



# MARINE CARGO INSURANCE

MMA MARINE v4

## TABLE OF CONTENTS

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INSTITUTE CARGO CLAUSES (A) CL.382 1/1/2009	4
INSTITUTE STRIKES CLAUSES (CARGO) CL.386 1/1/2009	9
INSTITUTE WAR CLAUSES (CARGO) CL.385 1/1/2009	13
INSTITUTE WAR CLAUSES (SENDINGS BY POST) CL.390 1/3/2009	18
INSTITUTE CLASSIFICATION CLAUSE CL.354 1/1/2001	20
INSTITUTE CARGO CLAUSES (AIR)(excluding sendings by post) CL387 1/1/2009	22
INSTITUTE STRIKES CLAUSES (AIR CARGO) CL.389 1/1/2009	27
INSTITUTE WAR CLAUSES (AIR CARGO) (excluding sendings by post) CL.388 1/1/2009	31
INSTITUTE RADIOACTIVE CONTAMINATION, CHEMICAL, BIOLOGICAL, BIO-CHEMICAL AND ELECTROMAGNETIC WEAPONS EXCLUSIONS CLAUSES CL.370 10/11/2003	35
INSTITUTE REPLACEMENT CLAUSE CL.372 1/12/2008	36
ADDITIONAL SPECIAL CONDITIONS APPLYING AS APPLICABLE	37
ADDITIONAL CLAUSES APPLYING AS APPLICABLE	39

## MARINE CARGO INSURANCE POLICY

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This Policy incorporates the Placing Schedule, Clauses, Conditions, Exclusions, Endorsements and any other terms herein contained which are to be read together and any word or expression to which a specific meaning has been given in any part of this Policy shall bear this meaning wherever it may appear unless such meaning is inapplicable to the context in which the word or expression appears.

Whereas the Assured named in the Placing Schedule has paid or agreed to pay to the Underwriter(s) specified in the Placing Schedule, the premium shown in the Placing Schedule, now the Underwriter(s) agrees to insure against loss, damage, liability or expense for risks which have attached in accordance with the cover granted hereunder.

1/1/2009

## INSTITUTE CARGO CLAUSES (A)

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### RISKS COVERED

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|---|---|
| 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.  | <b>Risks Clause</b>                     |
| 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 or elsewhere in this insurance.   | <b>General Average Clause</b>           |
| 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. | <b>"Both to Blame Collision" Clause</b> |

### 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 for 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 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 of war employing atomic or nuclear fission 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   | <b>Unseaworthiness and Unfitness Exclusion Clause</b> |
| 5.1.1. unseaworthiness 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 the 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 detention (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.

**War  
Exclusion  
Clause**

**Strikes  
Exclusion  
Clause**

**DURATION**

8. 8.1. Subject to Clause 11 below, this insurance attaches from the time the subject-matter is first moved in the warehouse or 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 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 the final 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.

**Transit  
Clause**

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

**Termination  
of Contract  
of Carriage  
Clause**

**Change  
of Voyage  
Clause**

**Insurable  
Interest  
Clause**

**Forwarding  
Charges  
Clause**

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.

**Constructive  
Total Loss  
Clause  
Increased  
Value Clause**

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**

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

**Duty of  
Assured  
Clause**

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

16.2. 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.

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.

**Waiver  
Clause**

## **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.

**Reasonable-  
Despatch  
Clause**

## LAW AND PRACTICE

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

## Australian Law and Practice Clause

*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.*

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1/1/2009

## INSTITUTE STRIKES CLAUSES (CARGO)

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### RISKS COVERED

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 toward 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.
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.

**Risks Clause**

**General Average Clause**

### 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 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 a 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

**General Exclusions Clause**

- 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.

**Unseaworthiness and Unfitness Exclusion Clause**

**DURATION**

- 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 immediate loading into or onto the carrying vehicle or other conveyance from the commencement of the 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 outside of the subject-matter insured from the oversea vessel at the final port of discharge,whichever shall first occur.

**Transit Clause**

- 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 and to the provisions of Clause 6 below) during delay beyond the control of the Assured, any deviation, forced discharge, re-shipment or transshipment and during any variation of the adventure arising from the exercise of a liberty granted to carriers or charterers under the contract of carriage.
6. If owing to circumstances beyond the control of the Assured either the contract of carriage is terminated at a 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 the 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.
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 the commencement of such transit.

**Termination  
of Contract  
of Carriage  
Clause**

**Change  
of Voyage  
Clause**

**CLAIMS**

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

**Insurable  
Interest  
Clause**

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 herein 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.

