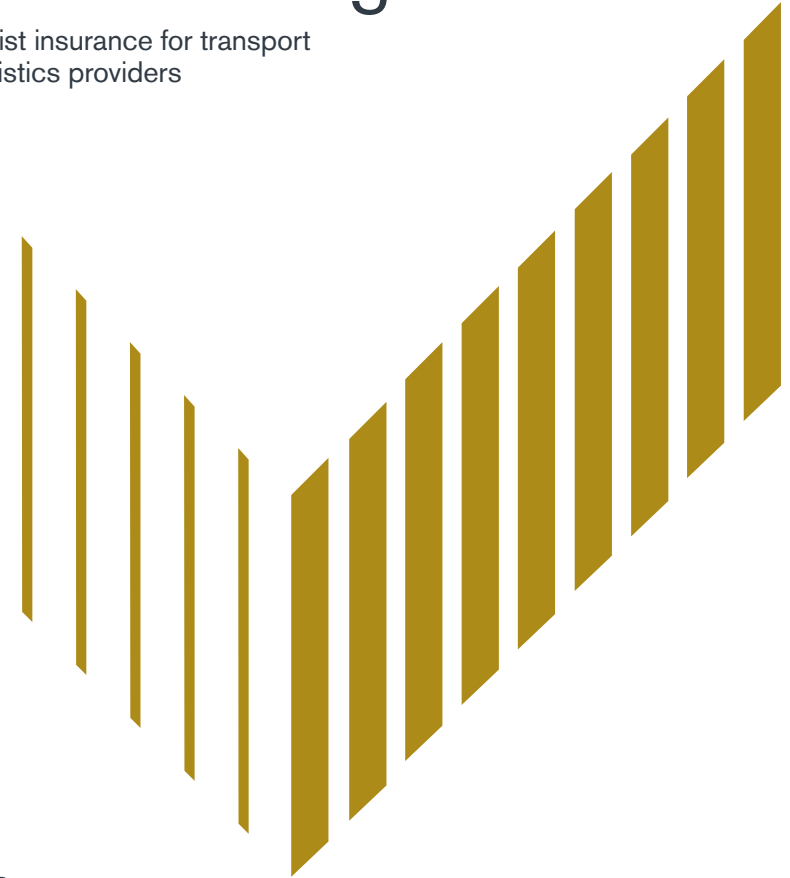


# North American Port Authorities 2020 Wordings

Specialist insurance for transport  
and logistics providers



This book contains the complete standard wordings offered by the TT Club for its North American Port Authority Members.

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# Contents

	<b>North American Port Authorities</b>	
N1	Customer Liabilities	5
N2	Errors & Omissions	5
N3	General Liabilities	6
N4	Fines & Duty	9
N5	Costs	10
	<b>Additional Risks</b>	
A1	Discretionary Insurance	15
A2	Personal Rights & Advertising	15
A3	Handling Equipment (CHF)	16
A4	Handling Equipment (LPTA/NPTA/UKP)	20
A5	Handling Equipment (TLG/SO)	23
A6	Property	26
A7	Business Interruption: Insured Damage	30
A8	Business Interruption: Berth Blockage	32
A9	Tenants & Fire Legal Liabilities	35
A10	North American Road Liabilities	35
A11	Carrying Equipment	38
A12	Medical Payments	41
A13	Business Interruption (UKP)	43
A14	Employers Liability	45
	<b>General Provisions</b>	
G1	General Exclusions	51
G2	General Terms	53
G3	Claims	65
G4	Reinsurance	66

---

<b>Additional Interests</b>		
J1	Loss Payee	71
J2	Loss Payee Joint Assured	72
J3	Contractor Joint Assured	74
J4	Supplier Joint Assured	75
J5	Customer Joint Assured	76
J6	Commercial Lessor Joint Assured	78
J7	Connected Interests	80
J8	Connected Interests Joint Assured	80
J9	Equipment Lessee Joint Assured	82
J10	Operational Joint Assured	83
J11	Affiliate Joint Assured	84
J12	North American Ports Co-Assured	85
<b>The Definitions</b>		
Y1	The Definitions	89

# North American Port Authorities



North American  
Port Authorities



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## N1 Customer Liabilities

### 1 We insure you for your liability for:

Physical loss and damage of the following, and for resulting consequential loss:

- 1.1 Cargo
- 1.2 Your customer's property (except ships)
- 1.3 Your customer's ships

### 2 We do not insure you under this clause for:

- 2.1 liabilities arising from cargo found to be missing on stocktaking, if you are unable to identify the accident which caused the loss
- 2.2 liabilities excluded at G1:2
- 2.3 your liability under 1.2 for loss/damage to your customer's equipment which you lease for use in your insured services

### Qualifications

### 3 Valuable Cargo

- 3.1 We do not insure you for liabilities in respect of bullion, precious stones or cash/securities unless your customer did not inform you that you were handling these cargoes and you could not, in the circumstances, reasonably have known that you were handling these cargoes. In this case we will apply a limit of USD 1 million each accident and in the aggregate each account year
- 3.2 A limit of USD 1 million each accident and in the aggregate each account year applies to claims in respect of:
  - a. processed tobacco/tobacco products
  - b. bottled spirits
  - c. precious jewellery/precious metal
  - d. valuable works of art
  - e. thoroughbred horses
  - e. computers/handheld electronic products/mobile telephones (and electronic components of these)

## N2 Errors & Omissions

### 1 We insure you for your liability for financial loss:

- 1.1 incurred by your customer arising from failure to perform your contractual obligations
- 1.2 arising from delay in performing your contractual obligations
- 1.3 arising from delivery of cargo contrary to your contractual obligations which is incurred by:
  - 1.3.1 your customer or
  - 1.3.2 the person entitled to delivery under a bill of lading or other contract of carriage or handling documentation

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**2 We do not insure you under this clause for liabilities:**

- 2.1 for consequential loss resulting from physical loss or damage of cargo or other property
- 2.2 which are insured at N4:1.2
- 2.3 which are an officials liability

**Qualifications**

**3 Intentional or Reckless Conduct**

The Directors may in their discretion reduce or reject a claim if you or your employee has acted (or failed to act) intentionally or recklessly. In exercising this discretion the Directors may, among other things, consider your corporate and compliance systems/procedures

**4 References to N1**

The following paragraphs of N1 also apply to this clause:

- 4.1 Stocktaking (N1:2.1)
- 4.2 Liabilities excluded at G1:2 (N1:2.2)
- 4.3 Valuable cargo (N1:3)

**5 Limit**

Limit: USD 100,000 each accident and in the aggregate each account year

## **N3 General Liabilities**

**1 We insure you for your liability:**

- 1.1 for the following, including resulting consequential loss:
  - 1.1.1 physical loss and damage of third party property
  - 1.1.2 death, injury or illness of any third party
  - 1.1.3 pollution (subject to G1:3)
- 1.2 to indemnify a third party for its liability for the following, including resulting consequential loss:
  - 1.2.1 physical loss and damage of third party property
  - 1.2.2 death, injury or illness of any third party
  - 1.2.3 pollution (subject to G1:3)
- 1.3 to indemnify:
  - 1.3.1 a shipowner in respect of a liability under the 1969/1992 Civil Liability Conventions (as amended)
  - 1.3.2 the International Oil Pollution Compensation Fund in respect of a liability under the 1992 Fund Convention (as amended)

**2 We do not insure you under this clause for liabilities:**

- 2.1 for injury to your employee (or to the spouse, child, parent or sibling of your employee) arising from and in the course of employment by you or of duties related to your business.
  - 2.1.1 This exclusion (2.1) applies to:
    - a. your liability as an employer or in any other capacity
    - b. your obligation to share damages with or repay damages to someone else



- 
- 2.1.2 This exclusion (2.1) does not apply to liabilities which you assume under an insured contract
- 2.2 arising from your obligation under a workers compensation, disability benefits, unemployment compensation or similar law
- 2.3 arising from ownership, lease or operation by you/your employee of a road vehicle which is required to be licensed
- 2.4 arising from an accident on a public road in USA/Canada or Mexico involving a trailer or chassis
- 2.5 in respect of your owned or leased carrying equipment which we do not insure for loss/ damage
- 2.6 as owner/lessee of land which is not an insured location - an insured location may be added subject to terms to be agreed, and to your giving us full details within 28 days of your first acquiring it
- 2.7 arising from erection or dismantling of handling equipment - unless for inspection, maintenance or repair (or movement which is not excluded under 2.8)
- 2.8 arising from movement of handling equipment - other than within the same terminal, port or depot
- 2.9 for physical loss or damage of your customer's property and consequential loss arising from this
- 2.10 excluded at G1:2
- 2.11 in respect of cargo
- 2.12 in respect of property which you own, rent or occupy
- 2.13 in respect of premises which you sell, give away or abandon - if the property damage arises out of any part of these premises. This exclusion (2.13) will not apply if the premises are your work and you never occupied or rented them (or held them for rental)
- 2.14 in respect of property leased to you (for example: equipment, land or buildings)
- 2.15 which are contractual liabilities to compensate someone else for physical loss or damage to your owned or leased property
- 2.16\* in respect of property loaned to you
- 2.17\* in respect of personal property in your care, custody or control
- 2.18\* in respect of that particular part of real property on which you (or contractors/subcontractors working on your behalf) are performing operations - if the property damage arises out of those operations
- 2.19\* in respect of that particular part of any property that must be restored or replaced because your work has been incorrectly performed on it
- \*these exclusions (2.16-2.19) do not apply to liability assumed under a sidetrack agreement
- 2.20 for any risk which is insured under N4

### **Qualifications**

#### **3 Contracts**

With the exception of claims under 1.2, we only insure you for liabilities assumed in a contract if:

- 3.1 you would have the liability in the absence of the contract or

- 
- 3.2 the liability is assumed in an insured contract, and then only if the accident occurs subsequent to execution of the contract. In this case legal costs incurred by a third party are covered if:
- 3.2.1 liability to the third party (or for its costs) is assumed in the same insured contract and
- 3.2.2 the costs are for the third party's defence against a civil or alternative dispute resolution for damages covered by your insurance

#### **4 Employees**

We insure:

- 4.1 an assured for liabilities directly to an employee of a joint assured and conversely
- 4.2 a joint assured for liabilities directly to an employee of the assured or another joint assured

#### **5 Limits of Liability**

- 5.1 In the event that it is held in any court or tribunal that anyone, other than the assured or a named joint assured or co-assured, is entitled to be insured under this insurance, then the limit of liability for this insurance for such a person will not exceed the lesser of the minimum insurance requirements under the applicable law and the limit stated in your policy
- 5.2 Claims under 1.3 are subject to a limit of USD 1 million each accident and in the aggregate each account year

#### **6 Transfer of Interest in Equipment under Contract of Sale**

We only insure you for liabilities in respect of equipment after your interest in it has been transferred under a contract of sale if:

- 6.1 we insured the equipment immediately before the transfer and
- 6.2 the contract of sale includes no warranty except that the equipment is as described and that the purchaser has quiet use

#### **7 Cross Liability**

We insure the assured for liabilities to a co-assured/joint assured and conversely we insure a co-assured/joint assured for liabilities to the assured or another co-assured/joint assured, as if separate policies had been issued to the assured, and each co-assured and joint assured. In no event will this paragraph (7):

- 7.1 increase any limit
- 7.2 provide cover for physical loss or damage of or defect in property insured under this clause as your work or your product
- 7.3 provide cover which is otherwise expressly excluded in your policy

#### **8 Products & Completed Operations**

We do not insure you for liabilities arising from the failure of your products or your work and arising:

- 8.1 from a mistake/deficiency in design or specification of the product or work, or in advertising materials or instructions which you prepare or develop or
- 8.2 other than from your direct negligence or

- 
- 8.3 from your services as a building contractor, engineer or architect (or supervisor of these) or your services with regard to building construction or
- 8.4 from your manufacturing of products

**9 Impaired Property & Property not physically Damaged**

- 9.1 We do not insure you for damage to impaired property or property that has not been physically damaged arising from:
- 9.1.1 a defect, deficiency or dangerous condition in your product or your work
- 9.1.2 delay or failure by you (or anyone acting on your behalf) to perform a contract
- 9.2 This exclusion does not apply to loss of use of other property arising from sudden and accidental physical damage to your product or your work after it has been put to its intended use

**10 Recall of Products, Work & Impaired Property**

- We do not insure you for liabilities arising from loss of use, withdrawal, recall, inspection, repair, replacement, adjustment or disposal of the following which is withdrawn from the market because of a known/suspected defect or dangerous condition:
- a. your product
- b. your work
- c. impaired property

**N4 Fines & Duty**

**1 We insure you for:**

- 1.1 **The following, imposed on you by an authority, as a result of breach of regulations listed at 1.3:**
- 1.1.1 Fines and other penalties, including confiscation of your insured equipment or other property
- 1.1.2 Duty and sales/excise tax and similar fiscal charges
- 1.1.3 Costs
- 1.2 Liability for financial loss incurred by a third party as a result of a liability specified at 1.1
- 1.3 **The regulations referred to at 1.1 relate to:**
- 1.3.1 import/export and carriage of cargo, conveyances or equipment
- 1.3.2 immigration
- 1.3.3 safety at work, including corporate manslaughter and corporate homicide
- 1.3.4 security/anti-terrorism
- 1.3.5 pollution
- 1.3.6 the following - to the extent that you are insured for services to which the regulations apply:
- a. navigational aids
- b. marine traffic control
- c. pilotage

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**2 We do not insure you under this clause:**

for liability/confiscation arising from:

- 2.1 breach of regulations relating to competition or regulation of companies
- 2.2 ownership, lease or operation by you/your employee of a road vehicle which is required to be licensed
- 2.3 your owned/leased carrying equipment which we do not insure for loss/damage
- 2.4 your making your customs bond/guarantee available to another person - unless this arises from:
  - 2.4.1 assistance which an operator provides to you in your insured services or
  - 2.4.2 other insured services which you provide

**Qualifications**

**3 Intentional or Reckless Conduct**

The Directors may in their discretion reduce or reject a claim if you or your employee have acted (or failed to act) intentionally or recklessly.

**4 Illegality**

If insurance for any of the matters specified at 1 above is held to be illegal, this will apply only to the matters concerned and will not affect other insurance under this clause or elsewhere in your policy

**5 Enforcement of Reimbursement**

If it is held by a court or tribunal that you have no right to enforce reimbursement of a claim under this clause, we undertake to treat the claim as if your right is enforceable unless it would be illegal for us to do so

**6 Limit**

Limit for claims under 1.3.5: USD 1 million each accident and in the aggregate each account year

**N5 Costs**

**1 We insure you for the following costs:**

**1.1 Mitigation**

Costs of minimising a claim

**1.2 Investigation & Defence**

Costs arising from investigating an accident which may give rise to a claim and protecting your interests in relation to it (including legal and survey fees) - including the costs of recovering a debt if payment is withheld solely because of a claim

**1.3 Disposal**

Costs, additional to costs which you would have incurred in any event, of disposing of cargo, insured carrying equipment or your customer's property - except a ship/aircraft (or wreck) - after an accident to it

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1.4 **Quarantine & Disinfection (including fumigation)**

Costs other than costs incurred in the normal course of business

1.5 **Wreck Removal**

Costs of removing the wreck of a ship, where during your period of insurance, one of the following circumstances arises:

1.5.1 you have a liability under a regulation or under an order of an authority or

1.5.2 the wreck is a danger to navigation or

1.5.3 the wreck has to be removed in order to avoid or reduce the risk of a claim or

1.5.4 the wreck has to be removed in order to mitigate a claim or

1.5.5 the wreck has to be removed in order to provide your insured services

1.6 **Clean Up Costs**

Clean up costs which you incur under compulsorily applicable law or by order of an authority.

**2 We do not insure you under this clause:**

2.1 for costs which are insured under N4:1.1.3

2.2 for costs under 1.5 or 1.6 which are insured under any other provision in your policy

**Qualifications**

**3 Approval/Agreement**

We only insure you if:

3.1 the Managers have agreed to the costs or

3.2 the Directors decide that the costs were properly incurred

**4 Limits**

Claims are subject to limits as below:

4.1 1.1-1.2: as for the claim being investigated/defended, or mitigated, and costs will be included in this claim for this purpose

4.2 1.3-1.4: as stated in your certificate

4.3 1.5-1.6USD 1 million each accident and in the aggregate each account year

**5 Deductibles**

Claims are subject to deductibles as below:

5.1 1.1: as for the claim being mitigated

5.2 1.2-1.6: nil



# Additional Risks





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## A1 Discretionary Insurance

### 1 We insure you as follows:

- In addition to insurance under other clauses the Directors may decide that we will reimburse you in an amount in their discretion for risks incurred:
- 1.1 incidental to insured services
  - 1.2 in case of interference by an international organisation or authority, which the Directors consider is unwarranted or requires investigation
  - 1.3 where the Directors by special direction consider this in our interests, or those of our members

## A2 Personal Rights & Advertising

### 1 We insure you for your liability for:

- 1.1 Malicious prosecution, false arrest, false detention and false imprisonment
- 1.2 Defamation
- 1.3 Wrongful entry/eviction or other invasion of rights of private occupancy
- 1.4 Advertising injury arising from an offence, committed within the period of your insurance, in the course of advertising your goods, products or services

### 2 We do not insure you under this clause for liabilities:

- 2.1 arising from wilful violation of a penal regulation - by you or with your knowledge (*or by* or with the knowledge of your executive officer)
- 2.2 to a person and relating to your direct or indirect employment of that person
- 2.3 arising from a false oral or written publication - by you or on your direction - with knowledge of its falsity
- 2.4 arising under a contract
- 2.5 for defamation under 1.2 which:
  - 2.5.1 was published before your insurance started - or a similar defamation was published before your insurance started
  - 2.5.2 concerns any organisation/business and was published by you (*or on your order or by* or on the order of your executive officer) knowing it to be false
- 2.6 under 1.2 for any risk which is covered under 1.4
- 2.7 for advertising injury under 1.4 arising from:
  - 2.7.1 breach of contract - other than misappropriation of advertising ideas under an implied contract
  - 2.7.2 failure of goods, products or services to conform with advertised quality or performance
  - 2.7.3 wrong description of the price of goods, products or services
  - 2.7.4 an offence committed by an assured or joint assured whose business is advertising, broadcasting, publishing or telecasting

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## Qualifications

### 3 Limit

Limit: USD 1 million each accident and in the aggregate each account year

## A3 Handling Equipment (CHF)

### 1 We insure you for:

- 1.1 Physical loss and damage of insured handling equipment arising from:
  - 1.1.1 an accident including mechanical/electrical breakdown or malfunction
  - 1.1.2 strikes riots & terrorist risks
- 1.2 Per diem lease charges incurred when as a result of an insured risk re-delivery to the lessor of your insured leased handling equipment is:
  - 1.2.1 prevented because the equipment is a total loss or
  - 1.2.2 delayed because you have a liability to repair the equipment

### 2 We do not insure you under this clause for:

- 2.1 physical loss or damage arising from the following, unless this also causes loss or damage to another part of the insured equipment or to other insured equipment:
  - 2.1.1 defects in design or manufacture
  - 2.1.2 wear and tear
  - 2.1.3 inherent vice or latent defect
  - 2.1.4 subsidence which is not sudden, unintended and unexpected
  - 2.1.5 computer, data processing or program error/breakdown
  - 2.1.6 mechanical/electrical breakdown or malfunction of:
    - a. communications equipment, alarm systems or external computers
    - b. equipment with market value less than USD 75,000
- 2.2 spare parts, accessories, plant, tools or materials for maintenance/repair of equipment found to be missing on stocktaking, if you are unable to identify the accident which caused the loss
- 2.3 loss/damage arising from:
  - 2.3.1 order, nationalisation, embargo, quarantine, requisition or compulsory purchase by an authority
  - 2.3.2 tests under abnormal conditions unless to comply with regulations
  - 2.3.3 overload unless:
    - a. to comply with regulations or
    - b. for inspection/testing or
    - c. it is not intentional or habitual
  - 2.3.4 any modification - unless agreed by:
    - a. the manufacturer or
    - b. an authority or
    - c. a surveyor approved by the Managers

- 
- 2.3.5 erection or dismantling of equipment - unless for inspection, maintenance or repair (or movement which is not excluded under 2.3.6)
  - 2.3.6 movement of equipment - other than within the same terminal, port or depot
  - 2.4 loss/damage of an expendable/replaceable part - unless arising from loss/damage to the equipment which is external to the part
  - 2.5 loss/damage while the equipment is:
    - 2.5.1 leased to someone else
    - 2.5.2 used with your consent by someone else
  - 2.6 war risks

### Qualifications

#### 3 Declaration

- 3.1 You may add equipment which you have not previously declared, subject to notifying us within 28 days of acquisition, and to terms to be agreed
- 3.2 You will not reduce the insured value of any equipment during your account year
- 3.3 You will give us immediate notice of any change in location/working conditions which may increase the risk of a claim. If we do not agree to the increased risk, we will not be liable for resulting claims
- 3.4 A statement of value in your certificate reflects information which you have provided and is not binding on us for the purposes of 5 below

