisation with insurance or to respond to any claim, complaint or dispute.

If You provide Us with information about someone else You must obtain their consent to do so.

We provide Your information to the insurer We represent when We issue and administer Your Policy.

We may provide Your information to:

- Your insurance broker;
- entities that provide Us with business support services;
- contracted third party service providers (e.g. loss adjuster companies);

but will take all reasonable steps to ensure that they comply with the Privacy Act.

Our Privacy Policy contains information about how You can access the information We hold about You, ask Us to correct it, or make a privacy related complaint. You can obtain a copy by visiting Our website www.redskyinsurance.com.au or by emailing info@redskyinsurance.com.au

COMPLAINTS AND DISPUTE RESOLUTION

RedSky takes the concerns of its customers very seriously. We strive to do things the right way and keep Our customers happy.

Sometimes, complaints or disputes do occur and when this happens, Our objective is to resolve any disagreement as amicably and as quickly as possible.

Here is what to do if a complaint or dispute arises

Stage 1 - Complaint Handling Procedure

If You are dissatisfied with any of Our products or services and You wish to lodge a complaint, please contact Us at:

Telephone: 1300 217 024
Email: info@redskyinsurance.com.au
Address: Level 15, 50 Pitt Street, Sydney
NSW 2000 AUSTRALIA
Website: www.redskyinsurance.com.au

We will keep You informed about the progress of Your complaint at least every ten (10) business days, unless it is resolved earlier or You agree to a different timeframe.

We will make a decision about Your complaint within 30 calendar days. If We cannot make Our decision within this timeframe We will tell You in writing the reasons for the delay.

Stage 2 – Dispute Resolution Procedure

If We cannot resolve Your complaint to Your satisfaction, We will escalate Your matter to Lloyd's Australia:

Postal address: Lloyd's Australia Limited
Level 16, 1 Macquarie Place
Sydney NSW 2000
Telephone: (+61 2) 8298 0783
Email: ldraustralia@lloyds.com

Following receipt of Your complaint, You will be advised whether Your matter will be handled by Lloyd's Australia or the Lloyd's Complaint team in London, or what other avenues are available to You. Your complaint will be acknowledged within 5 business days of receipt, and You will be kept informed of the progress of the review of Your complaint at least every 10 business days.

Where Your complaint is eligible for referral to the Australian Financial Complaint Authority (AFCA), Your complaint will be reviewed by a person at Lloyd's Australia with appropriate authority to deal with Your dispute.

If Your complaint or dispute is not resolved to Your satisfaction or a final response has not been provided within 45 days, You may refer the matter to the Australian Financial Complaints Authority (AFCA) for review. AFCA can be contacted at:

Postal address: Australian Financial Complaints Authority
GPO Box 3, Melbourne VIC 3001
Telephone: 1800 931 678
Email: info@afca.org.au

AFCA provides fair and independent financial services complaint resolution that is free to consumers. Your dispute must be referred within 2 years of the date of Lloyd's final decision. Determinations made by AFCA are binding.

Customers not eligible for referral to AFCA may be eligible for referral to the UK Financial Ombudsman Service. Such referral must occur within 6 months of the final decision by the Complaints team at Lloyd's. Further details will be provided with their final decision to You.

Policy Wording

WORDS WITH SPECIAL MEANINGS

Throughout this document, certain words begin with capital letters. These words have special meaning and are included in this “Words with Special Meanings” section. Any reference to an Act, legislation or legislative instrument in this document also refers to that Act, legislation or legislative instrument as amended and may be in force from time to time.

Accidental means any unforeseen and unintended occurrence or event arising during transportation which results in loss or damage to the Goods insured and which could not have been expected by a person with actual knowledge of the means of transportation of the Goods insured.

Conveyance means any ship, vessel, aircraft, postal service, rail and road transport used to transport the Goods insured.

Destination means the address shown in the Policy Schedule or Certificate of Insurance as the Place of Delivery. This is the final place where the Goods insured are to be delivered.

Excess means the amount payable by You for each and every loss recoverable under this Policy as specified in the Policy Schedule. The excess is GST exclusive. Deductible has the same meaning as Excess.

Goods means the Goods specified in the Policy Schedule as being insured and includes packaging. This Policy does not cover the transport of:

- Precious stones, semi-precious stones or precious metals.
- Fine art and/or antiques.
- Money of every description including coin or banknotes, bullion, cheques, credit or other card sales vouchers, shares, deeds, securities, treasury notes, tickets and/or vouchers, stamps and/or duty stamps or any other cash equivalents whatsoever.
- Designs, patterns and/or plans, and/or manuscripts or similar other documents.
- Electronic data or computer software held on computers.
- Livestock, bloodstock, birds or any other living creatures.
- Perishable Goods and/or frozen Goods including but not limited to frozen or chilled fruit, vegetables, meat, seafood or other perishable foodstuffs.
- Raw hides and skins.
- Fire arms, weapons or ammunition.
- Commercial Bulk consignments including dangerous Goods as defined by the current Australian Dangerous Goods Code or any Government agency which by their nature require special licencing of the driver or vehicle and/or are defined as a “Placard Load”. This exclusion does not apply to small consignments, limited quantities or retail distribution loads of dangerous Goods where concession is provided under the current Australian Dangerous Goods Code.
- Household Goods and personal effects shipped as such without a commercial invoice.

General Average means the maritime legal principle by which, should the shipowner, one or more cargo owners, or other parties with an interest in property on board a sea-going vessel, make an extraordinary sacrifice or expenditure for the purposes of preserving all property at risk at a time of peril, all parties with property that has been preserved by such sacrifice or expenditure can be called upon to contribute a proportion of loss incurred.

Institute Clauses means the standard wordings as prepared by the Lloyd’s Market Association. Any Institute Clauses referred to in the Policy or the Policy Schedule or any other document are, unless otherwise stated, deemed to be those most current at the time of attachment of the risk and are amended to be subject to Australian law and practice.

Insured Transit means the Transit specified in Section 1 “Insured Transit” of both Part 1 and Part 2 and within the Voyage Limits set out in the Policy Schedule.

Period of Insurance means the dates and time shown in the Policy Schedule as being the Period of Insurance. All loss or damage giving rise to a claim under this Policy must occur during the Period of Insurance.

Policy means this Policy wording, the Policy Schedule, and any endorsement/s, all of which are to be read together.

Premium means the Premium specified in the Policy Schedule.

Salvage has two meanings subject to the context in which it is being used. It means either

- What is left of the Goods insured after suffering loss or damage; or
- The physical act of recovering Goods which has been lost or damaged, but which has residual commercial value.

Schedule means the Policy Schedule We have provided to You which specifies important information such as the Policy number, Voyage Limits, Goods insured, Value of the Goods and any Excess payable.

Subject Matter Insured as appearing in the Institute Clauses has the same meaning as Goods.

Value of Goods means the amount declared by You as the total value of the Goods being insured and shipped. This is the amount shown in the Policy Schedule and to which Our liability is limited.

Voyage Limit means the voyage as specified in the Policy Schedule. For cover under Part 1 this is limited to Transits starting and terminating within Australia.

“We” or “Our” or “Us” or “Insurer” means the Insurer RedSky Insurance Pty Ltd (ABN: 96 635 566 399) who manages this Policy that is underwritten by Certain Underwriters at Lloyd’s. and/or any other Insurer named in the Policy Schedule as providing cover.

“You” or “Your” or “Assured” means the person, persons or entity named in the Policy Schedule as the Assured.

PART 1 - CONDITIONS APPLICABLE TO TRANSITS WITHIN AUSTRALIA

SECTION 1 – INSURED TRANSIT

The period commencing from the time Goods are entrusted into the care of a carrier for the purpose of transporting the Goods to the Destination declared and shall continue during the ordinary course of transit and terminates when:

- the Goods are last moved by the Carrier when being delivered at the Destination address anywhere in Australia, or
- the normal course of transport is interrupted by You, the seller or purchaser at any earlier point.

An Insured Transit shall include the following additional provisions:

1. **Incidental Storage** – Transit continues during storage incidental to the Transit which has not been requested by You but is necessary solely for the purpose of normal transshipment, handling or load consolidation /deconsolidation.
2. **Over-carried** – the Transit continues in the event the Goods are “over-carried” until they are delivered to the intended Destination.
3. **Shut Out** – the Transit includes any period when the Goods are “shut out” from the intended Conveyance including whilst waiting at any other depot, terminal, warehouse, wharf or quay for transfer to another Conveyance after the Transit has commenced where this is outside Your control.

SECTION 2 – INSURED EVENTS

Subject to the terms and exclusions of this Policy, this insurance covers Accidental physical loss of or damage to the Goods insured during the Insured Transit including;

- 1 that caused by strikers, locked-out workers or persons taking part in labour disturbances, riots or civil commotions,
- 2 malicious damage, unless caused or directed by You,
- 3 that caused by insufficiency or unsuitability of packing or preparation of the Goods to withstand the ordinary incidents of the Insured Transit unless the packing or preparation is carried out, directed or agreed by You or Your employees.

If the Insured Transit is by sea or air, this Policy further covers where applicable:-

- 4 any General Average and or Salvage contribution that You are required to pay under any bill of lading or similar document,
- 5 physical loss or damage to the Goods insured, caused by washing overboard; jettison; collision, grounding, sinking, capsizing of the vessel; or General Average sacrifice.
6. physical loss or damage to the Goods insured, caused by war or warlike activities, which means invasion, act of foreign enemy, hostilities (whether war is declared or not), civil war, rebellion, revolution, insurrection or civil strife following any of these whilst the Goods are on board the carrying ship, vessel or aircraft.

Financial Default Clause

The insolvency of the carrier will not preclude Your right to claim under this Policy including any amount payable by the carrier under the Excess clause of the Policy.

SECTION 3 – LIMITATIONS & EXCLUSIONS

This Policy does not cover:-

- 1 Loss, damage, destruction, cost or expense of any nature directly or indirectly caused by or contributed to by or arising from any of the following:-
 - a. Delay, rejection, loss of market or consequential loss of any description (even though it may have been caused by an Insured Event).
 - b. Ordinary leakage, loss in weight or volume, or ordinary wear and tear.
 - c. Inherent vice
 - d. War or warlike activities, which means invasion, act of foreign enemy, hostilities (whether war is declared or not), civil war, rebellion, revolution, insurrection or civil strife following any of these. This exclusion only to apply when the Goods insured are not on board a ship, vessel or aircraft as per Insured Event Clause 6 above.
2. Damage caused by Your misconduct or intentionally caused by You or any person acting with Your expressed or implied consent.
3. Loss or damage that existed or occurred prior to the commencement of the Insured Transit.
4. In respect to Temperature Controlled or Sensitive Goods this Policy excludes loss or damage resulting from any variation in temperature howsoever caused, unless the variation in temperature is directly caused by:
 - 4.1 accidental failure, breakdown, stoppage, or malfunction of refrigerating machinery resulting in its failure to perform its normal or intended refrigeration cycle for at least twelve (12) consecutive hours or the number of hours specified in the Policy Schedule,
 - 4.2 mismanagement of refrigerating machinery which term shall include the incorrect setting of the refrigeration units temperature control.
 - 4.3 one of the following specified events:
 - (a) fire or explosion,
 - (b) lightning, hail or flood,
 - (c) collision of the conveyance with an external object, or of the goods while on a land conveyance carrying them with something not on or part of that conveyance,
 - (d) hijack or armed hold up of the conveyance,
 - (e) overturning, jack-knifing or derailment of the conveyance,
 - (f) grounding, sinking, stranding or capsizing of the overseas vessel,
 - (g) crashing or forced landing of the aircraft,
 - (h) discharge of the overseas vessel at a port of distress.

In addition, we will pay for the total loss of any package being lost overboard or dropped while loading onto or unloading from a vessel or craft.

Where Temperature Controlled or Sensitive Goods are specified in the Policy Schedule, cover is extended to include deterioration of the goods following an insured event specified in Clauses 4.1 - 4.3 above.

PART 2 - CONDITIONS APPLICABLE TO INTERNATIONAL SHIPMENTS

SECTION 1 – INSURED TRANSIT

The Insured Transits are as described in the Transit Clause of the appropriate Institute Clause, and voyage as state in the Policy Schedule.

