**OPEN CARGO POLICY**

**GENERAL PROVISIONS**

**ASSURED**

1. The OCEANIC INSURANCE COMPANY, hereinafter referred to as this Company, in consideration of premium at the rate or rates hereinafter stated, does insure

**«Quote.NamedInsured»**

(hereinafter called the Assured)

2. For account of whom it may concern.

**LOSS PAYABLE**

3. Loss, if any payable to ASSURED OR ORDER.

**GOODS INSURED**

4. Upon all shipments of lawful goods and/or merchandise, consisting principally of **AS PER DECLARATION PAGE**

**INTEREST**

5. This insurance to cover all shipments by or to the Assured for their account as Principals or as Agents for others, or for account for others orders to insure, provide such orders are given in writing prior to the attachment of risk hereunder and prior to any known loss or damage; excluding, unless otherwise provided herein, shipments sold under instructions not to insure and shipments purchased by the Assured on C.I.F. or on other terms including insurance.

**VALUATION**

6. Valued at

A. Invoice value (premium included), including all charges in the invoice and including prepaid and/or guaranteed and/or advance freight, if any, plus 10% or,

B. Amount declared prior to arrival of vessel at destination and prior to known or reported loss, but in no event less than as provided in clause 6.A. above.

**ATTACHMENT DATE**

7. This insurance is to apply to all shipments made on or after AS PER DECLARATION PAGE

**GEOGRAPHICAL LIMITS**

8. To be insured at and from **PORTS AND/OR PLACES WORLDWIDE BUT EXCLUDING SHIPMENTS TO/FROM LAOS, NORTH KOREA, KAMPUCHEA AND CUBA, IRAN, IRAQ, NIGERIA, AND AFGHANISTAN**.

**CONVEYANCES**

9. Attaching on:

A. Shipments by iron or steel vessels propelled solely by mechanical power and connecting conveyances.

B. Shipments by aircraft and connecting conveyances, mail and parcel post.

C. Shipments by metal barges and connecting conveyances.

**CRAFT, ETC.**

10. Including transit by craft and/or lighter to and from the vessel. Each craft and/or lighter to be deemed a separate insurance. The Assured are not to be prejudiced by any agreement exempting lightermen from liability.

**LIMITS OF LIABILITY**

11. This Company is not to be liable under this policy for more than

| | |
|---|---|
| A. $ AS PER DECLARATION PAGE | any one vessel or connecting conveyance |
| B. $ AS PER DECLARATION PAGE | any one aircraft or connecting conveyance |
| C. $ AS PER DECLARATION PAGE | any one metal barge or any one tow (other than as a connecting conveyance) |
| D. $ AS PER DECLARATION PAGE | any one parcel post or mail package |
| E. $ AS PER DECLARATION PAGE | any one place at any one time. |

**ACCUMULATION**

12. Should there be an accumulation of interests beyond the limits expressed in this policy by reason of any interruption of transit, or by reason of any casualty or other occurrence, or at a transshipping point, or on a connecting steamer or conveyance, this Company shall hold covered such excess interest and shall be liable for the full amount at risk (but in no event to exceed twice the policy limit) provided said accumulation is beyond the control of the Assured and provided notice by given to this Company as soon as known to the Assured.

SAMPLE

**FULL VALUE REPORTING**

13. If the total value at risk exceeds the limit of liability provided by this policy, the Assured shall nevertheless report to this Company the full amount at risk and shall pay full premium thereon. The acceptance by this Company of such reports and premium shall not alter or increase the limits of this company's liability, but this Company shall be liable for the full amount of loss up to but not exceeding the applicable limit of liability.

**REFUSED SHIPMENTS**

14. Provided reported to this Company with all reasonable promptness, this policy shall cover goods refused by consignees or which remain at the risk of the Assured beyond the normal course of transit until disposed of by the Assured by return to the port of shipment or otherwise at an additional premium to be agreed. In no event shall this insurance cover after delivery of the goods to the consignee nor shall it inure to the benefit of the consignee.

**TITLES & PARAGRAPHS**

15. The titles of paragraphs in this Policy including endorsement and supplementary contracts, if any, now or hereafter attached to this Policy are included solely for the convenience of reference and should not be deemed in any way to limit, alter or affect the provisions to which they relate.

