

**Important Claims Notice**

**Examine your cargo promptly after delivery from Carrier.**

When cargo is received from the carrier in short or damaged condition at destination it is necessary for you to take the following action:-

1. Immediately file general notice of claim against the carriers by either endorsing the delivery receipt or by letter.
2. As soon as a complete examination of the goods has been made, notify the carriers in writing of the actual items lost or damaged, specifying values, etc.

Filing claim against the carrier will protect what rights you may have under the Bill of Lading and will not affect your rights under your insurance policy.

**Suggestions to facilitate handling of claims against Underwriters**

**A. Claims for Loss or Damage:-**

1. Notify the Insurer or nearest agent at once, or if there be no agent of the Insurer in the vicinity, the Institute of London Underwriters' Agent or Lloyd's Agent, and supply the following documents:-
2. Statement of Claim in detail;
3. Original bill of lading if available; otherwise a copy;
4. Original commercial invoice; or certified copy thereof, if original not available;
5. Paid expense bills;
6. Full set of insurance policies or certificates if issued;
7. Copy of claim against carrier and copy of their reply.

**B. Claim for General Average:-**

1. Before signing any average bond or agreement communicate with the Insurer or its nearest agent, or if there be no agent of the Insurer in the vicinity, the Institute of London Underwriters' Agent or Lloyd's Agent.
2. Do not make any cash deposit, but call upon the Insurer to furnish the usual guarantee. However, if the Insurer has no representative at point of delivery it may save time to pay a cash deposit and apply promptly to the Insurer for refund.
3. Supply certified copies of commercial invoices in duplicate.

**Policy Conditions****1. Method of Transport - Vessels and Conveyances**

Shipped or to be shipped by:-

- a. Vessel or connecting conveyance;
- b. Railway car and/or truck and/or common carrier and/or courier;
- c. Parcel Post;
- d. Air Freight.

**2. Accumulation Clause**

Should there be an accumulation of interest beyond the limits expressed in this policy by reason of any interruption of transit and/or occurrence beyond the control of the Insured or by reason of any casualty and/or at a transshipping port and/or on a connecting vessel or conveyance, this policy shall attach for the full amount at risk (but in no event for more than twice the policy limit) provided written notice be given to the Insurer as soon as known to the Insured.

**3. Perils Clause**

Touching the adventures and perils which the said Insurer is content to bear, and to take upon them in this voyage; they are of the seas, men-of-war, fire, enemies, pirates, rovers, thieves, jettisons, letters of mart and counter mart, surprisals, takings at sea, arrests, restraints, and detainments of all kings, princes and people, of what nation, condition, or quality soever, barratry of the master and mariners, and of all other perils, losses and misfortunes, that have or shall come to the hurt, detriment, or damage of the said goods and merchandise, or any part thereof, except as may be otherwise provided for herein or endorsed hereon.

**4. Sue and Labour Clause**

In case of any loss or misfortune, it shall be lawful for the Insured, his or their factors, servants or assigns, to sue, labour, and travel for, in and about the defence, safeguard, and recovery of the said goods or merchandise, or any part thereof, without prejudice to this insurance, to the charges whereof the said Insurer will contribute according to the rate and quantity of the sum herein insured; and it is expressly declared and agreed that no acts of the Insurer or Insured in recovering, saving, or preserving the property insured shall be considered as a waiver or acceptance of abandonment.

**5. Explosion Clause**

The risks covered by this Policy are to include loss, damage or expense resulting from explosion, howsoever or wheresoever occurring, irrespective of percentage, whether the insurance be Free from Particular Average or otherwise; but it is especially understood and agreed that this wording is not intended to cover any of the risks excluded by the terms of the Free of Capture & Seizure and Strikes, Riots and Civil Commotions Clauses unless noted otherwise.

**6. Inchmaree, Negligence, Navigation, Managements etc**

This insurance also covers any loss, or damage to, the interests insured hereunder, caused by accidents in loading, discharging, or handling of cargo, or in bunkering, or in taking in fuel, or caused through the bursting and/or breakage and/or loose connections of boilers, pipes or shafts, or through any latent defect in the machinery, hull, or appurtenances, or from faults or errors in the navigation or management of the vessel, craft or cargo for which the vessel, her owners, agents or charterers is or are relieved of responsibility; also including all risks of negligence, default or error in the judgment of or by the masters, mariners, mates, engineers, pilot, crew or stevedores, or other persons employed by the shipowners, or for whose acts he is responsible.