Continuation of Transit

An Insured Transit shall include:-

- 1 Transit and storage, incidental to the intended voyage as declared, which has not been requested by You or the purchaser/seller of the Goods insured but is necessary solely for the purposes of normal transshipment, handling; or load consolidation or deconsolidation.
- 2 any period where the Goods are “shut out” from the Conveyance or intended Destination where this is outside Your control.
- 3 the Goods which have been “over-carried” until it is returned to the original Destination.

Termination of Transit

An Insured Transit terminates as described in the Transit Clause of the appropriate Institute Clause or as otherwise described elsewhere in this Policy.

SECTION 2 – INSURED EVENTS

Unless otherwise stated in the Policy Schedule Cover and/or Insurance Certificate, in addition to the other terms, and conditions expressed within this Policy, the Policy is subject to the following Institute Clauses:

- **Sea Transits**

Institute Cargo Clauses (A) 1/1/09
Institute Strikes Clauses (Cargo) 1/1/09
Institute War Clauses (Cargo) 1/1/09
Institute Replacement Clause 1/12/2008
Institute Classification Clause 1/01/2001

- **Air Transits**

Institute Cargo Clauses (Air) 1/1/09
Institute Strikes Clauses (Air Cargo) 1/1/09
Institute War Clauses (Air Cargo) (excluding sendings by post) 1/1/09
Institute War Clauses (Sendings by Post) 1/3/09
Institute Replacement Clause 1/12/2008

SECTION 3 - ADDITIONAL BENEFITS

The following additional benefits are automatically included.

Assignment

You or any assignee are permitted to transfer the insurance to another person and/or entity as part of the sale and in accordance with customary trade practices.

Cargo ISM Forwarding Charges Clause

This Policy is extended to reimburse You, up to the sum insured for the voyage, for any extra charges properly and reasonably incurred in unloading, storing and forwarding the Goods 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 voyage is terminated due to either:

- (i) to the vessel not being certified in accordance with the ISM Code, or
- (ii) 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 in the Policy.

Deliberate Damage Pollution Hazard Clause

This Policy is extended to cover but only while the Goods are on board a waterborne conveyance, loss of or damage to the Goods directly caused by governmental authorities acting for the public welfare to prevent or mitigate a pollution hazard or threat thereof, provided that the accident or occurrence creating the situation which required such governmental action is a peril insured by this Policy.

Cover under this clause shall not extend to include any third party liability that may arise from such an occurrence.

Duty Payable Clause

Provided You have included the amount of duty and/or taxes paid and/or payable in the Value of Goods, this Policy is extended to include the amount of any import duty and/or taxes paid or payable by You in respect of the insured Goods You have imported into Australia.

The increased value shall attach from the time of payment of the duty and/or taxes and no claim is recoverable under this clause arising from:-

- Total loss of part of the Goods before the duty and taxes become payable;
- General average contributions and salvage charges arising from any casualty occurring before the duty and taxes become payable;
- Duty and taxes refunded or rebated by Customs Authorities on lost or damaged Goods insured.

You must take all reasonable steps to obtain a credit for duty and taxes paid or payable on lost or damaged Goods.

Equivalent Currencies Clause

Where applicable, all amounts may be expressed in equivalent other currencies subject to the applicable rate of exchange ruling at bill of lading or waybill date and subject to any applicable exchange control regulations that may be in force at that time.

Fumigation Damage Clause

In the event that the Goods are fumigated by order of a properly constituted authority and loss of or damage to the Goods results directly therefrom, We shall indemnify You for such loss or damage, and You shall subrogate and/or assign to Us any recourse that You may have for recovery of such loss or damage from others.

Fumigation Expenses Clause

Subject to terms and conditions of this Policy, We will cover the reasonable costs, charges and/or expenses necessarily incurred should the Goods on arrival at the port of destination be ordered by the appropriate authorities to be fumigated and/or quarantined because of infestation or suspected infestation, including

- Cost of actual fumigation or quarantine and related charges; and
- Additional freight costs incurred to and from quarantine/fumigation.

Cover under this clause excludes customary or mandatory fumigation or quarantine costs and expenses (per Government Quarantine Regulations or similar statutory requirements).

Subject to a limit of \$2,500 for any one loss or series of losses arising from the one insured event and provided these costs are not recoverable under any other policy of insurance or from a third party.

ISPS Forwarding Charges Clause

The Policy is extended to reimburse You for any extra charges properly and reasonably incurred in unloading, storing and forwarding the Goods insured to the originally intended Destination 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 voyage is terminated due to such vessel not being certified in accordance with ISPS Code 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 in the Policy.

Unless specified to the contrary in the Policy Schedule, in no case shall We be liable under this "ISPS Forwarding Charges Clause" for an amount greater than the original Value of Goods insured or AUD2,500 maximum any one loss or accident or occurrence or series of losses or accidents or occurrences arising out of one event, whichever is the lesser.

Labels Clause

In the event of damage from a peril insured against affecting labels only, We will pay You only the reasonable cost of reconditioning and/or replacing those labels.

Repacking Costs Clause

Should the outer packaging be damaged from a peril insured against and render the Goods unfit for onward transit, We shall pay the reasonable cost of repacking the Goods provided that such damage occurred during the Insured Transit and provided that the original packaging was not insufficient or unsuitable.

Segregation and/or Sorting Expenses Clause

In the event of external signs of damage to the Goods resulting from a peril insured against at the time of loss which necessitates their segregation and/or sorting, We shall pay the reasonable costs incurred in segregating and/or sorting provided Our liability for such costs and loss of or damage to the Goods does not exceed the original Value of Goods as declared.

Shortage from Containers Clause

In respect of shipments in FCL containers, the fact that the containers seal is intact at Destination shall not invalidate claims for theft, pilferage, shortage and non-delivery provided that:-

- Documentary evidence is produced to substantiate the quantity loaded into the container;
- Documentary evidence is provided to substantiate sealing of the container;
- You assist Us to pursue every reasonable course of recovery from the suppliers or packers or other responsible parties.

All rights of recovery against the seller, packers or other responsible parties, where liability may attach, are subrogated to Us.

SECTION 4 – LIMITATIONS & EXCLUSIONS

This Policy does not cover:-

Cargo ISM Endorsement

(Applicable to shipments on board all cargo ships and mobile offshore drilling units of 500 gross tonnage or more.)

In no case shall this Policy cover loss, damage or expense where the Goods insured are 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 Goods insured on board the vessel, You were aware, or in the ordinary course of business should have been aware:-

- a) Either that such vessel was not certified in accordance with the 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.

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

ISPS Exclusion Clause

In no case shall the Policy cover loss, damage or expense where the Good insured are carried by a vessel that does not hold a valid International Ship Security Certificate as required under the International Ship and Port Facility Security (ISPS) Code when, at the time of loading of the Goods 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 shall not apply where this insurance has been assigned to the party claiming hereunder who has bought or agreed to buy the Good insured in good faith under a binding contract.

Russia, Ukraine and Belarus Exclusion Clause

This Policy shall exclude all loss, damage, liability or expense directly caused by or arising from or in connection with the current Russia-Ukraine conflict and/or any expansion of such conflict. Also excluded shall be loss, damage, liability or expense where the aforementioned conflict is deemed to be the proximate cause of such loss, damage, liability or expense.

PART 3 - CONDITIONS COMMON TO BOTH PART 1 & PART 2

SECTION 1 - LIMITATIONS & EXCLUSIONS

This Policy does not cover:-

Communicable Disease Endorsement

1. Notwithstanding and superseding any other provision of this policy to the contrary, this policy does not insure any loss, damage, claim, cost, expense or other sum whatsoever, directly or indirectly arising out of, or in any way attributable or related to, connected with or occurring concurrently or in any sequence with:
 - 1.1 a Communicable Disease; or
 - 1.2 the fear or threat (whether actual or perceived) of a Communicable Disease.
2. For the purposes of this endorsement, loss, damage, claim, cost, expense or other sum, includes, but is not limited to, any cost to clean-up, detoxify, remove, monitor or test:
 - 2.1 for a Communicable Disease, or
 - 2.2 any property insured hereunder that is or may be affected by a Communicable Disease.
3. As used herein, a Communicable Disease means any:
 - 3.1 physical distress, illness, or disease caused or transmitted directly or indirectly by any virus, bacterium, parasite or other organism or any variation thereof, whether deemed living or not, and regardless of the means of transmission; or
 - 3.2 any virus, bacterium, parasite or other organism or any variation thereof, whether deemed living or not, which is capable of causing physical distress, illness or disease.

Dismantling, Erection, Commissioning or Installation

The Policy does not cover and the Insured Transit does not include any period of dismantling, erection, commissioning or installation prior to or post the Insured Transit unless otherwise agreed by Us and specified in the Policy Schedule.

Embargo & Sanctions Exclusion Clause (amended to include Australia)

We shall not be deemed to provide cover and shall not be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose that insurer to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of Australia, the European Union, United Kingdom or United States of America. JC2010/014 August 2010.

Excluded Territories Clause

Unless included by Endorsement to the Policy, in no case shall the Policy cover any loss, damage or expense whatsoever arising in respect of any shipments and/or sendings and/or risks at from to and within Afghanistan, Angola, Bosnia and Herzegovina, Burma (Myanmar), Burundi, Congo (Republic of, and the Democratic Republic of), Cuba, El Salvador, Eritrea, Ethiopia, Ivory Coast, Iran, Iraq, Liberia, Nigeria, North Korea, Nicaragua, Rwanda, Sierra Leone, Somalia, Sudan, Syria, Uganda, Yemen and Zimbabwe and/or countries which have restrictive legislation or regulations that preclude the effecting of insurance other than within that country.

Institute Radioactive Contamination, Chemical, Biological, Bio-Chemical & Electromagnetic Weapons Exclusion Clause 10/11/03

In no case shall this Policy cover loss damage liability or expense directly or indirectly caused by or contributed to by or arising from

- 1 ionizing radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel,
- 2 the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof,
- 3 any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter,
- 4 the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter.
The exclusion in this Sub-Clause 4 does not extend to radioactive isotopes, other than nuclear fuel, when such isotopes are being prepared, carried, stored, or used for commercial, agricultural, medical, scientific or other similar peaceful purposes.
- 5 any chemical, biological, bio-chemical, or electromagnetic weapon.

Losses Not Arising from Transportation

This Policy does not cover any loss, damage, liability, destruction, cost or expense of any nature whatsoever that is directly or indirectly caused by or contributed to by or arising from any of the following:-

- 1 which has not occurred during the Insured Transit, pre-existing damage or damage occurring after the Good have been delivered at Destination.
- 2 embargo, rejection, prohibition or detention by the government of the country of import or their agencies or departments
- 3 unexplained loss, mysterious disappearance and/ or shortage arising solely from an inventory computation.
- 4 loss of market and/or loss arising from delay or consequential loss of any description.

Marine Cyber Endorsement (LMA5403) 11 November 2019

- 1 Subject only to paragraph 3 below, in no case shall this insurance 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.
- 2 Subject to the conditions, limitations and exclusions of the policy to which this clause attaches, 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.
- 3 Where this clause is endorsed on policies covering risks of war, civil war, revolution, rebellion, insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power, or terrorism or any person acting from a political motive, paragraph 1 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.

Mechanical & Electrical Derangement Exclusion Clause

The Policy shall not cover mechanical and/or electrical and/or electronic derangement and/or breakdown and/or impairment of the Subject-Matter insured or any part thereof unless there is external evidence that such loss or damage occurred whilst this insurance was in force and was caused by an Insured Event at the time of loss.

Misappropriation Exclusion Clause

In no case shall this Policy cover loss or damage arising from misappropriation. Misappropriation shall in this insurance be deemed to mean the unauthorised conversion use release or disposal of the Subject-Matter Insured at or from a warehouse or other place of storage whether on or offshore by or with the knowledge of the bailee or of any other person or entity including their officers and employees to whom the Subject-Matter Insured has been entrusted.

On Deck Exclusion Clause

In respect of Subject-Matter Insured carried on deck, the Policy shall not cover loss damage or expense reasonably attributable to water damage or damage to paint work or chipping, denting, scratching, marring, bruising or rust, oxidization and/or discolouration.