#### 4 SR&T (Strikes Riots & Terrorist) Risks

- 4.1 We do not insure you for SR&T risks arising from war - including civil war, revolution, rebellion, insurrection and hostile act by/against a belligerent power
- 4.2 The Managers may at any time decide that we will not insure you for SR&T risks either entirely or in respect of your equipment which is in any country, territory or area (whether of land or sea). The Managers will notify you by Circular as at G2:41 of this decision, which will take effect at 2400 GMT on the seventh day after notice is given
- 4.3 Insurance for SR&T risks will automatically terminate on:
  - 4.3.1 detonation of a nuclear weapon (*anywhere* - whether your equipment is involved or not)
  - 4.3.2 war (declared or not) between permanent members of the UN Security Council

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## 5 Reimbursement

We will in no case pay more than the insured value of the equipment lost or damaged. Subject to this, we will pay as follows:

### 5.1 *Damage*

5.1.1 We will, in our discretion, pay the cost of repair of the equipment or the indemnity value of the damaged part

5.1.2 We will, in our discretion, pay reasonable costs of your own materials and labour not exceeding the market cost

5.1.3 We will deduct the value of any part that you can use again

5.1.4 We will not pay for temporary repairs, or for damage arising from use of equipment in a state of temporary repair, unless we have approved the temporary repair in advance

5.1.5 You may commence permanent repairs immediately after notifying the Managers – provided you keep any damaged part for our inspection

### 5.2 *Actual Total Loss*

We will pay the insured value

### 5.3 *Constructive Total Loss (CTL)*

If the reasonable costs of repair of damage sustained in one accident are estimated to exceed the insured value, we will pay the insured value as a CTL, less any salvage value

### 5.4 *Leased Equipment*

We will pay the value of the item which you are liable to pay under a lease, not exceeding the insured value

## 6 Average

If the market value of an item of equipment at the time of an accident is greater than the insured value, we will reduce reimbursement, calculated as at 5 above, by the percentage by which the insured value of the item is less than the market value. This paragraph (6):

6.1 applies only if the insured value is less than 80% of the market value of the item

6.2 applies separately to each item of equipment

6.3 does not apply to freight charges and labour costs

6.4 does not apply if the insured value is an agreed value

6.5 does not require us to pay more than the insured value for any item of equipment

## 7 Storm Earthquake Flood SR&T

An extended definition of *accident*, stated at G2:40, applies to storm, earthquake, flood and strikes riots & terrorist risks

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## **8 Debris Removal Costs**

- 8.1 We insure you for the following costs in respect of insured equipment damaged as specified at 1 above:
- 8.1.1 debris removal from the site of the equipment, or immediately adjacent to it
  - 8.1.2 dismantling/demolishing the equipment
  - 8.1.3 shoring/propping up the equipment
  - 8.1.4 clearing drains/sewers
- 8.2 We do not insure you under this paragraph 8 for costs arising from pollution/contamination
- 8.3 We do not insure you under any other provision in your policy for costs specified at 8.1
- 8.4 Costs specified at 8.1 are in excess of the insured value of the equipment concerned (subject to G2:29.3)
- 8.5 We only insure you for costs specified at 8.1 if:
- 8.5.1 the Managers have agreed to the costs or
  - 8.5.2 the Directors decide that the costs were properly incurred

## **9 Limit (Per Diem Lease Charges)**

The maximum of charges which you incur for 30 days from and including the original redelivery date

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## A4 Handling Equipment (LPTA/NPTA/UKP)

### 1 We insure you for:

- 1.1 Physical loss and damage of insured handling equipment arising from:
  - 1.1.1 an accident including mechanical/electrical breakdown or malfunction
  - 1.1.2 strikes riots & terrorist risks
- 1.2 Per diem lease charges incurred when as a result of an insured risk re-delivery to the lessor of your insured leased equipment is:
  - 1.2.1 prevented because the equipment is a total loss or
  - 1.2.2 delayed because you have a liability to repair the equipment

### 2 We do not insure you under this clause for:

- 2.1 physical loss or damage arising from the following, unless this also causes loss or damage to another part of the insured equipment or to other insured equipment:
  - 2.1.1 defects in design or manufacture
  - 2.1.2 wear and tear
  - 2.1.3 inherent vice or latent defect
  - 2.1.4 subsidence which is not sudden, unintended and unexpected
  - 2.1.5 computer, data processing or program error/breakdown
  - 2.1.6 mechanical/electrical breakdown or malfunction of:
    - a. communications equipment, alarm systems or external computers
    - b. equipment with market value less than USD 75,000
- 2.2 spare parts, accessories, plant, tools or materials for maintenance/repair of equipment found to be missing on stocktaking, if you are unable to identify the accident which caused the loss
- 2.3 loss/damage arising from:
  - 2.3.1 order, nationalisation, embargo, quarantine, requisition or compulsory purchase by an authority
  - 2.3.2 tests under abnormal conditions unless to comply with regulations
  - 2.3.3 overload unless:
    - a. to comply with regulations or
    - b. for inspection/testing or
    - c. it is not intentional or habitual
  - 2.3.4 any modification - unless agreed by:
    - a. the manufacturer or
    - b. an authority or
    - c. a surveyor approved by the Managers
  - 2.3.5 erection or dismantling of equipment - unless for inspection, maintenance or repair (or movement which is not excluded under 2.3.6)
  - 2.3.6 movement of equipment - other than within the same terminal, port or depot

- 
- 2.4 loss/damage of an expendable/replaceable part - unless arising from loss/  
damage to the equipment which is external to the part
  - 2.5 war risks

### **Qualifications**

#### **3 Declaration**

- 3.1 You may add equipment which you have not previously declared, subject to notifying us within 28 days of acquisition, and to terms to be agreed
- 3.2 You will not reduce the insured value of any equipment during your account year
- 3.3 You will give us immediate notice of any change in location/working conditions which may increase the risk of a claim. If we do not agree to the increased risk, we will not be liable for resulting claims
- 3.4 A statement of value in your certificate reflects information which you have provided and is not binding on us for the purposes of 5 below

#### **4 SR&T (Strikes Riots & Terrorist) Risks**

- 4.1 We do not insure you for SR&T risks arising from war - including civil war, revolution, rebellion, insurrection and hostile act by/against a belligerent power
- 4.2 The Managers may at any time decide that we will not insure you for SR&T risks either entirely or in respect of your equipment which is in any country, territory or area (whether of land or sea). The Managers will notify you by Circular as at G2:41 of this decision, which will take effect at 2400 GMT on the seventh day after notice is given
- 4.3 Insurance for SR&T risks will automatically terminate on:
  - 4.3.1 detonation of a nuclear weapon (anywhere - whether your equipment is involved or not)
  - 4.3.2 war (declared or not) between permanent members of the UN Security Council

#### **5 Reimbursement**

We will in no case pay more than the insured value of the equipment lost or damaged. Subject to this, we will pay as follows:

- 5.1 Damage
  - 5.1.1 We will, in our discretion, pay the cost of repair of the equipment or the indemnity value of the damaged part
  - 5.1.2 We will, in our discretion, pay reasonable costs of your own materials and labour not exceeding the market cost
  - 5.1.3 We will deduct the value of any part that you can use again
  - 5.1.4 We will not pay for temporary repairs, or for damage arising from use of equipment in a state of temporary repair, unless we have approved the temporary repair in advance
  - 5.1.5 You may commence permanent repairs immediately after notifying the Managers – provided you keep any damaged part for our inspection

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5.2 *Actual Total Loss*

We will pay the insured value

5.3 *Constructive Total Loss (CTL)*

If the reasonable costs of repair of damage sustained in one accident are estimated to exceed the insured value, we will pay the insured value as a CTL, less any salvage value

5.4 *Leased Equipment*

We will pay the value of the item which you are liable to pay under a lease, not exceeding the insured value

**6 Average**

If the market value of an item of equipment at the time of an accident is greater than the insured value, we will reduce reimbursement, calculated as at 5 above, by the percentage by which the insured value of the item is less than the market value. This paragraph (6):

6.1 applies only if the insured value is less than 80% of the market value of the item

6.2 applies separately to each item of equipment

6.3 does not apply to freight charges and labour costs

6.4 does not apply if the insured value is an agreed value

6.5 does not require us to pay more than the insured value for any item of equipment

**7 Storm Earthquake Flood SR&T**

An extended definition of *accident*, stated at G2:40, applies to storm, earthquake, flood and strikes riots & terrorist risks

**8 Debris Removal Costs**

8.1 We insure you for the following costs in respect of insured equipment damaged as specified at 1 above:

8.1.1 debris removal from the site of the equipment, or immediately adjacent to it

8.1.2 dismantling/demolishing the equipment

8.1.3 shoring/propping up the equipment

8.1.4 clearing drains/sewers

8.2 We do not insure you under this paragraph 8 for costs arising from pollution/contamination

8.3 We do not insure you under any other provision in your policy for costs specified at 8.1

8.4 Costs specified at 8.1 are in excess of the insured value of the equipment concerned (subject to G2:29.3)

8.5 We only insure you for costs specified at 8.1 if:

8.5.1 the Managers have agreed to the costs or

8.5.2 the Directors decide that the costs were properly incurred

**9 Limit (Per Diem Lease Charges)**

The maximum of charges which you incur for 30 days from and including the original redelivery date



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## A5 Handling Equipment (TLG/SO)

### 1 We insure you for:

- 1.1 Physical loss and damage of insured handling equipment arising from:
  - 1.1.1 an accident including mechanical/electrical breakdown or malfunction
  - 1.1.2 strikes riots & terrorist and piracy risks
- 1.2 Your liability for general average and salvage contributions in respect of insured equipment (including strike riots & terrorist risks and piracy)
- 1.3 Per diem lease charges incurred when as a result of an insured risk re-delivery to the lessor of your insured leased equipment is:
  - 1.3.1 prevented because the equipment is a total loss or
  - 1.3.2 delayed because you have a liability to repair the equipment

### 2 We do not insure you under this clause for:

- 2.1 physical loss or damage arising from the following, unless this also causes loss or damage to another part of the insured equipment or to other insured equipment:
  - 2.1.1 defects in design or manufacture
  - 2.1.2 wear and tear
  - 2.1.3 inherent vice or latent defect
  - 2.1.4 subsidence which is not sudden, unintended and unexpected
  - 2.1.5 computer, data processing or program error/breakdown
  - 2.1.6 mechanical/electrical breakdown or malfunction of:
    - a. communications equipment, alarm systems or external computers
    - b. equipment with market value less than USD 75,000
- 2.2 spare parts, accessories, plant, tools or materials for maintenance/repair of equipment found to be missing on stocktaking, if you are unable to identify the accident which caused the loss
- 2.3 loss/damage arising from:
  - 2.3.1 order, nationalisation, embargo, quarantine, requisition or compulsory purchase by an authority
  - 2.3.2 tests under abnormal conditions unless to comply with regulations
  - 2.3.3 overload unless:
    - a. to comply with regulations or
    - b. for inspection/testing or
    - c. it is not intentional or habitual
  - 2.3.4 any modification - unless agreed by:
    - a. the manufacturer or
    - b. an authority or
    - c. a surveyor approved by the Managers
  - 2.3.5 erection or dismantling of equipment - unless for inspection, maintenance or repair (or movement which is not excluded under 2.3.6)
  - 2.3.6 movement of equipment - other than within the same terminal, port or depot

- 
- 2.4 loss/damage of an expendable/replaceable part - unless arising from loss/damage to the equipment which is external to the part
  - 2.5 loss/damage while the equipment is:
    - 2.5.1 leased to someone else
    - 2.5.2 used with your consent by someone else
  - 2.6 war risks

## **Qualifications**

### **3 Declaration**

- 3.1 You may add equipment which you have not previously declared, subject to notifying us within 28 days of acquisition, and to terms to be agreed
- 3.2 You will not reduce the insured value of any equipment during your account year
- 3.3 You will give us immediate notice of any change in location/working conditions which may increase the risk of a claim. If we do not agree to the increased risk, we will not be liable for resulting claims
- 3.4 A statement of value in your certificate reflects information which you have provided and is not binding on us for the purposes of 5 below

### **4 SR&T (Strikes Riots & Terrorist) & Piracy Risks**

- 4.1 We do not insure you for SR&T risks arising from war - including civil war, revolution, rebellion, insurrection and hostile act by/against a belligerent power
- 4.2 The Managers may at any time decide that we will not insure you for SR&T or piracy risks either entirely or in respect of your equipment which is in any country, territory or area (whether of land or sea). The Managers will notify you by Circular as at G2:41 of this decision, which will take effect at 2400 GMT on the seventh day after notice is given
- 4.3 Insurance for SR&T risks will automatically terminate on:
  - 4.3.1 detonation of a nuclear weapon (*anywhere* - whether your equipment is involved or not)
  - 4.3.2 war (declared or not) between permanent members of the UN Security Council

### **5 Reimbursement**

We will in no case pay more than the insured value of the equipment lost or damaged. Subject to this, we will pay as follows:

- 5.1 *Damage*
  - 5.1.1 We will, in our discretion, pay the cost of repair of the equipment or the indemnity value of the damaged part
  - 5.1.2 We will, in our discretion, pay reasonable costs of your own materials and labour not exceeding the market cost
  - 5.1.3 We will deduct the value of any part that you can use again

- 
- 5.1.4 We will not pay for temporary repairs, or for damage arising from use of equipment in a state of temporary repair, unless we have approved the temporary repair in advance
- 5.1.5 You may commence permanent repairs immediately after notifying the Managers – provided you keep any damaged part for our inspection
- 5.2 *Actual Total Loss*  
We will pay the insured value
- 5.3 *Constructive Total Loss (CTL)*  
If the reasonable costs of repair of damage sustained in one accident are estimated to exceed the insured value, we will pay the insured value as a CTL, less any salvage value
- 5.4 *Leased Equipment*  
We will pay the value of the item which you are liable to pay under a lease, not exceeding the insured value
- 6 Average**  
If the market value of an item of equipment at the time of an accident is greater than the insured value, we will reduce reimbursement, calculated as at 5 above, by the percentage by which the insured value of the item is less than the market value. This paragraph (6):
- 6.1 applies only if the insured value is less than 80% of the market value of the item
- 6.2 applies separately to each item of equipment
- 6.3 does not apply to freight charges and labour costs
- 6.4 does not apply if the insured value is an agreed value
- 6.5 does not require us to pay more than the insured value for any item of equipment
- 7 Storm Earthquake Flood SR&T**  
An extended definition of accident, stated at G2:40, applies to storm, earthquake, flood and strikes riots & terrorist risks
- 8 Debris Removal Costs**
- 8.1 We insure you for the following costs in respect of insured equipment damaged as specified at 1 above:
- 8.1.1 debris removal from the site of the equipment, or immediately adjacent to it
- 8.1.2 dismantling/demolishing the equipment
- 8.1.3 shoring/propping up the equipment
- 8.1.4 clearing drains/sewers
- 8.2 We do not insure you under this paragraph 8 for costs arising from pollution/contamination
- 8.3 We do not insure you under any other provision in your policy for costs specified at 8.1

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- 8.4 Costs specified at 8.1 are in excess of the insured value of the equipment concerned (subject to G2:29.3)
- 8.5 We only insure you for costs specified at 8.1 if:
- 8.5.1 the Managers have agreed to the costs or
- 8.5.2 the Directors decide that the costs were properly incurred
- 9 Limit (Per Diem Lease Charges)**  
The maximum of charges which you incur for 30 days from and including the original redelivery date
- 10 Interest in Ship/Aircraft**  
G1:5 does not apply to this clause

## A6 Property

- 1 We insure you for:**
- Physical loss and damage of insured property arising from:
- 1.1 an accident including mechanical/electrical breakdown or malfunction
- 1.2 strikes riots & terrorist risks
- 2 We do not insure you under this clause for:**
- 2.1 physical loss or damage arising from the following, unless this also causes loss or damage to another part of the insured property or to other insured property:
- 2.1.1 defects in design or manufacture
- 2.1.2 wear and tear
- 2.1.3 inherent vice or latent defect
- 2.1.4 subsidence which is not sudden, unintended and unexpected
- 2.1.5 normal settling, shrinking or expansion in buildings, structures or foundations
- 2.1.6 atmospheric conditions (dampness, dryness, extremes or changes of temperature), condensation, fog or smog
- 2.1.7 rot, spoilage, decay, decomposition or leakage
- 2.1.8 insects, vermin or microorganisms
- 2.1.9 computer, data processing or program error/breakdown
- 2.2 loss/damage arising from modifying, testing, erecting, dismantling, or working on insured property
- 2.3 war risks
- 2.4 insured property found to be missing on stocktaking, if you are unable to identify the accident which caused the loss
- 2.5 loss/damage arising from order, nationalisation, embargo, quarantine, requisition, compulsory purchase by authority
- 2.6 fines (and other penalties)
- 2.7 theft, fraud, wrongful conversion or abstraction by you, your employee or your bailee whether or not in collusion with others or in the course of anyone's duties

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- 2.8 loss/damage to buildings or structures which are:
    - 2.8.1 in the course of construction or
    - 2.8.2 unoccupied for more than 30 days unless 24 hour security is provided
  - 2.9 loss/damage to electronic recordings arising from electrical/magnetic interference - other than by lightning
  - 2.10 loss/damage to cargo
  - 2.11 loss/damage arising from natural disasters, to the extent that compensation is available to uninsured parties under a government sponsored scheme

### **Qualifications**

#### **3 Declaration**

- 3.1 You may add property which you have not previously declared, subject to notifying us within 28 days of acquisition, and to terms to be agreed
- 3.2 You will not reduce the insured value of any property during your account year
- 3.3 You will give us immediate notice of any change in location/working conditions which may increase the risk of a claim. If we do not agree to the increased risk, we will not be liable for resulting claims
- 3.4 A statement of value in your certificate reflects information which you have provided and is not binding on us for the purposes of 5-6 below

#### **4 SR&T (Strikes Riots & Terrorist) Risks**

- 4.1 We do not insure you for SR&T risks arising from war - including civil war, revolution, rebellion, insurrection and hostile act by/against a belligerent power
- 4.2 The Managers may at any time decide that we will not insure you for SR&T risks either entirely or in respect of your property which is in any country, territory or area (whether of land or sea). The Managers will notify you by Circular as at G2:41 of this decision, which will take effect at 2400 GMT on the seventh day after notice is given
- 4.3 Insurance for SR&T risks will automatically terminate on:
  - 4.3.1 detonation of a nuclear weapon (anywhere - whether your property is involved or not)
  - 4.3.2 war (declared or not) between permanent members of the UN Security Council

#### **5 Reimbursement: Loss & Damage**

We will in no case pay more than the insured value. Subject to this, we will pay as follows:

- 5.1 Damage
  - 5.1.1 We will, in our discretion, pay the cost of repair of the property or the indemnity value of the damaged part
  - 5.1.2 We will, in our discretion, pay reasonable costs of your own materials and labour not exceeding the market cost
  - 5.1.3 We will deduct the value of any part that you can use again

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5.1.4 We will not pay for temporary repairs, or for damage arising from use of property in a state of temporary repair, unless we have approved the temporary repair in advance

5.1.5 You may commence permanent repairs immediately after notifying the Managers - provided you keep any damaged part for our inspection

5.2 *Actual Total Loss*

We will pay the insured value

5.3 *Constructive Total Loss (CTL)*

If the reasonable costs of repair of damage sustained in one accident are estimated to exceed the insured value, we will pay the insured value as a CTL, less any salvage value

**6 Reimbursement: Special Cases**

We will in no case pay more than the insured value. Subject to this, we will pay as follows:

6.1 *Leased Property*

We will pay the value of the item which you are liable to pay under a lease

6.2 *Third Party Property*

We will pay the amount for which you are liable

6.3 *Tenants Improvements/Betterments*

If you make an improvement or betterment we will pay up to the indemnity value. We do not insure you in the case of improvement/betterment by others for your use

6.4 *Documents/Data*

6.4.1 *Film, tape, disc and electronic recording or storage media*

a. *if electronic data is restored or replaced*

we will pay the cost of restoring or replacing the media to its condition before the accident, including recreating and assembling data

b. *if electronic data is not (or cannot be) restored or replaced*

we will pay up to the cost of the media in unexposed or blank form

6.4.2 *Documents other than as at 6.4.1:*

We will pay up to the cost of blank material plus labour costs of restoration, transcription and copying

**7 Average**

If the market value of an item of property at the time of an accident is greater than the insured value, we will reduce reimbursement, calculated as at 5-6 above, by the percentage by which the insured value of the item is less than the market value. This paragraph (7):

7.1 applies only if the insured value is less than 80% of the market value of the item

7.2 applies separately to each item

7.3 does not apply to freight charges and labour costs

- 
- 7.4 does not apply if the insured value is an agreed value  
7.5 does not require us to pay more than the insured value for any item of property

## **8 Storm Earthquake Flood SR&T**

An extended definition of *accident*, stated in the Definitions, applies to storm, earthquake, flood and strikes riots & terrorist risks