**7. Shore Risks**

This policy covers whilst on any land conveyances and/or docks and/or wharves and/or elsewhere on shore, against loss or damage caused by fire, lightning, windstorm, hail, explosion, earthquake, landslide, theft, strike, riot, civil commotion, malicious acts, flood, rising waters, smoke, impact by vehicle or aircraft, sprinkler leakage, water escape, collision, upset, derailment or other accident to the land conveyance, collapse and/or subsidence of docks and/or wharves and/or bridges and/or viaducts and/or similar structures, even though these risks may be uninsured under the marine transit clause. Should the marine transit clause provide wider cover then such cover shall apply.

**8. Fumigation**

In the event of any vessel, conveyance, wharf, warehouse or premises being fumigated by order of a properly constituted authority, Insurer agree to indemnify the Insured for any damage resultant therefrom to the goods hereby insured. The Insured hereby agrees to subrogate to the Insurer any recourse that they may have for recovery of such damage from others.

**9. Labels and Cartons**

In case of damage from perils insured against affecting labels and/or cartons only, loss to be limited to an amount sufficient to pay the cost of reconditioning, cost of new labels and/or similar cartons and relabelling and/or repacking of goods, provided the damage will have amounted to a claim under the terms of this policy. It is further agreed that no claim will be admitted for depreciation or loss of value due to the product not being sold in its original label and/or cartons or packagings.

**10. Trademarks Clause**

In case of damage to property bearing a brand the sale of which in any way carries or implies a guarantee, the salvage value of such damaged property shall be determined after removal of all brands and trademarks. On containers from which the brand or trademark cannot be removed, contents shall be transferred to plain bulk containers. With respect to any merchandise from which it is impractical to remove or destroy all evidence of the brands and/or trademarks, this Insurer agrees to consult with the Insured with respect to the disposition of said goods. In the event no agreement is reached then for the purpose of adjusting the claim in question the following rules to apply in order to determine the salvage value:

- a. Affected merchandise and/or containers to be offered to salvors for bids as is where is.
- b. From the highest bid obtained a deduction of 10% to be taken into account in order to satisfy the provisions of this "Brand Clause".
- c. The Insured to retain the affected merchandise.

**11. Special Lighterage**

Cargo held on lighters and/or craft for a period in excess of the customary time to load or discharge is held covered subject to additional premium.

**12. Debris Removal Clause**

It is understood and agreed that this Policy covers the cost of removal of cargo from a wreck or which may be lost overboard whether or not the carrying vessel or barge may have been lost herself, also the cost of demolition and removal of debris of the property insured hereunder, after loss or damage resulting from a peril insured against. However, the total liability under this clause shall not exceed ten percent (10%) of the insured value of the involved cargo.

**13. Deliberate Damage and Civil Authority Clause**

Subject to the terms and conditions of this Policy this insurance also covers loss of or damage to the interests insured hereunder directly caused by governmental or civil authorities acting for the public welfare to prevent or mitigate a pollution hazard or other civilian disaster or threat thereof.

**14. Refused or Returned Shipments**

This insurance is to cover all refused or returned shipments originally covered under this policy, subject to prompt notification by the Insured and subject to the Institute Cargo Clauses (C) insuring conditions and at rates to be agreed.

**15. On Deck Cargo**

On Deck shipments are insured in accordance with the "Institute Cargo Clauses (C)" unless otherwise provided for herein. Notwithstanding the foregoing, merchandise and/or goods shipped On Deck under an "Under Deck Bill of Lading" without the knowledge and consent of the shipper shall be treated as "Under Deck" cargo and insured as such.

**16. Containers on Deck**

Notwithstanding anything contained herein to the contrary, it is understood and agreed that goods and/or merchandise in containers and/or vans and/or lighters, whether stowed on or under deck, are subject to under deck insuring conditions and limits. Furthermore, coverage under this clause shall include loss of or damage to goods and/or merchandise caused by jettison and/or washing overboard. Merchandise shipped in "Containers" under an "Optional Bill of Lading" (Ocean Carrier's Option to stow a Container on deck or under deck) shall be treated as "Under Deck" cargo.

**17. South America Clause**

The following clause shall apply in respect of shipments to South America:

"Notwithstanding anything contained elsewhere to the contrary, the insurance provided hereunder shall continue to cover for sixty (60) days (ninety (90) days on shipments via the Magdalena River) after completion of discharge of the overseas vessel at port of destination or until goods are delivered to the final warehouse at destination whichever may first occur, and shall then terminate.

