



Columbus

Ports and Terminals Wording

Insuring a World in Motion

Version 2015/1

NAVIGATORS' COLUMBUS

PORTS AND TERMINALS POLICY WORDING

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SECTION 1 – LIABILITY

1. GENERAL

- 1.1. The insurance provided by this Section is set out in this Section, the General Policy Provisions, the Insurance Schedule, any endorsements, the Questionnaire, and on the basis of the Duty of Disclosure and Basis of Contract clause (clause 1) of the General Policy Provisions.
- 1.2. The cover provided in this Section is in consideration of payment of the premium. If the Assured does not comply with any premium warranties in the Policy, Underwriters are discharged from liability from the date of the breach of warranty.
- 1.3. This Section is only in force if described as such in the Insurance Schedule.

2. INSURING CLAUSES

- 2.1. Underwriters agree to indemnify the Assured for legal liability as follows:
 - 2.1.1. Liability for loss, damage or injury as set out in clause 3;
 - 2.1.2. Liability for tenants and subcontractors as set out in clause 4;
 - 2.1.3. Legal Costs and Expenses as set out in clause 5; and
 - 2.1.4. Wreck and Debris Removal as set out in clause 6;
- 2.2. Subject to the restrictions and exclusions in clauses 7, 8, 9 and 10.

3. LIABILITY FOR LOSS, DAMAGE OR INJURY

- 3.1. Underwriters agree to indemnify the Assured for its legal liability to Third Parties for:
 - 3.1.1. Physical loss or physical damage to the property of any Third Party; or
 - 3.1.2. Bodily injury to any Third Party;
- 3.2. But only if:
 - 3.2.1. The Assured's liability arises from an Accident and is incurred because of its Operations as Port Authorities or Terminal Operators; and
 - 3.2.2. The loss, damage or injury directly results from an Operation performed within an Insured Location.
- 3.3. Underwriters agree to indemnify the Assured if a claim is made in rem against Insured Handling Equipment or Insured Property, but:
 - 3.3.1. Only if the Assured would have been liable if a claim had been made against the Assured; and
 - 3.3.2. Underwriters will not provide or pay for any security or any losses arising as a result of the failure to provide security promptly.

4. LIABILITY FOR TENANTS AND SUBCONTRACTORS

- 4.1. Underwriters agree to indemnify the Assured for any liability incurred because of any Operations carried out by any tenant, licensee or subcontractor of the Assured;
- 4.2. But only if:
 - 4.2.1. The Assured would have been entitled to an indemnity under clause 2 of this Section if it had carried out the Operations itself; and
 - 4.2.2. The Assured ensures that the tenant or sub-contractor purchases and maintains adequate liability insurance.
- 4.3. If the tenant or sub-contractor has not maintained adequate liability insurance, the Assured will nevertheless be entitled to an indemnity if it had obtained evidence of insurance and had no reason to suspect that it was no longer in force.

5. LEGAL COSTS AND EXPENSES

- 5.1. Underwriters agree to indemnify the Assured for reasonable costs and expenses incurred in the defence of any claim alleging liability arising from an Accident covered under this Section.
- 5.2. Underwriters agree to indemnify the Assured for its liability to pay the costs and expenses of proceedings awarded to any claimant against the Assured in relation to a liability covered by this Section.
- 5.3. However, Underwriters will not indemnify the Assured for its internal costs, including any fees, salaries or retainers for salaried employees and employed counsel and all office expenses of the Assured unless prior agreement has been obtained from Underwriters.
- 5.4. The Section Limit includes any liability Underwriters may have to pay for any costs or defence expenses under this clause as set out in clause 2.1 of the General Policy Provisions.