## **9 Public Authorities**

- 9.1 We insure you for the additional cost of reinstatement of lost/damaged property solely to comply with a regulation, *excluding*:
- 9.1.1 loss/damage which occurred before the commencement of your insurance
  - 9.1.2 loss/damage in respect of which notice was served on you before the loss/damage occurred
  - 9.1.3 loss/damage in respect of undamaged property (or part of property).  
This exclusion does not apply:
    - a. to foundations (unless foundations are excluded elsewhere under your policy)
    - b. if compliance is required in order to ensure repair or reinstatement of damaged property
  - 9.1.4 rates, taxes, duties, charges and assessments arising from capital appreciation arising from compliance with the regulation.
- 9.2 The reinstatement must be completed with reasonable despatch, and in any case within twelve months from the loss/damage, unless the Managers otherwise agree

## **10 Debris Removal Costs**

- 10.1 We insure you for the following costs in respect of insured property damaged as specified at 1 above:
- 10.1.1 debris removal from the site of the property, or immediately adjacent to it
  - 10.1.2 dismantling/demolishing the property
  - 10.1.3 shoring/propping up the property
  - 10.1.4 clearing drains/sewers
- 10.2 We do not insure you under this paragraph 10 for costs arising from pollution/contamination
- 10.3 We do not insure you under any other provision in your policy for costs specified at 10.1
- 10.4 Costs specified at 10.1 are in excess of the insured value of the property concerned (subject to G2:29.3)
- 10.5 We only insure you for costs specified at 10.1 if:
- 10.5.1 the Managers have agreed to the costs or
  - 10.5.2 the Directors decide that the costs were properly incurred

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## A7 Business Interruption: Insured Damage

### 1 We insure you for:

The following arising from an *accident* as defined at 3.1:

- 1.1 Loss of Profits
- 1.2 Increased Cost of Working
- 1.3 Costs of investigating or verifying a claim under this clause from your accounts or other information or evidence, including legal, survey, accountants and other professional fees

### 2 We do not insure you under this clause for:

- 2.1 your liability for sales tax
- 2.2 war risks and strikes riots & terrorist risks arising from war - including civil war, revolution, rebellion, insurrection and hostile act by/against a belligerent power
- 2.3 cessation of work
- 2.4 risks arising directly or indirectly from subsidence unless this is sudden, unintended and unexpected
- 2.5 risks arising directly or indirectly from faulty repairs during the *indemnity period*. If there is a dispute on this point the burden is on you
- 2.6 increases in loss arising from suspension, lapse or cancellation of a lease, licence, contract or order unless arising directly from insured business interruption and then only to the extent that this affects gross earnings during the *indemnity period*
- 2.7 increases in loss arising from enforcement of a regulation relating to the use, reconstruction, repair or damage of an insured asset
- 2.8 loss of market

## Qualifications

### 3 Definitions

- 3.1 *Accident* as at 1 above means an accident which results in a claim for loss/ damage of your insured asset, which we pay, or which we would have paid except for an applicable deductible *and* which results in your (wholly/partly) being unable to provide your insured services
- 3.2 An extended definition of *accident*, stated at G2:40, applies to storm, earthquake, flood and strikes riots & terrorist risks
- 3.3 *Loss of Profit* as at 1.1 means loss of *revenue* during the *indemnity period* less:
  - 3.3.1 savings from reduction in necessary expenses during the *indemnity period* as a result of an *accident*
  - 3.3.2 *revenue* from re-located operations as a result of an *accident*
  - 3.3.3 taxes saved in consequence of loss of *revenue*
  - 3.3.4 reduction of loss which would have been made possible by complete/partial resumption of operation of the asset



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- 3.4 *Increased Cost of Working* as at 1.2 means additional costs during the *indemnity period* solely to avoid/minimise loss of *revenue*:  
3.4.1 not exceeding the potential loss being avoided/minimised  
3.4.2 excluding costs in extinguishing a fire
- 3.5 *Revenue* means monies which you receive for providing insured services. We will take account of the previous experience of your operations and probable future experience if no loss/damage had occurred
- 3.6 *Deductible period* means the period of time following the accident, as stated in your certificate, during which we do not insure you under this clause
- 3.7 *Indemnity period* means:  
3.7.1 the period during which *revenue* is affected, not exceeding 12 months from the termination of the *deductible period* (subject to 3.7.2)  
3.7.2 in the case of loss/damage of media/records for electronic data processing or electronically controlled equipment, and data on these, where no other insured equipment is lost/damaged, the *indemnity period* will not exceed 30 consecutive days from the termination of the *deductible period*

#### **4 Costs**

- 4.1 We only insure you under 1.3 if:  
4.1.1 the Managers have agreed to the costs or  
4.1.2 the Directors decide that the costs were properly incurred
- 4.2 We do not insure you under any other provision in your policy for risks specified at 1.3

#### **5 Loss Prevention**

If you have property or equipment available to you at the start of the insurance or there are other factors existing at the start of the insurance which would or might reduce the risk of a claim under this clause or which would or might reduce the quantum of a claim, you will give us immediate notice of any change to that property or equipment or any change in the other factors. If the Managers do not agree the change in risk, we will not be liable for claims caused or increased by the change

#### **6 On Account Payment**

- 6.1 We may at your request make payments on account during the *indemnity period* provided you produce sufficient evidence to allow us to estimate your loss
- 6.2 You will immediately repay to us payments on account if, for any reason, you have been overpaid or your claim turns out to be uninsured

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## 7 **SR&T (Strikes Riots & Terrorist) & Piracy Risks**

- 7.1 The Managers may at any time decide that we will not insure you for SR&T or piracy risks either entirely or in respect of your equipment which is in any country, territory or area (whether of land or sea). The Managers will notify you by Circular as at G2:41 of this decision, which will take effect at 2400 GMT on the seventh day after notice is given
- 7.2 Insurance for SR&T and piracy risks will automatically terminate on:
- 7.2.1 detonation of a nuclear weapon (*anywhere* - whether your equipment is involved or not)
- 7.2.2 war (declared or not) between permanent members of the UN Security Council

## 8 **Limits**

- 8.1 Limit: USD 50,000 each accident and in the aggregate each account year
- 8.2 Without prejudice to G2:29-30, your total claim will not exceed any limit which applies, regardless of the number of locations affected by business interruption arising from one *accident*

## **A8 Business Interruption: Berth Blockage**

### **1 We insure you for:**

The following arising from an *accident* as defined at 3.1:

- 1.1 Loss of Profits
- 1.2 Increased Cost of Working
- 1.3 Costs of investigating or verifying a claim under this clause from your accounts or other information or evidence, including legal, survey, accountants and other professional fees

### **2 We do not insure you under this clause for:**

- 2.1 your liability for sales tax
- 2.2 war risks and strikes riots & terrorist risks arising from war - including civil war, revolution, rebellion, insurrection and hostile act by/against a belligerent power
- 2.3 cessation of work
- 2.4 risks arising directly or indirectly from subsidence *unless* this is sudden, unintended and unexpected
- 2.5 risks arising directly or indirectly from faulty repairs during the *indemnity period*. If there is a dispute on this point the burden is on you
- 2.6 increases in loss arising from suspension, lapse or cancellation of a lease, licence, contract or order unless arising directly from insured business interruption and then only to the extent that this affects gross earnings during the *indemnity period*
- 2.7 loss of market
- 2.8 risks arising from nationalisation, requisition or compulsory purchase by an authority of the berth or of access to it

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## Qualifications

### 3 Definitions

- 3.1 *Accident* as at 1.1 means an accident causing blockage as a result of which:
- 3.1.1 ships are unable to gain access to your insured berth and
  - 3.1.2 you are unable (wholly/partly) to provide insured services
- 3.2 An extended definition of *accident*, stated at G2:40, applies to storm, earthquake, flood and strikes riots & terrorist risks
- 3.3 *Loss of Profit* as at 1.1 means loss of *revenue* during the *indemnity period* less:
- 3.3.1 savings from reduction in necessary expenses during the *indemnity period* as a result of an *accident*
  - 3.3.2 *revenue* from re-located operations as a result of an *accident*
  - 3.3.3 taxes saved in consequence of loss of *revenue*
  - 3.3.4 reduction of loss which would have been made possible by complete/partial resumption of operation of the asset
- 3.4 *Increased Cost of Working* as at 1.2 means here additional costs during the *indemnity period* solely to avoid/minimise loss of *revenue*:
- 3.4.1 not exceeding the potential loss being avoided/minimised
  - 3.4.2 excluding costs in extinguishing a fire
- 3.5 *Revenue* means monies which you receive for providing insured services. We will take account of the previous experience of your operations and probable future experience if no loss/damage had occurred
- 3.6 *Deductible period* means the period of time following the accident, as stated in your certificate, during which we do not insure you under this clause
- 3.7 *Indemnity period* means the period during which *revenue* is affected, not exceeding 12 months from the termination of the *deductible period*

### 4 Costs

- 4.1 We only insure you under 1.3 if:
- 4.1.1 the Managers have agreed to the costs or
  - 4.1.2 the Directors decide that the costs were properly incurred
- 4.2 We do not insure you under any other provision in your policy for risks specified at 1.3

### 5 Loss Prevention

- 5.1 You will give us immediate notice of:
- 5.1.1 any change to a reserve berth or other factor, existing at the start of the insurance, and which would or could have reduced the risk of a claim under this clause
  - 5.1.2 any alteration to a berth or its access which could increase the risk of a claim under this clause
- 5.2 If the Managers do not agree to the change in risk, we will not be liable for claims caused or increased by it

- 
- 5.3 You will take all reasonable endeavours to:
    - 5.3.1 prevent accidents
    - 5.3.2 maintain any insured berth and its access in good working order
    - 5.3.3 comply with regulations
  - 5.4 You will allow the Managers to examine an insured berth and its access at any reasonable time
  - 5.5 The Managers may give notice that your insurance is suspended until you comply with our reasonable requirements for safe operation

## **6 On Account Payment**

- 6.1 We may at your request make payments on account during the *indemnity period* provided you produce sufficient evidence to allow us to estimate your loss
- 6.2 You will immediately repay to us payments on account if, for any reason, you have been overpaid or your claim turns out to be uninsured

## **7 SR&T (Strikes Riots & Terrorist) Risks**

- 7.1 The Managers may at any time decide that we will not insure you for SR&T risks either entirely or in respect of your equipment which is in any country, territory or area (whether of land or sea). The Managers will notify you by Circular as at G2:41 of this decision, which will take effect at 2400 GMT on the seventh day after notice is given
- 7.2 Insurance for SR&T risks will automatically terminate on:
  - 7.2.1 detonation of a nuclear weapon (*anywhere* - whether your equipment is involved or not)
  - 7.2.2 war (declared or not) between permanent members of the UN Security Council

## **8 Limits**

- 8.1 Limit: USD 50,000 each accident and in the aggregate each account year
- 8.2 Without prejudice to G2:29-30, your total claim will not exceed any limit which applies, regardless of the number of locations affected by business interruption arising from one *accident*

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## A9 Tenants & Fire Legal Liabilities

### 1 We insure you for:

- Your liability for physical destruction/damage of buildings which:
- 1.1 are leased to you *and*
  - 1.2 you use in your insured services

### 2 We do not insure you under this clause:

- 2.1 where you have a contractual obligation to insure the building
- 2.2 for risks for which you are insured under any other insurance or for which you would have been insured except for an exclusion/qualification. We also do not insure you for any reduction in the amount recoverable from that insurance because of:
  - 2.2.1 a deductible or limit of liability
  - 2.2.2 the existence of our insurance (directly or indirectly)

## Qualifications

### 3 Contractual Liabilities

We only insure you for contractual liabilities to the extent that your liability does not exceed what it would have been without the contract

## A10 North American Road Liabilities

### 1 We insure you for:

- 1.1 The liabilities stated at 1.2 below arising out of an accident in USA, Canada or Mexico and involving a chassis or trailer, or an intermodal shipping container carried on a chassis or trailer, for use on public roads:
  - 1.1.1 which you own, lease, maintain, manage or use or
  - 1.1.2 which is used in a declared activity specified in your certificate
- 1.2 The following liabilities are insured as stated at 1.1 above, including resulting consequential loss:
  - 1.2.1 for physical loss and damage of third party property
  - 1.2.2 for death, injury or illness of any third party
  - 1.2.3 to indemnify a third party for its liability for:
    - a. physical loss and damage of third party property
    - b. death, injury or illness of any third party

### 2 We do not insure you under this Clause for liabilities:

- 2.1 for death, injury or illness of your employee, or your employee's spouse, child, parent or sibling arising out of or relating to employment by you of the employee - or contractual liability to compensate anyone in respect of this
- 2.2 arising from ownership, lease or operation by you (or your employee) of a road vehicle which is required to be licensed
- 2.3 arising from an accident involving a chassis/trailer attached to a road vehicle which is required to be licensed which you (or your employee) own, lease or operate

- 
- 2.4 in respect of your equipment leased to someone else other than:
- 2.4.1 to your joint service partner for use in the joint service or
  - 2.4.2 while interchanged to a motor carrier or used in a chassis pool in which you participate
- 2.5 in respect of your handling equipment used with your consent by someone else
- 2.6 which are contractual liabilities to compensate someone else for physical loss or damage to your owned/leased property
- 2.7 for accidents occurring:
- 2.7.1 before you accept the cargo for movement on to the insured chassis/trailer
  - 2.7.2 after you move the cargo from the insured chassis/trailer to the place where you finally deliver it
- 2.8 arising from your product or any part of your product
- 2.9 arising from your work, after that work has been completed or abandoned. For the purposes of this paragraph (2.9) your work includes manufacture and remanufacture of chassis/trailers but excludes maintenance or repair of chassis/trailers by you or on your behalf
- 2.10 arising from:
- 2.10.1 transportation of pollutants as waste
  - 2.10.2 release of gases, fumes or vapours within a building from materials brought there in connection with operations performed by you or on your behalf
  - 2.10.3 investigation, clean up or removal of pollution
- This paragraph (2.10) will prevail in case of inconsistency with G1:1.2 or G1:3
- 2.11 to the extent that they are incurred/increased by your agreeing to hold harmless a transporter of chassis/trailers
- 2.12 for war risks

## Qualifications

### 3 Scope of Insurance

- We only insure you to the extent that liabilities are not insured under other insurances available to you and *other parties* besides the *domestic policy*
- 3.2 You will use your best endeavours to recover losses, and pursue indemnity against *other parties* (and their insurers)
- 3.3 This insurance:
- 3.3.1 does not insure *other parties*
  - 3.3.2 is in excess of any sums recoverable from *other parties* (or their insurers)
  - 3.3.3 is not automobile or excess automobile liability insurance
- 3.4 *Other parties* means parties other than you involved in the accident, and any owner, lessor, lessee, operator or user of the chassis/trailer (or motor vehicle towing it)

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## 4 Domestic Policy

- 4.1 On your request we will provide you with a certificate of insurance evidencing a policy issued by an approved insurer in USA/Canada, insuring your liability as specified at 1 above (a *domestic policy*)
- 4.2 The *domestic policy* is subject to:
- 4.2.1 its terms
- 4.2.2 a limit each accident equal to the minimum insurance requirements for each person and under the law of the state, province or other jurisdiction for which the policy is issued, not to exceed the limits specified in your certificate
- 4.2.3 a retained amount of USD 1 million each accident or the limits of the *domestic policy*, whichever is the less
- 4.3 The limits at 4.2 are not in addition to your limit with us. The total of your limits under the *domestic policy*, and under your insurance with us will therefore not exceed your limit for claims under this clause
- 4.4 You will be a joint assured together with us under the *domestic policy*, but will not:
- 4.4.1 be responsible for payment of premium to the domestic underwriter
- 4.4.2 exercise any right to cancel the policy
- 4.4.3 be responsible for the retained amount unless otherwise stated in your certificate

## 5 Uniform Intermodal Interchange & Facilities Access Agreement

It is a condition precedent that the Uniform Intermodal Interchange and Facilities Access Agreement (UIIA), or other similar equipment interchange or lease agreement which the Managers have approved, remain in effect and in good standing at all times during your period of insurance

## 6 Limit of Liability

In the event that it is held in any court or tribunal that anyone, other than the assured or a named joint assured or co-assured, is entitled to be insured under this insurance, then the limit of liability for this insurance for such a person will not exceed the lesser of the minimum insurance requirements under the applicable law and the limit stated in your policy

## 7 Deductible

Claims under this clause are subject to a nil deductible - unless otherwise specifically indicated in your certificate

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## A11 Carrying Equipment

### 1 We insure you for:

- 1.1 Physical loss and damage of insured carrying equipment arising from:
  - 1.1.1 an accident
  - 1.1.2 war/strikes riots & terrorist risks or piracy
- 1.2 Your liability for general average and salvage contributions in respect of insured carrying equipment (including war/strikes riots & terrorist risks and piracy)

### 2 We do not insure you under this clause for:

- 2.1 physical loss or damage arising from:
  - 2.1.1 defects in design/manufacture
  - 2.1.2 wear and tear
  - 2.1.3 mechanical/electrical breakdown or malfunction
  - 2.1.4 equipment found to be missing on stocktaking, if you are unable to identify the accident which caused the loss
- 2.2 loss/damage to lights, winding handles, tyres/wheels of a chassis/trailer unless due to loss of the chassis/trailer or to an accident also damaging another part of the chassis/trailer
- 2.3 risks:
  - 2.3.1 while the equipment is leased to someone else
  - 2.3.2 after you cease to have an interest in the equipment
- 2.4 loss/damage - except actual total loss - to equipment valued as at 6 below at less than:
  - 2.4.1 USD 5000: reefer/tank container; reefer/tank trailer; rail wagon
  - 2.4.2 USD 3000: trailer (except as specified at 2.4.1)
  - 2.4.3 USD 1000: all other carrying equipment

## Qualifications

### 3 Declaration

- 3.1 You will show in your declaration the number of items - and aggregate insured value on the adjustment date - of each type of carrying equipment
- 3.2 You will not reduce the insured value of any item during your account year

### 4 Container Stowage & Securing System

The Directors may reduce or reject a claim arising from container stowage on a ship which you own or charter to the extent that the claim is incurred or increased by:

- 4.1 your failure to adhere to the relevant provisions of the SOLAS Convention, IMDG Code or any other IMO Code or



- 
- 4.2 a stowage/securing system which is deficient unless:
- 4.2.1 the system:
- a. complies with classification society recommendations or
  - b. has been approved by an organisation which the Managers have approved or
- 4.2.2 you have taken other reasonable measures to ensure the system was appropriate

## **5 War/SR&T(Strokes Riots & Terrorist) & Piracy Risks**

- 5.1 CTL (Constructive Total Loss)
- If you are deprived by seizure\* of equipment for a continuous period of 12 months, we will regard this as a constructive total loss for the purposes of your insurance for war/SR&T or piracy risks at the date this period commenced - provided that the equipment:
- 5.1.1 was insured for war/SR&T or piracy risks on that date and
  - 5.1.2 had not already become a total loss as a result of an insured risk at some time during the period
- 5.2 We do not insure you for war risks arising from:
- 5.2.1 detonation of a nuclear weapon
  - 5.2.2 war (declared or not) between permanent members of the UN Security Council
  - 5.2.3 seizure\* by an authority of your country
  - 5.2.4 seizure\* under any customs or quarantine regulation
  - 5.2.5 ordinary judicial process, failure to pay a fine/penalty or provide security or any financial cause
- \*Seizure at 5.1/5.2 includes capture, arrest, restraint, detainment, confiscation or expropriation
- 5.3 The Managers may at any time decide that we will not insure you for war, SR&T or piracy risks either entirely or in respect of your equipment which is in any country, territory or area (whether of land or sea). The Managers will notify you by Circular as at G2:41 of this decision, which will take effect at 2400 GMT on the seventh day after notice is given
- 5.4 Our insurance for war risks in respect of equipment which is not on board an oversea ship or aircraft when the loss/ damage occurs is subject to a limit of USD 50,000 each accident and in the aggregate each account year. For the avoidance of doubt, this limit does not apply to piracy or SR&T risks (unless arising from war) and cover is in any case subject to 5.3
- 5.5 Insurance for war, SR&T and piracy risks will automatically terminate on:
- 5.5.1 detonation of a nuclear weapon (*anywhere* - whether your equipment is involved or not)
  - 5.5.2 war as at 5.2.2

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## 6 Amounts Recoverable

Amounts recoverable from us will not exceed:

### 6.1 *Owned equipment:*

6.1.1 *Loss:* insured value at time of loss

6.1.2 *Damage:* reasonable repair costs\* - not exceeding insured value

### 6.2 *Leased equipment:*

6.2.1 *Loss:* amount payable under lease - or insured value if no amount specified

6.2.2 *Damage:* reasonable repair costs\* - not exceeding amount payable under lease

\*repair costs may include reasonable cost of your own labour and materials (not exceeding the market cost)

## 7 Constructive Total Loss (CTL)

If the reasonable costs of repair of damage sustained in one accident are estimated to exceed the applicable amount specified at 6 above, we will pay this amount as a CTL, less any salvage value

## 8 Interest in Ship/Aircraft

G1:5 does not apply to this clause

## 9 Storm Earthquake Flood SR&T

An extended definition of accident, stated at G2:40, applies to storm, earthquake, flood and strikes riots & terrorist risks

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## A12 Medical Payments

### 1 We insure you for:

- 1.1 Reasonable medical expenses as at 1.2 as a result of injury arising from an accident:
  - 1.1.1 on premises which you own or rent - or ways next to premises which you own or rent and
  - 1.1.2 arising from your operations
- 1.2 The following costs arising as at 1.1:
  - 1.2.1 first aid administered at the time of an accident
  - 1.2.2 necessary medical, surgery, x-ray and dental services, including prosthetic devices and ambulance, hospital, professional nursing and funeral services

### 2 We do not insure you under this clause for expenses for injury:

- 2.1 to any assured or joint assured/co-assured
- 2.2 to anyone hired to do work for (or on behalf of) you or your tenant
- 2.3 to anyone injured on that part of your owned or rented premises which the person normally occupies
- 2.4 to anyone if benefits are payable under workers compensation, disability benefits or similar law whether or not the person is your employee
- 2.5 to anyone injured taking part in recreational activities
- 2.6 excluded under N3:2
- 2.7 due to war (declared or not) or any act incident to war - including civil war, insurrection, rebellion and revolution

### Qualifications

#### 3 No Fault

We will make payments as specified at 1 above regardless of fault

#### 4 Injuries Off Premises

We insure injuries occurring off premises which you own or rent only if:

- 4.1 the accident takes place in the coverage territory and during the period of insurance and
- 4.2 the expenses are incurred and reported to us within one year of the accident and
- 4.3 the injured person submits to examination (at our expense) by physicians of our choice as often as we require

#### 5 Limit

Limit: USD 50,000 each accident and in the aggregate each account year

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## A13 Business Interruption (UKP)

### 1 We insure you for:

The following arising from an *accident* as defined at 3.1:

- 1.1 Loss of Profits
- 1.2 Increased Cost of Working
- 1.3 Costs of investigating or verifying a claim under this clause from your accounts or other information or evidence, including legal, survey, accountants and other professional fees.