The time limit referred to above to be reckoned from Midnight of the day on which the discharge of the overseas vessel is completed."

Should the above be more restrictive than other conditions contained in this policy wording, it is agreed that the South America Clause shall automatically become void.

**18. General Average and/or Salvage Charges**

In all cases of General Average and/or Salvage Expenses where the contributory value as stated in the adjustments, exceeds the declared value, the liability of the Insurer shall be limited to the proportion which the amount insured bears to said contributory value.

**19. Unauthorized Assignment & Impairment of Subrogation Recovery**

It is a warranty of this policy that the assignment of this policy or of any insurable interest therein or the subrogation of any right thereunder to any party, without the consent of this Insurer shall render the insurance void.

**20. Suit or Action for Recovery**

There shall be no suit or action against this Insurer for the recovery of any claim by virtue of this policy being sustained in any Court of Law or Equity unless commenced within one year from the time the loss occurred.

**21. Permission to Sign and Countersign Certificates (where applicable)**

Permission is hereby granted the Insured to issue and countersign Certificates of Insurance when supplied by the Insurer in respect to merchandise covered under this Policy, the Insured warranting that said Certificates when issued will be in accordance with the terms and conditions of this Policy. In the event of cancellation of this Policy, the Insured agrees to return immediately all unused Certificates.

**22. Institute Dangerous Drugs Clause**

It is understood and agreed that no claim under this policy will be paid in respect of drugs to which the various International Conventions relating to Opium and other dangerous drugs apply unless:

- a. the drugs shall be expressly declared as such in the policy (by the Insured giving immediate notice of such shipments to the Underwriter) and the name of the country to which they are consigned shall be specifically stated in the policy, and
- b. the proof of loss is accompanied either by a license, certificate or authorization issued by the Government of the country to which the drugs are consigned showing that the importation of the consignment into the country has been approved by that Government of the country from which the drugs are consigned showing that the export of the consignment to the destination stated has been approved by the Government, and
- c. the route by which the drugs were conveyed was usual and customary.

**23. Illicit Trade**

Warranted free from any charge, damage or loss, which may arise in consequence of a seizure or detention, for an account of any illicit or prohibited trade, or any trade in articles, contraband of war, or the violation of any port regulation.

**24. Reporting Clause**

It is warranted by the Insured to declare to the Agent/Broker named herein all shipments coming within the terms and conditions of this Policy, on the date of receiving advice thereof, or as soon thereafter as may be practicable, and to pay the premiums thereon; wilful failure to so declare or to pay premiums when due shall (at the option of the Insurer) render this Policy null and void as and from the date of such failure. If there have been no shipments during a month, the Insured should submit a memorandum stating "NIL SHIPMENTS" for the month.

**25. Payment of Premium Clause**

The Insurer is entitled to premiums, at agreed rates, on all shipments reported or not. All premiums are to be paid monthly, unless otherwise agreed.

**26. Inspection of Records Clause**

The Insurer shall have the privilege of inspecting at any time the records of the Insured concerning shipments coming within the terms of this Policy.

**27. Cancellation Clause**

This policy may be cancelled at any time by either party having given the other 30 days' notice in writing, but such cancellation shall not prejudice any risk or risks which shall have attached at the time said cancellation becomes effective.

**28. Errors and Omissions Clause**

The Insured hereunder is not to be prejudiced by any unintentional or inadvertent omission, error, incorrect valuation or incorrect description of the interest, risk, vessel or voyage, provided notice is given to the Insurer as soon as practicable on discovery of any such error or omission.

**29. Institute Malicious Damage Clause**

In consideration of an additional premium, it is hereby agreed that the exclusion "deliberate damage to or deliberate destruction of the subject matter insured or any part thereof by the wrongful act of any person or persons" is deemed to be deleted and further that this insurance covers loss of or damage to the subject matter insured caused by malicious acts, vandalism or sabotage, subject always to the other exclusions contained in this insurance.

**30. Pair and Set**

It is hereby declared and agreed that where any item consists of articles in a pair or set the Insurer will not be liable for more than the value of any particular part or parts which may be lost, without reference to any special value which such article or articles may have as part of such pair or set, and in no case to be liable for more than a proportionate part of the insured value of such pair or set.

**31. Full Value Clause**

If the property covered by this insurance shall at the time of any loss or damage be of greater value than the sum insured hereby the Insured shall only be entitled to receive hereunder such proportion of the said loss or damage as the sum insured by the policy bears to the total value of the said property.