### **Increased Value Clause**

## **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**

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.

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.

### **Duty of Assured Clause**

### **Waiver Clause**

## **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.

### **Reasonable Despatch Clause**

## **LAW AND PRACTICE**

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

### **Australian Law and Practice Clause**

*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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1/1/2009

## INSTITUTE WAR CLAUSES (CARGO)

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### RISKS COVERED

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 there from, 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.
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.

**Risks Clause**

**General Average Clause**

### 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.

**General Exclusions Clause**

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.

### **Unseaworthiness and Unfitness Exclusion Clause**

## **DURATION**

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 overseas 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 there from, and
  - 5.1.4.terminates, subject to 5.2 and 5.3 below, either as the subject-matter insured and as to any part as that part is thereafter discharged from the vessel at the final (or substituted) port or place of discharge,  
or  
on expiry of 15 days counting from midnight of the day of re-arrival of the vessel at the final port or place of discharge or arrival of the vessel at a substituted port or place of discharge, whichever shall first occur.
- 5.2. If during the insured voyage the overseas vessel arrives at an intermediate port or place to discharge the subject-matter insured for on-carriage by oversea vessel or by aircraft, or the subject-matter insured are discharged from the vessel at a port or place of refuge, then, subject to 5.3 below and to an additional premium if required, this insurance continues until the expiry of 15 days counting from midnight of the day of arrival of the vessel at such port or place, but thereafter reattaches as the subject-matter insured and as to any part as that part is loaded on an on-carrying oversea vessel or aircraft. During the period of 15 days the insurance remains in force after discharge only whilst the subject-matter insured and as to any part as that part is at such port or place. If the 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

### **Transit Clause**

- 5.2.2. where the on-carriage is by aircraft, the current Institute War Clauses (Air Cargo) (excluding sendings by Post) shall be deemed to form part of this insurance and shall apply to the on-carriage by air.
- 5.3. If the voyage in the contract of carriage is terminated at a port or place other than the destination agreed therein, such port or place shall be deemed the final port of discharge and such insurance terminates in accordance with 5.1.2. If the subject-matter insured is subsequently reshipped to the original or any other destination, then provided notice is given to the Insurers before the commencement of such further transit and subject to an additional premium, such insurance reattaches
- 5.3.1. in the case of the subject-matter insured having been discharged, as the subject-matter insured and as to any part as that part is loaded on the on-carrying vessel for the voyage;
- 5.3.2. in the case of the subject-matter not having been discharged, when the vessel sails from such deemed final port of discharge;
- thereafter such insurance terminates in accordance with 5.1.4.
- 5.4. The insurance against the risks of mines and derelict torpedoes, floating or submerged, is extended whilst the subject-matter insured or any part thereof is on craft whilst in transit to or from the 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)
6. 6.1. Where, after attachment of this insurance, the destination is changed by the Assured, *this must be promptly notified 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.

**Change  
of Voyage  
Clause**

## CLAIMS

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

**Insurable  
Interest  
Clause**

**Increased  
Value Clause**

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 herein 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

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

**Duty of  
Assured  
Clause**

**Waiver  
Clause**



#### **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.

**Reasonable  
Despatch  
Clause**

#### **LAW AND PRACTICE**

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

**Australian  
Law and  
Practice  
Clause**

*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.*

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1/3/2009

## INSTITUTE WAR CLAUSES

### (sendings by Post)

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#### RISKS COVERED

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 there from, 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.
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.

**Risks Clause**

**General  
Average  
Clause**

#### 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.

**General  
Exclusions  
Clause**

## DURATION

4. 4.1. This insurance attaches only as the subject-matter insured and as to any part as that part leaves the premises of the senders at the place named in the insurance for the commencement of the transit and continues, but with the exclusion of any period during which the subject-matter 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.**

### Transit Clause

## CLAIMS

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

### Insurable Interest Clause

## BENEFIT OF INSURANCE

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

## MINIMISING LOSSES

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.
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.

### Duty of Assured Clause

### Waiver Clause

## 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.

### Reasonable Despatch Clause

## LAW AND PRACTICE

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

### Australian Law and Practice Clause

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1/1/2001

## INSTITUTE CLASSIFICATION CLAUSE

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### 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.