### 2 We do *not* insure you under this clause for:

- 2.1 your liability for sales tax
- 2.2 war risks and strikes riots & terrorist risks arising from war - including civil war, revolution, rebellion, insurrection and hostile act by/against a belligerent power
- 2.3 cessation of work
- 2.4 risks arising directly or indirectly from subsidence unless this is sudden, unintended and unexpected
- 2.5 risks arising directly or indirectly from faulty repairs during the *indemnity period*. If there is a dispute on this point the burden is on you
- 2.6 increases in loss arising from suspension, lapse or cancellation of a lease, licence, contract or order unless arising directly from insured business interruption and then only to the extent that this affects gross earnings during the *indemnity period*
- 2.7 increases in loss arising from enforcement of a regulation relating to the use, reconstruction, repair or damage of an insured asset
- 2.8 risks arising from nationalisation, requisition or compulsory purchase by an authority of the berth or of access to it
- 2.9 loss of market

### Qualifications

#### 3 Accident

*Accident* as at 1 above means an accident;

- 3.1 which results in a claim for loss/damage of your insured asset, which we pay, or which we would have paid except for an applicable deductible and which results in your (wholly/ partly) being unable to provide your insured services or
- 3.2 causing blockage as a result of which:
  - 3.2.1 ships are unable to gain access to your insured berth and
  - 3.2.2 you are unable (wholly/partly) to provide insured services or
- 3.3 causing damage to:
  - 3.3.1 property near insured property and preventing, hindering or denying access to, insured property (whether or not the insured property is itself lost/damaged).

- 
- 3.3.2 property which is operated by public supply undertakings as below from which you obtain electricity, gas or water, or receive telecommunication services:
- a. electricity: generating/sub station
  - b. gas (including connected natural gas suppliers): land based premises
  - c. water: water works or pumping station
  - d. land based telecommunications: premises

#### **4 Accident (Storm Earthquake Flood SR&T)**

An extended definition of *accident*, stated at G2:40, applies to storm, earthquake, flood and strikes riots & terrorist risks

#### **5 Definitions**

- 5.1 *Loss of Profit* as at 1.1 means loss of *revenue* during the *indemnity period* less:
- 5.1.1 savings from reduction in necessary expenses during the *indemnity period* as a result of an *accident*
  - 5.1.2 *revenue* from re-located operations as a result of an *accident*
  - 5.1.3 taxes saved in consequence of loss of *revenue*
  - 5.1.4 reduction of loss which would have been made possible by complete/partial resumption of operation of the insured asset
- 5.2 *Increased Cost of Working* as at 1.2 means additional costs during the *indemnity period* solely to avoid/minimise loss of *revenue*:
- 5.2.1 not exceeding the potential loss being avoided/minimised
  - 5.2.2 excluding costs in extinguishing a fire
- 5.3 *Revenue* means monies which you receive for providing insured services. We will take account of the previous experience of your operations and probable future experience if no loss/damage had occurred
- 5.4 *Deductible period* means the period of time following the accident, as stated in your certificate, during which we do not insure you under this clause
- 5.5 *Indemnity period* means:
- 5.5.1 the period during which *revenue* is affected, not exceeding 24 months from the termination of the *deductible period* - unless otherwise stated in your certificate (subject to 5.5.2 & 5.5.3)
  - 5.5.2 in the case of loss/damage of media/records for electronic data processing or electronically controlled equipment, and data on these, where no other insured asset is lost/damaged, the *indemnity period* will not exceed 30 consecutive days from the termination of the deductible period
  - 5.5.3 in the case of loss/damage arising from an *accident* as defined at 3.3 above, the *indemnity period* will not exceed 3 months from the termination of the *deductible period*

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## **6 Costs**

- 6.1 We only insure you under 1.3 if:
- 6.1.1 the Managers have agreed the costs or
  - 6.1.2 the Directors decide that the costs were properly incurred
- 6.2 We do not insure you under any other provision in your policy for risks specified at 1.3

## **7 Loss Prevention**

- 7.1 If you have property or equipment available to you at the start of the insurance or there are other factors existing at the start of the insurance which would or might reduce the risk of a claim under this clause or which would or might reduce the quantum of a claim, you will give us immediate notice of any change to that property or equipment or any change in the other factors.
- 7.2 You will give us immediate notice of:
- 7.2.1 any change to a reserve berth or other factor, existing at the start of the insurance, and which would or could have reduced the risk of a claim under this clause
  - 7.2.2 any alteration to a berth or its access which could increase the risk of a claim under this clause
- 7.3 You will take all reasonable endeavours to:
- 7.3.1 prevent accidents at your insured berth
  - 7.3.2 maintain any insured berth and its access in good working order
  - 7.3.3 comply with regulations in respect of your insured berth
- 7.4 You will allow the Managers to examine an insured berth and its access at any reasonable time
- 7.5 If the Managers do not agree the changes in risk at 7.1-7.2, we will not be liable for claims caused or increased by the change
- 7.6 The Managers may give notice that your insurance is suspended until you comply with our reasonable requirements for safe operation of your insured berth

## **8 On Account Payment**

- 8.1 We may at your request make payments on account during the *indemnity period* provided you produce sufficient evidence to allow us to estimate your loss
- 8.2 You will immediately repay to us payments on account if, for any reason, you have been overpaid or your claim turns out to be uninsured

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## **9 SR&T (Strikes Riots & Terrorist) & Piracy Risks**

- 9.1 The Managers may at any time decide that we will not insure you for war, SR&T or piracy risks either entirely or in respect of your equipment which is in any country, territory or area (whether of land or sea). The Managers will notify you by Circular as at G2:41 of this decision, which will take effect at 2400 GMT on the seventh day after notice is given
- 9.2 Insurance for SR&T and piracy risks will automatically terminate on:
- 9.2.1 hostile detonation of a nuclear weapon (anywhere - whether your equipment is involved or not)
- 9.2.2 war (declared or not) between permanent members of the UN Security Council

## **10 Limit**

Without prejudice to G2:29-30, your total claim will not exceed any limit which applies, regardless of the number of locations affected by business interruption arising from one *accident*

## **A14 Employers Liability**

### **1 We insure you for the following:**

If your *employee* (as defined at 4 below) sustains bodily injury or disease caused during your period of insurance and arising out of and in the course of his or her employment, we will indemnify you against all sums for which you are liable in respect of any claim for damages for the bodily injury or disease which is settled or defended with our approval.

We will in addition indemnify you for all costs incurred with our prior written approval in settling or defending the claim.

### **2 Extensions**

**We insure you for the following to the extent specified in your certificate**

#### **2.1 *Employee***

The definition of *employee* at 4 below is extended to include any of the following working for you in connection with your business and whom you have declared to us:

- a. labour masters, labour only subcontractors or persons supplied by them
- b. self-employed persons
- c. persons under work experience schemes
- d. persons whom you hire or borrow from another employer

#### **2.2 *Work Overseas***

The exclusion at 3.1 does not apply to *employees* temporarily employed outside the British Isles, as long as the relevant contract of employment, service or apprenticeship was entered into in the British Isles.

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- 2.3 *Indemnity to Directors and Employees*  
We will indemnify your directors or *employees*, to the extent that we would indemnify you as set out at paragraph 1, in respect of claims made against them.
- 2.4 *Indemnity to Principal*  
In the event of any claim in respect of which you would be entitled to receive indemnity under this policy being brought against any public or local authority or other principal, we will indemnify the public or local authority or other principal for the claim and any costs arising from it, subject to the terms of this policy.
- 2.5 *Personal Representatives*  
In the event of your death we will indemnify your personal representatives subject to the terms of this policy
- 2.6 *Legal Fees*  
We will pay legal costs incurred with our prior written approval for:
- a. representation at any coroner's inquest or fatal accident inquiry
  - b. defending any proceedings before a court of summary jurisdiction which may be the subject of a claim.
- 2.7 *Additional Activities*  
Your business as declared includes the provision and management of canteen, social, sports and welfare organisations and fire and ambulance services for the benefit of your *employees*.
- 2.8 *Private Work*  
This policy applies to private work carried out by your *employee* for your director or executive.
- 2.9 *Indemnity to First Aid and Medical Teams*  
We will indemnify your *employee* whilst acting as a member of your first aid or medical team (but excluding medical practitioners) in respect of liability to any other *employee* resulting from treatment given in connection with any bodily injury or disease sustained by the *employee* arising out of and in the course of your employment of the person.
- 2.10 *Health & Safety at Work*
- 2.10.1 We will indemnify you or your director or *employee* in respect of legal costs, including the costs of appeal against conviction, incurred with our prior agreement in the defence of a criminal charge for an offence which is alleged to have been committed during your period of insurance and which is brought under:
- a. Sections 36 or 37 of the Health and Safety at Work etc. Act 1974 in respect of an offence as defined in Section 33 of the said Act or
  - b. Article 34 of the Health and Safety at Work (Northern Ireland) Order 1978 in respect of an offence as defined in Article 31 of the said Order



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2.10.2 We will also indemnify you\* for prosecution costs awarded as a result of the criminal charge.

2.10.3 Cover under this paragraph (2.10) applies only to proceedings brought in the British Isles

2.10.4 This paragraph (2.10) does not apply:

- a. if you\* are insured under any other policy
- b. if the charge or costs which you\* are ordered to pay are in respect of your\* deliberate or intentional criminal act
- c. in respect of fines or penalties of any type or the costs of appeal against improvement or prohibition notices
- d. for investigation or enquiry costs, other than investigation by a lawyer of a charge insured under this paragraph

\*or (of) your director or employee

2.10.5 We do not insure you under this clause for any liability which is insured under U4:1.3.3

2.10.6 This clause does not reduce or delete any cover which is available to you under U4:1.3.3

## 2.11 *Unsatisfied Court Judgments*

If a judgment for damages obtained by an *employee* or personal representative of an *employee* in respect of bodily injury or disease caused during your period of insurance and arising out of and in the course of his or her employment remains unsatisfied in whole or in part for six months, we will pay to the *employee* or personal representative at your request the amount of the unsatisfied damages and costs. Cover under this paragraph (2.11) is subject to the following:

2.11.1 the claim is against a company or individual operating from premises in the British Isles and the judgment is by a court in the British Isles

2.11.2 there is no appeal outstanding

2.11.3 if payment is subsequently received, the *employee* or personal representative will assign the judgment to us.

## 2.12 *Court Attendance Costs*

We will compensate you for the attendance of the following as a witness at our request in respect of a claim at the following rates:

- a. your director or partner – GBP 250 per day
- b. your *employee* – GBP 100 per day

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### **3 We do not insure you under this clause for the following:**

#### 3.1 *Work Overseas*

liability in respect of injury or disease caused elsewhere than in the British Isles.

#### 3.2 *Work Offshore*

any claim in respect of an *employee* whom you employ on an offshore installation or support or accommodation vessel for an offshore installation or who is in transit to, from or between any offshore installation or support or accommodation vessel

#### 3.3 *Motor*

any liability for which compulsory motor insurance or security is required under the Road Traffic Act 1988 or the Road Traffic (Northern Ireland) Order 1981 as amended, or any other compulsory Road Traffic Legislation.

### **Qualifications**

#### **4 Definition of *Employee***

*Employee* is defined for the purposes of this clause as any person under a contract of employment, service or apprenticeship, including company officers, with you in respect of the business whom you have declared to us. The definition of *employee* in the Definitions does not apply to this clause

#### **5 Premium**

You will make a return of wages for each period of insurance, include in it details of the total number of *employees* and all amounts paid to the *employees* and pay premium on these amounts at the appropriate rate.

#### **6 Discretionary Insurance**

We do not insure you under clause A1 in connection with any risk defined at 1 above

#### **7 Risks insured Elsewhere**

We do not insure you under any other clause for any risk which is included in this Employer Liability clause (A14)

# General Provisions



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## G1 General Exclusions

*G1 applies to your entire policy - unless otherwise stated*

### 1 General Exclusions

We do not insure you for risks arising from, or to the extent that the risk is increased by:

1.1 **Radioactive/nuclear risks**

1.2 **Landfill, operation/use of dump site or disposal of waste** which you perform or permit other than carriage, handling or storage of cargo prior to its disposal as waste

1.3 **Dredging** (while being performed) and dumping of spoil

1.4 **Your failure to pay your debts**

1.5 **Your insolvency**

1.6 **Your involvement in illegal trade** - about which you knew or reasonably should have known

1.7 **Your intentional/reckless conduct**

1.8 **Punitive, exemplary or multiple damages** - against you or anyone for whose conduct you are liable

1.9 **Your waiving your rights of recourse** - or where you have previously contracted to waive these rights

1.10 **Your management/operation of an airport** - or area/building where aircraft land or manoeuvre or are housed, maintained or repaired

1.11 **Asbestos**

1.12 **Chemical, biological, bio-chemical or electromagnetic weapons**

1.13 **Cyber attack**

1.14 **Products liability**

1.15 **Building/construction works** on or to land or insured property which you own, lease or occupy, whether or not carried out during your period of insurance

1.16 **Environmental risks** including erosion/subsidence whether or not to your own land or property

### 2 Liability Exclusions

We do not insure you for liabilities, whether arising directly or by way of indemnity or guarantee, to the extent that they are:

2.1 incurred under a provision in a contract:

2.1.1 that you incur liability without fault or negligence or

2.1.2 which, at the time the contract was agreed, could not reasonably have been complied with

2.2 incurred under a national law or international convention as a result of a declaration of value or a declaration of special interest in delivery or some other measure which you accept and which increases the compensation otherwise payable under the national law or international convention.

2.3 liquidated damages

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### **3 Pollution**

We do not insure you for risks arising from pollution or clean-up costs of any type however caused, including liabilities to others, fines, and whether or not under international convention, unless:

- 3.1 the risk arises from an accident which occurred within your period of insurance and
- 3.2 the claim is made against you within one year from the accident and
- 3.3 the pollution is sudden, unintended and unexpected and
- 3.4 you are aware of the pollution within one week of the first occurrence - unless arising from cargo not in your possession

### **4 Sanctions**

- 4.1 We do not insure you and we shall not be liable to pay any claim or provide any benefit to the extent that the provision of such cover, payment of such claim or provision of such benefit would or might subject us (or our insurers/reinsurers) to the imposition of sanctions under, or would be in violation of, any economic, trade, financial or related sanctions or embargoes:

- 4.1.1 administered/enforced by the US Department of the Treasury Office of Foreign Assets Control (OFAC) the US Department of State or any other department or agency of the US government or

- 4.1.2 imposed pursuant to:

- a. United Nations resolutions or
    - b. laws, rules, regulations, orders, decisions, directives, or common positions of the European Union (EU) or of any EU member state or
    - c. equivalent legislation imposed by any other national or international body.

- 4.2 Any certificates or other evidences of insurance certifying or evidencing coverage for any transaction, shipment, or claim in violation of, or sanctionable under, any of the sanctions or embargoes specified at 4.1 will automatically be null and void
- 4.3 Without prejudice to any other provisions in your policy, the Directors may in their discretion give you notice that your insurance will cease immediately if you have exposed or you will expose us to a material risk of being or becoming subject to any sanctions or embargoes (as identified above), or to any adverse action by a competent authority or government in respect of any sanctions or embargoes (as identified above).

### **5 Interest in Ship/Aircraft**

- 5.1 Where you have an interest in a ship/aircraft, we do not insure you for any risk arising while cargo:
  - 5.1.1 is on, or is being loaded on to or unloaded from the ship/aircraft
  - 5.1.2 is being handled in the port or airport area in furtherance of loading, carriage or discharge
- 5.2 We do not insure you for breach of warranty for berth/port safety

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- 5.3 You have an interest in a ship/aircraft if you own or operate it, or charter it except as stated at 5.4
- 5.4 You do not have an interest in a ship/aircraft for the purposes of this paragraph if:
- 5.4.1 You charter the ship under a slot or space charter and you contract with the ship operator on terms which are no more adverse than Hague-Visby Rules or any compulsorily applicable transport law or convention
- 5.4.2 You charter the aircraft and:
- you do not manage, navigate or operate the aircraft and
  - you contract with the aircraft operator on terms which are no more adverse than the Warsaw/Montreal Convention or any compulsorily applicable transport law or convention

## 6 Liens

We do not insure you for any risk arising from the application of a lien, unless the risk is incurred in mitigation of an insured claim and the Managers have agreed in advance to its being incurred

## G2 General Terms

***G2 applies to your entire policy - unless otherwise stated***

### 1 Abandonment

There will be no abandonment to us of any property

### 2 Assignment

- 2.1 You will not assign your insurance (or any interest under it) unless and to the extent that the Managers agree
- 2.2 Any purported assignment which is made without the Managers' agreement (or which does not comply with any terms which the Managers require) will be void
- 2.3 We may, in settling a claim presented by an assignee, retain an amount which the Managers in their discretion estimate as sufficient to discharge the assignor's liabilities to us which:
- are in existence at the time of the assignment or
  - have arisen later or
  - the Managers believe will arise later
- 2.4 We may retain an amount as at 2.3 whether or not retention is stipulated as a term of the Managers' agreement to the assignment

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### **3 Assured and Joint Assureds**

- 3.1 There is only one assured under each policy as designated in the certificate. Anyone else insured under the same policy is a joint assured (or co-assured)
- 3.2 If anyone becomes a joint assured only by virtue of a contractual term, cover will be limited to the terms specifically contained in the contract, provided that cover will not in any event exceed the extent of the cover contained herein and in your certificate

### **4 Audit**

- 4.1 The Managers may examine your books and records at any time during your insurance, and for three years afterwards, as far as they relate to your insurance (without prejudice to 31 below)
- 4.2 If you fail to cooperate with the Managers as at 4.1 we may avoid the insurance

### **5 Benefit of the Insurance**

We do not intend to confer any benefit of this insurance on any third party not specifically identified in the certificate and to this extent the Contracts (Rights of Third Parties) Act 1999 and any amending legislation is excluded

### **6 Brokers**

- Your insurance broker:
- 6.1 is your agent, not ours and
- 6.2 has no authority to issue or confirm policies on our behalf to anyone

### **7 Cancellation: Cause**

- 7.1 If we do not receive an amount due or declaration from you in due time the Managers may (in addition to our rights specified at 12 & 27 below) give notice requiring you to pay (or make the declaration) by a specified date within not less than seven days from the date the notice is served
- 7.2 If we do not receive full payment (or the declaration) by the date specified at 7.1, all your insurances are cancelled immediately and without further formality
- 7.3 If the insurance has previously ceased under 9 below, these paragraphs 7 and 8 below will supersede 10 below

### **8 Cancellation: Effect**

- 8.1 In the event of cancellation as at 7 above below, you remain liable for amounts due from you to us - whether levied before or after cancellation
- 8.1.1 If premium is a lump sum or deposit subject to a minimum - you will pay the lump sum or minimum premium in full - if already paid no part will be repayable
- 8.1.2 Otherwise than at 8.1.1 - premium will be calculated pro rata up to cancellation