**32. Right of First Refusal**

In the event of damage to goods and/or merchandise covered under this policy and said goods and/or merchandise is to be sold as salvage the Insured shall have the right of first acceptance of the damaged merchandise providing that their offer is fair and reasonable in the opinion of this company.

**33. Delayed Opening (Concealed Damage)**

In the event of a delay (not exceeding 30 days from delivery to final warehouse or place of storage) in opening cases and/or packages, any concealed loss or damage discovered at the time of opening shall be considered as transit damages unless proof to the contrary can be established. However, it is agreed that this clause shall in no way waive the obligations to report claims promptly to the Insurer or their agents, nor shall this clause extend the period of coverage granted by the terms and conditions of the policy.

**34. Other Insurance Clause**

If any property included herein shall at the time of any loss or damage be also covered by any other insurance, this Contract shall not insure the same except only as regards any excess of value beyond the amount of any other insurance.

**35. Institute Replacement Clause**

In the event of loss of or damage to any part or parts of an insured machine caused by a peril covered by the Policy the sum recoverable shall not exceed the cost of replacement or repair of such part or parts plus charges for forwarding and refitting, if incurred, but excluding duty unless the full duty is included in the amount insured, in which case loss, if any, sustained by payment of additional duty shall also be recoverable. Provided always that in no case shall the liability of Underwriters exceed the insured value of the complete machine.

**36. Secondhand Replacement Clause**

In the event of claim for loss or damage to any part of the Insured interest in consequence of a peril covered by the policy, the amount recoverable hereunder shall not exceed such proportion of the cost of replacement of the parts lost or damaged as the insured value bears to the value of new machinery plus additional charges for forwarding and refitting the new part or parts if incurred.

**37. Canadian Law and Usage**

This insurance is understood and agreed to be subject to Canadian Law and Usage as to Liability for and settlement of any and all claims.

**War and Strikes Cancellation Clauses****War Cancellation Clause (Cargo) and/or (Air and Post)**

The inclusion in this contract of insurance against War Risks may be cancelled by either the Underwriters or the Insured giving 48 hours notice.

Such cancellation shall become effective on the expiry of 48 hours from midnight of the day on which notice of the cancellation is issued by or to Underwriters, but shall not apply to:-

- a. Any insurance against the said risks which shall have attached in accordance with the conditions of the Institute War Clauses before the cancellation becomes effective.
- b. Any declaration of goods for shipment by a named vessel or of specified goods to be shipped by a vessel to be named later accepted by Underwriters before the time at which the cancellation becomes effective, such goods not having been loaded on board the overseas vessel before that time, provided the goods be loaded on board the overseas vessel and the vessel sails within 15 days from midnight of the day on which the cancellation becomes effective, but if the insurance shall have attached and the vessel does not sail within the said 15 days the insurance shall end on the expiry of that period notwithstanding anything to the contrary contained in the provisions of this contract of insurance.

Nothing in this clause shall operate to cause a declaration to attach to this contract if such declaration would be excluded owing to the vessel not having sailed within the period stated in the contract.

The inclusion in this contract of cover against War Risks may be cancelled by either the Insurer or the Insured except in respect of any insurance against the said risks which shall have attached in accordance with the cover granted in the Institute War Clauses before the cancellation becomes effective. Such cancellation shall, however, only become effective on the expiration of 48 hours from midnight of the day on which notice of the cancellation is issued by or to the Insurer.

**Institute Strikes, Cancellation Clause**

The inclusion in this contract of cover against Strike Risks may be cancelled by either the Insurer or the Insured except in respect of any insurance against the said risks which shall have attached in accordance with the cover granted in the Institute Strikes Clauses before the cancellation becomes effective. Such cancellation shall, however, only become effective on the expiration of 48 hours from midnight of the day on which notice of the cancellation is issued by or to the Insurer.

**Insolvency Exclusion**

It is hereby agreed that the exclusion "loss, damage or expense arising from insolvency or financial default of the Owners, Managers, Charterers or Operators of the vessel" is amended to read as follows:

In no case shall this insurance cover loss, damage or expense arising from insolvency or financial default of the Owners, Managers, Charterers or Operators of the vessel where the Assured are unable to show that, prior to the loading of the subject matter insured on board the vessel, all reasonable practicable and prudent measures were taken by the Assured, their servants and agents, to establish the financial reliability of the party in default.