\*For a current list of IACS Members and Associate Members please refer to the IACS website at [www.iacs.org.uk](http://www.iacs.org.uk)

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1/1/2009

## INSTITUTE CARGO CLAUSES (AIR)

### (excluding sendings by Post)

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#### RISKS COVERED

- |   |                               |
|---|-------------------------------|
| 1. This insurance covers all risks of loss of or damage to the subject-matter insured except as provided in Clauses 3, 4 and 5 below.                                   | <b>Risks Clause</b>           |
| 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. | <b>Salvage Charges Clause</b> |

#### EXCLUSIONS

- |  |                                  |
|--|----------------------------------|
| 3. In no case shall this insurance cover   | <b>General Exclusions Clause</b> |
| 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 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 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 there from, or any hostile act by or against a belligerent power
  - 4.2. capture seizure arrest restraint or detainment (piracy excepted), and the consequences there of 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.

**War  
Exclusion  
Clause**

**Strikes  
Exclusion  
Clause**

**DURATION**

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 the final 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 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.

**Transit  
Clause**

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 the 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 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.
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.

**Termination of Contract of Carriage Clause**

**Change of Transit Clause**

**CLAIMS**

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 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.
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 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 to the destination to which it is insured.
- This Clause 10, which does not apply to general average or 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.
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 to the destination to which it is insured would exceed its value on arrival. reconditioning and forwarding the subject-matter to the destination to which it is insured would exceed its value on arrival.

**Insurable Interest Clause**

**Forwarding Charges Clause**

**Constructive Total Loss Clause**



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.

**Increased Value Clause**

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**

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

**Duty of Assured Clause**

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.

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.

**Waiver Clause**

**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.

**Reasonable Despatch Clause**

## LAW AND PRACTICE

17. This insurance is subject to Australian law and practice.

## Australian Law and Practice Clause

*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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1/1/2009

## INSTITUTE STRIKES CLAUSES (AIR CARGO)

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### RISKS COVERED

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.
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.

**Risks  
Clause**

**Salvage  
Charges  
Clause**

### 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 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

**General  
Exclusions  
Clause**

- 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 voyage 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 there from, or any hostile act by or against a belligerent power.

## DURATION

4.

- 4.1. Subject to Clause 7 below, this insurance attaches from the time the subject-matter insured leaves the warehouse, premises or 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 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 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 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.

**Transit  
Clause**

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 the insurance shall remain in force, subject to an additional premium if required by the Insurers*, either
  - 5.1. until the subject-matter is sold and delivered at such place or, unless otherwise specially agreed, until the expiry of 30 days after arrival of the subject-matter hereby insured at such place, whichever shall first occur, or
  - 5.2. if the subject-matter 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.
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.

**Termination of Contract of Carriage Clause**

**Change of Transit Clause**

**CLAIMS**

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 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.
8. 8.1. If any Increased Value insurance is effected by the Assured on the subject-matter insured herein 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.

**Insurable Interest Clause**

**Increased Value Clause**

## BENEFIT OF INSURANCE

9. This insurance
  - 9.1. covers the Assured which includes the person claiming indemnity either 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

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.
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.

**Duty of Assured Clause**

**Waiver Clause**

## 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.

**Reasonable Despatch Clause**

## LAW AND PRACTICE

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

**Australian Law and Practice Clause**

*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.*

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1/1/2009

## INSTITUTE WAR CLAUSES (AIR CARGO)

### (excluding sendings by Post)

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#### RISKS COVERED

1. This insurance covers, except as provided in 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 there from, 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.
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

**Risks  
Clause**

**Salvage  
Charges  
Clause**

#### 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 the attachment of this insurance or by the Assured or their employees and they are privy to such unfitness at the time the of loading.
  - 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.

**General  
Exclusions  
Clause**

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 voyage 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

### 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 air craft 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 there from, 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 overseas vessel. During the period of 15 days the insurance remains in force after discharge only whilst the subject-matter insured and as to any part as that part is at such intermediate place. If the goods are on-carried within the said period of 15 days or if the insurance reattaches as provided in this Clause 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 this 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 such insurance terminates in accordance with 4.1.4.

## Transit Clause



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 carrier under the contract of carriage.*

(For the purpose of Clause 4 "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)

5. 5.1. Where, after attachment of this insurance, the destination is changed by the Assured, this must be notified promptly to Insurers for rate 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.*

**Change  
of Transit  
Clause**

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**

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.

**Insurable  
Interest  
Clause**

7.2. Subject to 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.

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.

**Increased  
Value Clause**

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 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

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
  - 10.3. 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.
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.