We shall not rely upon the above exclusion to decline or reduce liability under the Policy in respect of:

- 1 Subject-Matter Insured carried on deck without the privity knowledge or consent of the Assured whilst subject to an under deck bill of lading, or
- 2 Subject-Matter Insured carried on deck in a Closed Container, or
- 3 Subject-Matter Insured carried on deck other than in a Closed Container provided there is adequate evidence to reasonably conclude that the loss would have occurred even if the Subject-Matter Insured had been shipped in a Closed Container and/or under deck. The burden of proof in this regard shall rest with the Assured

Nothing herein shall prejudice the "Insufficiency Or Unsuitability Of Packing" Exclusion Clause of the Institute Clauses (as amended by the Insufficiency of Packing Clause in Section 3 of the Policy) which shall remain paramount.

Open Land Conveyances Exclusion Clause

In respect of Goods insured carried on Open Land Conveyances, the Policy shall not cover loss damage or expense reasonably attributable to water damage, damage to paint work or chipping, denting, scratching, marring, bruising or rust, oxidization and/or discolouration.

We shall not rely upon the above exclusion to decline or reduce liability under the Policy if the Goods are carried on Open Land Conveyances

- a without the privity knowledge or consent of the Cargo Owner, or
- b in a Closed Container, or
- c where there is adequate evidence to reasonably conclude that the loss would have occurred even if the Goods had been carried in a fully enclosed cargo/load space. The burden of proof in this regard shall rest exclusively with the Assured.

Nothing in this Clause shall prejudice the "insufficiency or unsuitability of packing" exclusion clause of the Institute Clauses which shall be paramount.

Pairs & Sets Clause

Where any Subject-Matter Insured consists of articles in pair or set the Policy shall not pay more than the value of any particular part or parts which may be lost or damaged without reference to any special value which such article or articles may have as part of such pair or set, nor more than a proportionate part of the insured value of such pair or set.

Rats and Vermin Clause

The Policy does not cover claims for loss or damage caused by or resulting from moths, mould, mildew, insects, rats or other vermin.

Reconditioned Items Clause

Reconditioned items are covered as per the Second-hand Items Clause and Second-hand Items Replacement Clause above unless:

- 1 the restoration process was carried out within the sixty (60) day period preceding the attachment of risk under the Policy, and
- 2 the item has not been in operation other than for testing purposes since having been subject to such restoration process, and
- 3 such restoration process was carried out by a reputable company whose workmanship carries a guarantee,

in which case the item is deemed to be new and insured under the Policy on the same cover conditions as new items.

In the event of a claim the amount We will pay in respect of Reconditioned Items is the original purchase price plus the costs of reconditioning or the replacement value of a like item, whichever is the lesser, plus the costs of insurance and freight.

Reconditioned Items means reconditioned, refurbished or remanufactured items which have been subject to a similar restoration process.

Rust, Oxidisation, Discolouration & Pitting Exclusion Clause

The Policy does not cover claims for rust, oxidisation, discolouration and/or pitting unless there is evidence that such loss or damage occurred whilst this insurance was in force and was caused by a peril insured against.

Second-Hand Items Clause

Second-hand items are covered on Policy conditions but subject always to the following additional cover terms and conditions.

Second-hand Items means second-hand and/or used items and/or items which are not new.

- 1 In no case shall the Policy cover loss damage or expense occurring prior to the attachment of cover under the Policy and/or which is reasonably attributable to ordinary wear tear and/or gradual deterioration, for example, but without prejudice to the generality of this Clause, damage to paint work, chipping, denting, scratching, marring, bruising, rust, oxidization or discolouration.
- 2 The burden of proof that any such damage was not pre-existing damage and/or attributable to ordinary wear tear and/or gradual deterioration shall rest exclusively with You.

Where there is loss of or damage to Second-hand items which is the subject of a claim recoverable under the Policy, the amount recoverable shall not exceed such proportion of the cost of replacement or repair of such part as the Insured Value bears to the value of a new item (at the date of commencement of the Insured Transit) plus additional costs for forwarding and refitting the new part, if incurred.

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 overseas of the goods hereby insured from the overseas 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.

Waiver of Subrogation Rights

We are not liable to pay any benefits under this Policy for loss or damage to the Goods insured if You agree or have agreed to limit or exclude any right of recovery against any third party who would be liable to compensate You with respect to that damage to the Goods after the loss of or damage to the Goods has occurred.

This provision does not apply to Your signature of a Transport Operator's standard conditions of cartage, consignment note, Bill of Lading, Air Waybill or similar contract of affreightment.

SECTION 2 - HOW MUCH WE PAY

Subject to the cover, conditions, exclusions or other limitations We will pay up to the amount as specified in the Policy Schedule or Certificate of Insurance.

Claims are subject to the application of the Under Insurance Clause below.

For lost Goods

We will pay You the invoice value covering the Goods insured

For Damaged Goods

The cost of repairing or reinstating the Goods insured to a condition equal to but not better or more extensive than its condition immediately prior to the damage. However under no circumstances do We cover You for any reduction in the value of the Goods because of damage or repairs.

Excess

All claims We pay under this Policy will have any Excess deducted prior to settlement. The Excess payable will be stated in the Schedule.

General Average And Salvage Clause

We will pay General Average and Salvage Charges in full even if the amount insured is less than the contributory value. It is a condition of this clause that all Goods shall be insured for not less than amounts calculated on the respective basis of valuation as nominated in the Policy.

Goods and Services Tax (GST)

Where You or any other claimant or payee cannot claim an input tax credit in respect of the cost of repairs or replacement to make good the loss, We will pay the amount(s) payable as detailed in the Policy, including the amount of any GST due in respect of the payment.

Where You or any other claimant or payee can claim an input tax credit in respect of the cost of repairs or replacement to make good the loss, We will pay the amount(s) payable as detailed in the Policy, less any input tax credits available to You or any other claimant or payee in respect of the payment.

The terms "GST" and "input tax credits" have the meaning given to them in A New Tax System (Goods and Services Tax) Act 1999.

Under Insurance Clause

If the value of the Goods insured shall at the time of loss or damage be of greater value than the Value of Goods declared and as specified in the Policy Schedule, We shall only pay You the proportional amount that the total value of the loss bears to the Value of Goods specified in the Schedule.

SECTION 3 – CLAIMS

Subrogation

You shall, at Our request assign and subrogate to Us at the time of payment and to the amount not exceeding the sum paid by Us all rights and claims against others and permit suit to be brought in Your name but at Our expense.

You further agree to render all reasonable assistance in the prosecution of said suit(s).

Where You are charterer of the vessel, Our rights of subrogation as described herein are waived against You but this shall not prejudice Our rights of subrogation against vessel owners or other third parties.

Fraudulent Claims

If any claim is fraudulent or false in any respect, We may refuse to pay the whole or part of the claim to the extent permitted by law, and may also be entitled to cancel the Policy.

SECTION 4 - ACTIONS YOU NEED TO TAKE - CLAIMS PROCEDURE

The following procedures are important. Failure to follow them might jeopardize a claim under this Policy.

Actions You Need to Take Upon Delivery of Goods insured

When You receive a goods delivery You will usually be asked to sign the delivery documentation and acknowledge that the consignment was received in good order and conditions (this is called a “clean receipt”)

Before You do so, it is important that You inspect the goods for signs of any tampering or damage. Where the delivery is made by container,

- ensure that the seals are examined immediately and compare the seal numbers with those listed on the shipping documents.
- inspect the door seals and rust spots for water leaks.

If damage or any discrepancy is apparent:-

- include a note when You sign for the Goods “package received damaged”.
- if You suspect that there is damage, even if it is not obvious, add a note to say You are accepting the goods in “apparent good order and condition”.
- Inform the carrier of damage to your Goods within three (3) days of You receiving them. Any delay in informing the Carrier of loss or damage to Your Goods may affect Our ability to settle Your claim.

Do not under any circumstance give a clean receipt if there is any evidence of damage or shortage.

Photographs of the damage are very helpful, including the goods, accident site, packaging, carriers vehicle and the internal and external container walls.

1. Prevent Further Loss

Immediately take all reasonable measures to avoid or minimize any loss, damage or expense. We will pay the costs of such measures provided they are both reasonable and necessary.

Any measures You or We take to save, protect or recover the Goods insured shall not be considered as a waiver or acceptance of abandonment or otherwise prejudice the rights of either party.

2. Advise Us of the Loss

Promptly advise Our Claims Team

Jeff Brown
Level 15, 50 Pitt Street, Sydney NSW 2000
E : jeff@redskyinsurance.com.au
P: 1300 217 024

Submit to Us as soon as reasonable practicable all written particulars, supporting documentation and correspondence regarding the event including invoices, statements or other documents evidencing the amount being claimed.

If required, complete and sign the appropriate claim form.

3. Retain the Goods

Do not dispose of any damaged goods or packaging without first giving Us the opportunity to inspect them.

If the Goods insured have to be disposed of because they are a safety hazard or for other emergency reasons, please obtain a Disposal Certificate from the appropriate authority.

4. Hold Carrier Liable

Properly preserve and exercise all rights against carriers, bailees or other third parties, specifically:-

- Do not release those parties from liability.
- Deliver to the parties responsible a notice of intention to claim within 3 days of delivery.

5. Documentation You Need to Provide to Us

To ensure Your claim is settled promptly You need to submit to Us all available supporting documentation without delay including:-

- Contract of carriage including carriers consignment note, airway bills or Bills of Lading. Please make sure You include all the conditions on the reverse.
- Invoices, shipping specifications, weight notes or other documents indicating quantity and value.
- Police reports
- Correspondence exchanged with any third party regarding their liability for the loss or damage.
- Any survey reports or other documentation showing the extent of the loss including photographs, delivery notes or other documents relating to outturn/receipt of goods.
- If applicable, quotation for repairs or replacement.

PART 4 – ENDORSEMENTS FOR SPECIFIC CARGO TYPES

The following additional Conditions, Limitations and Exclusions will apply in the event that the Subject-Matter Insured as described includes any of the following.

All terms, conditions and exclusions set out in Parts 1, 2 and-3 of this Policy also apply where relevant.

1. Temperature Controlled/Sensitive Goods

Temperature Controlled or Sensitive Goods means frozen, chilled or fresh meat or food or non-food items such as beverages and chemicals or any other goods that are carried and/or stored in a cold, chilled or ambient cargo space, trailer, rail wagon or container that is controlled and/or regulated by mechanical equipment.

The Policy in respect to Temperature Controlled or Sensitive Goods is subject to the following Institute Clauses as relevant:-

Institute Frozen Food Clauses (A) 1/1/86

Clause 1.2.1 is deleted and replaced with the following “breakdown or malfunction of refrigerating machinery and/or its ancillary equipment resulting in its stoppage or malfunction for a period of not less than 12 consecutive hours for shipments by vessel and 6 consecutive hours for all other sendings and risks”.

Institute Strikes Clauses (Frozen Foods) 1/1/86

Institute War Clauses (Cargo) 1/1/82

Institute Classification Clause 1/01/2001 (for sea transits)

Or

Institute Frozen Meat Clauses (A) 1/1/86

Clauses 8.1.1 and 8.1.3 deleted

Institute Strikes Clauses (Frozen Meat) 1/1/86

Clauses 5.1.1 and 5.1.3 deleted

Institute War Clauses (Cargo) 1/1/82

Institute Classification Clause 1/01/2001 (for sea transits)

This Policy extends to include “the failure of Your agents or carriers or bailees or other third parties to adhere to the written temperature control instructions provided to them by You prior to the commencement of loading directly resulting in the Subject-matter insured being carried at the incorrect temperature for a period of not less than 12 consecutive hours for shipments by vessel and 6 consecutive hours for all other sendings and risks”.

However, in no case shall the Policy cover loss of or damage caused by or contributed to by Your or Your employees providing incorrect temperature or transport instructions to carriers, warehouse keepers or other third parties.

Additional Exclusions

Loss or damage caused by:

- 1 failure of the refrigeration equipment where it has not been regularly serviced and maintained.
- 2 Your failure to take all reasonable precautions to keep the Goods in a refrigerated, properly insulated or cooled space.