**ENGLISH LAW & USAGE**

16. This insurance is understood and agreed to be subject to English Law and Usage, as to liability for and settlement of any and all claims.

## INSURING CLAUSES

**PERILS**

17. Touching the adventures and perils which this Company is content to bear and take upon itself, they are of the Seas, Fires, Pirates, Rovers, Assailing Thieves, Jettisons, Barratry of the Master and Mariners, and all other like 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.

**SHORE PERILS**

18. Shipments while in transit or otherwise on land are insured against loss and/or damage, irrespective of percentage, caused by, or reasonably attributed to fire, smoke, lightning, earthquake, volcanic action, typhoon, hurricane, cyclone, windstorm, landslide, flood, rising waters, sprinkler leakage, collision, upset, overturn, derailment or other accident to the land conveyance, aircraft damage, falling objects, vehicular damage, collapse and/or subsidence of docks, bridges, culverts and/or other structures, whether the insurance be Free of Particular Average or otherwise; notwithstanding the foregoing, shipments insured while waterborne by broader than FPA conditions are insured while in transit or otherwise on land under the same conditions.

**EXPLOSION**

19. The risks covered by this policy include loss, damage or expense resulting from explosion howsoever or wheresoever occurring, irrespective of percentage, but it is especially understood and agreed that this wording is not intended to cover any of the risks excluded by the F.C. & S. and/or S. R. & C.C. Warranties set forth elsewhere in this policy.

**FUMIGATION**

20. In the event of the vessel, wharf, warehouse, conveyance or other cargo being fumigated by order of properly constituted authority and damage arises therefrom to the goods insured hereunder, this Company agrees to indemnify the Assured for such damage irrespective of percentage.

**INCHMAREE**

21. This insurance is also specially to cover the loss of or damage to the interest insured hereunder, through the bursting of boilers, breakage of 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 by the master, mariners, mates, engineers, and pilots.

**GENERAL AVERAGE**

22. Subject always to the applicable limit of liability, General Average and Salvage Charges are payable in full irrespective of insured and contributory values, in accordance with English laws and usage and/or as per Foreign Statement and/or as per York-Antwerp Rules (as prescribed in whole or in part) if in accordance with the Contract of Affreightment.

**DELIBERATE DAMAGE – POLLUTION HAZARD**

23. This policy covers, but only while the property insured is on board a water borne conveyance, loss of or damage to said property directly caused by governmental authorities acting for the public welfare to prevent or mitigate a pollution hazard or threat thereof, provided that the accident or occurrence creating the situation which required such government action would have resulted in a recoverable claim under the policy (subject to all of its terms, conditions and warranties) if the property insured would have sustained physical loss or damage as a direct result of such accident or occurrence.

The coverage provided hereunder shall not increase the Limits of Liability provided for in this policy.

SAMPLE

## AVERAGE CLAUSES

**VESSEL ON DECK**

24. Shipments On Deck under an On Deck Bill of Lading are:

Warranted free from particular average unless directly resulting from the vessel or craft being stranded, sunk or burnt, but notwithstanding this warranty, this Company shall pay for any loss or damage to the interest insured which may reasonably be attributed to fire, collision or contact of the vessel or craft with any external substance (ice included) other than water, or to discharge of cargo at a port of distress; also including the risks of jettison and washing overboard irrespective of percentage.

**CONTAINERS**

25. Shipments in Intermodal Containers or Lash-type lighters stowed On Deck are insured subject to the provisions of this policy applying to Under Deck shipments, provided the goods are subject to an optional Under Deck/On Deck Bill of Lading.

**VESSEL UNDER DECK**

26. Shipments Under Deck are:

Insured in accordance with the Clauses listed below and shown on or attached to the following page(s):

- AS PER DECLARATION PAGE

**Deductible: $ AS PER DECLARATION PAGE each and every loss or occurrence**

NOTE: Wherever the words “ship”, “vessel”, “seaworthiness”, “ship or vessel owner” appear in this policy, they are deemed to include also the words “aircraft”, “airworthiness”, “aircraft owner”

SAMPLE

## LOSS CLAUSES

**SUE AND LABOR**

27. In case of any loss or misfortune, it shall be lawful and necessary for the Assured, his or their factors, servants and assigns, to sue, labour, and travel for, in and about the defense, safeguard, and recovery of the interest insured, or any part thereof, without prejudice to this insurance; to the charges whereof this Company shall contribute according to the rate and quantity of the sum hereby insured; nor shall the acts of the Assured or this Company in recovering, saving, or preserving the property insured, in case of disaster, be considered as a waiver or acceptance of abandonment.