**Duty of Assured Clause**

**Waiver Clause**

## 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.

**Reasonable Despatch Clause**

## LAW AND PRACTICE

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

**Australian Law and Practice Clause**

*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 and the right to such cover is dependent upon compliance with this obligation.*

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10/11/03

## **INSTITUTE RADIOACTIVE CONTAMINATION, CHEMICAL, BIOLOGICAL, BIO-CHEMICAL AND ELECTROMAGNETIC WEAPONS EXCLUSIONS CLAUSE**

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

1. In no case shall this insurance cover loss damage liability or expense directly or indirectly caused by or contributed to by or arising from
  - 1.1. ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel
  - 1.2. the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof
  - 1.3. any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter
  - 1.4. the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter.

The exclusion in this sub-clause 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

- 1.5. any chemical, biological, bio-chemical, or electromagnetic weapon.

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1/12/2008

## **INSTITUTE REPLACEMENT CLAUSE**

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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 (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 even exceed the amount insured of the machine or manufactured item.

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## **ADDITIONAL SPECIAL CONDITIONS APPLYING AS APPLICABLE**

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### **SPECIAL CONDITIONS: Bulk Oil**

Institute Bulk Oil Clause CL.273 1/2/83 with Deductible of 0.5% for leakage or shortage claims, such percentage being deemed to be the deduction referred to in Clause 15 thereof. Contamination claims payable in full irrespective of percentage.

Institute Strikes Clauses (Bulk Oil) CL.274 1/2/1983

Institute War Clauses (Cargo) CL.385 1/1/2009

### **Coal or Coke Shipments**

Institute Coal Clauses CL. 267 1/10/1982 with:

- (a). Clause 8.1 extended to cover land transit from the time the subject matter is loaded into conveyance until discharged from the conveyance at the final destination.
- (b). Clause 1 extended to include the risk of loss or damage caused by collision and/or derailment and/or overturning of conveyance, theft, pilferage and non delivery in full.

Institute Strikes Clauses (Coal) CL. 268 1/10/1982

Institute War Clauses (Cargo) CL.385 1/1/2009

### **Cocoa, Coffee, Cotton, Fats and Oils not in Bulk, Hides, Skins and Leather, Metals, Oil Seeds, Sugar (Raw or Refined) and Tea**

Institute Commodity Trades Clauses (A) CL. 275 5/9/1983

Institute War Clauses (Commodity Trades) CL. 278 5/9/1983

Institute Strikes Clauses (Commodity Trades) CL. 279 5/9/1983

### **Oils, Seeds and Fats**

Institute FOSFA Trades Clauses (A) CL. 313 1/7/1985

Institute War Clauses (FOSFA Trades) CL. 316 1/7/1985

Institute Strikes Clauses (FOSFA Trades) CL. 317 1/7/1985

Institute FOSFA Supplementary Clause (4) Grade Clause CL. 321 1/7/1985

### **Jute**

Institute Jute Clauses CL. 282 1/1/1984

Institute Strikes Clauses (Jute) CL. 283 1/1/1984

Institute War Clauses (Cargo) CL. 255 1/1/1982

**Natural Rubber**

Institute Natural Rubber Clause (excluding Liquid Latex) CL. 292 1/1/1984

Institute Strikes Clauses (Natural Rubber) (excluding Liquid Latex) CL. 293 1/1/84

Institute War Clauses (Cargo) CL.385 1/1/2009

**Timber**

Institute Timber Trade Federation Clauses CL. 335 1/4/1986

Institute Strikes Clauses (Timber Trade Federation) CL. 336 1/4/1986

Institute War Clauses (Cargo) CL.385 1/1/2009

**Frozen Food (Excluding Frozen and/or Chilled Meat which are specifically excluded under this Policy).**

Institute Frozen Food Clauses (A) (excluding frozen meat) CL 263 1/1/1986

Institute Strikes Clauses (Frozen Food) (excluding frozen meat) CL 265 1/1/1986

Institute War Clauses (Commodity Trades) CL. 278 5/9/1983

Frozen Food Extension Clauses CL. 334 1/1/1986

## **ADDITIONAL CLAUSES APPLYING AS APPLICABLE**

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### **ACCUMULATION CLAUSE**

Should there be an accumulation of the Interest Insured beyond the Limit(s) expressed in this Policy, by reason of interruption of transit and/or other occurrence beyond the control of the Assured(s), or by reason of any casualty and/or at a transhipping point and/or on a connecting steamer, aircraft or conveyance, the Underwriter(s) shall, provided written notice be given in all such cases as soon as known to the Assured(s), hold covered such excess Interest Insured and shall be liable for the full amount at risk, but in no event shall the Underwriter(s) be liable hereunder for more than double the Limit of Liability specified in the Placing Schedule.