See Part 1 – Conditions Applicable to Transits within Australia Section 3 Limitations & Exclusions Clause 4 for conditions applicable to Inland Transit of Temperature Controlled or Sensitive Goods.

2. Motor Vehicles and Machinery

Motor Vehicle means motor vehicles, motor cycles, trucks, buses, tractors, fork lifts, excavators, bulldozers, cranes and the like, and all axled items such as caravans, trailers, horse boxes, and the like, and including any transport cradle to which any such items may be secured.

Cover in respect of Motor Vehicles is subject to the following additional cover terms conditions warranties limitations exceptions and exclusions.

- 1 Cover extends to include accessories, fixtures, fittings and equipment (whether fixed or loose) belonging to and/or forming part of the Motor Vehicle such as (but without prejudice to the generality of this clause) in car entertainment equipment, spare wheel, roof racks and tool kit. Provided that all loose items are locked in the boot of the Motor Vehicle and in respect of station wagon, hatch back and SUV type vehicles, are covered and out of sight.
- 2 Unless contrary to manufacturers specifications, fuel tanks must be drained to the greatest extent practicable.
- 3 In addition to any other Policy exceptions or exclusions, the following exclusions shall apply.

The Policy shall not cover:-

- 3.1 loss, damage or expense:-
 - a) occurring whilst the Motor Vehicle is under its own power or in tow upon its own axle(s) except in the ordinary course of loading and unloading operations and whilst within the confines of the port or airport
 - b) reasonably attributable to atmospheric humidity and/or freezing of water in the radiator and/or cooling system.
- 3.2 any third party liability whatsoever or howsoever arising.
- 3.3 loss of or damage to tyres, brakes and/or suspension unless caused by the operation of an insured peril during the currency of the Policy.
- 3.4 any reduction in value or depreciation as a result of damage to the Motor Vehicle or parts thereof.
- 4 The maximum amount recoverable under the Policy shall be the amount stated as the Insured Value in the Insurance Certificate but in no case shall it exceed:-
 - 4.1 **New:-** the new replacement value in the country of destination.
 - 4.2 **Second-hand:-** the second-hand replacement value in the country of destination.
 - 4.3 **Veteran and/or classic and/or vintage and/or limited edition:-** the current market value as supported by a recent and recognised valuation certificate.

whichever the lesser, plus any additional freight, insurance, packing or similar transit costs incurred.

3. Watercraft / Pleasurecrafts / Boats

Cover in respect of Watercraft shall be subject to the following terms conditions warranties limitations exceptions and exclusions.

1 Cover shall attach and terminate in accordance with the Duration Clause of the relevant Institute Cargo Clauses, subject to the following amendments:

a) **In respect of Watercraft transported on its own purpose built trailer:**

i) Cover shall attach from the commencement of loading of the Watercraft into the shipping container or onto the carrying conveyance for the imminent commencement of transit at the port or place of origin.

ii) Cover shall terminate from the time that the Watercraft is safely off-loaded from the carrying conveyance or removed from the shipping container at final destination, or upon the expiry of 60 days after discharge from the oversea vessel or aircraft at the final (air)port of discharge, whichever shall first occur.

b) **In respect of Watercraft transported on a purpose built cradle (by water and/or air and/or land):**

i) Cover shall attach from the time the Watercraft is safely set down on the cradle for the imminent commencement of transit at the port of origin.

ii) Cover shall terminate from the time that such Watercraft is safely off-loaded from the carrying conveyance at final destination, or upon the expiry of 60 days after discharge from the oversea vessel or aircraft at the final (air)port of discharge, whichever shall first occur.

2 It is a condition of the Policy that all Watercraft whose dimensions allow for it to be safely shipped in a Closed Container shall be shipped in a Closed Container.

3 In respect of Watercraft shipped on deck, it is a condition of the Policy that such Watercraft are:

a) Covered with an undamaged tarpaulin and/or shrink wrapped and/or similarly protected from the actions of wind and waves.

b) Stowed in a position that is sheltered from the action of wind and waves to the greatest extent possible, preferably surrounded by containers.

4 Cover shall include accessories, fixtures, fittings and equipment (whether fixed or loose) belonging to and/or forming part of the Watercraft such as (but without prejudice to the generality of this clause) outboard motors, radio equipment, life saving equipment, fire fighting equipment, navigation equipment, water and fuel tanks, gas bottles, batteries, toolkits, masts (size permitting), sails and rigging; subject to the following:

a) Unless contrary to manufacturers specifications, batteries which cannot be removed from the Watercraft are to be disconnected and fuel tanks which cannot be removed from the Watercraft are to be drained to the greatest extent practicable.

b) It is a condition of the Policy that a detailed valued inventory of all such items shall be submitted by the Cargo Owner prior to the attachment of risk under the Policy.

5 The maximum amount recoverable under the Policy shall be the amount stated as the Insured Value in the Insurance Certificate but in no case shall it exceed:-

a) **New Watercraft;** the new replacement value in the country of destination.

b) **Second-hand Watercraft;** the second-hand replacement value in the country of destination.

c) **Veteran and/or classic and/or vintage and/or limited edition and/or similarly rare Watercraft;** the current market value as supported by a recent and recognised valuation certificate.

whichever the lesser, plus any additional freight, insurance, packing or similar transit costs incurred.

6 In the event of loss of or damage to any part or parts of second-hand Watercraft the amount recoverable shall not exceed the proportion of the cost of replacement or repair of such part(s) as the Insured Value bears to the value of a new Watercraft plus additional charges for forwarding and refitting the new part or parts, if incurred.

7 In no case shall the Policy cover loss damage or expense:

a) occurring whilst Watercraft are under their own power or in tow except whilst in tow upon a purpose built trailer within the confines of the harbour (or airport) immediately prior to or immediately after discharge from the carrying vessel (or aircraft) and/or on, to or off of the vessel (or aircraft) or into or out of the shipping container.

b) to trailer tyres and/or brakes and/or suspension unless caused by sudden and accidental impact insured against hereunder and occurring during the currency of the Policy.

c) reasonably attributable to atmospheric humidity and/or freezing of water in the radiator and/or cooling system.

8 In no case shall the Policy cover

a) any third party liability whatsoever or howsoever arising.

b) any reduction in value or depreciation as a result of damage to the Watercraft or part thereof.

9 Survey Requirements

It is a condition of the Policy that Watercraft with an insured value exceeding AUD250,000 shall be subject to a pre-shipment load and stow survey and a discharge survey by a surveyor approved by Us and that all recommendations made by the surveyor are satisfactorily complied with. All costs incurred in respect of such surveys shall be borne by the Cargo Owner.

4. Bulk Liquid Cargoes

Bulk Liquid means cargoes such as oils and/or liquid chemicals transported in a purpose built road or rail tank conveyances, ISO tank container or general purpose shipping container using flexi-tanks.

In respect of cargoes transported in ships hold or tanks

Institute Bulk Oil Clauses 1/2/83

Institute Strikes Clauses (Bulk Oil) 1/2/83

Institute War Clauses (Cargo) 1/1/82

Institute Classification Clause 1/01/2001 (for sea transits)

In respect of cargoes of Oils or other liquid cargos transported in ISO tank container or flexi-tank

Institute FOSFA Trades Clauses (A) 1/7/85

Institute War Clauses (FOSFA Trades) 1/7/85

Institute Strikes Clauses (FOSFA Trades) 1/7/85

Institute Classification Clause 1/01/2001 (for sea transits)

Excess

In respect of claims for loss or damage following a peril insured against resulting in leakage, a minimum excess of 1.00% of the whole shipment value shall be deducted.

INSTITUTE CARGO CLAUSES (A) 1/1/09

RISKS COVERED

Risks

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

General Average

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

"Both to Blame Collision Clause"

3. This insurance indemnifies the Assured, in respect of any risk insured herein, against liability incurred under any Both to Blame Collision Clause in the contract of carriage. In the event of any claim by carriers under the said Clause, the Assured agree to notify the Insurers who shall have the right, at their own cost and expense, to defend the Assured against such claim.

EXCLUSIONS

4. In no case shall this insurance cover
 - 4.1 loss damage or expense attributable to wilful misconduct of the Assured
 - 4.2 ordinary leakage, ordinary loss in weight or volume, or ordinary wear and tear of the subject-matter insured
 - 4.3 loss damage or expense caused by insufficiency or unsuitability of packing or preparation of the subject-matter insured to withstand the ordinary incidents of the insured transit where such packing or preparation is carried out by the Assured or their employees or prior to the attachment of this insurance (for the purpose of these Clauses "packing" shall be deemed to include stowage in a container and "employees" shall not include independent contractors)
 - 4.4 loss damage or expense caused by inherent vice or nature of the subject-matter insured
 - 4.5 loss damage or expense caused by delay, even though the delay be caused by a risk insured against (except expenses payable under Clause 2 above)
 - 4.6 loss damage or expense caused by insolvency or financial default of the owners managers charterers or operators of the vessel where, at the time of loading of the subject-matter insured on board the vessel, the Assured are aware, or in the ordinary course of business should be aware, that such insolvency or financial default could prevent the normal prosecution of the voyage This exclusion shall not apply where the contract of 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
 - 4.7 loss damage or expense directly or indirectly caused by or arising from the use of any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.
 5. 5.1 In no case shall this insurance cover loss damage or expense arising from
 - 5.1.1 unseaworthiness of vessel or craft or unfitness of vessel or craft for the safe carriage of the subject-matter insured, where the Assured are privy to such unseaworthiness or unfitness, at the time the subject-matter insured is loaded therein
 - 5.1.2 unfitness of container or conveyance for the safe carriage of the subject-matter insured, where loading therein or thereon is carried out prior to attachment of this insurance or by the Assured or their employees and they are privy to such unfitness at the time of loading.
 - 5.2 Exclusion 5.1.1 above shall not apply where the contract of 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.
 - 5.3 The Insurers waive any breach of the implied warranties of seaworthiness of the ship and fitness of the ship to carry the subject-matter insured to destination.
6. In no case shall this insurance cover loss damage or expense caused by
 - 6.1 war civil war revolution rebellion insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power
 - 6.2 capture seizure arrest restraint or detainment (piracy excepted), and the consequences thereof or any attempt thereat
 - 6.3 derelict mines torpedoes bombs or other derelict weapons of war.
 7. In no case shall this insurance cover loss damage or expense
 - 7.1 caused by strikers, locked-out workmen, or persons taking part in labour disturbances, riots or civil commotions
 - 7.2 resulting from strikes, lock-outs, labour disturbances, riots or civil commotions
 - 7.3 caused by any act of terrorism being 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
 - 7.4 caused by any person acting from a political, ideological or religious motive.

DURATION

Transit Clause

- 8.** 8.1 Subject to Clause 11 below, this insurance attaches from the time the subject-matter insured is first moved in the warehouse or at the place of storage (at the place named in the contract of insurance) for the purpose of the immediate loading into or onto the carrying vehicle or other conveyance for the commencement of transit, continues during the ordinary course of transit and terminates either
- 8.1.1 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 the contract of insurance,
 - 8.1.2 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 the contract of insurance, which the Assured or their employees elect to use either for storage other than in the ordinary course of transit or for allocation or distribution, or
 - 8.1.3 when the Assured or their employees elect to use any carrying vehicle or other conveyance or any container for storage other than in the ordinary course of transit or
 - 8.1.4 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 shall first occur.
- 8.2 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 8.1.1 to 8.1.4, shall not extend beyond the time the subject-matter insured is first moved for the purpose of the commencement of transit to such other destination.
- 8.3 This insurance shall remain in force (subject to termination as provided for in Clauses 8.1.1 to 8.1.4 above and to the provisions of Clause 9 below) during delay beyond the control of the Assured, any deviation, forced discharge, reshipment or transshipment and during any variation of the adventure arising from the exercise of a liberty granted to carriers under the contract of carriage.

Termination of Contract of Carriage

- 9.** If owing to circumstances beyond the control of the Assured either the contract of carriage is terminated at a port or place other than the destination named therein or the transit is otherwise terminated before unloading of the subject-matter insured as provided for in Clause 8 above, then this insurance shall also terminate *unless prompt notice is given to the Insurers and continuation of cover is requested when this insurance shall remain in force, subject to an additional premium if required by the Insurers*, either
- 9.1 until the subject-matter insured is sold and delivered at such port or place, or, unless otherwise specially agreed, until the expiry of 60 days after arrival of the subject-matter insured at such port or place, whichever shall first occur, or
 - 9.2 if the subject-matter insured is forwarded within the said period of 60 days (or any agreed extension thereof) to the destination named in the contract of insurance or to any other destination, until terminated in accordance with the provisions of Clause 8 above.