- 
- 8.2 We cease to be liable for claims unpaid at the date of cancellation whether:
- 8.2.1 the claim arises before the date of cancellation - or after it
  - 8.2.2 the claim arises during the account year in which the insurance is cancelled - or in any other year
  - 8.2.3 we have admitted responsibility or appointed a lawyer, surveyor or other expert - or not
- 8.3 The Directors may admit claims excluded as at 8.2 on terms in their discretion
- 8.4 If we receive the amount due (or declaration) after cancellation, the Managers in their discretion may reinstate the insurance - but you will not be insured, unless the Directors in their discretion decide otherwise, for claims arising out of accidents occurring between the date of cancellation and the date of reinstatement
- 8.5 To the extent this paragraph and the following paragraph are construed as creating a warranty, section 10 of the UK Insurance Act 2015 does not apply. Accordingly, you will not be able to avail yourself of the defence that you have remedied the breach under this paragraph (8)

## **9 Cesser: Cause**

- 9.1 We immediately cease to insure you on:
- 9.1.1 your winding up/bankruptcy, unless the Directors in their discretion decide otherwise
  - 9.1.2 termination of your insured services
  - 9.1.3 your ceasing to have an insurable interest in the subject matter of the insurance
  - 9.1.4 your death or insanity - in the case of an individual
  - 9.1.5 failure to agree a change in terms on a review date or expiry of a continuation period as at 34.3 below
- 9.2 The Directors may give you notice that your insurance will cease:
- 9.2.1 immediately if you have exposed us to a risk in respect of sanctions or embargoes as at G1:4.3
  - 9.2.2 in any case not less than 30 days from the date on which notice is given
- 9.3 The Managers may give you notice that your insurance will cease:
- 9.3.1 on a review date not later than one month in advance as at 34.1 below
  - 9.3.2 within 30 days if you fail to comply with the conditions in respect of surveys as at 42.2 below

## **10 Cesser: Effect**

- 10.1 This paragraph (10) applies where we cease to insure you as stated at 9 above. For the avoidance of doubt, it does not apply if your cover is cancelled as set out at 7 and 8 above
- 10.2 You remain liable for amounts due from you to us - whether levied before or after cessation
- 10.3 We remain liable for claims arising from accidents on or before the date of cessation

- 
- 10.4 Unless 10.5 applies, we will calculate refund of premium pro rata up to cessation
- 10.5 In the following cases you will be liable for any lump sum or minimum premium in full:
- 10.5.1 We cease to insure you under 9.1.1 (winding up/bankruptcy)
- 10.5.2 We cease to insure you under any other subparagraph at 9 and:
- a. there is a claim on your policy during the account year in which cesser occurs or
  - b. you know or reasonably should have known on the date of cesser of an accident likely to result in a claim during the account year in which cesser occurs
- 10.6 We will not reimburse any premium under 9.1.3 if you cease to have an insurable interest in an item of insured equipment or property solely because the item has been lost or damaged, and not repaired or replaced, as the result of an insured accident

## **11 Claims for Amounts Due**

You will claim (in writing) amounts due to you from us (including repayment of premium) within six months from the end of the account year to which the claim relates - otherwise your claim is absolutely barred

## **12 Claims Held**

If we do not receive an amount due or declaration from you in due time we may withhold any payments due from us to you until the amount due or declaration is received

## **13 Confirmation of Insurance**

If you request us to confirm insurance to someone else, our confirmation:

- 13.1 is only for information
- 13.2 confers no rights on the person to whom we make it
- 13.3 does not extend or amend the insurance

## **14 Continuous Contract**

Every insurance is a continuous contract and terms continue unchanged from one year to the next - *unless* otherwise agreed, and subject to 7-10 above and 34 below

- 14.1 This is not affected by the issue of subsequent policies
- 14.2 Policies apply from 0000 GMT on the commencement date specified in the certificate - unless another time is specified in your certificate

## **15 Currency**

If we pay a claim in a currency other than the Member currency, we will convert limits of liability and deductibles from the Member currency at the rate prevailing:

- 15.1 in respect of claims for physical loss or damage to assets, or business interruption: on the date of the loss
- 15.2 in respect of claims other than as defined at 15.1: on the date on which you paid the claimant

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## 16 Deductibles

- 16.1 Deductibles are specified in your certificate
- 16.2 Except as specified at 16.3/16.4, if there is more than one deductible for claims arising from the same accident only the highest one will apply
- 16.3 In the case of two or more of the following types of claim arising from the same accident a separate deductible will apply to each type of claim. (The highest deductible will apply, as at 16.2, if there is more than one deductible for any one of the following types of claim)
- insured assets
  - business interruption
  - any other claim
- 16.4 Where the risks are under different covers, we will apply a separate deductible to each cover
- 16.5 Where a deductible applies to a claim, we will reduce the claim by subtracting the deductible, and pay the claim, as reduced, subject to any applicable limit

## 17 Discretion

- 17.1 Discretions, powers and duties in respect of your insurance may be exercisable by, or delegated to, us, the Directors or the Managers
- 17.2 We, the Directors and the Managers:
- 17.2.1 may exercise, or refrain from exercising, any power or duty under the policy in our/their absolute discretion
  - 17.2.2 will be the sole judge of the issues on which the discretion is based and this judgment will be final and binding
  - 17.2.3 are under no obligation to disclose the reasons for the exercise of a discretion or to follow any particular procedure in exercising it
- 17.3 No act, omission or delay in enforcing the terms of your insurance will affect our rights and remedies under your policy and no waiver of a breach by you of the terms of your insurance will operate as a waiver of any subsequent breach. We may at all times and without notice insist on strict enforcement of the terms of your insurance

## 18 Documentation

- In policy documentation:
- 18.1 Singular words include the plural - and vice versa
- 18.2 Words representing persons, eg anyone, another person, someone else, also include companies and associations
- 18.3 Capitals, italics, bold type and variable font sizes are used for clarity or emphasis, but are not relevant to the interpretation of the insurance
- 18.4 With the exception stated at 18.5, text is underlined in these wordings, for guidance only, to indicate that a word or phrase is included in the Definitions
- 18.5 "You", "your", "we", "us", and "our", are defined in the Definitions. These meanings are consistent throughout our documentation, and the words are not underlined in the text.

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## 19 Double Insurance

If we and another insurer insure you for the same risk, we will exclude any claim to the extent that it is recoverable from the other insurer, or would be recoverable except for a double insurance exclusion

## 20 Employees

20.1 Without prejudice to the definition of you in the Definitions, we insure your employees for risks for which you would have been insured if you had incurred the risk, but only:

20.1.1 in connection with your insured services and

20.1.2 while performing duties within the scope of their employment for the purpose of providing your insured services

20.2 With the exception of your liability to your employee for loss/damage to the employee's property, we do not insure your employee, or anyone defined as you in the Definitions, for liabilities to you or to your employee (or to your other employee)

## 21 English Language

If we issue a version of any part of your policy in a language other than English, this is for guidance only. The English version will take precedence in the event of any dispute or possible inconsistency

## 22 Eurozone

Where an amount in your policy is expressed in Euro, this indicates a choice of currency of the Eurozone as a whole, not of any member state within the Eurozone. In the event of any replacement of the Euro, introduction of a new currency, currency re-denomination or fixing of conversion rates by a member state, whether consequent on a withdrawal from the Eurozone or otherwise, we will deem any amounts expressed in Euro to be convertible into GBP at the pre-existing Eurozone rate. Any dispute as to the currency of this contract shall be resolved exclusively by reference to the governing law of this contract as specified at 28 below. Where it is necessary to identify a place of performance of the obligations in your policy, including in order to resolve any dispute as to the currency of the contract or as to jurisdiction, the place of performance is England

## 23 Fraudulent Claims

23.1 If you, or anyone acting on your behalf, makes a claim or seeks to obtain any benefit under your insurance which you know, or should have known, is fraudulent, we:

23.1.1 will not be liable to pay any part of the claim

23.1.2 may recover from you any sums which we have already paid in respect of the claim

23.1.3 may by notice cancel your insurance from the time of the fraudulent act

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- 23.2 If we exercise our right under 23.1.3
- 23.2.1 we will not be liable for any claim or loss occurring after the time of the fraudulent act
  - 23.2.2 we will not return any premium
  - 23.2.3 you will pay in full any unpaid lump sum, deposit premium or instalment premium

## **24 Indemnity**

- 24.1 Unless the Directors in their discretion decide otherwise we will indemnify you only after you have:
- 24.1.1 discharged your liability to third parties or
  - 24.1.2 repaired, replaced or reinstated your loss of insured equipment and/or property or
  - 24.1.3 discharged your liabilities for losses
  - 24.1.4 paid costs
- 24.2 The Managers may, in their discretion, reimburse the reasonable costs of repair in cases where lost or damaged an insured asset which you own is not repaired or replaced

## **25 Insurance Act 2015**

In the event that there is a conflict between the terms of your insurance and any compulsorily applicable provisions of the UK Insurance Act 2015, the provisions of the Act will prevail to the extent of the inconsistency. This paragraph (25) will not apply if and to the extent that we have opted out of the provisions of the Insurance Act 2015

## **26 Insured Services**

- 26.1 We only insure you for risks arising from your insured services as listed on your certificate
- 26.2 We insure you for the following to the extent that they are solely in support of your insured services:
- 26.2.1 administration and sales/marketing activities
  - 26.2.2 facilities for visitors at your insured location
- 26.3 above is subject to any exclusion elsewhere in your policy relating to liabilities to your employee

## **27 Interest**

We may charge you interest on amounts due not received by the due date. The rate is determined by the Directors in accordance with para 4.2 Part E Section 1 of the Bye-Laws

## **28 Law & Jurisdiction**

- 28.1 Our insurance, and any other contract between you and us, is subject to English law. Every insurance which we provide and the rights and obligations of you (or anyone else) and us arising out of or in connection with the insurance is subject to and will be construed in accordance with English law

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- 28.2 All disputes between you and us relating to or arising out of or in connection with the insurance (or application for or offer of insurance) or contract will be referred to London arbitration in accordance with the Arbitration Act 1996 and any statutory modification or re-enactment. If the parties are unable to agree on a sole arbitrator within 21 days of the first party giving notice of a dispute and calling for the appointment of an arbitrator, then the Chairman of the General Council of the Bar of England and Wales will appoint a sole arbitrator. The submission to arbitration and all proceedings in connection with it will be subject to English law
- 28.3 In respect of disputes as at 28.2:
- 28.3.1 No other action or legal proceedings will be maintained against us unless and until the dispute has been referred to arbitration and the award has been published and become final
- 28.3.2 Our sole obligation is to pay any sum as directed by the final arbitration award
- 28.4 28.1-28.3 also apply to disputes involving:
- a. the Managers and Directors
  - b. anyone acting on our, or the Managers' or the Directors', behalf

## **29 Limits Structure**

- 29.1 Limits are specified in your certificate
- 29.2 Total reimbursement in respect of a risk arising from a series of accidents arising from a cause or series of causes which are repeated, intermittent or continuous will not exceed the limit specified your certificate as applicable to a single accident
- 29.3 If the insured values of your insured asset in respect of which a claim arises exceed the applicable limit specified in your certificate, the limit specified in your certificate will prevail
- 29.4 Limits are applied collectively to the assured and any joint assureds
- 29.5 An overall limit of USD 1 million each accident applies

## **30 Limits where more than one Risk arises from one Accident**

- 30.1 Where different limits are specified for different risks arising from the same accident, we will apply each limit to the part(s) of the claim for which it is specified. But total reimbursement of the claim, including reimbursement of the different risks in respect of which different limits are specified, will not exceed the highest of the specified limits
- 30.2 If there are aggregate limits under a clause and under a paragraph within the clause, claims under the paragraph will:
- 30.2.1 count towards the limit under the clause and
- 30.2.2 not exceed the lesser of the unexhausted limit against:
- a. the clause or
  - b. the paragraph
- 30.3 Where the risks are under different covers, we will apply a separate limit to each cover

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## **31 Loss Prevention**

31.1 You will:

- 31.1.1 allow the Managers to inspect your insured assets
- 31.1.2 comply with regulations applying to your insured equipment
- 31.1.3 not habitually or intentionally overload your insured equipment - except for inspection/testing or to comply with regulations
- 31.1.4 comply with regulations, and industry/national standards, relating to vertical tandem lifts
- 31.1.5 maintain in good order, and use as appropriate, any protection provided for your insured assets
- 31.1.6 use your best endeavours to avoid or reduce risks of a claim under your assets clause
- 31.1.7 use your best endeavours to maintain your insured assets in accordance with manufacturers' recommendations and manuals
- 31.1.8 comply with regulations relating to dangerous goods
- 31.1.9 comply with regulations, and industry/national standards, relating to safety, security/ anti-terrorism and people smuggling
- 31.1.10 allow the Managers to inspect your operations
- 31.1.11 allow the Managers to have copies of your contracts
- 31.1.12 comply with the Managers' reasonable requirement to implement loss prevention measures
- 31.1.13 maintain a tracking system allowing the location of insured equipment to be ascertained at any time

31.2 If you do not comply as at 31.1:

- 31.2.1 we may inform you, with at least 30 days notice, that your insurance is wholly or partly suspended until you do
- 31.2.2 the Directors may in their discretion reduce or reject a claim which results wholly or partly from the failure to comply

## **32 Material Information**

- 32.1 Prior to entering a contract of insurance with us or to varying any contract of insurance with us, you will comply with the duty of fair presentation as set out in Sections 2-3 of the UK Insurance Act 2015. In the event that you breach the duty of fair presentation, we will be entitled to the remedies set out in Section 8 and Schedule 1 of the Act
- 32.2 We will also be entitled to the remedies set out in Section 8 and Schedule 1 of the Act if you fail to inform the Managers of any material change in the information provided to us as at 32.1 which occurs during the period of your insurance

## **33 Mutual Premium**

The price for your insurance is a mutual premium - unless the Managers agree that it will be a fixed premium, or a combination of the two

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## 34 Notice

- 34.1 Not later than one month in advance of the review date the Managers may give the assured, or the assured may give the Managers - notice that on the review date:
- 34.1.1 a change in terms may be required or
- 34.1.2 the insurance will cease
- 34.2 If notice is given as at 34.1.1 and no change is agreed by the review date:
- 34.2.1 the Managers may agree a continuation period - subject to agreed terms
- 34.2.2 changes agreed during the continuation period will apply retrospectively from the review date - or as otherwise agreed
- 34.3 Your insurance will cease automatically:
- 34.3.1 on the review date if no change or continuation period is agreed
- 34.3.2 on expiry of a continuation period if no change is agreed

## 35 Overlapping Risks & Insured Services

- 35.1 Where we appear to insure a risk under more than one paragraph, we will insure it only under, and in accordance with, the paragraph which relates most directly to it
- 35.2 An express exclusion or qualification of a risk in one paragraph in your policy (whether or not by Additional Term & Condition) will override an inclusion or reference elsewhere in your policy
- 35.3 If we specifically exclude a risk in your policy, we do not insure you for it - even if the risk also arises in the course of your insured services

## 36 Paperless Trading

We insure you, subject to all other terms of your policy, for risks arising from your participation in any system of paperless trading/documentation approved by the Managers

## 37 Period of Insurance

We only insure you for risks arising from accidents which occur during the period of your insurance with us as specified in your certificate

## 38 Premium Calculation

- 38.1 Premium may be:
- 38.1.1 a lump sum
- 38.1.2 a deposit - which may be subject to a minimum and adjusted by an adjustment rate
- 38.1.3 determined by applying an adjustment rate
- 38.1.4 any combination of the above
- 38.2 If we calculate your premium by applying an adjustment rate you will provide the Managers with a declaration within 28 days after the adjustment date, to allow the premium to be calculated

## 39 Reduction of Claims

We will reduce claims by:

- 39.1 amounts which you receive or to which you are entitled by way of salvage
- 39.2 your interest in any residual value in an insured asset



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## 40 Scope of Accident

The Definition of *accident* in the Definitions is qualified in respect of storm, earthquake, flood and strikes riots & terrorist risks arising under Carrying Equipment, Handling Equipment, Property and Business Interruption covers as set out below

- 40.1 The extent of an *accident* is limited to 72 consecutive hours if the cause of the loss/damage insured under the clauses listed above is one of the following (or if an *accident* includes one or more individual losses or damage arising from one or more of the following):

40.1.1 storm

40.1.2 earthquake/volcanic eruption

40.1.3 flood (subject also to the conditions at 40.3)

40.1.4 strikes riots & terrorist risks (in this case the accident is also limited to one city, town or village)

- 40.2 You may choose the date and time when the period of 72 hours specified at 40.1 commences and if any event lasts longer than 72 hours you may divide it into two *accidents* as long as:

40.2.1 no two periods overlap and

40.2.2 no period commences before your first recorded individual loss arising out of that event during the period of your insurance and

40.2.3 neither of the periods lasts longer than 72 hours

- 40.3 In the case of flood, *accident* means, additionally, loss/damage, wherever occurring, arising between the movement of water into or over the insured property and its receding, regardless of the time involved except that no *accident* will be deemed to:

40.3.1 start before your first recorded individual loss in that event occurring during the period of your insurance or

40.3.2 extend beyond 30 days after you cease to be insured

## 41 Service of Notices

- 41.1 We will serve notices required by your insurance in accordance with the Bye-Laws Part F:

41.1.1 by post, fax or e mail to the assured or its broker, at the postal or electronic address or fax number last recorded by the Managers

41.1.2 personally (on a director/officer in the case of a company)

- 41.2 Notice will be deemed served:

41.2.1 if sent by post - on the third day after posting, subject to 41.3

41.2.2 if sent by fax or e mail - on the date of transmission

- 41.3 A notice terminating insurance for war, strikes riots & terrorist or piracy risks will be deemed served on the day it is posted, collected by courier or sent by fax or e mail

## 42 Set Off

- 42.1 Set off will not be taken into account in assessing amounts due from you to us - including set off arising from winding up or bankruptcy - even if we have allowed set off in the past

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42.2 We may set off any amounts due from you to us against amounts due from us to you - without prejudice to any other clause or paragraph in your insurance

### **43 Surveys**

43.1 The Managers may require a survey of your premises, operations, equipment or insured ships at any reasonable time, whether before or after your insurance has commenced.

43.2 We may, with at least 30 days notice, cease to insure you if:

43.2.1 you fail to comply with this requirement or

43.2.2 the results of the survey are, in the discretion of the Managers, unsatisfactory or

43.2.3 you fail to comply with the Managers' recommendations following a survey within a reasonable time

### **44 Terms**

A term in your certificate which varies your policy will be subject to all other terms in your policy, except to the extent that it specifically varies them

### **45 Terrorism**

If any term in your policy is inconsistent with compulsory terrorism insurance legislation, the compulsory legislation will prevail to the extent of this inconsistency

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## G3 Claims

***G3 applies to your entire policy - unless otherwise stated***

### **1 Notification**

- 1.1 You will notify the Managers as at 1.2, and as directed in your certificate, of any accident likely to lead to a claim under your insurance and any claim made against you for which you are (or may be) insured
- 1.2 Notification as at 1.1 will be immediate, and in any case by the earliest of the following:
  - 1.2.1 in time for appropriate investigation, defence or mitigation - for example: by survey
  - 1.2.2 before terms are agreed for your next account year
  - 1.2.3 three months after the accident or claim as at 1.1

### **2 Obligation of Member**

- In the event of an accident or claim as specified at 1 above you will:
- 2.1 use all reasonable endeavours to avoid/minimise the risk
  - 2.2 give prompt notice to a third party who may be responsible
  - 2.3 use all reasonable endeavours to obtain maximum recovery from a third party as at 2.2 and avoid time bars. You will fail to comply with this paragraph (2.3) if you fail to take measures because of the possibility of a counterclaim by the third party against you arising from the same accident, if we are prejudiced by this
  - 2.4 cooperate with the Managers:
    - 2.4.1 in the exercise of the powers specified at 7 below
    - 2.4.2 by promptly providing information/documentation and facilitating surveys
    - 2.4.3 by complying with the Managers' request to establish whether a claim arises from terrorism
  - 2.5 not admit liability or settle a claim without the Managers' prior agreement

### **3 Presentation of Claims**

- Claims for reimbursement from us will be presented within one year from:
- 3.1 Claims for physical loss or damage of an insured asset: Date of loss
  - 3.2 Other claims, eg: liability or repair of an insured asset: Date of payment

### **4 Proof of Loss**

If you make a claim, you will if the Managers require, provide signed and sworn proof of your payment or loss and submit to examination on oath

### **5 Directors Discretion**

The Directors may in their discretion reduce or reject your claim if you fail to comply with 1-4 above - and in that event you will return to us sums already reimbursed

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## **6 Distribution of Third Party Recoveries**

- 6.1 amounts recovered from third parties in respect of a claim will be credited to us to the full extent of the amounts which we have paid out, including costs of making the recovery
- 6.2 any balance will be credited to you to the extent of amounts which you have incurred (for example: deductibles)
- 6.3 any excess will be distributed equitably between you and us - taking into account amounts paid/incurred and the relevant dates

## **7 Powers of the Managers**

- 7.1 The Managers may, in respect of any claim or proceedings relating to a risk for which you are or may be insured:
  - 7.1.1 direct the conduct of the claim/proceedings
  - 7.1.2 settle, compromise or dispose of the claim/proceedings in their discretion
  - 7.1.3 at any time appoint - and discontinue the appointment of - lawyers, surveyors and others on your behalf, in connection with the claim/proceedings
- 7.2 The Managers may require from persons appointed as at 7.1.3 relevant advice, documents and information in their control:
  - 7.2.1 at any time - whether or not the appointment has been discontinued
  - 7.2.2 as if the persons were appointed to act and at all times had acted on our behalf
  - 7.2.3 notwithstanding legal or other privilege