### **ACQUIRED COMPANY CLAUSE**

The Assured(s) named in the Placing Schedule of this Policy includes any company, subsidiary company, firm or entity, formed, purchased or otherwise acquired by the Assured(s) during the Period of Insurance.

#### **Provided that the Assured(s) shall:**

- a. hold a controlling interest in such company or firm or has agreed to accept responsibility for insurance;
- b. advise the Underwriter(s) of its interest in such company or firm not later than sixty (60) days from the date of attachment of such interest; and
- c. declare to the Underwriter(s) the turnover or value of sendings, type of goods to be insured and past claims and then pay such additional premium as may be required by the Underwriter(s).

### **APPORTIONMENT OF RECOVERY**

It is hereby agreed that all Net Recoveries obtained hereunder from third parties will be shared with The Assured in the same proportion as the Deductible bears to the original claims payment.

### **AUSTRALIAN JURISDICTION CLAUSE**

This insurance shall be governed by Australian law. Each party agrees to submit to the jurisdiction of any court of competent jurisdiction within the Commonwealth of Australia and to comply with all requirements necessary to give such court jurisdiction. All matters arising hereunder shall be determined in accordance with the law and the practice of such court.

### **AUTOMATIC REINSTATEMENT CLAUSE**

Where not otherwise provided, and in the event of a claim(s) being settled under this Policy, the Limit of Liability of the Underwriter(s) shall be reduced by the amount of the claim(s) paid. Reinstatement however, to the Limit of Liability as specified in the Placing Schedule or elsewhere herein, shall be automatic subject to the payment of the appropriate additional charges where applicable.

### **BRANDS CLAUSE**

It is hereby declared and agreed that in the event of salvage of branded interest insured, such shall not be disposed by sale without the prior agreement of the Insured. However, in the event of the Insured refusing permission to sell the interest, then for the purpose of adjusting the loss, the market salvage value shall be taken into consideration.

## **CANCELLATION**

This Policy may be cancelled by either the Assured(s) or the Underwriter(s) giving notice in writing as set out below:

### **Imports/Exports**

Marine Risks: At thirty (30) days notice

War Risks: Subject to the Institute War Cancellation Clause (Cargo) Cls 271 1.12.82

Strikes Risks: At seven (7) days notice except on shipments to and from USA which are subject to forty eight (48) hours notice

### **Inland Risks within Australia**

The Assured(s) may cancel this Policy at any time by giving notice to the Underwriter(s), in which case the Underwriter(s) will retain the customary pro rata premium for the time this Policy has been in force.

The Underwriter(s) may cancel this Policy, subject to the provisions of the Insurance Contracts Act 1984 (Cth) by giving thirty (30) days notice to the Assured(s). The Underwriter(s) shall refund to the Assured(s) a rateable proportion of the premium for the unexpired Period of Insurance from the date of cancellation.

Cancellation shall become effective on the expiry of the requisite period of time from midnight of the day on which notice of cancellation is issued by or to the Underwriter(s) but shall not apply to risks which have attached before cancellation becomes effective.



## **CARGO ISM ENDORSEMENT**

Applicable to shipments on board Ro-Ro passenger ferries.

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

1. passenger vessels transporting more than 12 passengers and
2. oil tankers, chemical tankers, gas carriers, bulk carriers and cargo high speed craft of 500 gt or more.

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

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

- (a). Either that such vessel was not certified in accordance with 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 subject matter insured in good faith under a binding contract.

## **C.I.F PURCHASES / DIC COVER CLAUSE**

Where the Interest Insured is purchased by the Assured(s) on C.I.F or similar terms and the supplier fails to effect insurance or effects insurance which is subsequently rendered inoperative or which is more restricted than the protection afforded hereunder, the Interest Insured shall be covered hereunder on Policy terms and Conditions.

In such cases the Underwriter(s) will be subrogated to all rights and remedies of the Assured(s) against the supplier and/or the supplier's insurers and/or other parties and in no case shall this insurance contribute in double insurance. To the extent the cover is more restrictive under the other Policy, the amount of any claim, including the amount of any deductible/excess, paid under such other insurance will be deemed to have been paid under this Policy for the purpose of determining The Underwriter(s) Limit of Liability under this Policy.