6. WRECK AND DEBRIS REMOVAL

- 6.1. Underwriters agree to indemnify the Assured:
 - 6.1.1. For costs and expenses which it incurs to raise, recover, remove or dispose of the Cargo, vessel or other property of any Third Party, including the raising, recovery, removal or disposal of any wreck or debris;
 - 6.1.2. But only if the Cargo, vessel or property has been damaged by an Accident at an Insured Location for which the Assured is legally liable.
- 6.2. Underwriters also agree to indemnify the Assured:
 - 6.2.1. For costs and expenses which it incurs either voluntarily or in the exercise of a statutory right or obligation to raise, recover, remove or dispose of any wreck or debris following an Accident;
 - 6.2.2. But only if:
 - A. The Assured is a Port Authority;
 - B. The Assured incurs the costs or expense for the purpose of avoiding or minimising a claim under this Section; and
 - C. The Assured obtains Underwriters' approval before incurring the costs or expense.
- 6.3. Underwriters also agree to indemnify the Assured for any costs incurred to mark or buoy any wreck or debris before it can be recovered, but only if the costs of recovery would be covered by clause 6.1 or 6.2.

7. CONTRACTS AND AGREEMENTS

- 7.1. Underwriters have no liability to indemnify the Assured under this Section in respect of contractual liabilities unless:
 - 7.1.1. Underwriters have approved a copy of the contract; or
 - 7.1.2. The contract is identified in the Questionnaire provided by the Assured and Underwriters have not asked for a copy (in which case Underwriters will be treated as having approved the contract);

Save that where the Assured trades on standard terms or on usual terms, Underwriters will indemnify the Assured if they have approved the standard terms or a specimen of a contract on the Assured's usual terms.
- 7.2. The Assured must give Underwriters a copy of any contract entered into which Underwriters have not previously approved. Underwriters:
 - 7.2.1. May refuse to approve this contract or only agree to provide cover for liabilities under the contract under different terms or subject to the payment of additional premium; but
 - 7.2.2. Will not provide an indemnity in any event if the Assured does not provide a copy of the contract within 30 days of agreeing it.
- 7.3. However, Underwriters will indemnify the Assured under this Section even if the Assured has assumed liability under a written contract which Underwriters have not approved, including any agreement to hold harmless or indemnify a Third Party, if:

- 7.3.1. The liability is assumed in connection with the Assured's Operations as a Port Authority or Terminal Operator;
 - 7.3.2. The Assured would have been liable if it had not entered into the contract or agreement;
 - 7.3.3. The liability was caused or contributed to by the Assured's fault or negligence; and
 - 7.3.4. The liability would be covered by this Section if clause 7.1 or 7.2 did not apply.
- 7.4. The amounts payable under this clause may be limited by a Sub-Limit or Sub-Limits specified in the Insurance Schedule.

8. UNITED STATES PERMISSIVE USER LIABILITY CLAUSE

Other than in the case of the Assured, in the event of any court and/or tribunal deciding under the applicable State and/or Federal law of the United States of America that a Third Party is entitled to be indemnified under this Section as a result of using and/or being legally responsible for any vehicle, equipment and/or conveyance of any description, then the indemnity under this Section shall not exceed the minimum insurance requirements under such applicable State and/or Federal law.

9. UNITED STATES OIL POLLUTION ACT DISCLAIMER

This Policy of insurance is not evidence of financial responsibility under the Oil Pollution Act of 1990 or any similar federal or state laws. Any showing or offering of this Policy by the Assured as evidence of insurance shall not be taken as any indication that the Underwriters consent to act as guarantor or to be sued directly in any jurisdiction whatsoever. The Underwriters do not consent to be guarantors or to be sued directly.

10. EXCLUSIONS

The cover provided by this Section excludes any actual or alleged liability, cost or expense however arising:

- 10.1. To past, present or prospective employees of the Assured, unless:
 - 10.1.1. The alleged liability is in relation to Bodily Injury suffered by the employee and does not arise out of his or her employment; or
 - 10.1.2. The alleged liability is covered by clause 7.3 of this Section;
- 10.2. Directly or indirectly under Workmen's Compensation or Employers Liability Acts or any other statutory or Common Law Liability to any workman or other person employed in any capacity whatsoever by the Assured, his agents or sub-contractors when such Bodily Injury arises out of or in the course of the employment of such workman or other person;
- 10.3. For Bodily Injury in any way related or directly or indirectly caused by, arising out of or connected to:
 - 10.3.1. Exposure to or ingestion, inhalation or absorption, in any form, of asbestos, tobacco, coal dust, polychlorinated biphenyls, silica, benzene, lead, talc, dioxin, pharmaceutical products or drugs of any type, pesticides, herbicides, mould, or electro-magnetic fields;
 - 10.3.2. Hearing loss or damage;
 - 10.3.3. Human immunodeficiency virus or acquired immunodeficiency syndrome;
 - 10.3.4. Any occupational disease;
- 10.4. For loss, damage or expense to any property or equipment owned, leased, hired, occupied or rented by the Assured;
- 10.5. For loss, damage or expense caused by wear, tear and/or gradual deterioration;
- 10.6. From the Assured or a sub-contractor of the Assured voluntarily parting with possession of any property;
- 10.7. For loss, damage or expense to Valuable Cargo unless the Assured was not informed and could not reasonably have known such Cargo was being handled;
- 10.8. Relating to the handling of contraband or Cargo which is not lawful unless the Assured was not informed and could not reasonably have known such Cargo was being handled; and in any event for loss, damage or expense to contraband or Cargo which is not lawful;
- 10.9. Relating to the handling of Project Cargo unless:

- 10.9.1. The Assured was not informed and could not reasonably have known that Cargo was Project Cargo; or
- 10.9.2. Underwriters have specifically agreed to insure the handling of the Project Cargo in question in the Insurance Schedule or by an endorsement;
- 10.10. As the owner, operator or user of any vehicle or conveyance of any description required to be licensed under any law, or any Accident involving a vehicle, chassis, trailer, conveyance or the like on public roads or outside the confines of an Insured Location;
- 10.11. In respect of any interest the Assured may have in, or arising out of the use or operation of, any vessel, watercraft, aircraft or helicopter whether owned, leased, rented, hired, chartered or operated by the Assured, including any management or operation of any airport, area or building upon which aircraft or helicopters land or manoeuvre, or in which they are housed, maintained or repaired;
- 10.12. Attributable to seepage, pollution or contamination however caused and whenever or wherever happening, and regardless of whether the liability, cost or expense would otherwise be covered by clause 6 of this Section:
 - 10.12.1. Unless:
 - A. The seepage, pollution or contamination was caused by an Accident;
 - B. The Accident was first discovered by the Assured within 72 hours of the Accident; and
 - C. The Accident did not result from the Assured's intentional or wilful violation of any law;
 - 10.12.2. However, Underwriters shall not have any liability in any event for loss, liability or expense:
 - A. To abate or investigate any threat of seepage onto or pollution or contamination of the property of a Third Party;
 - B. For seepage, pollution or contamination of property which is or was, at any time, owned, leased rented or occupied by any Assured, or which is or was, at any time, in the care, custody or control of any Assured (including the soil, minerals, water or any substance on, in or under such owned, leased, rented or occupied property or property in such care, custody or control);
 - C. For loss of, damage to or loss of use of property directly or indirectly resulting from subsidence caused by sub-surface operations of the Assured; or
 - D. Where any other exclusion applies.
- 10.13. From the transportation, disposal, handling, processing, treatment, storage or dumping of any waste materials, spoil or substances, including the operation of any land fill, dump site or location used for such;
- 10.14. Out of dredging operations, while such operations are being performed;
- 10.15. For any liability to pay anything other than compensatory damages including:
 - 10.15.1. Fines, duties, taxes or similar fiscal charges or other governmental or regulatory penalty;
 - 10.15.2. Confiscation by any Authority of any property; or
 - 10.15.3. Punitive, aggravated or exemplary damages or additional damages based on a multiplication of the compensatory damages or on any basis not related to the loss;
- 10.16. Relating to the imprisonment or detention of any person; or to wrongful interference with goods or property or property rights, unless there is a danger of wrongful delivery;
- 10.17. Relating to defamation, or any statement by any means whatsoever in any media (including without limitation electronic, print, social or broadcast media and the internet);
- 10.18. Relating to the infringement of any intellectual property rights or passing off.
- 10.19. For failure in performance or delay, including failure to supply or from fluctuations in supply of any substance, product or service whatsoever;
- 10.20. Loss of market, loss of use, loss of income, loss of profits, loss of opportunity or interruption of or delay to business;
- 10.21. Any consequential loss or damage whatever;