**SUBROGATION**

28. It is agreed that upon payment of any loss, the Assured shall assign and subrogate to this Company all their rights against third parties to the extent of such payments, shall permit suit to be brought in the Assured's name but at this Company's expense, and the Assured further agrees to render all reasonable assistance in the prosecution of said suit or suits. However, this Company shall not be subrogated to any rights and/or claims against either an affiliated and/or subsidiary concern of the Assured, except in general average.

**IMPAIRMENT OF RECOVERY AND RELEASED VALUE CONTRACTS OF CARRIAGE**

29. A. In case of any agreement, act or omission of the Assured, prior to subsequent to loss, whereby any right of recovery of the Assured for loss or damage to any property insured hereunder, against any Carrier or Bailee, is released, impaired or lost, which would on acceptance of abandonment or payment of loss by this Company have inured to its benefit, but for such agreement, act or omission, this Company shall pay for the loss only to the extent its right of recovery was not released, impaired or lost.

B. Notwithstanding the preceding paragraph, the Assured may accept from carriers such bills of lading, receipts or contracts of transportation containing a release or limitation of liability as to the value of the goods as are ordinarily issued by such carriers, without prejudice tot his insurance.

**MACHINERY**

30. When the property insured under this policy include a machine consisting when complete for sale or use of several parts, then in case of loss or damage covered by this insurance to any part of such machine, this Company shall be liable only for the proportion of the insured value of the part lost or damaged, or at the Assured's option, for the cost and expense, including labour and forwarding charges, of replacing or repairing the lost or damaged part, excluding loss, if any, sustained by payment o additional duty unless the full duty is included in the amount insured, but in no event shall this Company be liable for more than the insured value of the complete machine.

**LABELS**

31. In case of damage affecting labels, capsules or wrappers this Company, if liable therefore under the terms of this policy, shall not be liable for more than an amount sufficient to pay the cost of new labels, capsules or wrappers, and the cost of reconditioning the goods, but in no event shall this Company be liable fore more than the insured value of the damaged goods.

**BRAND**

32. At the option of the Assured, in case of damage to property bearing a brand or trademark, the sale of which carries or implies a guarantee of the supplier or the Assured, the salvage value of such damaged property shall be determined after the removal in the customary manner of all brands or trademarks. All reasonable expenses incidental thereto shall be part of the claim, but not exceeding, in all, the insured value of the damaged property.

**PAIRS OR SETS**

33. Where any insured item consists of articles in a pair or set, this Policy is not to pay more than the value of any particular part or parts which may be lost, without reference to any special value which such articles or article may have as part such pair or set; nor more than a proportionate part of the insured value of the pair or set.

**CONSTRUCTIVE TOTAL LOSS**

34. Not recovery for a Constructive Total Loss shall be had hereunder unless the property insured is reasonably abandoned on account of its actual total loss appearing to be unavoidable, or because it cannot be preserved from actual total loss without an expenditure which would exceed its value if the expenditure had been incurred.

**PARTIAL LOSS**

35. In case of partial loss by perils insured against, the proportionof loss shall be determined by a separation of the damaged portion of the insured property from the sound and by an agreed estimate (by survey) of the percentage of damage of such portion; or if such agreement is not practicable, then by public sale of such damaged portion for the account of the owner of the property, and by comparison of the amount so realized with the sound market value.

**TIME FOR SUIT**

36. No suit, action or proceeding for the recovery of any claim under this policy shall be sustainable in any court of law or equity unless commenced within one (1) year from the time loss occurred. Provided, however, that if by the laws of the place where this policy is issued, such limitation is invalid, then any such claim shall be void unless such suit, action or proceedings be commenced within the shortest limit of time permitted by the laws of such place.