## **CLAIMS PROCEDURE**

In the event of loss or damage for which the Underwriter(s) may be liable, immediate notice of such loss or damage shall be given to the Underwriter(s), or their nominated agents. The Assured(s) shall furnish full particulars of any loss or damage and shall not act in any way to the detriment or prejudice of the interest of the Underwriter(s). In particular, the Assured(s) and their servants and agents are required:

- (a). to claim immediately on the carriers, port authorities or other bailees for any lost or damaged packages;
- (b). in no circumstances, except under written protest, to give clean receipts where goods are in doubtful condition;
- (c). when delivery is made by container, to ensure that the container and its seals are examined immediately by a responsible official.  
If the container is delivered damaged or with seals broken or missing or with seals there than as stated in the shipping documents, to clause the delivery receipt accordingly and retain all defective or irregular seals for subsequent identification:
- (d). to apply immediately for survey by carriers' or other bailees' representatives if any loss or damage be apparent and claim on the carrier or other bailee for any actual loss or damage found at such survey; and
- (e). to apply immediately for survey by carriers or other bailees within five (5) days of delivery if the loss or damage was not apparent at the time of taking delivery.

Provided always that notwithstanding the carriers, port authorities or other bailees have failed to acknowledge or otherwise reply to correspondence from the Assured(s) regarding their liability for loss or damage, it is hereby agreed that claims recoverable under this insurance will be settled by Underwriter(s) on production of all other applicable supporting documents.

## **CONTAINERISED DECK CARGO CLAUSE**

It is hereby agreed that notwithstanding anything herein contained to the contrary this Policy extends to include Containerised Cargo whether shipped on deck or otherwise, at the same terms and conditions as Cargo shipped under deck.

## **DEBRIS REMOVAL CLAUSE**

In the event of loss or damage by an insured peril and notwithstanding the Insurer's liability to pay a total loss, it is agreed and declared that the coverage provided by this policy additionally extends to include the cost of removal and/or disposal of damage and/or deteriorated and/or contaminated interest including all other costs incurred relating thereto together with the cost of cleaning up and/or decontamination of premises and/or conveyance provided that the Insurer's liability for such additional costs will not exceed the sum of \$1,000,000, or other amount as specified in the Placing Schedule. Provided that such cost is not recoverable under any other policy of insurance. But excluding any costs and expenses incurred in consequence of or to prevent or to mitigate pollution or contamination or any other threat thereof or liability therefore.

## **DELAYED UNPACKING CLAUSE**

Where loss of and/or damage to insured goods is reasonably shown to have occurred during the transit covered hereunder, the Assured(s) shall not be prejudiced by any delay in opening up packages and/or examination of the said goods.

Provided always that, any packages showing external damage at the time of entry into the warehouse or place of storage are immediately inspected.

#### **DELIBERATE DAMAGE (POLLUTION HAZARD) CLAUSE**

Whilst the Interest Insured is onboard a waterborne conveyance, this Policy covers loss or damage caused by governmental or other authorities acting in the interests of public safety to prevent or mitigate a pollution hazard or threat thereof.

Provided that the accident or occurrence which necessitated such action would have resulted in a claim payable under this Policy if the Interest Insured had sustained loss or damage as a direct result of such accident or occurrence.

#### **DOCUMENTATION OF CLAIMS**

To enable claims to be dealt with promptly, the Assured(s) or their agents are advised to submit all available supporting documents without delay, including when applicable:

- (a). original Policy or certificate of insurance;
- (b). original bill of lading and/or other contract of carriage;
- (c). original or copy shipping invoices, together with shipping specifications and/or weight notes;
- (d). survey report or other documentary evidence to show the extent of the loss or damage;
- (e). landing account and weight notes at final destination; and
- (f). correspondence exchanged with carriers and other parties regarding their liability for the loss or damage.

#### **ERRORS AND OMISSIONS CLAUSE**

In the event of an error or omission in making any declaration hereunder, it is hereby agreed that such goods shall automatically be covered by this Policy provided such error or omission shall be advised to the Underwriter(s) immediately upon same coming to the knowledge of the Assured(s).

#### **EXPEDITING EXPENSES CLAUSE**

In the event of loss or damage to the Interest Insured resulting from an insured peril, the Underwriter(s) will pay the costs and expenses incurred by the Assured(s) for:

- (a). express carriage rates; and/or airfreighting the Interest Insured and/or replacement parts where such transit is necessary to prevent interruption of the Assured(s) business;
- (b). extra payments for overtime, night, Sunday or holiday work and other such like costs; incurred in connection with the repair, replacement or restoration of the Interest Insured lost or damaged.