Change of Voyage

- 10.** 10.1 Where, after attachment of this insurance, the destination is changed by the Assured, *this must be notified promptly to Insurers for rates and terms to be agreed. Should a loss occur prior to such agreement being obtained cover may be provided but only if cover would have been available at a reasonable commercial market rate on reasonable market terms.*
- 10.2 Where the subject-matter insured commences the transit contemplated by this insurance (in accordance with Clause 8.1), but, without the knowledge of the Assured or their employees the ship sails for another destination, this insurance will nevertheless be deemed to have attached at commencement of such transit.

CLAIMS

Insurable Interest

- 11.** 11.1 In order to recover under this insurance the Assured must have an insurable interest in the subject-matter insured at the time of the loss.
- 11.2 Subject to Clause 11.1 above, the Assured shall be entitled to recover for insured loss occurring during the period covered by this insurance, notwithstanding that the loss occurred before the contract of insurance was concluded, unless the Assured were aware of the loss and the Insurers were not.

Forwarding Charges

- 12.** Where, as a result of the operation of a risk covered by this insurance, the insured transit is terminated at a port or place other than that to which the subject-matter insured is covered under this insurance, the Insurers will reimburse the Assured 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.

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

Constructive Total Loss

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

Increased Value

14. 14.1 If any Increased Value insurance is effected by the Assured on the subject-matter insured under this insurance the agreed value of the subject-matter insured shall be deemed to be increased to the total amount insured under this insurance and all Increased Value insurances covering the loss, and liability under this insurance shall be in such proportion as the sum insured under this insurance bears to such total amount insured.

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

14.2 **Where this insurance is on Increased Value the following clause shall apply:** The agreed value of the subject-matter insured shall be deemed to be equal to the total amount insured under the primary insurance and all Increased Value insurances covering the loss and effected on the subject-matter insured by the Assured, and liability under this insurance shall be in such proportion as the sum insured under this insurance bears to such total amount insured.

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

BENEFIT OF INSURANCE

15. This insurance

15.1 covers the Assured which includes the person claiming indemnity either as the person by or on whose behalf the contract of insurance was effected or as an assignee,

15.2 shall not extend to or otherwise benefit the carrier or other bailee.

MINIMISING LOSSES

Duty of Assured

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

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

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

Waiver

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

AVOIDANCE OF DELAY

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

LAW AND PRACTICE

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

NOTE:-Where a continuation of cover is requested under Clause 9, or a change of destination is notified under Clause 10, there is an obligation to give prompt notice to the Insurers and the right to such cover is dependent upon compliance with this obligation.

**CL382
01/01/2009**

INSTITUTE STRIKES CLAUSES (CARGO)**RISKS COVERED**Risks

1. This insurance covers, except as excluded by the provisions of Clauses 3 and 4 below, loss of or damage to the subject-matter insured caused by
 - 1.1 strikers, locked-out workmen, or persons taking part in labour disturbances, riots or civil commotions
 - 1.2 any act of terrorism being 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
 - 1.3 any person acting from a political, ideological or religious motive.

General Average

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

EXCLUSIONS

3. In no case shall this insurance cover
 - 3.1 loss damage or expense attributable to wilful misconduct of the Assured
 - 3.2 ordinary leakage, ordinary loss in weight or volume, or ordinary wear and tear of the subject-matter insured
 - 3.3 loss damage or expense caused by insufficiency or unsuitability of packing or preparation of the subject-matter insured to withstand the ordinary incidents of the insured transit where such packing or preparation is carried out by the Assured or their employees or prior to the attachment of this insurance (for the purpose of this Clause 3.3 "packing" shall be deemed to include stowage in a container and "employees" shall not include independent contractors)
 - 3.4 loss damage or expense caused by inherent vice or nature of the subject-matter insured
 - 3.5 loss damage or expense caused by delay, even though the delay be caused by a risk insured against (except expenses payable under Clause 2 above)
 - 3.6 loss damage or expense caused by insolvency or financial default of the owners managers charterers or operators of the vessel where, at the time of loading of the subject-matter insured on board the vessel, the Assured are aware, or in the ordinary course of business should be aware, that such insolvency or financial default could prevent the normal prosecution of the voyage
This exclusion shall not apply where the contract of 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
 - 3.7 loss damage or expense arising from the absence shortage or withholding of labour of any description whatsoever resulting from any strike, lockout, labour disturbance, riot or civil commotion
 - 3.8 any claim based upon loss of or frustration of the voyage or adventure
 - 3.9 loss damage or expense directly or indirectly caused by or arising from the use of any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter
 - 3.10 loss damage or expense caused by war civil war revolution rebellion insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power.
4. 4.1 In no case shall this insurance cover loss damage or expense arising from
 - 4.1.1 unseaworthiness of vessel or craft or unfitness of vessel or craft for the safe carriage of the subject-matter insured, where the Assured are privy to such unseaworthiness or unfitness, at the time the subject-matter insured is loaded therein
 - 4.1.2 unfitness of container or conveyance for the safe carriage of the subject-matter insured, where loading therein or thereon is carried out prior to attachment of this insurance or by the Assured or their employees and they are privy to such unfitness at the time of loading.
- 4.2 Exclusion 4.1.1 above shall not apply where the contract of 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.
- 4.3 The Insurers waive any breach of the implied warranties of seaworthiness of the ship and fitness of the ship to carry the subject-matter insured to destination.

DURATION

Transit Clause

5. 5.1 Subject to Clause 8 below, this insurance attaches from the time the subject-matter insured is first moved in the warehouse or at the place of storage (at the place named in the contract of insurance) for the purpose of the immediate loading into or onto the carrying vehicle or other conveyance for the commencement of transit,
- continues during the ordinary course of transit
- and terminates either
- 5.1.1 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 the contract of insurance,
 - 5.1.2 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 the contract of insurance, which the Assured or their employees elect to use either for storage other than in the ordinary course of transit or for allocation or distribution, or
 - 5.1.3 when the Assured or their employees elect to use any carrying vehicle or other conveyance or any container for storage other than in the ordinary course of transit or
 - 5.1.4 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 shall first occur.
- 5.2 If, after discharge overseas from the overseas vessel at the final port of discharge, but prior to termination of this insurance, the 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 5.1.1 to 5.1.4, shall not extend beyond the time the subject-matter insured is first moved for the purpose of the commencement of transit to such other destination.
- 5.3 This insurance shall remain in force (subject to termination as provided for in Clauses 5.1.1 to 5.1.4 above and to the provisions of Clause 6 below) during delay beyond the control of the Assured, any deviation, forced discharge, reshipment or transshipment and during any variation of the adventure arising from the exercise of a liberty granted to carriers under the contract of carriage.

Termination of Contract of Carriage

6. If owing to circumstances beyond the control of the Assured either the contract of carriage is terminated at a port or place other than the destination named therein or the transit is otherwise terminated before unloading of the subject-matter insured as provided for in Clause 5 above, then this insurance shall also terminate *unless prompt notice is given to the Insurers and continuation of cover is requested when this insurance shall remain in force, subject to an additional premium if required by the Insurers*, either
- 6.1 until the subject-matter insured is sold and delivered at such port or place, or, unless otherwise specially agreed, until the expiry of 60 days after arrival of the subject-matter insured at such port or place, whichever shall first occur, or
 - 6.2 if the subject-matter insured is forwarded within the said period of 60 days (or any agreed extension thereof) to the destination named in the contract of insurance or to any other destination, until terminated in accordance with the provisions of Clause 5 above.

Change of Voyage

7. 7.1 Where, after attachment of this insurance, the destination is changed by the Assured, *this must be notified promptly to Insurers for rates and terms to be agreed. Should a loss occur prior to such agreement being obtained cover may be provided but only if cover would have been available at a reasonable commercial market rate on reasonable market terms.*
- 7.2 Where the subject-matter insured commences the transit contemplated by this insurance (in accordance with Clause 5.1), but, without the knowledge of the Assured or their employees the ship sails for another destination, this insurance will nevertheless be deemed to have attached at commencement of such transit.

CLAIMS

Insurable Interest

8. 8.1 In order to recover under this insurance the Assured must have an insurable interest in the subject-matter insured at the time of the loss.
- 8.2 Subject to Clause 8.1 above, the Assured shall be entitled to recover for insured loss occurring during the period covered by this insurance, notwithstanding that the loss occurred before the contract of insurance was concluded, unless the Assured were aware of the loss and the Insurers were not.

Increased Value

9. 9.1 If any Increased Value insurance is effected by the Assured on the subject-matter insured under this insurance the agreed value of the subject-matter insured shall be deemed to be increased to the total amount insured under this insurance and all Increased Value insurances covering the loss, and liability under this insurance shall be in such proportion as the sum insured under this insurance bears to such total amount insured.
- In the event of claim the Assured shall provide the Insurers with evidence of the amounts insured under all other insurances.
- 9.2 **Where this insurance is on Increased Value the following clause shall apply:** The agreed value of the subject-matter insured shall be deemed to be equal to the total amount insured under the primary insurance and all Increased Value insurances covering the loss and effected on the subject-matter insured by the Assured, and liability under this insurance shall be in such proportion as the sum insured under this insurance bears to such total amount insured.
- In the event of claim the Assured shall provide the Insurers with evidence of the amounts insured under all other insurances.

BENEFIT OF INSURANCE

10. This insurance
- 10.1 covers the Assured which includes the person claiming indemnity either as the person by or on whose behalf the contract of insurance was effected or as an assignee,
- 10.2 shall not extend to or otherwise benefit the carrier or other bailee.

MINIMISING LOSSES

Duty of Assured

11. It is the duty of the Assured and their employees and agents in respect of loss recoverable hereunder
- 11.1 to take such measures as may be reasonable for the purpose of averting or minimising such loss,
and
- 11.2 to ensure that all rights against carriers, bailees or other third parties are properly preserved and exercised and the Insurers will, in addition to any loss recoverable hereunder, reimburse the Assured for any charges properly and reasonably incurred in pursuance of these duties.

Waiver

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

AVOIDANCE OF DELAY

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

LAW AND PRACTICE

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

NOTE:-Where a continuation of cover is requested under Clause 6, or a change of destination is notified under Clause 7, there is an obligation to give prompt notice to the Insurers and the right to such cover is dependent upon compliance with this obligation.

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01/01/2009**

1/1/09

INSTITUTE WAR CLAUSES (CARGO)

RISKS COVERED

Risks

1. This insurance covers, except as excluded by the provisions of Clauses 3 and 4 below, loss of or damage to the subject-matter insured caused by
 - 1.1 war civil war revolution rebellion insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power
 - 1.2 capture seizure arrest restraint or detainment, arising from risks covered under 1.1 above, and the consequences thereof or any attempt thereat
 - 1.3 derelict mines torpedoes bombs or other derelict weapons of war.

General Average

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

EXCLUSIONS

3. In no case shall this insurance cover
 - 3.1 loss damage or expense attributable to wilful misconduct of the Assured
 - 3.2 ordinary leakage, ordinary loss in weight or volume, or ordinary wear and tear of the subject-matter insured
 - 3.3 loss damage or expense caused by insufficiency or unsuitability of packing or preparation of the subject-matter insured to withstand the ordinary incidents of the insured transit where such packing or preparation is carried out by the Assured or their employees or prior to the attachment of this insurance (for the purpose of these Clauses "packing" shall be deemed to include stowage in a container and "employees" shall not include independent contractors)
 - 3.4 loss damage or expense caused by inherent vice or nature of the subject-matter insured
 - 3.5 loss damage or expense caused by delay, even though the delay be caused by a risk insured against (except expenses payable under Clause 2 above)
 - 3.6 loss damage or expense caused by insolvency or financial default of the owners managers charterers or operators of the vessel where, at the time of loading of the subject-matter insured on board the vessel, the Assured are aware, or in the ordinary course of business should be aware, that such insolvency or financial default could prevent the normal prosecution of the voyage This exclusion shall not apply where the contract of 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
 - 3.7 any claim based upon loss of or frustration of the voyage or adventure
 - 3.8 loss damage or expense directly or indirectly caused by or arising from any hostile use of any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.
4. 4.1 In no case shall this insurance cover loss damage or expense arising from
 - 4.1.1 unseaworthiness of vessel or craft or unfitness of vessel or craft for the safe carriage of the subject-matter insured, where the Assured are privy to such unseaworthiness or unfitness, at the time the subject-matter insured is loaded therein
 - 4.1.2 unfitness of container or conveyance for the safe carriage of the subject-matter insured, where loading therein or thereon is carried out prior to attachment of this insurance or by the Assured or their employees and they are privy to such unfitness at the time of loading.
- 4.2 Exclusion 4.1.1 above shall not apply where the contract of 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.
- 4.3 The Insurers waive any breach of the implied warranties of seaworthiness of the ship and fitness of the ship to carry the subject-matter insured to destination.