## **8 Death, Injury & Illness**

1-7 above apply also to claims for death, injury or illness for which we would or might have insured you, except for a deductible

## **G4 Reinsurance**

### **1 Structure**

- 1.1 The *reinsured insurer* insures the *primary assured*, under a *primary insurance* policy
- 1.2 We reinsure the *reinsured insurer*

### **2 Certificate of Reinsurance**

We issue a certificate of reinsurance to the *reinsured insurer*

- 2.1 The certificate of reinsurance will specify the percentage which we reinsure and the terms of reinsurance
- 2.2 The certificate of reinsurance may also confer membership of the Association on the *reinsured insurer*

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### 3 Premium

- 3.1 The *reinsured insurer* pays a mutual premium - as set out in the certificate of reinsurance
- 3.2 The *reinsured insurer* will receive return of premium or pay additional premium at the same percentage as the percentage which we usually pay to our assureds - taking into account any override, commission, brokerage and other fees and adjusted proportionately in respect of:
- 3.2.1 the period covered by the certificate of reinsurance
- 3.2.2 the percentage of the liability of the *reinsured insurer* which we reinsure
- 3.3 G2:33 does not apply to the *primary insurance* policy

### 4 More than One Reinsured Insurer

If there is more than one *reinsured insurer* under the certificate of reinsurance the *reinsured insurers* will be liable to us jointly, not severally, for any amounts due under the certificate of reinsurance

### 5 Underwriting & Claims Control

- 5.1 It is a condition precedent that the *reinsured insurer* will:
- 5.1.1 not exercise any of its powers, duties and discretions without the Managers' prior approval
- 5.1.2 comply with G3:1-3
- 5.2 We will control handling of claims likely to affect the reinsurance

### 6 Definitions

The following words will be interpreted as stated below

- 6.1 For the purpose of construing the primary insurance:
- |    |  |  |
|----|--|--|
| a. | <i>we/us</i>                           | <i>the Reinsured Insurer</i>   |
| b. | <i>you/the <u>assured</u></i>          | <i>the Primary Assured</i>   |
| c. | <i>the <u>Managers</u></i>             | <i>the <u>Managers</u> for the time being of the Reinsured Insurer</i> |
| d. | <i><u>Certificate of Insurance</u></i> | <i><u>Certificate of Reinsurance</u></i>                               |
- 6.2 For the purpose of construing the reinsurance:
- |    |  |  |
|----|--|--|
| a. | <i>we/us</i>                           | <i>the Reinsurer</i>                     |
| b. | <i>you/the <u>assured</u></i>          | <i>the Reinsured Insurer</i>             |
| c. | <i>the <u>Managers</u></i>             | <i>as in the Definitions</i>             |
| d. | <i><u>Certificate of Insurance</u></i> | <i><u>Certificate of Reinsurance</u></i> |
| e. | <i><u>Insurance</u></i>                | <i><u>Reinsurance</u></i>                |
| f. | <i><u>Policy</u></i>                   | <i><u>Reinsurance Policy</u></i>         |

### 7 Primary Insurance

The term *primary* is used in this clause solely to distinguish the insurance of the *primary assured* by the *reinsured insurer* and does not mean that the insurance is primary to any other insurance



# Additional Interests





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## J1 Loss Payee

### 1 The Schedule identifies

Loss payees in respect of specified equipment, property or ships supplied or financed for use in the assured's insured services and the agreements under which the equipment, property or ships are supplied or financed

### Qualifications

#### 2 Payment

We will pay claims for physical loss or damage of an item specified at 1 above:

- 2.1 to the order of the assured - unless and until we receive valid notice from the loss payee that the assured is in default under the agreement specified at 1 above
- 2.2 to the order of the loss payee on receipt of a notice as at 2.1

#### 3 General Qualifications

- 3.1 We are not bound to pay as specified at 2.2:
  - 3.1.1 until the expiration of the next two business days after receipt of the notice
  - 3.1.2 if the Managers are not satisfied that the notice specified at 2.2 is valid
- 3.2 The assured/loss payee will clearly identify the equipment, property or ship involved which is the subject of the loss payee clause.
- 3.3 If the claim results from an accident which also gives rise to another claim, any deductible or limit of liability will be apportioned pro rata

#### 4 Cesser

A loss payee will cease to be a loss payee:

- 4.1 as specified in the Schedule
- 4.2 on expiry/termination of an agreement specified in the Schedule
- 4.3 on cancellation/cessation of the assured's insurance

#### 5 Notice to Loss Payee

- 5.1 We will not agree to a request by the assured for cesser or reduction of insurance of an item without giving 15 days notice to the loss payee - *except*:
  - 5.1.1 as specified at G2:34.3 or
  - 5.1.2 due to war, strikes riots & terrorist and piracy risks
- 5.2 If we give the assured notice of cancellation of insurance for non payment of amounts due, we will not cancel without giving 15 days notice to the loss payee
- 5.3 We will serve notice to the loss payee:
  - 5.3.1 by post, fax or e mail to the loss payee or its broker, at the address or fax number last recorded by the Managers
  - 5.3.2 personally (on a director/officer in the case of a company)
- 5.4 We will deem notice served:
  - 5.4.1 if sent by post - on the third day after posting
  - 5.4.2 if sent by fax or e mail - on the date of transmission

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## J2 Loss Payee Joint Assured

### 1 The Schedule identifies

Loss payees in respect of equipment, property or ships supplied or financed for use in the assured's insured services and the agreements under which the equipment, property or ships are supplied or financed

### 2 We insure a Joint Assured:

in respect of its interest specified at 1 above and to the extent that we insure the assured (subject to 4 below) for:

- 2.1 liabilities arising from condition/use of an item specified at 1 above
- 2.2 physical loss and damage of an item specified at 1 above
- 2.3 general average/salvage contributions in relation to an item specified at 1 above

### Qualifications

#### 3 Terms of Joint Assurance

3.1 A joint assured under this clause:

- 3.1.1 will be subject to G2:32 (material information)
- 3.1.2 is deemed to have appointed the assured (or applicant for insurance) as its agent for the purposes of this insurance, with whom we may deal exclusively

3.2 Insurance of a joint assured under this clause is subject to all the terms of the assured's insurance - as well as to terms relating to the joint assurance

#### 4 Joint Assured's own Interest

We do not insure a joint assured under this clause for liabilities arising solely from the joint assured's own interest in the equipment, property or ships specified at 1 above

#### 5 Payment

We will pay claims for physical loss and damage of an item specified at 1 above:

- 5.1 to the order of the assured - unless and until we receive valid notice from the joint assured that the assured is in default under the agreement specified at 1 above
- 5.2 to the order of a joint assured as loss payee specified at 1 above - on receipt of notice as at 5.1

#### 6 Relationship of *Insureds*\*

- 6.1 If the assured's insurance ceases or is cancelled we will cease or cancel the insurance of all *insureds*\* at the same time
- 6.2 We do not insure any *insured*\* for its liability to any other *insured*\*
- 6.3 *Insureds*\* are jointly and severally liable for amounts due to us
- 6.4 Receipt by one *insured*\* of a sum from us relieves us of liability to all *insureds*\*

- 
- 6.5 Breach of the terms of this policy by one *insured\** disentitling it to recovery from us disentitles all other *insureds\** to any recovery under the policy if:
- 6.5.1 the breach is causative of the loss or
- 6.5.2 the Directors exercise their discretion under G3:5 as a result of the breach
- 6.6 We deem a customer of one *insured\** to be a customer of all *insureds\**
- 6.7 We will deem communication between us (or our representative) and an *insured\** to be within the knowledge of all *insureds\**
- 6.8 We deem service of notice on the assured (or its broker) to be service on all *insureds\**
- \*We define insured for the purposes of this paragraph 6 only as the assured and all joint assureds under the same policy*

## **7 General Qualifications**

- 7.1 We are not bound to pay as specified at 5.2:
- 7.1.1 until the expiration of the next two business days after receipt of the notice
- 7.1.2 if the Managers are not satisfied that the notice specified at 5.2 is valid
- 7.2 The assured/joint assured will clearly identify the equipment, property or ship which is the subject of the loss payee clause.
- 7.3 If the claim results from an accident which also gives rise to another claim, any deductible or limit of liability will be apportioned pro rata

## **8 Cesser**

- Insurance of a joint assured will cease:
- 8.1 as specified in the Schedule (in respect of the equipment, property or ship or of the joint assured)
- 8.2 on expiry/termination of an agreement specified in the Schedule
- 8.3 on cancellation/cessation of the assured's insurance

## **9 Notice to Joint Assured**

- 9.1 We will not agree to a request by the assured for cesser or reduction of insurance of an item without giving 15 days notice to the joint assured - *except:*
- 9.1.1 as specified at G2:34.3 or
- 9.1.2 due to war, strikes riots & terrorist and piracy risks
- 9.2 If we give the assured notice of cancellation of insurance for non payment of amounts due, we will not cancel without giving 15 days notice to the joint assured
- 9.3 We will serve notice to the joint assured:
- 9.3.1 by post, fax or e mail to the joint assured or its broker, at the address or fax number last recorded by the Managers
- 9.3.2 personally (on a director/officer in the case of a company)
- 9.4 We will deem notice served:
- 9.4.1 if sent by post - on the third day after posting
- 9.4.2 if sent by fax or e mail - on the date of transmission

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## J3 Contractor Joint Assured

### 1 The Schedule identifies

Joint assureds in respect of specified agreements under which they provide services

### 2 We insure a Joint Assured for:

Liabilities incurred in performing services specified at 1 above arising from the fault or negligence of the assured or of an operational joint assured and to the extent that we insure the assured or operational joint assured in respect of such liability

## Qualifications

### 3 Terms of Joint Assurance

3.1 A joint assured under this clause:

3.1.1 will be subject to G2:32 (material information)

3.1.2 is deemed to have appointed the assured (or applicant for insurance) as its agent for the purposes of this insurance, with whom we may deal exclusively

3.2 Insurance of a joint assured under this clause is subject to all the terms of the assured's insurance - as well as to terms relating to the joint assurance

### 4 Joint Assured's Own Negligence

We do not insure a joint assured under this clause for liabilities arising from the joint assured's own fault or negligence, or that of its servants, employees, subcontractors - or agents (except as defined at 3.1.2 above)

### 5 Relationship of *Insureds*\*

5.1 If the assured's insurance ceases or is cancelled we will cease or cancel the insurance of all *insureds*\* at the same time

5.2 *Insureds*\* are jointly and severally liable for amounts due to us

5.3 Receipt by one *insured*\* of a sum from us relieves us of liability to all *insureds*\*

5.4 Breach of the terms of this policy by one *insured*\* disentitling it to recovery from us disentitles all other *insureds*\* to any recovery under the policy if:

5.4.1 the breach is causative of the loss or

5.4.2 the Directors exercise their discretion under G3:5 as a result of the breach

5.5 We deem a customer of one *insured*\* to be a customer of all *insureds*\*

5.6 We will deem communication between us (or our representative) and an *insured*\* to be within the knowledge of all *insureds*\*

5.7 We deem service of notice on the assured (or its broker) to be service on all *insureds*\*

5.8 In the event of a claim by one *insured*\* against another *insured*\* we will deem the claimant to be a third party. The definition of *third party* in the Definitions is modified to this extent

\*We define insured **for the purposes of this paragraph 5 only** as the assured and all joint assureds under the same policy

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## 6 Cesser

- Insurance of a joint assured will cease:
- 6.1 as specified in the Schedule
  - 6.2 on cessation of the assured's relevant insured services
  - 6.3 on cancellation/cessation of the assured's insurance

## J4 Supplier Joint Assured

### 1 The Schedule identifies

Joint assureds in respect of specified equipment, land or premises, which the joint assured supplies for use in the assured's insured services, and the agreements under which the equipment, land or premises is supplied

### 2 We insure a Joint Assured for:

Liabilities arising from the condition or use of equipment, land or premises specified at 1 above - to the extent that we insure the assured or an operational joint assured in respect of such liability

## Qualifications

### 3 Terms of Joint Assurance

- 3.1 A joint assured under this clause:
  - 3.1.1 is subject to G2:32 (material information)
  - 3.1.2 is deemed to have appointed the assured (or applicant for insurance) as its agent for the purposes of this insurance, with whom we may deal exclusively
- 3.2 Insurance of a joint assured under this clause is subject to all the terms of the assured's insurance - as well as to terms relating to the joint assurance

### 4 Exclusions

We do not insure a joint assured under this clause for liabilities arising from the joint assured's:

- 4.1 own fault or negligence, or that of its servants, employees, subcontractors - or agents (except as defined at 3.1.2 above)
- 4.2 own interest in the equipment, land or premises specified at 1 above

### 5 Relationship of *Insureds*\*

- 5.1 If the assured's insurance ceases or is cancelled we will cease or cancel the insurance of all *insureds*\* at the same time
- 5.2 *Insureds*\* are jointly and severally liable for amounts due to us
- 5.3 Receipt by one *insured*\* of a sum from us relieves us of liability to all *insureds*\*
- 5.4 Breach of the terms of this policy by one *insured*\* disentitling it to recovery from us disentitles all other *insureds*\* to any recovery under the policy if:
  - 5.4.1 the breach is causative of the loss or
  - 5.4.2 the Directors exercise their discretion under G3:5 as a result of the breach
- 5.5 We deem a customer of one *insured*\* to be a customer of all *insureds*\*

- 
- 5.6 We will deem communication between us (or our representative) and an *insured\** to be within the knowledge of all *insureds\**
- 5.7 We deem service of notice on the assured (or its broker) to be service on all *insureds\**
- 5.8 In the event of a claim by one *insured\** against another *insured\** we will deem the claimant to be a third party. The definition of *third party* in the Definitions is modified to this extent
- \*We define insured **for the purposes of this paragraph 5 only** as the assured and all joint assureds under the same policy

## **6 Cesser**

Insurance of a joint assured will cease:

- 6.1 as specified in the Schedule
- 6.2 on cessation of the assured's relevant insured services
- 6.3 on expiry/termination of an agreement specified in the Schedule
- 6.4 on cancellation/cessation of the assured's insurance

## **J5 Customer Joint Assured**

### **1 The Schedule identifies**

Joint assureds in respect of specified agreements - under which the assured or operational joint assureds perform insured services for the joint assureds

### **2 We insure a Joint Assured for:**

Liabilities arising from the performance by the assured or an operational joint assured of services specified at 1 above arising from fault or negligence of the assured or operational joint assured to the extent that we insure the assured or an operational joint assured

## **Qualifications**

### **3 Terms of Joint Assurance**

- 3.1 A joint assured under this clause:
- 3.1.1 is subject to G2:32 (material information)
- 3.1.2 is deemed to have appointed the assured (or applicant for insurance) as its agent for the purposes of this insurance, with whom we may deal exclusively
- 3.2 Insurance of a joint assured under this clause is subject to all the terms of the assured's insurance - as well as to terms relating to the joint assurance

### **4 Joint Assured's Own Negligence**

We do not insure a joint assured under this clause for liabilities arising from the joint assured's own fault or negligence, or that of its servants, employees, subcontractors - or agents (except as defined at 3.1.2 above)

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## 5 Relationship of *Insureds*\*

- 5.1 If the assured's insurance ceases or is cancelled we will cease or cancel the insurance of all *insureds*\* at the same time
- 5.2 *Insureds*\* are jointly and severally liable for amounts due to us
- 5.3 Receipt by one *insured*\* of a sum from us relieves us of liability to all *insureds*\*
- 5.4 Breach of the terms of this policy by one *insured*\* disentitling it to recovery from us disentitles all other *insureds*\* to any recovery under the policy if:
  - 5.4.1 the breach is causative of the loss or
  - 5.4.2 the Directors exercise their discretion under G3:5 as a result of the breach
- 5.5 We deem a customer of one *insured*\* to be a customer of all *insureds*\*
- 5.6 We will deem communication between us (or our representative) and an *insured*\* to be within the knowledge of all *insureds*\*
- 5.7 We deem service of notice on the assured (or its broker) to be service on all *insureds*\*
- 5.8 In the event of a claim by one *insured*\* against another *insured*\* we will deem the claimant to be a third party. The definition of *third party* in the Definitions is modified to this extent

\*We define insured **for the purposes of this paragraph 5 only** as the assured and all joint assureds under the same policy.

## 6 Cesser

- Insurance of a joint assured will cease:
- 6.1 as specified in the Schedule
  - 6.2 on cessation of the assured's relevant insured services
  - 6.3 on cancellation/cessation of the assured's insurance
  - 6.4 on expiry/termination of an agreement specified in the Schedule

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## J6 Commercial Lessor Joint Assured

### 1 The Schedule identifies

Joint assureds in respect of specified equipment or property leased to the assured or an operational joint assured for use in the assured's insured services and the agreements under which the equipment or property is leased

### 2 We insure a Joint Assured:

in respect of its interest specified at 1 above and to the extent that the assured is insured for:

- 2.1 liabilities arising from condition/use of an item specified at 1 above
- 2.2. physical loss and damage of an item specified at 1 above
- 2.3 general average/salvage contributions in relation to an item specified at 1 above

### Qualifications

#### 3 Terms of Joint Assurance

- 3.1 A joint assured under this clause:
  - 3.1.1 is subject to G2:32 (material information)
  - 3.1.2 is deemed to have appointed the assured (or applicant for insurance) as its agent for the purposes of this insurance, with whom we may deal exclusively
- 3.2 Insurance of a joint assured under this clause is subject to all the terms of the assured's insurance - as well as to terms relating to the joint assurance

#### 4 Exclusions

We do not insure a joint assured under this clause for:

- 4.1 risks, including costs of search, rescue and related transport, arising from winding up/bankruptcy or cesser of operations of the assured
- 4.2 liabilities arising from the joint assured's:
  - 4.2.1 own fault or negligence, or that of its servants, employees, subcontractors - or agents (except as defined at 3.1.2 above)
  - 4.2.2 own interest in the equipment or property specified at 1 above

#### 5 Payment

We will pay claims for physical loss and damage of an item specified at 1 above:

- 5.1 to the order of the assured - unless and until we receive notice from a joint assured that the assured is in default under an agreement specified at 1 above
- 5.2 to the order of the joint assured - on receipt of notice as at 5.1.