Provided always that the Limit of Liability shall not exceed \$100,000 any one loss unless otherwise specified in the Placing Schedule.

### **F.O.B. /C.F.R. PRE-SHIPMENT CLAUSE**

Notwithstanding the provisions of the contract of sale, where the Interest Insured is purchased on an F.O.B., C.F.R. or similar basis, this insurance attaches from the time the Interest Insured leaves the warehouse or place of storage for the commencement of transit.

If loss or damage occurs which is payable under this Clause, the Assured(s) agrees to use all reasonable means to first recover the full amount of loss or damage from the exporter or supplier in accordance with the terms of purchase, before calling on this Policy for payment.

In the event of a Claim being settled under this Policy the Underwriter(s) is entitled to become subrogated to the Assured(s) rights of recourse against the exporter or suppliers.

### **FUMIGATION EXPENSES**

This Policy covers charges and/or expenses necessarily incurred should the Goods, on arrival at port of destination, be ordered by the appropriate authority to be fumigated and/or quarantined as a result of infestation, or suspected infestation.

In these circumstances, the following necessarily incurred costs, charges and expenses are payable.

- (a). the cost of actual fumigation and/or quarantine and charges relating thereto
- (b). any additional costs incurred by way of cartage to and/or from fumigation and/or quarantine subject to a maximum liability of \$50,000

This clause does not cover fumigation and/or quarantine charges and expenses which are mandatory for particular commodities or interests under the government quarantine regulations or similar regulations,

### **IMPORT DUTY CLAUSE**

This Policy covers, subject to the same terms and Conditions as stated in the Placing Schedule, the increased value consequent upon payment of duty at destination, it being however understood and agreed that where the insurance hereunder continues beyond the time of landing from the vessel or aircraft the said increased value shall then attach in like manner as an additional insurance upon the Interest Insured hereunder from the time of payment of such duty and to the extent of the amount thereof actually paid.

Warranted free of claim:

- (a). in the event of total loss of the cargo concerned or total loss of part thereof and/or total loss of the carrying vessel or craft before arrival at destination;
- (b). for General Average;
- (c). in respect of duty waived by customs authorities at destination on shipments arriving damaged by a peril covered under this Policy.

### **INSTITUTE CLAUSES**

All Institute Clauses referred to herein are those current at the time of attachment of this Policy, but should such Clauses be revised during the Period of Insurance, and provided that the Underwriter(s) shall have given at least ninety (90) days notice thereof, then the revised Institute Clauses shall apply to risks whose voyage commenced subsequent to the date of expiry of the said notice.

### **LABELS CLAUSE**

In the event of loss and/or damage to the Interest Insured affecting labels, capsules and/or wrappers only, this Policy will pay the cost of new labels, capsules or wrappers and the cost of reconditioning or relabelling (or both) of the Interest Insured.

If new labels, capsules or wrappers are not or cannot be obtained the Underwriter(s) agrees to consult with the Assured(s) in respect of the action to be taken.

If in the Assured(s) opinion, reconditioning and/or relabelling of the Interest Insured would be imprudent, then the provisions of the Brands Clause appearing in this Policy will apply to such Interest Insured.

### **LETTERS OF CREDIT CLAUSE**

Where the Assured is obliged to arrange insurance in accordance with any instructions contained in a Letter of Credit such cover is granted hereunder, provided it does not exceed the existing provisions of this contract wording or held covered at a premium to be agreed.

Notwithstanding the above and irrespective of the Letter of Credit requirements the interest of the Assured named herein shall always be protected hereunder against all the risks covered by this contract wording

### **OVERCARRIED CLAUSE**

Should any Interest Insured be overcarried this Policy extends to cover such Interest until returned to the port of destination or carried to the final destination as originally intended.

### **PACKER'S CLAUSE**

Where required the Interest Insured shall be covered from the time of leaving the Assured(s) or supplier's warehouse en route to the packer's warehouse and whilst there, for a period of not exceeding one (1) month prior to the shipment, or held covered at rates to be agreed.

### **PREMIUM CLAUSE**

It is a Condition of this Policy that the Assured(s) is bound to declare hereunder the total value of all consignments without exception, the Underwriter(s) being bound to accept same up to, but not exceeding, the Limit of Liability specified in the Placing Schedule.