DURATION

Transit Clause

5. 5.1 This insurance
 - 5.1.1 attaches only as the subject-matter insured and as to any part as that part is loaded on an oversea vessel and
 - 5.1.2 terminates, subject to 5.2 and 5.3 below, either as the subject-matter insured and as to any part as that part is discharged from an oversea vessel at the final port or place of discharge,
or

- on expiry of 15 days counting from midnight of the day of arrival of the vessel at the final port or place of discharge,
 whichever shall first occur; nevertheless,
subject to prompt notice to the Insurers and to an additional premium, such insurance
- 5.1.3 reattaches when, without having discharged the subject-matter insured at the final port or place of discharge, the vessel sails therefrom, and
- 5.1.4 terminates, subject to 5.2 and 5.3 below, either as the subject-matter insured and as to any part as that part is thereafter discharged from the vessel at the final (or substituted) port or place of discharge, or on expiry of 15 days counting from midnight of the day of re-arrival of the vessel at the final port or place of discharge or arrival of the vessel at a substituted port or place of discharge, whichever shall first occur.
- 5.2 If during the insured voyage the overseas vessel arrives at an intermediate port or place to discharge the subject-matter insured for on-carriage by overseas vessel or by aircraft, or the subject-matter insured is discharged from the vessel at a port or place of refuge, then, subject to 5.3 below and to an additional premium if required, this insurance continues until the expiry of 15 days counting from midnight of the day of arrival of the vessel at such port or place, but thereafter reattaches as the subject-matter insured and as to any part as that part is loaded on an on-carrying overseas vessel or aircraft. During the period of 15 days the insurance remains in force after discharge only whilst the subject-matter insured and as to any part as that part is at such port or place. If the subject-matter insured is on-carried within the said period of 15 days or if the insurance reattaches as provided in this Clause 5.2
- 5.2.1 where the on-carriage is by overseas vessel this insurance continues subject to the terms of these Clauses, or
- 5.2.2 where the on-carriage is by aircraft, the current Institute War Clauses (Air Cargo) (excluding sendings by Post) shall be deemed to form part of the contract of insurance and shall apply to the on-carriage by air.
- 5.3 If the voyage in the contract of carriage is terminated at a port or place other than the destination agreed therein, such port or place shall be deemed the final port of discharge and this insurance terminates in accordance with 5.1.2. If the subject-matter insured is subsequently reshipped to the original or any other destination, then *provided notice is given to the Insurers before the commencement of such further transit and subject to an additional premium*, this insurance reattaches
- 5.3.1 in the case of the subject-matter insured having been discharged, as the subject-matter insured and as to any part as that part is loaded on the on-carrying vessel for the voyage;
- 5.3.2 in the case of the subject-matter not having been discharged, when the vessel sails from such deemed final port of discharge; thereafter this insurance terminates in accordance with 5.1.4.
- 5.4 The insurance against the risks of mines and derelict torpedoes, floating or submerged, is extended whilst the subject-matter insured or any part thereof is on craft whilst in transit to or from the overseas vessel, but in no case beyond the expiry of 60 days after discharge from the overseas vessel unless otherwise specially agreed by the Insurers.
- 5.5 *Subject to prompt notice to Insurers, and to an additional premium if required*, this insurance shall remain in force within the provisions of these Clauses during any deviation, or any variation of the adventure arising from the exercise of a liberty granted to carriers under the contract of carriage.

(For the purpose of Clause 5

"arrival" shall be deemed to mean that the vessel is anchored, moored or otherwise secured at a berth or place within the Harbour Authority area. If such a berth or place is not available, arrival is deemed to have occurred when the vessel first anchors, moors or otherwise secures either at or off the intended port or place of discharge

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

Change of Voyage

6. 6.1 Where, after attachment of this insurance, the destination is changed by the Assured, *this must be notified promptly to Insurers for rates and terms to be agreed. Should a loss occur prior to such agreement being obtained cover may be provided but only if cover would have been available at a reasonable commercial market rate on reasonable market terms.*
- 6.2 Where the subject-matter insured commences the transit contemplated by this insurance (in accordance with Clause 5.1), but, without the knowledge of the Assured or their employees the ship sails for another destination, this insurance will nevertheless be deemed to have attached at commencement of such transit.
7. Anything contained in this contract which is inconsistent with Clauses 3.7, 3.8 or 5 shall, to the extent of such inconsistency, be null and void.

CLAIMS

Insurable Interest

8. 8.1 In order to recover under this insurance the Assured must have an insurable interest in the subject-matter insured at the time of the loss.
- 8.2 Subject to Clause 8.1 above, the Assured shall be entitled to recover for insured loss occurring during the period covered by this insurance, notwithstanding that the loss occurred before the contract of insurance was concluded, unless the Assured were aware of the loss and the Insurers were not.

Increased Value

9. 9.1 If any Increased Value insurance is effected by the Assured on the subject-matter insured under this insurance the agreed value of the subject-matter insured shall be deemed to be increased to the total amount insured under this insurance and all Increased Value insurances covering the loss, and liability under this insurance shall be in such proportion as the sum insured under this insurance bears to such total amount insured.
- In the event of claim the Assured shall provide the Insurers with evidence of the amounts insured under all other insurances.
- 9.2 **Where this insurance is on Increased Value the following clause shall apply:** The agreed value of the subject-matter insured shall be deemed to be equal to the total amount insured under the primary insurance and all Increased Value insurances covering the loss and effected on the subject-matter insured by the Assured, and liability under this insurance shall be in such proportion as the sum insured under this insurance bears to such total amount insured.
- In the event of claim the Assured shall provide the Insurers with evidence of the amounts insured under all other insurances.

BENEFIT OF INSURANCE

10. This insurance
- 10.1 covers the Assured which includes the person claiming indemnity either as the person by or on whose behalf the contract of insurance was effected or as an assignee,
- 10.2 shall not extend to or otherwise benefit the carrier or other bailee.

MINIMISING LOSSES

Duty of Assured

11. It is the duty of the Assured and their employees and agents in respect of loss recoverable hereunder
- 11.1 to take such measures as may be reasonable for the purpose of averting or minimising such loss, and
- 11.2 to ensure that all rights against carriers, bailees or other third parties are properly preserved and exercised and the Insurers will, in addition to any loss recoverable hereunder, reimburse the Assured for any charges properly and reasonably incurred in pursuance of these duties.

Waiver

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

AVOIDANCE OF DELAY

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

LAW AND PRACTICE

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

NOTE:-Where a reattachment of cover is requested under Clause 5, or a change of destination is notified under Clause 6, there is an obligation to give prompt notice to the Insurers and the right to such cover is dependent upon compliance with this obligation.

CL385

01/01/2009

INSTITUTE CARGO CLAUSES (AIR) 1/1/09
(excluding sendings by Post)

RISKS COVERED

Risks

1. This insurance covers all risks of loss of or damage to the subject-matter insured except as excluded by the provisions of Clauses 3, 4 and 5 below.

Salvage Charges

2. This insurance covers salvage charges incurred to avoid or in connection with the avoidance of loss from any cause except those excluded in Clauses 3, 4 and 5 below.

EXCLUSIONS

3. In no case shall this insurance cover
 - 3.1 loss damage or expense attributable to wilful misconduct of the Assured
 - 3.2 ordinary leakage, ordinary loss in weight or volume, or ordinary wear and tear of the subject-matter insured
 - 3.3 loss damage or expense caused by insufficiency or unsuitability of packing or preparation of the subject-matter insured to withstand the ordinary incidents of the insured transit where such packing or preparation is carried out by the Assured or their employees or prior to the attachment of this insurance (for the purpose of these Clauses "packing" shall be deemed to include stowage in a container and "employees" shall not include independent contractors)
 - 3.4 loss damage or expense caused by inherent vice or nature of the subject-matter insured
 - 3.5 loss damage or expense arising from unfitness of aircraft conveyance or container for the safe carriage of the subject-matter insured, where loading therein or thereon is carried out prior to attachment of this insurance or by the Assured or their employees and they are privy to such unfitness at the time of loading. This exclusion shall not apply where the contract of 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.
 - 3.6 loss damage or expense caused by delay, even though the delay be caused by a risk insured against
 - 3.7 loss damage or expense caused by insolvency or financial default of the owners managers charterers or operators of the aircraft where, at the time of loading of the subject-matter insured on board the aircraft, the Assured are aware, or in the ordinary course of business should be aware, that such insolvency or financial default could prevent the normal prosecution of the transit This exclusion shall not apply where the contract of 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
 - 3.8 loss damage or expense directly or indirectly caused by or arising from the use of any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.
4. In no case shall this insurance cover loss damage or expense caused by
 - 4.1 war civil war revolution rebellion insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power
 - 4.2 capture seizure arrest restraint or detainment (piracy excepted), and the consequences thereof or any attempt thereat
 - 4.3 derelict mines torpedoes bombs or other derelict weapons of war.
5. In no case shall this insurance cover loss damage or expense
 - 5.1 caused by strikers, locked-out workmen, or persons taking part in labour disturbances, riots or civil commotions
 - 5.2 resulting from strikes, lock-outs, labour disturbances, riots or civil commotions
 - 5.3 caused by any act of terrorism being 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
 - 5.4 caused by any person acting from a political, ideological or religious motive.

DURATION

Transit Clause

6. 6.1 Subject to Clause 9 below, this insurance attaches from the time the subject-matter insured is first moved in the warehouse, premises or at the place of storage (at the place named in the contract of insurance) for the purpose of the immediate loading into or onto the carrying vehicle or other conveyance for the commencement of transit, continues during the ordinary course of transit and terminates either
 - 6.1.1 on completion of unloading from the carrying vehicle or other conveyance in or at the final warehouse, premises or place of storage at the destination named in the contract of insurance,
 - 6.1.2 on completion of unloading from the carrying vehicle or other conveyance in or at any other warehouse, premises or place of storage, whether prior to or at the destination named in the contract of insurance, which the Assured or their employees elect to use either for storage other than in the ordinary course of transit or for allocation or distribution, or

- 6.1.3 when the Assured or their employees elect to use any carrying vehicle or other conveyance or any container for storage other than in the ordinary course of transit or
- 6.1.4 on the expiry of 30 days after completion of unloading of the subject-matter insured from the aircraft at the final place of discharge, whichever shall first occur.
- 6.2 If, after unloading from the aircraft at the final place of discharge, but prior to termination of this insurance, the subject-matter insured is 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 6.1.1 to 6.1.4, shall not extend beyond the time the subject-matter insured is first moved for the purpose of the commencement of transit to such other destination.
- 6.3 This insurance shall remain in force (subject to termination as provided for in Clauses 6.1.1 to 6.1.4 above and to the provisions of Clause 7 below) during delay beyond the control of the Assured, any deviation, forced discharge, reshipment or transshipment and during any variation of the adventure arising from the exercise of a liberty granted to the air carriers under the contract of carriage.