#### 6 Relationship of *Insureds*\*

- 6.1 If the assured's insurance ceases or is cancelled we will cease or cancel the insurance of all *insureds*\* at the same time
- 6.2 *Insureds*\* are jointly and severally liable for amounts due to us
- 6.3 Receipt by one *insured*\* of a sum from us relieves us of liability to all *insureds*\*



- 
- 6.4 We deem a customer of one *insured\** to be a customer of all *insureds\**
- 6.5 We will deem communication between us (or our representative) and an *insured\** to be within the knowledge of all *insureds\**
- 6.6 We deem service of notice on the assured (or its broker) to be service on all *insureds\**
- 6.7 In the event of a claim by one *insured\** against another *insured\** we will deem the claimant to be a third party. The definition of claim by in the Definitions is modified to this extent
- \*We define insured **for the purposes of this paragraph 6 only** as the assured and all joint assureds under the same policy

## **7 General Qualifications**

- 7.1 We are not bound to pay as specified at 5.2:
- 7.1.1 until the expiration of the next two business days after receipt of the notice
- 7.1.2 if the Managers are not satisfied that the notice specified at 5.2 is valid
- 7.2 The assured/joint assured will clearly identify the equipment or property which is the subject of the joint assured clause.
- 7.3 If the claim results from an accident which also gives rise to another claim, any deductible or limit of liability will be apportioned pro rata

## **8 Cesser**

- Insurance of a joint assured will cease:
- 8.1 as specified in the Schedule (in respect of the equipment or property or of the joint assured)
- 8.2 on expiry/termination of an agreement specified in the Schedule
- 8.3 on cancellation/cessation of the assured's insurance

## **9 Notice to Joint Assured**

- 9.1 We will not agree to a request by the assured for cesser or reduction of insurance of an item without giving 15 days notice to the joint assured - except:
- 9.1.1 as specified at G2:34.3 or
- 9.1.2 due to war, strikes riots & terrorist and piracy risks
- 9.2 If we give the assured notice of cancellation of insurance for non payment of amounts due, we will not cancel without giving 15 days notice to the joint assured
- 9.3 We will serve notice to the joint assured:
- 9.3.1 by post, fax or e mail to the joint assured or its broker, at the address or fax number last recorded by the Managers
- 9.3.2 personally (on a director/officer in the case of a company)
- 9.4 We will deem notice served:
- 9.4.1 if sent by post - on the third day after posting
- 9.4.2 if sent by fax or e mail - on the date of transmission

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## J7 Connected Interests

### 1 The Schedule identifies

Connected Interests

### 2 We insure the Assured for:

Liability claims enforced against Connected Interests specified at 1 above arising from the assured's insured services to the extent that we insure the assured or an Operational Joint Assured

### Qualifications

#### 3 Separate Insurance

Connected interests will insure their own operations. Insurance under this clause (J7) excludes claims insurable under this separate insurance (or which would be insurable except for an exclusion, qualification, deductible or limit of liability)

#### 4 Negligence

We do not insure connected interests under this clause for liabilities arising from the connected interest's own fault or negligence, or that of its servants, employees, agents or subcontractors

#### 5 Cesser

Insurance under this clause will cease:

- 5.1 as specified in the Schedule
- 5.2 on cancellation/cessation of the assured's insurance
- 5.3 on the connected interest ceasing

## J8 Connected Interest Joint Assured

### 1 The Schedule identifies

Connected Interest joint assureds

### 2 We insure a Joint Assured for:

Liability claims enforced against the joint assured arising from the assured's insured services to the extent that we insure the assured or an Operational joint assured in respect of such liability

### Qualifications

#### 3 Terms of Joint Assurance

- 3.1 A joint assured under this clause:
  - 3.1.1 will comply fully with G2:32 (material information)
  - 3.1.2 is deemed to have appointed the assured (or applicant for insurance) as its agent for the purposes of this insurance, with whom we may deal exclusively
- 3.2 Insurance of a joint assured under this clause is subject to all the terms of the assured's insurance - as well as to terms relating to the joint assurance

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#### **4 Joint Assured's Own Negligence**

We do not insure a joint assured under this clause for liabilities arising from the joint assured's own fault or negligence, or that of its servants, employees, subcontractors - or agents (except as defined at 3.1.2 above)

#### **5 Relationship of *Insureds*\***

5.1 If the assured's insurance ceases or is cancelled we will cease or cancel the insurance of all *insureds*\* at the same time

5.2 We do not insure any *insured*\* for its liability to any other *insured*\*

5.3 Receipt by one *insured*\* of a sum from us relieves us of liability to all *insureds*\*

5.4 Breach of the terms of this policy by one *insured*\* disentitling it to recovery from us disentitles all other *insureds*\* to any recovery under the policy if:

5.4.1 the breach is causative of the loss or

5.4.2 the Directors exercise their discretion under G3:5 as a result of the breach

5.5 We deem a customer of one *insured*\* to be a customer of all *insureds*\*

5.6 We will deem communication between us (or our representative) and an *insured*\* to be within the knowledge of all *insureds*\*

5.7 We deem service of notice on the assured (or its broker) to be service on all *insureds*\*

\*We define insured **for the purposes of this paragraph 5 only** as the assured and all joint assureds under the same policy

#### **6 Separate Insurance**

Joint assureds will insure their own operations. Insurance under this clause (J8) excludes claims insurable under this separate insurance (or which would be insurable except for an exclusion, qualification, deductible or limit of liability)

#### **7 Cesser**

Insurance of a joint assured will cease:

7.1 as specified in the Schedule

7.2 on cancellation/cessation of the assured's insurance

7.3 on the connected interest ceasing

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## J9 Equipment Lessee Joint Assured

### 1 The Schedule identifies

Joint assureds

### 2 We insure the Assured for:

Risks under your equipment clause(s) and/or under your Third Party Liabilities Clause for which we would have insured the assured if it had itself incurred the risk

## Qualifications

### 3 Terms of Joint Assurance

3.1 A joint assured under this clause:

3.1.1 is subject to G2:32 (material information)

3.1.2 is deemed to have appointed the assured (or applicant for insurance) as its agent for the purposes of this insurance, with whom we may deal exclusively

3.2 Insurance of a joint assured under this clause is subject to all the terms of the assured's insurance - as well as to terms relating to the joint assurance

### 4 Relationship of Insureds\*

4.1 If the assured's insurance ceases or is cancelled we will cease or cancel the insurance of all insureds\* at the same time

4.2 We do not insure any insured\* for its liability to any other insured\*

4.3 Receipt by one insured\* of a sum from us relieves us of liability to all insureds\*

4.4 Breach of the terms of this policy by one insured\* disentitling it to recovery from us disentitles all other insureds\* to any recovery under the policy if:

4.4.1 the breach is causative of the loss or

4.4.2 the Directors exercise their discretion under G3:5 as a result of the breach

4.5 We deem a customer of one insured\* to be a customer of all insureds\*

4.6 We will deem communication between us (or our representative) and an insured\* to be within the knowledge of all insureds\*

4.7 We deem service of notice on the assured (or its broker) to be service on all insureds\*

\*We define insured **for the purposes of this paragraph 4 only** as the assured and all joint assureds under the same policy

### 5 Cesser

Insurance of a joint assured will cease:

5.1 as specified in the Schedule

5.2 on cancellation/cessation of the assured's insurance

5.3 on termination of the lease concerned

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## J10 Operational Joint Assured

### 1 The Schedule identifies

Operational Joint assureds

### 2 We insure a Joint Assured for:

Liabilities arising from the assured's insured services - for which we would insure the assured if it had itself incurred the liability

### Qualifications

#### 3 Terms of Joint Assurance

3.1 A joint assured under this clause:

3.1.1 is subject to G2:32 (material information)

3.1.2 is deemed to have appointed the assured (or applicant for insurance) as its agent for the purposes of this insurance, with whom we may deal exclusively

3.2 Insurance of a joint assured under this clause is subject to all the terms of the assured's insurance - as well as to terms relating to the joint assurance

#### 4 Relationship of *Insureds*\*

4.1 If the assured's insurance ceases or is cancelled we will cease or cancel the insurance of all *insureds*\* at the same time

4.2 We do not insure any *insured*\* for its liability to any other *insured*\*

4.3 *Insureds*\* are jointly and severally liable for amounts due to us

4.4 Receipt by one *insured*\* of a sum from us relieves us of liability to all *insureds*\*

4.5 Breach of the terms of this policy by one *insured*\* disentitling it to recovery from us disentitles all other *insureds*\* to any recovery under the policy if:

4.5.1 the breach is causative of the loss or

4.5.2 the Directors exercise their discretion under G3:5 as a result of the breach

4.6 We deem a customer of one *insured*\* to be a customer of all *insureds*\*

4.7 We will deem communication between us (or our representative) and an *insured*\* to be within the knowledge of all *insureds*\*

4.8 We deem service of notice on the assured (or its broker) to be service on all *insureds*\*

\*We define insured for the purposes of this paragraph 4 only as the assured and all joint assureds under the same policy

#### 5 Cesser

Insurance of a joint assured will cease:

5.1 as specified in the Schedule

5.2 on cancellation/cessation of the assured's insurance.

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## J11 Affiliate Joint Assured

### 1 **Affiliate Joint Assureds are identified:**

By notification to us by the assured. Notification will specify the carriage in respect of which we insure the joint assured

### 2 **We insure a Joint Assured for:**

Claims under T1, T2 & T5 enforced against the joint assured arising from the carriage specified at 1 above to the extent that the assured is insured for a claim directed against it if it had itself incurred the liability

## Qualifications

### 3 **Terms of Joint Assurance**

3.1 A joint assured under this clause:

3.1.1 is subject to G2:32 (material information)

3.1.2 is deemed to have appointed the assured (or applicant for insurance) as its agent for the purposes of this insurance, with whom we may deal exclusively

3.2 Insurance of a joint assured under this clause is subject to all the terms of the assured's insurance - as well as to terms relating to the joint assurance

### 4 **Relationship of Insureds\***

4.1 If the assured's insurance ceases or is cancelled we will cease or cancel the insurance of all insureds\* at the same time

4.2 Receipt by one insured\* of a sum from us relieves us of liability to all insureds\*

4.3 We deem a customer of one insured\* to be a customer of all insureds\*

4.4 We will deem communication between us (or our representative) and an insured\* to be within the knowledge of all insureds\*

4.5 We deem service of notice on the assured (or its broker) to be service on all insureds\*

4.6 In the event of a claim by one insured\* against another insured\* we will deem the claimant to be a third party. The definition of third party in the Definitions is modified to this extent

\*We define insured **for the purposes of this paragraph 4 only** as the assured and all joint assureds under the same policy

### 5 **Cesser**

Insurance of an affiliate joint assured will cease on cancellation/cesser of the assured's insurance

### 6 **Approval of Joint Assureds**

The Managers will approve all affiliate joint assureds in advance. We may, on giving 30 days notice to the assured, decline to continue to insure anyone as an affiliate joint assured

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## 7 Limits

Claims against the assured arising out of carriages as specified at 1 above undertaken by each affiliate joint assured and against each affiliate joint assured are subject to an aggregate limit stated in the assured's certificate. This aggregate limit is separate from the assured's limits in respect any risk not arising from carriages as specified at 1 above

## 8 Delivery of Cargo

We do not insure an affiliate joint assured in respect of any liability resulting from delivery of cargo to someone not entitled to receive it

## 9 Subcontractors

- 9.1 Subject to 9.2, we insure the assured for claims arising from, or increased by, the fact that its subcontractor is not insured for its liability to the assured
- 9.2 We do not insure either the assured or an affiliate joint assured if the affiliate joint assured subcontracts the carriage

## J12 North American Ports Co-Assured

### 1 We insure the following as Co-Assureds:

#### If you are:

- 1.1 *a partnership/joint venture*  
your members and partners - but only with respect to the conduct of your business
- 1.2 *a limited liability company*  
1.2.1 your members - but only with respect to the conduct of your business  
1.2.2 your managers - but only with respect to their duties as your managers
- 1.3 *any other type of organisation*  
1.3.1 your executive officers and directors - but only with respect to their duties as your officers or directors  
1.3.2 your stockholders - but only with respect to their liabilities as stockholders

### 2 Your Employees

- 2.1 Your employees, except managers (defined at 1.2.2) and executive officers (defined at 1.3.1), are also co-assureds, subject to 2.3-2.4 and only for acts within the scope of their employment or while performing duties related to your business
- 2.2 We do not insure employees for liabilities:  
2.2.1 to you or your members/partners (defined at 1.1/1.2)  
2.2.2 to a co-employee (or to a co-employee's spouse, child, parent or sibling) while the co-employee is in the course of employment or performing duties related to your business

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- 2.2.3 where there is an obligation to share damages with or repay someone else who must pay damages because of an injury to a partner, member or co-employee as above
  - 2.2.4 arising from the employee's providing (or failing to provide) professional health care services
  - 2.3 We do not insure employees for damage to property owned, occupied, used or rented by, or in the care custody or control of:
    - 2.3.1 you or any of your employees or a member/partner (defined at 1.1/1.2)
    - 2.3.2 anyone acting as your real estate manager
    - 2.3.3 anyone having proper temporary custody of the property if you die - but only with respect to liability arising from the maintenance and use of the property and until your legal representative has been appointed
    - 2.3.4 your legal representative if you die - but only with respect to duties as such. The representative will have all your rights and duties under this insurance

### Qualifications

#### 3 Shown in Certificate

We do not insure anyone with respect to the conduct of a current or past partnership, joint venture or limited liability company which is not shown in your certificate as an assured or co-assured/joint assured

#### 4 Terms of Cover

- 4.1 Insurance of a co-assured under this clause is subject to all the terms of the assured's insurance
- 4.2 Insurance of co-assured will cease on cancellation/cesser of the assured's insurance
- 4.3 Cover under this clause is without prejudice to G2:20



# The Definitions





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## Y1 The Definitions

In any documentation relating to an offer or policy of insurance the words listed in the Definitions have the meaning set against them - unless otherwise specifically stated.

With the exception stated below, text is underlined in these wordings, for guidance only, to indicate that a word or phrase is included in the Definitions

“You”, “your”, “we”, “us” and, “our” are defined below. These meanings are consistent throughout our documentation, and the words are not underlined in the text.

### **Accident**

one fortuitous event or occurrence or a series of events or occurrences arising from one fortuitous event or occurrence. See extension at G2:40

### **Account year**

the annual period of the insurance of the assured commencing each year on the date shown in your certificate

### **Act**

- in respect of Through Transport Mutual Insurance Association Limited - the Through Transport Mutual Insurance Association Limited Consolidation and Amendment Act (Bermuda 1993) (and every amendment thereto in force)
- in respect of TT Club Mutual Insurance Limited - the Memorandum of Association

### **Adjustment date**

the date on which the declaration of your gross freight receipts, gross annual income or similar earnings, insured values, movements, handling or any other agreed adjustment factor is to be made

### **Adjustment rate**

one of the following rates, as specified in your certificate:

- a rate on your gross freight receipts or gross annual income or similar earnings during an account year
- a rate per annum on the insured value of equipment
- any other rate agreed by the Managers

### **Advertising injury**

injury arising from one or more of the following offences:

- oral/written publication of material which:
  - slanders or libels anyone or disparages anyone's goods, products or services
  - violates anyone's right of privacy
- misappropriation of advertising ideas or style of doing business
- infringement of copyright in respect of a title or slogan

### **Agree/agreed/agreement**

means *agree/agreed/agreement* in writing

### **Agreed value**

an amount agreed in advance between you and the Managers, and stated in your certificate, which we will reimburse in case of total loss of an insured asset

### **Aircraft**

includes aeroplane/helicopter (fixed or rotary wing), airship, balloon, drone and other unmanned aircraft

### **All risks policy**

policy covering fortuities generally though not inevitabilities eg. wear and tear or depreciation and subject to express exclusions

### **Amount due (from you)**

any of the following amounts due from you to us:

- all or part of any mutual/fixed/supplementary/release premium
- any amount due from you in respect of a claim any amount due from you in respect of interest
- any other sum due for any reason whatsoever

### **Applicant**

the assured or the party completing policy application documents

### **Approved contract**

contract included in your Approved Contracts Schedule

### **Asbestos**

asbestos in any form whether or not the asbestos was at any time:

- airborne as a fibre, particle or dust
- contained in or formed as part of a product, structure or other real or personal property
- carried on clothing
- inhaled or ingested
- transmitted by any other means

### **Association (the):**

the Club (Club's), ie: Through Transport Mutual Insurance Association Limited or TT Club Mutual Insurance Limited, whichever one is providing the insurance (or reinsurance) cover in any particular case

### **Assured**

the person(s) so designated in your certificate.

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**Authority**

- any central or local government, or agency of such government
- any body or person empowered to make regulations or issue directions in relation to:
  - the administration of any seaport, airport or railway
  - the import, export or transport of any cargo
  - safety of working conditions
  - immigration
  - the imposition of any tax or duty
  - the control of pollution
- any court or tribunal

**Avalanche**

includes mudslide

**Barratry**

intentional sinking of a vessel by the master or crew to the prejudice of, and without the connivance of, the owner

**Berth**

any quay, jetty, pier, wharf or other structure or object alongside which ships moor

**Breach of copyright**

includes infringement of plans, patents, trade names, trade marks and registered designs

**Breakbulk**

cargo (unless in bulk) which is not in carrying equipment, when carried on board a ship

**British Isles**

Britain, Northern Ireland, Isle of Man and Channel Islands

**Broker**

an insurance broker, consultant or other intermediary or agent directly or indirectly involved in dealing on your behalf as regards your insurance

**Broker (in USA)**

a person, who may be characterised as a load, freight, truck, property, transportation or cargo broker, and who, for compensation, arranges, or offers to arrange, the transportation of cargo by a carrier

**Broker (Customs/Customs House)**

a person who represents, or acts as the agents of, a principal in clearing goods through customs, including preparation and submission of paper and electronic documentation and communicating with authorities on the principal's behalf

**Bulk**

unpacked goods of a homogeneous nature

**Bullion**

gold, silver or platinum in bars or similar form

**By**

includes *on behalf of*

**Bye-laws**

as the case may be:

- the Bye-Laws for the time being of Through Transport Mutual Insurance Association Limited or
- the Articles of Association for the time being of TT Club Mutual Insurance Limited

**Cargo**

goods and property in respect of which you contract to provide services including:

- carrying equipment unless supplied by you
- anything used or intended to be used to pack or secure goods, carried from one place to another place.

**Cargo broker**

see *Broker (in USA)*

**Carried**

includes *intended for carriage and having been carried*

**Carrying equipment**

any container, chassis, trailer, rolling stock, genset, swap body, igloo and anything else specified as carrying equipment in your Assets or Equipment Schedule

**Cash**

bank notes and coins (whether or not currently legal tender) - and travellers and bank cheques, drafts, credit and charge cards and any cards or documents entitling the holder to receive cash, goods or services

**Certificate (of Insurance/ Reinsurance)**

includes endorsements, schedules in addition to the as incorporated into the certificate

**Cessation of work**

loss/damage as a result of strikes, labour disturbances or locked out workers - *except* physical loss or damage directly caused by strikers, locked out workers or similar persons - arising from:

- stoppage of work (total or partial)
- stoppage, interruption or retarding of any process or operation

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**Charter (chartered)**

a time, voyage, space or slot *charter*, but not a bareboat charter (*chartered* under a time, voyage, space or slot charter)

**Chassis**

- a trailer or semi-trailer designed to be hauled by a truck or tractor and used for the transportation of containers or intermodal cargo
- a part, including spares and accessories, of a chassis
- plant, tools or materials for the maintenance or repair of a chassis

**Claim**

your claim on us under your insurance

**Clean Up Costs**

costs of removal of a pollutant after pollution of land, sea, the atmosphere, any watercourse or body of water

**Club**

the Association

**Co-Assured**

the person(s) so designated in your certificate.

**Combined single limit**

the limit to which a total claim in respect of one accident, parts of which arise from different risks, will be subject

**Computer**

a device which accepts information in digital form and processes it for some result based on a program or sequence of instructions and which can perform substantial computation, including numerous arithmetic operations or logic operations - including the base unit but not a keyboard, monitor or other peripheral

**Condition precedent**

a condition which must be fulfilled for the Club to be liable under your policy

**Consequential Loss**

financial loss resulting from physical loss or damage or death injury or illness

**Container**

- an article of transport of permanent character fitted with corner castings specifically designed to facilitate transport by more than one mode of carriage
- plant tools or materials for the maintenance or repair of a container

**Contract (contractual)**

any contract relating to your insured services, including a port statute, port tariff and port regulations to which you

are subject or pursuant to which you provide insured services (relating to such a contract)

**Contract services (in USA)**

services customarily performed by a transporter of cargo, terminal, port, depot or warehouse operator or services incidental to the transport of cargo or operation of a port

**Conveyance**

any ship, aircraft, road vehicle or rail wagon used or intended to be used for the carriage of cargo

**Costs**

includes expenses

**Cover**

a grouping of clauses, for example Transport and Logistics Operator cover

**Crew member**

any person (including the master and apprentices) employed as part of a ship's complement under the terms of a crew agreement or other contract of service or employment to serve on board a ship

**Customer**

any person for whom you provide, directly or through your subcontractors, insured services

**Customs broker**

see *Broker*

**Cyber attack**

use of any computer, program, virus, or any other electronic system/process as a means of inflicting loss

**Damage protection plan**

an agreement between you and a customer whereby, in return for additional payment, the lessee is relieved of its obligation under the leasing contract to pay for repair of damage to equipment during the period of the lease

**Death, injury or illness**

includes hospital, medical and funeral expenses

**Death or injury**

includes hospital, medical and funeral expenses

**Declaration**

declaration of information which is to be provided by you to us in order to calculate your premium

**Defamation**

libel, slander and publication or utterance of disparaging material in violation of privacy rights

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**Deposit**

the part of the premium payable each account year in advance, adjusted at the adjustment rate on the adjustment date, subject to any applicable minimum

**Depreciated value**

the value of an item depreciated in annual increments down to its estimated residual value at the end of its useful life

**Directors**

the Board of Directors for the time being of the Association

**Earthquake**

includes seaquake, tsunami and seismic activity

**Electrical**

includes *electronic*

**Electronic components**

integrated circuits, system boards and SIM cards, computer memory and computer processors, CD-ROM drives, DVD drives, sound cards, video cards and modems

**Employee (your)**

a person defined as your employee by the law which applies where he or she provides services

**Employment benefit**

wages, salaries, bonuses, incentives, perquisites, fringe benefits or other payments, entitlements or benefits owed to any employee as a result of an employment contract

**Employment contract**

any contract of employment between the assured and an employee

**Equipment**

carrying or handling equipment

**Executive officer**

any director, board member, commissioner, president, vice-president or managerial employee

**Expendable/replaceable parts**

including flexible drives, ropes, belts, chains, elevator and conveyor bands, batteries, tyres, trailing wires and cables, flexible pipes and hoses, jointing and packing materials, transistors, fuses and similar electrical components

**FDA Agent**

Food and Drugs Administration US Resident Agent

**Financial lessor**

lessor of property/equipment under an agreement or option to purchase

**Financial loss**

pecuniary loss, cost or expenses

**First aid post**

premises providing medical services staffed by part time and/or volunteer personnel who are not qualified doctors or paramedics

**Fiscal representative**

a person acting as representative of the Member for tax or duty purposes or as otherwise defined in any applicable national or international law or convention

**Fixed premium**

price (or any part of price) for insurance which has not been agreed to be a mutual premium

**Flood**

rising water, surface water, waves, tidal waves, tidal water, storm surge, overflow of streams, rivers, lakes, ponds or other bodies of water, spray from any of the foregoing, all whether driven by wind or not