In the case of an annual declaration policy, the Assured(s) is required, as soon as possible after the expiry of the Period of Insurance, to declare the total value of consignments made during the said Period of Insurance together with an estimated value of consignments for the next Period of Insurance.

The premium is a deposit only calculated by applying the agreed rate to the estimated sendings during the Period of Insurance and adjustable on completion of each Period of Insurance by applying the agreed rate to the actual sendings, subject always to a minimum premium as agreed in the Placing Schedule.

### **RECONSIGNED OR RESHIPPED GOODS TO APPLY TO IMPORTS ONLY**

Subject to the terms and Conditions of this Policy where the Interest Insured has been insured to a named port and reconsigned or reshipped direct from the wharf to other ports the insurance continues until final destination without payment of extra premium and without prior notification.

### **REPACKING EXPENSES CLAUSE**

This Policy extends to include the cost and expenses of repacking, rebaling, rebagging, recartoning or reconditioning (including sterilisation or similar hygienic process) where the need for such is occasioned by an insured peril and whether or not the Interest Insured has sustained damage.

### **RESECURING GOODS**

This Policy covers, in the event of an insured peril, all reasonable costs and expenses necessarily incurred in resecuring Goods, subject to a maximum liability of \$50,000.00.

### **SANCTION LIMITATIONS & EXCLUSION CLAUSE**

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

### **SECOND HAND MACHINERY AND PLANT**

In the event of loss or damage covered by this Insurance, the Underwriter(s) shall pay the cost of the reinstatement of the damaged property. Reinstatement shall mean:

- (a). Where property is lost or destroyed the replacement thereof by similar property in a condition equal to, but not better or more extensive than, its condition at the time of loss.
- (b). Where property is damaged, the repair of the damage and the restoration of the damaged portion of the property to a condition substantially the same as, but not better or more extensive than, its condition at the time of loss.

### **SELLERS CONTINGENCY CLAUSE**

This Policy is extended to include the interest of the Assured(s) as sellers subject to the same Conditions of insurance as would have been applied had the sale been effected on C.I.F. terms, if one or more of the following contingencies occur:

- (a). the buyer fails or refuses to accept the shipping documents;
- (b). the buyer fails or refuses to accept the goods;
- (c). the Assured(s) exercises a lien on the goods, or interrupts their transit or suspends the sale contract whilst the Interest Insured is in transit, when this is reasonable to safeguard their interest;
- (d). the buyer refuses to pay for the goods on the grounds that they have been lost or damaged prior to completion of sale formalities and total payment for the goods has not been received.

This cover terminates as soon as the Assured(s) receives payment in accordance with the terms of the contract of sale which, for the purpose of this insurance, is deemed to form part of this agreement.

The Assured(s) must use all reasonable and usual care, skill and forethought and take all practical measures, including measures which may be required by the Underwriter(s) to prevent or minimise loss, and to enforce the contract of sale.

All rights and benefits against the buyer and/or buyer's insurers and/or carrier(s) and/or other persons are to be subrogated to the Underwriter(s).

The Assured(s) must advise the Underwriter(s) as soon as is reasonably practicable of the occurrence of any of the above contingencies.

Delay and/or deviation as a direct result of any of the above contingencies are held covered at an additional premium to be agreed. This overrides any term, Conditions or Clause to the contrary in this Policy or in the Institute Clauses incorporated herein by reference.

This insurance and any money payable under it are not assignable without the consent in writing of the Underwriter(s).

Claims in respect of loss or damage to the Interest Insured shall be payable hereunder only if and to the extent that the buyer fails to pay for such loss or damaged goods.

It is a Condition of this Clause that the existence of this contingency insurance will not be revealed to the buyer or to any other party interested in the consignment.

Warranted this insurance not to be deemed a double insurance.

#### **SHIPMENTS IN SEALED CONTAINERS**

In respect of shipments in FCL containers, provided documentary evidence is produced to substantiate the quantity loaded into a container, the fact that the container's seal is intact at unloading point shall not invalidate claims of theft, pilferage, shortage and/or nondelivery.

#### **SHUT-OUT CLAUSE**

In the event of the Interest Insured being "shut-out" from the vessel declared, this Policy extends to cover the Interest Insured whilst waiting on the wharf, quay or pier or transfer to and whilst at another wharf, quay or pier and by such forwarding vessel subject to cover conditions and to the Assured(s) notifying the Underwriter(s) as soon as they become aware of such event.

#### **TRANSHIPMENT**

Transshipment is covered wherever incurred at no additional premium.



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