Termination of Contract of Carriage

- 7. If owing to circumstances beyond the control of the Assured either the contract of carriage is terminated at a place other than the destination named therein or the transit is otherwise terminated before unloading of the subject-matter insured as provided for in Clause 6 above, then this insurance shall also terminate *unless prompt notice is given to the Insurers and continuation of cover is requested when this insurance shall remain in force, subject to an additional premium if required by the Insurers*, either
 - 7.1 until the subject-matter insured is sold and delivered at such place, or, unless otherwise specially agreed, until the expiry of 30 days after arrival of the subject-matter insured at such place, whichever shall first occur,
 - or
 - 7.2 if the subject-matter insured is forwarded within the said period of 30 days (or any agreed extension thereof) to the destination named in the contract of insurance or to any other destination, until terminated in accordance with the provisions of Clause 6 above.

Change of Transit

- 8. 8.1 Where, after attachment of this insurance, the destination is changed by the Assured, *this must be notified promptly to Insurers for rates and terms to be agreed. Should a loss occur prior to such agreement being obtained cover may be provided but only if cover would have been available at a reasonable commercial market rate on reasonable market terms.*
- 8.2 Where the subject-matter insured commences the transit contemplated by this insurance (in accordance with Clause 6.1), but, without the knowledge of the Assured or their employees the aircraft leaves for another destination, this insurance will nevertheless be deemed to have attached at commencement of such transit.

CLAIMS

Insurable Interest

- 9. 9.1 In order to recover under this insurance the Assured must have an insurable interest in the subject-matter insured at the time of the loss.
- 9.2 Subject to Clause 9.1 above, the Assured shall be entitled to recover for insured loss occurring during the period covered by this insurance, notwithstanding that the loss occurred before the contract of insurance was concluded, unless the Assured were aware of the loss and the Insurers were not.

Forwarding Charges

- 10. Where, as a result of the operation of a risk covered by this insurance, the insured transit is terminated at a place other than that to which the subject-matter insured is covered under this insurance, the Insurers will reimburse the Assured 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.

This Clause 10, which does not apply to salvage charges, shall be subject to the exclusions contained in Clauses 3, 4 and 5 above, and shall not include charges arising from the fault negligence insolvency or financial default of the Assured or their employees.

Constructive Total Loss

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

Increased Value

- 12.** 12.1 If any Increased Value insurance is effected by the Assured on the subject-matter insured under this insurance the agreed value of the subject-matter insured shall be deemed to be increased to the total amount insured under this insurance and all Increased Value insurances covering the loss, and liability under this insurance shall be in such proportion as the sum insured under this insurance bears to such total amount insured.
In the event of claim the Assured shall provide the Insurers with evidence of the amounts insured under all other insurances.
- 12.2 **Where this insurance is on Increased Value the following clause shall apply:** The agreed value of the subject-matter insured shall be deemed to be equal to the total amount insured under the primary insurance and all Increased Value insurances covering the loss and effected on the subject-matter insured by the Assured, and liability under this insurance shall be in such proportion as the sum insured under this insurance bears to such total amount insured.
In the event of claim the Assured shall provide the Insurers with evidence of the amounts insured under all other insurances.

BENEFIT OF INSURANCE

- 13.** This insurance
- 13.1 covers the Assured which includes the person claiming indemnity either as the person by or on whose behalf the contract of insurance was effected or as an assignee,
- 13.2 shall not extend to or otherwise benefit the carrier or other bailee.

MINIMISING LOSSES

Duty of Assured

- 14.** It is the duty of the Assured and their employees and agents in respect of loss recoverable hereunder
- 14.1 to take such measures as may be reasonable for the purpose of averting or minimising such loss,
and
- 14.2 to ensure that all rights against carriers, bailees or other third parties are properly preserved and exercised
and the Insurers will, in addition to any loss recoverable hereunder, reimburse the Assured for any charges properly and reasonably incurred in pursuance of these duties.

Waiver

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

AVOIDANCE OF DELAY

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

LAW AND PRACTICE

- 17.** This insurance is subject to English law and practice.

NOTE:-Where a continuation of cover is requested under Clause 7, or a change of destination is notified under Clause 8, there is an obligation to give prompt notice to the Insurers and the right to such cover is dependent upon compliance with this obligation.

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01/01/2009**

1/1/90

INSTITUTE STRIKES CLAUSES (AIR CARGO)

RISKS COVERED

Risks

1. This insurance covers, except as excluded by the provisions of Clause 3 below, loss of or damage to the subject-matter insured caused by
 - 1.1 strikers, locked-out workmen, or persons taking part in labour disturbances, riots or civil commotions
 - 1.2 any act of terrorism being 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
 - 1.3 any person acting from a political, ideological or religious motive.

Salvage Charges

2. This insurance covers salvage charges incurred to avoid or in connection with the avoidance of loss from any cause except those excluded in Clause 3 below.

EXCLUSIONS

3. In no case shall this insurance cover
 - 3.1 loss damage or expense attributable to wilful misconduct of the Assured
 - 3.2 ordinary leakage, ordinary loss in weight or volume, or ordinary wear and tear of the subject-matter insured
 - 3.3 loss damage or expense caused by insufficiency or unsuitability of packing or preparation of the subject-matter insured to withstand the ordinary incidents of the insured transit where such packing or preparation is carried out by the Assured or their employees or prior to the attachment of this insurance (for the purpose of this Clause 3.3 "packing" shall be deemed to include stowage in a container and "employees" shall not include independent contractors)
 - 3.4 loss damage or expense caused by inherent vice or nature of the subject-matter insured
 - 3.5 loss damage or expense arising from unfitness of aircraft conveyance or container for the safe carriage of the subject-matter insured, where loading therein or thereon is carried out prior to attachment of this insurance or by the Assured or their employees and they are privy to such unfitness at the time of loading. This exclusion shall not apply where the contract of 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.
 - 3.6 loss damage or expense caused by delay, even though the delay be caused by a risk insured against
 - 3.7 loss damage or expense caused by insolvency or financial default of the owners managers charterers or operators of the aircraft where, at the time of loading of the subject-matter insured on board the aircraft, the Assured are aware, or in the ordinary course of business should be aware, that such insolvency or financial default could prevent the normal prosecution of the transit This exclusion shall not apply where the contract of 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
 - 3.8 loss damage or expense arising from the absence shortage or withholding of labour of any description whatsoever resulting from any strike, lockout, labour disturbance, riot or civil commotion
 - 3.9 any claim based upon loss of or frustration of the transit or adventure
 - 3.10 loss damage or expense directly or indirectly caused by or arising from the use of any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter
 - 3.11 loss damage or expense caused by war civil war revolution rebellion insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power.

DURATION

Transit Clause

4. 4.1 Subject to Clause 7 below, this insurance attaches from the time the subject-matter insured is first moved in the warehouse, premises or at the place of storage (at the place named in the contract of insurance) for the purpose of the immediate loading into or onto the carrying vehicle or other conveyance for the commencement of transit,
continues during the ordinary course of transit
and terminates either
 - 4.1.1 on completion of unloading from the carrying vehicle or other conveyance in or at the final warehouse, premises or place of storage at the destination named in the contract of insurance,
 - 4.1.2 on completion of unloading from the carrying vehicle or other conveyance in or at any other warehouse, premises or place of storage, whether prior to or at the destination named in the contract of insurance, which the Assured or their employees elect to use either for storage other than in the ordinary course of transit or for allocation or distribution, or

- 4.1.3 when the Assured or their employees elect to use any carrying vehicle or other conveyance or any container for storage other than in the ordinary course of transit or
 - 4.1.4 on the expiry of 30 days after completion of unloading of the subject-matter insured from the aircraft at the final place of discharge,
- whichever shall first occur.
- 4.2 If, after unloading from the aircraft at the final place of discharge, but prior to termination of this insurance, the subject-matter insured is 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 4.1.1 to 4.1.4, shall not extend beyond the time the subject-matter insured is first moved for the purpose of the commencement of transit to such other destination.
 - 4.3 This insurance shall remain in force (subject to termination as provided for in Clauses 4.1.1 to 4.1.4 above and to the provisions of Clause 5 below) during delay beyond the control of the Assured, any deviation, forced discharge, reshipment or transshipment and during any variation of the adventure arising from the exercise of a liberty granted to the air carriers under the contract of carriage.

Termination of Contract of Carriage

- 5. If owing to circumstances beyond the control of the Assured either the contract of carriage is terminated at a place other than the destination named therein or the transit is otherwise terminated before unloading of the subject-matter insured as provided for in Clause 4 above, then this insurance shall also terminate *unless prompt notice is given to the Insurers and continuation of cover is requested when this insurance shall remain in force, subject to an additional premium if required by the Insurers*, either
 - 5.1 until the subject-matter insured is sold and delivered at such place, or, unless otherwise specially agreed, until the expiry of 30 days after arrival of the subject-matter insured at such place, whichever shall first occur,
 - or
 - 5.2 if the subject-matter insured is forwarded within the said period of 30 days (or any agreed extension thereof) to the destination named in the contract of insurance or to any other destination, until terminated in accordance with the provisions of Clause 4 above.

Change of Transit

- 6. 6.1 Where, after attachment of this insurance, the destination is changed by the Assured, *this must be notified promptly to Insurers for rates and terms to be agreed. Should a loss occur prior to such agreement being obtained cover may be provided but only if cover would have been available at a reasonable commercial market rate on reasonable market terms.*
- 6.2 Where the subject-matter insured commences the transit contemplated by this insurance (in accordance with Clause 4.1), but, without the knowledge of the Assured or their employees the aircraft leaves for another destination, this insurance will nevertheless be deemed to have attached at commencement of such transit.

CLAIMS

Insurable Interest

- 7. 7.1 In order to recover under this insurance the Assured must have an insurable interest in the subject-matter insured at the time of the loss.
- 7.2 Subject to Clause 7.1 above, the Assured shall be entitled to recover for insured loss occurring during the period covered by this insurance, notwithstanding that the loss occurred before the contract of insurance was concluded, unless the Assured were aware of the loss and the Insurers were not.

Increased Value

- 8. 8.1 If any Increased Value insurance is effected by the Assured on the subject-matter insured under this insurance the agreed value of the subject-matter insured shall be deemed to be increased to the total amount insured under this insurance and all Increased Value insurances covering the loss, and liability under this insurance shall be in such proportion as the sum insured under this insurance bears to such total amount insured.
In the event of claim the Assured shall provide the Insurers with evidence of the amounts insured under all other insurances.
- 8.2 **Where this insurance is on Increased Value the following clause shall apply:** The agreed value of the subject-matter insured shall be deemed to be equal to the total amount insured under the primary insurance and all Increased Value insurances covering the loss and effected on the subject-matter insured by the Assured, and liability under this insurance shall be in such proportion as the sum insured under this insurance bears to such total amount insured.
In the event of claim the Assured shall provide the Insurers with evidence of the amounts insured under all other insurances.

BENEFIT OF INSURANCE

9. This insurance

- 9.1 covers the Assured which includes the person claiming indemnity either as the person by or on whose behalf the contract of insurance was effected or as an assignee,
- 9.2 shall not extend to or otherwise benefit the carrier or other bailee.

MINIMISING LOSSES

Duty of Assured

10. It is the duty of the Assured and their employees and agents in respect of loss recoverable hereunder

- 10.1 to take such measures as may be reasonable for the purpose of averting or minimising such loss, and
- 10.2 to ensure that all rights against carriers, bailees or other third parties are properly preserved and exercised and the Insurers will, in addition to any loss recoverable hereunder, reimburse the Assured for any charges properly and reasonably incurred in pursuance of these duties.

Waiver

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

AVOIDANCE OF DELAY

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

LAW AND PRACTICE

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

NOTE:-Where a continuation of cover is requested under Clause 5, or a change of destination is notified under Clause 6, there is an obligation to give prompt notice to the Insurers and the right to such cover is dependent upon compliance with this obligation.

CL389

01/01/2009

1/1/09

INSTITUTE WAR CLAUSES (AIR CARGO)
(excluding sendings by Post)

RISKS COVERED

Risks

1. This insurance covers, except as excluded by the provisions of Clause 3 below, loss of or damage to the subject-matter insured caused by
 - 1.1 war civil war revolution rebellion insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power
 - 1.2 capture seizure arrest restraint or detention, arising from risks covered under 1.1 above, and the consequences thereof or any attempt thereat
 - 1.3 derelict mines torpedoes bombs or other derelict weapons of war.