**For example (eg)**

means by way of example without limitation of the generality of the foregoing

**Freight broker**

see *Broker (in USA)*

**Freight forwarder**

a transport operator providing services, which may include documentation and customs clearance, as agent or principal, but subcontracting all physical carriage and handling to one or more operators

**General average**

sacrifice or expenditure to save property involved in a sea voyage, to which, in principle, all owners of the saved property contribute proportionately

**Gross freight receipts**

gross revenue plus payments to agents and subcontractors in respect of services as transport operator, but excluding customs duty, sales tax or similar fiscal charges, paid on behalf of customers

**Gross revenue**

revenue net of payments to agents and subcontractors in respect of services as transport operator

### **Handheld electronic products**

products designed primarily for the storage, management, use or transmission of information by electronic means (for example: organisers, computer games, remote control devices), but not products in which the electronic component only controls another, mechanical or other, function (for example: toothbrushes, power tools)

### **Handling equipment**

- an item of machinery or other apparatus (not being an aircraft, container, locomotive, ship or trailer) used for the handling, movement or storage of cargo or carrying equipment, and operations incidental to such activities
- a part, including spares and accessories, of handling equipment
- plant, tools or materials for the maintenance or repair of handling equipment or of any customer's equipment
- anything specified as handling equipment in your Assets or Equipment Schedule

### **Haulage Operator**

an actual road carrier

### **Host Liquor**

supplying alcoholic beverages in the course of your insured services other than in the business of manufacturing, distributing, selling or serving alcoholic beverages

### **Illegal trade**

handling, movement, storage of, or transaction in, people, goods, cargo or money in the course of trade which is prohibited by national law or international agreement/convention

### **Impaired property**

tangible property, other than your product or your work, that cannot be used or is less useful because:

- it incorporates your product or your work that is known or thought to be defective, deficient, inadequate or dangerous or
- you have failed to fulfil the terms of a contract and which can be restored to use by:
  - the repair, replacement, adjustment or removal of your product or your work or
  - your fulfilling the terms of the contract

### **In writing/written**

visibly expressed in any permanent or retrievable form, including electronic means

### **Insured trading area**

the area described in your certificate in which the Managers have agreed that your insured ships will trade

### **Includes/including**

means *includes/including without limitation of the generality of the foregoing*

### **Incur as an employer**

incur liabilities which would not have arisen but for your employer-employee relationship, including liabilities under any state or private workers compensation insurance, disability benefits or similar law or scheme

### **Indemnity value**

the cost of replacing an insured asset with an item of the nearest (but no worse) specification, age and condition, and any labour, dismantling, freight and erection costs of the replacement item but only to the extent that the total of such costs does not exceed the

insured value

### **Indirect declarant**

a person making a customs declaration in his/her own name but on behalf of someone else or as otherwise defined in any applicable national or international law or convention

### **In flight**

the time commencing with the starting of the engines before take-off run of the aircraft and continuing thereafter until it has completed its landing run and its engines are shut down

### **Insanity**

being or becoming incapable by reason of mental disorder of managing and administering property and affairs

### **Insured**

insured by us in accordance with applicable terms

### **Insured asset**

Insured equipment, property, ship or aircraft

### **Insured Assets Schedule**

that part of your certificate which lists insured assets, which may be carrying/handling equipment, property, ships or aircraft

### **Insured berth**

a berth at your insured location, unless otherwise stated in your certificate



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**Insured (carrying/handling) equipment**

equipment specified in your Insured Assets or Equipment Schedule

**Insured contract (in USA)**

- contract for the lease of premises. However, that portion of the contract that indemnifies anyone for damage to fire to premises while rented to you or temporarily occupied by you with permission of the owner is not an insured contract
- a sidetrack agreement
- an easement or licence agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad
- an obligation, required by ordinance, to indemnify a municipality, except in connection with work for a municipality
- an elevator repair or maintenance agreement
- that part of any contract pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of someone else to pay for bodily injury or property damage to a third party. Tort liability means a liability that would be imposed by law in the absence of a contract

This definition does not include any part of a contract which:

- indemnifies a railroad for bodily injury or property damage arising from construction or demolition operations, within 50 feet of any railroad property and affecting any: railroad bridge or trestle, tracks, roadbeds, tunnel, underpass or crossing
- indemnifies an architect, engineer or surveyor for injury or damage arising from:
  - preparing, approving, or failing to approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings or specifications *or*
  - giving directions/instructions, or failing to give directions/instructions, if that is the primary cause of the injury or damage *or*
  - under which the assured, if an architect, engineer or surveyor, assumes liability for injury/

damage arising out of the insured's rendering, or failing to render, professional services, including those listed above, and supervisory, inspection, architectural or engineering activities

**Insured Equipment Schedule**

that part of your certificate which lists insured carrying or handling equipment

**Insured location**

the location at which you provide any insured services and in respect of which the Managers have agreed that you are insured, and which is included in your Insured Location Schedule (or Insured Assets or Equipment Schedule)

**Insured property**

property at the locations specified in your certificate which is

- specified in your certificate or
- third party property in your care, custody and control which you are legally liable to insure against physical loss and damage

**Insured services**

services set out in your certificate in respect of which the Managers have agreed that you are insured

**Insured ship**

a ship specified in your Insured Assets or Ships Schedule

**Insured trading area**

the area stated in respect of each ship in your Insured Assets or Ships Schedule

**Insured value**

an amount which may be the new replacement value, depreciated value, indemnity value, agreed value, market value or cost of reinstatement, as stated in your certificate, which the Managers have agreed to pay in the event of a total loss of an insured item. Where no amount is stated in the certificate, the insured value will be the market value, except in the case of an insured container when it will be the depreciated value

**Joint assured**

the person(s) so designated in your certificate

**Joint service partner**

an operator or NVOC with whom you operate a joint service

**Joint venture partner** (see also partner)

an operator with whom you pool equipment in order to operate a joint service.

### **Lack of Due Diligence**

failure to exercise reasonable skill, care and competence in the circumstances

### **Land**

includes buildings and other things fixed to land so as to become part of it, mines, subsoil and airspace

### **Lease/leased/lessor/lessee**

includes rent, hire and borrow (with or without payment), but excludes:

- re-positioning of carrying equipment in respect of which payment is not made or received
- use of carrying equipment owned by a ship operator to carry cargo on the ship operator's ships

### **Leased worker**

a person leased to you by a labour leasing firm under an agreement between you and the labour leasing firm, to perform duties relating to the conduct of your business.

Leased worker does not include

temporary worker

### **Leasing contract**

a contract approved by the Managers for the purposes of your lessor cover whereby you lease equipment to a customer on terms, amongst others, that the customer will be responsible for all physical loss and damage of the equipment (other than fair wear and tear) from the time the customer takes delivery of it until either the customer redelivers it to you or you repossess it, and will also be responsible for all third party liabilities arising from its condition or use during that period

### **Liability (liable)**

means *legal liability (legally liable)*

### **Liquidated damages**

a fixed sum agreed in advance under a contract as payable in the event of a breach of the contract

### **Load broker**

see *Broker (in USA)*

### **Logistics operator**

an operator:

- undertaking supply chain management, defined as planning, implementing and controlling the flow and storage of goods, services and related information from point of origin to point of consumption
- operating under contracts specified in your Approved Contracts Schedule

which extend liability provisions, for example: to just in time delivery, assembly (including packing, labelling and bar coding) and financial penalties for failure to conform

### **Loss**

A physical, financial or consequential loss as appropriate in the context

### **Loss payee**

includes mortgagees and mortgagors specified in your Loss Payee or Loss Payee Joint Assured Schedule

### **Lump sum**

a premium not subject to adjustment by means of an adjustment rate

### **Managers**

the Managers of the Association (or its branches) and their employees and agents acting within the scope of their authority.

### **Market value**

the sale value of an item on the open market in the condition in which it was immediately before the accident

### **Medical centre**

premises providing medical services and staffed by qualified doctors or paramedics

### **Member currency**

the currency in which the Member ordinarily carries on business unless a different currency is declared in the certificate.

### **Microorganism**

mould, mildew, fungus, spores or other microorganism of any type, including any substance the presence of which poses actual or potential threat to health

### **Model conditions**

conditions held on our website for Members' use, eg: *Series 100 Bill of Lading*

### **Money damages**

any monetary compensation for past loss

### **Mutual premium**

price (or any part of price) for insurance which is subject to supplementary, return, and release premiums in accordance with Part E of the Bye-Laws

### **NVO(C)C (non vessel owning (common) carrier)**

a carrier, who is not a ship operator, providing freight forwarder services as a principal, usually under a bill of lading

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### **Navigational aids**

provision and maintenance of:

- marine navigational aids
- charted and advertised water depths
- buoyage and lighting for fairways, wrecks and obstruction
- navigational information and warnings

### **New for old**

without deduction for depreciation

### **New replacement value**

cost of replacing an item with a new item of the nearest (but no worse) specification available, and any labour, dismantling, freight and erection costs of the replacement item

### **Non-contractual**

other than under a contract

### **Notice**

notice in writing

### **Nuclear weapon**

any weapon of war employing nuclear fission or fusion or other like reaction or radioactive force or matter

### **Off lease (equipment)**

equipment which at the time of an accident giving rise to a claim under your lessor cover was not on lease

### **Officials claim**

a written demand for money damages arising from a wrongful act. All officials claims against you arising from the same wrongful act, or from logically or causally connected wrongful acts, will be considered as one officials claim. All such officials claims will be considered first made at the time the earliest such officials claim was made against you

### **Officials liability**

money damages which you become legally obligated to pay by reason of a wrongful act. Officials liability does not include:

- sanctions, fines or penalties liquidated damages as provided under a contract or statute
- return of taxes, assessments, penalties, fines or fees
- salaries and wages of any assured, other official, employee or member or officer of the assured, or any government body in connection with the investigation or defence of claims
- matters uninsurable under the law or against public policy
- employment benefits owed as a result of a written employment contract

that is not the result of a collective bargaining agreement

### **On lease (equipment)**

equipment which at the time of an accident giving rise to a claim under your lessor cover:

- was on lease to your customer pursuant to a leasing contract or
- had been leased to your customer under a leasing contract which had terminated by reason of default or breach of the customer and had not yet been redelivered to or repossessed by you

### **Operator**

a person who owns, leases, charters or otherwise operates means of transport or storage or handling facilities specified in your insured services

### **Oversea ship**

a ship carrying insured equipment from one port or place to another when the voyage includes a sea passage

### **Oversize cargo**

cargo which, because of its size, weight or other characteristics, requires special arrangements for carriage

### **Overspill claim**

that proportion of a political risks claim which is unpaid as a result of the total political risks claims for the political risks account year exceeding the political risks maximum and which is carried forward to the next political risks account year

### **Own/owned/owner/ownership**

includes lease purchase and bareboat charter

### **Paragraph**

a numbered paragraph within a clause, for example T1:4 - limits applying to valuable cargo within the Transport & Logistics Operator cover for Cargo Liabilities

### **Partner**

a person defined by applicable company law as a partner (see also joint service/venture partner)

### **Period of insurance**

does not include any extended reporting period

### **Personal property**

all property except land

### **Physical loss:**

damage, destruction, seizure or deprivation of property such that there is no prospect of recovering the property or part of it

### **Piracy (risks)**

risks arising from any criminal acts of violence, detention, rape, or depredation committed for private ends by the crew or the passengers of a private ship or aircraft that is directed on the high seas (both outside and within international waters) against another ship, aircraft, or against persons or property on board a ship or aircraft

### **Policy (of insurance)**

the terms of your insurance with us, as set out in the Act, the Bye-Laws and your certificate of insurance - which incorporates, to the extent stated in the certificate in each particular case, your policy book

### **Policy book**

a collection of clauses which are, wholly or partly, incorporated into your policy by means of your certificate

### **Pollutant**

any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapour, soot, fumes, liquid, gas, oil, petroleum substance or derivative acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed

### **Pollution**

the emission, discharge, dispersal, release or escape of a pollutant into or upon land, sea, the atmosphere, any watercourse or body of water which is not naturally present in the environment in the amounts/ concentrations discovered

### **Port**

includes harbour

### **Port authority**

includes port operator, harbour board, harbour authority or harbour operator

### **Precious jewellery**

jewellery made from precious stones or precious metal

### **Precious metal**

gold (any carat and any colour), palladium, platinum, silver and objects made of or plated with precious metal (as defined here)

### **Precious stones**

diamonds, emeralds, sapphires and rubies - except where made up into precious jewellery

### **Premium**

(used on its own) means a mutual

premium, a fixed premium or a combination of the two

### **Products liability**

liability for loss/damage of property or bodily injury arising from any product, including containers packaging or labelling, which:

- is sold, supplied, erected, constructed, repaired, altered, treated, converted, installed, processed, manufactured, tested, serviced, or hired out by or through you and
- has ceased to be in your possession, care, custody or control and
- is defective for the purposes of applicable products liability law

### **Professional services**

includes preparation/approval of maps, charts, plans, reports, surveys, designs calculations or specifications and supervisory, inspection, engineering or data processing services and services of or in the nature of a profession which would normally be insured by a professional Indemnity Insurer (whether actually insured or not) - and advice of a professional nature

### **Project cargo**

- cargo which, because of its size or weight, requires special arrangements for carriage or
- cargo carried under a mining, construction, engineering, infrastructure or similar project contract

### **Property broker**

see *Broker (in USA)*

### **Quiet use**

freedom from interference in enjoyment of the property by the seller or by anyone claiming through the seller

### **Radioactive/nuclear risks**

- risks caused or increased (directly or indirectly) by:
- ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste from combustion of nuclear fuel
  - the radioactive, toxic, explosive or other hazardous properties of:
    - an explosive nuclear assembly or nuclear component thereof of
    - *source material, special nuclear material or by product material* as defined by the US Atomic Energy Act 1954 (and amendments) or

- radioactive products carried as cargo - other than excepted matter
- Excepted matter* is defined under s26(i) of the United Kingdom Nuclear Installations Act 1965 as nuclear matter consisting only of one or more of the following:
- isotopes prepared for use for industrial, commercial, agricultural, medical or scientific purposes
  - natural uranium
  - any uranium of which isotope 235 forms not more than 0.72 per cent.
  - nuclear matter of such other description, if any, in such circumstances as may be prescribed (or, for the purposes of the application of this Act to a relevant foreign operator, as may be excluded from the operation of the relevant international agreement by the relevant foreign law)

### **Regulations**

means regulations and laws made by any authority

### **Reinstatement**

in the case of:

- total loss of a building:  
Rebuilding
- total loss of an item of property or equipment other than a building:  
New Replacement

### **Review date**

the date identified on your policy as the date to which the policy document extends

### **Risk**

liability, loss, damage or costs

### **Road vehicle**

a vehicle with integral means of mechanical or electrical propulsion for use on public roads

### **Rolling Stock**

railway wagon without integral means of mechanical or electrical propulsion

### **Securities**

bonds, negotiable instruments or securities of any kind

### **Semi-trailer**

- a trailer constructed to be attached to, and supported at its forward end by, the fifth wheel device of a tractor - but excluding for the purposes of your policy any semi-trailer which is defined as a chassis
- a part, including spares and accessories, of a semi-trailer
- plant, tools or materials for the maintenance or repair of a semi-trailer

### **Ship**

boat (whether self-propelled or not), hovercraft and any other vessel or structure for use in navigation on, under, over or in water

### **Ship operator**

the owner, part owner, operator, charterer or manager of a ship

### **Slot charter**

an agreement under which the shipowner agrees to place a certain number of container slots at the charterer's disposal

### **Space charter**

an agreement under which the shipowner agrees to place part of the ship's capacity at the charterer's disposal

### **Specified lessee**

a lessee specified in your Specified Lessee Schedule

### **Statutory obligation**

any obligation, liability or discretion imposed by any legislative enactment, decree, order or regulation having the force of law in any country

### **Stocktaking**

counting and recording items in the course of storage as part of your insured services as a routine control measure

### **Storm**

includes hurricane, typhoon, windstorm, rainstorm or tornado

### **Strikes riots & civil commotion risks**

risks arising from strikers, locked-out workmen or persons taking part in labour disturbances, riots or civil commotions

### **Strikes riots & terrorist risks**

risks arising from:

- strikers, locked-out workmen or persons taking part in labour disturbances, riots or civil commotions
- terrorists or persons acting from a political motive

### **Subsidence**

includes landslip and heave

### **Suit**

a proceeding in a court of law where money damages may be awarded

### **Temporary worker**

a person who is furnished to you to substitute for a permanent employee on leave to meet seasonal or short term workload conditions

## Terms

includes warranties, conditions, exclusions, qualifications and (where applicable) price

### Terrorism (terrorist)

(an act of) any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s) or government(s), committed for political, religious or ideological purposes to:

- overthrow or influence any government (de facto or de jure) or
- put the public in fear for such purposes by force or violence

### Terrorism class

as defined in the *Pool Reinsurance Company Limited* rules for the purposes of reinsurance of risks arising from terrorism. The classes are (in brief):

- property damage/ buildings
- property damage/ other property (including handling equipment)
- business interruption
- book debts

### Third party

anyone other than us, the assured or a joint assured (or co-assured)

### Third party liability

- liability for physical loss of or damage to third party property and for resulting consequential loss
- liability for death, injury or illness of any third party, and for resulting consequential loss

### Third party property

any property of a third party *except*:

- cargo
- property leased to the assured or a joint assured (for *example*: equipment, land or buildings)

### Trailer

- a vehicle, without integral means of propulsion, designed to be hauled by a truck or tractor for the purpose of transporting goods
- a part, including spares and accessories, of a trailer
- plant, tools or materials for the maintenance or repair of a trailer

### Transit storage

storage of cargo during, or immediately before or after, carriage (which is other than solely local distribution), if at the commencement of such storage it was intended that the storage would not exceed 30 days

### Transportation broker

see *Broker (in USA)*

### Transport operator

a person undertaking transport of cargo, either directly or through a subcontractor, which may include transit storage and incidental handling

### Truck broker

see *Broker (in USA)*

### Unapproved contract

contract not included in your Approved Contracts Schedule or otherwise approved by the Managers

### Unspecified lessee

a lessee other than a specified lessee

### Valuable papers

formal documents expressing property, or debt, relations between parties and classified as follows:

- share capital certificates if it is possible to receive credit from a bank on the document
- bond certificates - issued by both companies and governments
- documents expressing proprietary interests including bills, cheques, warrants, certificates of deposit, bills of lading and other commercial papers
- international valuable papers including euroshares and eurobonds

### Valuable works of art

includes antiques, paintings, furniture, sculptures, tapestries, collectibles or objects for display, if the value exceeds USD 20,000 each item or set of items

### Vertical tandem lift

lift of more than one container linked together vertically

### War risks

the following, except to the extent that the definition of terrorism applies:

- war, civil war, revolution, rebellion, insurrection or civil strife arising there from, or any hostile act by or against a belligerent power
- capture, seizure, arrest, restraint, detention (piracy excepted), confiscation or expropriation and the consequences thereof and attempts thereat
- risks arising from mines, torpedoes, bombs, rockets, missiles, shells, explosives or other similar weapons of war, whether active or derelict - unless handled by the Member in the course of its insured services with the Managers agreement

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**We (us) (our)**

The Association.

**Wear and tear**

wastage, wearing away or wearing out of any material or part arising from ordinary usage or working, or other gradual deterioration, rust, oxidation, corrosion, or erosion, including slowly developing deformation, distortion, cracks or other flaws

**Winding up/bankruptcy**

- in the case of a corporation:
  - the passing of a resolution for voluntary winding up
  - an order being made for compulsory winding up
  - dissolution
  - appointment of a receiver or manager of all or part of the business or undertaking
  - possession being taken by a secured party of any property
  - commencing proceedings under any insolvency laws to seek protection from creditors or to reorganise its affairs
- in the case of an individual:
  - having a receiving order made against him/her
  - becoming bankrupt
  - making a composition or arrangement with creditors generally

**Wrongful act**

any act, error or omission by an executive officer of the assured acting in his/her representative capacity as such, or any matter claimed against an executive officer solely by reason of his/her status as executive officer of the assured, constituting a breach of a duty imposed by law or breach of an employment contract

**Your country**

any country in which:

- you are incorporated or
- the management of your business is conducted or
- your principal place of business is situated

**You (your)**

an assured and any joint assured (or co-assured) under the assured's insurance - as designated in the certificate(s)

and any of the following in respect of a designated assured/joint assured:

- a. director or board member
- b. commissioner
- c. president/vice-president or chief executive (or equivalent)
- d. partner (including salaried partner)
- e. senior employee with direct responsibility to the board or president/vice-president or chief executive (or equivalent) for the insured service in respect of which a claim arises
- f. sole trader

**Your product**

any goods, other than real property, manufactured, sold, handled, distributed or disposed of by:

- you
- others trading under your name
- anyone whose business or assets you have acquired
- containers (other than vehicles), materials, parts or equipment furnished in connection with your goods or products

*Your product includes:*

- warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of your product
- the providing of, or failure to provide, warnings or instructions

**Your work**

- any work or operations performed by you or on your behalf
- any materials, parts or equipment furnished in connection with this work or operations

*Your work includes:*

- warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of your work
- the providing of, or failing to provide, warnings or instructions