SAMPLE

**DEBRIS REMOVAL** 37. This policy also covers expenses incurred for the removal of all debris of the property covered hereunder which may be occasioned by loss caused by any of the perils insured against except this Company shall not be liable under this policy and this clause for more than the limits of liability provided elsewhere herein.

In consideration of an additional premium included in the marine rate, it is further agreed that in the event of a total or constructive total loss equal to the limits of liability provided elsewhere herein, this Company shall be liable under this clause for an additional amount not exceeding 10%.

Nothing contained herein shall be construed to cover any cleanup expenses for which this Assured may be liable under any pollution statute.

## SCHEDULE OF RATES

**RATES** 38. Per approved motor vessels in accordance with the terms and conditions of Clause 39. Institute Classification Clause.

RATES

AS PER DECLARATION PAGE

WAR AND STRIKES RATES : AS PER DECLARATION PAGE

**Minimum and Retained Deposit Premium: AS PER DECLARATION PAGE**

**Reporting:** The Insured agrees to report to the Insurance Company the actual values shipped on a **monthly basis** and the premium shall be adjusted at the current rates as set out under this policy. If the earned premium exceeds the deposit, then an additional premium shall be due and payable.

All Other interest and/or voyages, at rates and conditions to be agreed, prior to attachment

SAMPLE

39.

SAMPLE

## CANCELLATION – WAR & STRIKES

40. The inclusion in this contract of insurance against WAR risks, as defined in Clause No. 1 of the Institute War Clauses, may be cancelled by either this Company or the Assured 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 this Company, 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 this Company before the time at which the cancellation becomes effective, such goods not having been 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 tot his 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 insurance against STRIKES etc. risks, as defined in Clause Nos. 1 and 2 of the Institute Strikes Clauses (Cargo) or Institute Strikes Clauses (Air), if applicable, may be cancelled by either this Company or the Assured 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 this Company, but shall not apply to any insurance against the said risks which shall have attached before the cancellation becomes effective.

## REPORTS, PREMIUMS & CALCULATIONS

**DECLARATIONS**

41. It is warranted by the Assured to declare to their insurance broker or agent, for transmission to this company, 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; willful failure to so declare or to pay premiums when due shall (at the option of this company) render this policy null and void as and from the date of such failure.

**PAYMENT OF PREMIUM**

42. The Company is entitled to premiums at agreed rates, on all shipments report or not. All premiums are to be paid monthly.

**RETURN PREMIUM**

43. It is agreed that there shall be no return of premium if the interest insured be lost by perils not insured against hereunder.

**CANCELLATION**

44. This policy to be deemed continuous and to cover as herein provided unless cancelled by either party giving the other party thirty (30) days notice in writing. Further, this Company may effect immediate cancellation by giving written notice thereof at any time when any premiums have been due and unpaid for a period of thirty (30) days. In either case, such cancellation shall not affect any shipment on which this insurance has attached prior to date of cancellation.

**INSPECTION OF RECORDS**

45. This Company or its duly appointed representative shall be permitted at any time during business hours during the term of this policy, or within one year after its termination, to inspect the records of the Assured as respects interests coming within the terms of this policy.

**ERRORS AND OMISSIONS**

46. This policy shall not be prejudiced by any unintentional delay or omission in the reporting hereunder or any unintentional error in the amount or description of the interest, vessel or voyage, or if the subject matter of the insurance be shipped by any other vessel, provided notice be given this Company as soon as practicable after said facts become known to the Assured and deficiency of premium, if any, made good.

**CUSTOMS CLAUSE**

47. Notwithstanding anything contained herein to the contrary, it is hereby understood and agreed that for shipments insured against “All Risks” hereunder imported into Canada or the United States, this insurance is extended to cover physical damage caused by the action of agents of the Canadian or United States Customs Service in the course of their inspection duties.

It is necessary for the Assured to give prompt notice to this Company when they become aware of an event for which they are “Held Covered” under this policy and the right to such coverage is dependant on compliance with this obligation.

In witness whereof, this Company has caused this policy to be signed by its duly authorized officers but this policy shall not be valid unless countersigned by an authorized representative of this company.

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