Salvage Charges

2. This insurance covers salvage charges, incurred to avoid or in connection with the avoidance of loss from any cause except those excluded in Clause 3 below.

EXCLUSIONS

3. In no case shall this insurance cover
 - 3.1 loss damage or expense attributable to wilful misconduct of the Assured
 - 3.2 ordinary leakage, ordinary loss in weight or volume, or ordinary wear and tear of the subject-matter insured
 - 3.3 loss damage or expense caused by insufficiency or unsuitability of packing or preparation of the subject-matter insured to withstand the ordinary incidents of the insured transit where such packing or preparation is carried out by the Assured or their employees or prior to the attachment of this insurance (for the purpose of these Clauses "packing" shall be deemed to include stowage in a container and "employees" shall not include independent contractors)
 - 3.4 loss damage or expense caused by inherent vice or nature of the subject-matter insured
 - 3.5 loss damage or expense arising from unfitness of aircraft conveyance or container for the safe carriage of the subject-matter insured, where loading therein or thereon is carried out prior to attachment of this insurance or by the Assured or their employees and they are privy to such unfitness at the time of loading. This exclusion shall not apply where the contract of 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.
 - 3.6 loss damage or expense caused by delay, even though the delay be caused by a risk insured against
 - 3.7 loss damage or expense caused by insolvency or financial default of the owners managers charterers or operators of the aircraft where, at the time of loading of the subject-matter insured on board the aircraft, the Assured are aware, or in the ordinary course of business should be aware, that such insolvency or financial default could prevent the normal prosecution of the transit This exclusion shall not apply where the contract of 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
 - 3.8 any claim based upon loss of or frustration of the transit or adventure
 - 3.9 loss damage or expense directly or indirectly caused by or arising from any hostile use of any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.

DURATION

Transit Clause

4. 4.1 This insurance
 - 4.1.1 attaches only as the subject-matter insured and as to any part as that part is loaded on the aircraft for the commencement of the air transit insured and
 - 4.1.2 terminates, subject to 4.2 and 4.3 below, either as the subject-matter insured and as to any part as that part is discharged from the aircraft at the final place of discharge or on expiry of 15 days counting from midnight of the day of arrival of the aircraft at the final place of discharge, whichever shall first occur; nevertheless, *subject to prompt notice to the Insurers and to an additional premium*, such insurance
 - 4.1.3 reattaches when, without having discharged the subject-matter insured at the final place of discharge, the aircraft departs therefrom, and

- 4.1.4 terminates, subject to 4.2 and 4.3 below, either as the subject-matter insured and as to any part as that part is thereafter discharged from the aircraft at the final (or substituted) place of discharge, or on expiry of 15 days counting from midnight of the day of re-arrival of the aircraft at the final place of discharge or arrival of the aircraft at a substituted place of discharge, whichever shall first occur.
- 4.2 If during the insured transit the aircraft arrives at an intermediate place to discharge the subject-matter insured for on-carriage by aircraft or oversea vessel, then, subject to 4.3 below and to an additional premium if required, this insurance continues until the expiry of 15 days counting from midnight of the day of arrival of the aircraft at such place, but thereafter reattaches as the subject-matter insured and as to any part as that part is loaded on an on-carrying aircraft or oversea vessel. During the period of 15 days the insurance remains in force after discharge only whilst the subject-matter insured and as to any part as that part is at such intermediate place. If the subject-matter insured is on-carried within the said period of 15 days or if the insurance reattaches as provided in this Clause 4.2
- 4.2.1 where the on-carriage is by aircraft this insurance continues subject to the terms of these Clauses, or
- 4.2.2 where the on-carriage is by oversea vessel, the current Institute War Clauses (Cargo) shall be deemed to form part of the contract of insurance and shall apply to the on-carriage by sea.
- 4.3 If the air transit in the contract of carriage is terminated at a place other than the destination agreed therein, that place shall be deemed to be the final place of discharge and this insurance terminates in accordance with 4.1.2. If the subject-matter insured is subsequently consigned to the original or any other destination, then, *provided notice is given to the Insurers before the commencement of such further transit and subject to an additional premium*, this insurance reattaches
- 4.3.1 in the case of the subject-matter insured having been discharged, as the subject-matter insured and as to any part as that part is loaded on the on-carrying aircraft for the transit;
- 4.3.2 in the case of the subject-matter insured not having been discharged, when the aircraft departs from such deemed final place of discharge;
- thereafter this insurance terminates in accordance with 4.1.4.
- 4.4 *Subject to prompt notice to Insurers, and to an additional premium if required*, this insurance shall remain in force within the provisions of these Clauses during any deviation, or any variation of the adventure arising from the exercise of a liberty granted to the air carriers under the contract of carriage.
- (For the purpose of Clause 4 "oversea vessel" shall be deemed to mean a vessel carrying the subject-matter from one port or place to another where such voyage involves a sea passage by that vessel)

Change of Transit

5. 5.1 Where, after attachment of this insurance, the destination is changed by the Assured, *this must be notified promptly to Insurers for rates and terms to be agreed. Should a loss occur prior to such agreement being obtained cover may be provided but only if cover would have been available at a reasonable commercial market rate on reasonable market terms.*
- 5.2 Where the subject-matter insured commences the transit contemplated by this insurance (in accordance with Clause 4.1), but, without the knowledge of the Assured or their employees the aircraft leaves for another destination, this insurance will nevertheless be deemed to have attached at commencement of such transit.
6. Anything contained in this contract which is inconsistent with Clauses 3.8, 3.9 or 4 shall, to the extent of such inconsistency, be null and void.

CLAIMS

Insurable Interest

7. 7.1 In order to recover under this insurance the Assured must have an insurable interest in the subject-matter insured at the time of the loss.
- 7.2 Subject to Clause 7.1 above, the Assured shall be entitled to recover for insured loss occurring during the period covered by this insurance, notwithstanding that the loss occurred before the contract of insurance was concluded, unless the Assured were aware of the loss and the Insurers were not.

Increased Value

8. 8.1 If any Increased Value insurance is effected by the Assured on the subject-matter insured under this insurance the agreed value of the subject-matter insured shall be deemed to be increased to the total amount insured under this insurance and all Increased Value insurances covering the loss, and

liability under this insurance shall be in such proportion as the sum insured under this insurance bears to such total amount insured.

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

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

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

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

BENEFIT OF INSURANCE

9. This insurance

9.1 covers the Assured which includes the person claiming indemnity either as the person by or on whose behalf the contract of insurance was effected or as an assignee,

9.2 shall not extend to or otherwise benefit the carrier or other bailee.

MINIMISING LOSSES

Duty of Assured

10. It is the duty of the Assured and their employees and agents in respect of loss recoverable hereunder

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

10.2 to ensure that all rights against carriers, bailees or other third parties are properly preserved and exercised

and the Insurers will, in addition to any loss recoverable hereunder, reimburse the Assured for any charges properly and reasonably incurred in pursuance of these duties.

Waiver

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

AVOIDANCE OF DELAY

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

LAW AND PRACTICE

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

NOTE:-Where a reattachment of cover is requested under Clause 4, or a change of destination is notified under Clause 5, there is an obligation to give prompt notice to the Insurers and the right to such cover is dependent upon compliance with this obligation.

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01/01/2009

1/3/09

INSTITUTE WAR CLAUSES (Sendings by Post)

RISKS COVERED

Risks

1. This insurance covers, except as excluded by the provisions of Clause 3 below, loss of or damage to the subject-matter insured caused by
 - 1.1 war civil war revolution rebellion insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power
 - 1.2 capture seizure arrest restraint or detention, arising from risks covered under 1.1 above, and the consequences thereof or any attempt thereat
 - 1.3 derelict mines torpedoes bombs or other derelict weapons of war.

General Average

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

EXCLUSIONS

3. In no case shall this insurance cover
 - 3.1 loss damage or expense attributable to wilful misconduct of the Assured
 - 3.2 ordinary leakage, ordinary loss in weight or volume, or ordinary wear and tear of the subject-matter insured
 - 3.3 loss damage or expense caused by insufficiency or unsuitability of packing or preparation of the subject-matter insured to withstand the ordinary incidents of the insured transit where such packing or preparation is carried out by the Assured or their employees or prior to the attachment of this insurance (for the purpose of these Clauses "packing" shall be deemed to include stowage in a container and "employees" shall not include independent contractors)
 - 3.4 loss damage or expense caused by inherent vice or nature of the subject-matter insured
 - 3.5 loss damage or expense caused by delay, even though the delay be caused by a risk insured against (except expenses payable under Clause 2 above)
 - 3.6 any claim based upon loss of or frustration of the voyage or adventure
 - 3.7 loss damage or expense directly or indirectly caused by or arising from any hostile use of any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.

DURATION

Transit Clause

4. 4.1 This insurance attaches only as the subject-matter insured and as to any part as that part is first moved in the premises of the senders at the place named in the contract of insurance for the immediate commencement of the transit and continues, but with the exclusion of any period during which the subject-matter insured is in packers' premises, until the subject-matter insured and as to any part as that part is delivered to the address on the postal package(s) when this insurance shall terminate.
5. **Anything contained in this contract which is inconsistent with Clauses 3.6, 3.7 or 4 shall, to the extent of such inconsistency, be null and void.**

CLAIMS

Insurable Interest

6. 6.1 In order to recover under this insurance the Assured must have an insurable interest in the subject-matter insured at the time of the loss.
- 6.2 Subject to Clause 6.1 above, the Assured shall be entitled to recover for insured loss occurring during the period covered by this insurance, notwithstanding that the loss occurred before the contract of insurance was concluded, unless the Assured were aware of the loss and the Insurers were not.

BENEFIT OF INSURANCE

7. This insurance shall not extend to or otherwise benefit the carrier or other bailee.

MINIMISING LOSSES

Duty of Assured

8. It is the duty of the Assured and their employees and agents in respect of loss recoverable hereunder
- 8.1 to take such measures as may be reasonable for the purpose of averting or minimising such loss,
and
- 8.2 to ensure that all rights against carriers, bailees or other third parties are properly preserved and exercised
and the Insurers will, in addition to any loss recoverable hereunder, reimburse the Assured for any charges properly and
reasonably incurred in pursuance of these duties.

Waiver

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

AVOIDANCE OF DELAY

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

LAW AND PRACTICE

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

CL390
01/03/2009

1/12/2008

INSTITUTE REPLACEMENT CLAUSE

In the event of loss of or damage to any part(s) of an insured machine or other manufactured item consisting of more than one part caused by a peril covered by this insurance, the sum recoverable shall not exceed the cost of replacement or repair of such part(s) plus labour for (re)fitting and carriage costs. Duty incurred in the provision of replacement or repaired part(s) shall also be recoverable provided that the full duty payable on the insured machine or manufactured item is included in the amount insured.

The total liability of Insurers shall in no event exceed the amount insured of the machine or manufactured item.

CL372
1/12/2008

INSTITUTE CLASSIFICATION CLAUSE 01/01/2001

Qualifying Vessels

- 1 This insurance and the marine transit rates as agreed in the policy or open cover apply only to cargoes and/or interests carried by mechanically self-propelled vessels of steel construction classed with a Classification Society which is
 - 1.1 a Member or Associate Member of the International Association of Classification Societies (IACS), or
 - 1.2 a National Flag Society as defined in Clause 4 below, but only where the vessel is engaged exclusively in the coastal trading of that nation (including trading on an inter-island route within an archipelago of which that nation forms part).

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

Age Limitation

- 2 Cargoes and/or interests carried by Qualifying Vessels (as defined above) which exceed the following age limits will be insured on the policy or open cover conditions subject to an additional premium to be agreed. Bulk or combination carriers over 10 years of age or other vessels over 15 years of age unless they
 - 2.1 have been used for the carriage of general cargo on an established and regular pattern of trading between a range of specified ports, and do not exceed 25 years of age, or
 - 2.2 were constructed as containerships, vehicle carriers or double-skin open-hatch gantry crane vessels (OHGCs) and have been continuously used as such on an established and regular pattern of trading between a range of specified ports, and do not exceed 30 years of age.

Craft Clause

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

National Flag Society

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

Prompt Notice

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

Law And Practice

- 6 This insurance is subject to Australian law and practice.

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01/01/2001

Redsky INSURANCE

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