- 10.22. For any actual or alleged negligent act, error or omission in relation to any advice or information provided, documentation produced or professional duty;
- 10.23. As a result of the specification, rating, manufacturers guidelines or safe working load or lift capacity of any property, equipment or machinery being exceeded or disregarded other than for the purpose of inspecting or testing;
- 10.24. Relating to the movement, erection or dismantling of an item of equipment or machinery other than during the course of inspection, maintenance, repair or removal to another working position within the confines of an Insured Location;
- 10.25. Relating to goods or products manufactured, processed, graded, blended or sold by the Assured or by others trading under the name of the Assured if:
 - 10.25.1. Loss or damage occurs away from the premises owned, leased, rented and/or controlled by the Assured;
 - 10.25.2. Loss or damage occurs after physical possession of such goods or products has been relinquished to others; or
 - 10.25.3. Liability arises out of a representation or warranty made at any time in connection with such goods or products.
- 10.26. Arising out of the sale, supply or gift of any alcoholic beverage or other intoxicating substance, or as a result of causing the intoxication of any person.
- 10.27. Relating to the handling of Cargo which is not Usual Cargo;
- 10.28. Attributable to inherent vice or latent defect; or
- 10.29. Attributable to the wilful misconduct of the Assured, the Assured's employees or others to whom the Assured has entrusted responsibility.

SUB-SECTION 1a - FIRE EXTENSION

1. APPLICATION

- 1.1. This Sub-Section is only in force if described as such in the Insurance Schedule.
- 1.2. Where this Sub-Section applies, it forms part of Section 1.
- 1.3. The insurance provided by this Sub-Section is set out in this Sub-Section, Section 1, the General Policy Provisions, the Insurance Schedule, any endorsements, the Questionnaire, and on the basis of the Duty of Disclosure and Basis of Contract clause (clause 1) of the General Policy Provisions.
- 1.4. The cover provided in this Sub-Section is in consideration of payment of the premium. If the Assured does not comply with any premium warranties in the Policy, Underwriters are discharged from liability from the date of the breach of warranty.
- 1.5. This Sub-Section takes precedence over clause 10.4 of Section 1.

2. LIABILITY FOR RENTED BUILDINGS

- 2.1. Where buildings leased or rented to the Assured and used by the Assured are damaged by fire, Underwriters agree to Indemnify the Assured under Section 1 despite the provisions of clause 10.4 of Section 1, but only if the liability of the Assured would have been covered by Section 1 of the Policy if clause 10.4 of Section 1 did not apply.
- 2.2. If the Assured's liability arises under a contract, Underwriters will not indemnify the Assured for more than the liability the Assured would have had if there had been no contract.

3. LIMIT

- 3.1. Underwriters' liability under this Sub-Section is limited to the figure stated for this Sub-Section in the Insurance Schedule.
- 3.2. If no figure is stated in the Insurance Schedule Underwriters' liability is limited to the lower of:
 - 3.2.1. USD 500,000; and
 - 3.2.2. The total Limit for Section 1 of the Policy.

4. EXCLUSIONS

The cover provided by this Sub-Section in any event excludes any actual or alleged liability however arising:

- 4.1. If the Assured has a contractual obligation to insure the leased or rented buildings against the risk of fire; or
- 4.2. If the Assured has any other insurance which includes the risks identified in clause 2. Regardless of any provision in that other insurance, this Sub-Section shall not cover any such risk by reason of:
 - 4.2.1. Any exclusion, qualification or provision whatsoever in the other insurance;
 - 4.2.2. Without limitation to the provisions of clause 4.2.1, any double-insurance provision in the other insurance; or
 - 4.2.3. Any difference in the scope or amount of cover provided by the other insurance.

If the existence of other insurances means that there is no cover provided by this Sub-Section for any rented or leased buildings whatsoever, Underwriters will refund any additional premium paid.

SUB-SECTION 1b – ERRORS AND OMISSIONS

1. APPLICATION

- 1.1. This Sub-Section is only in force if described as such in the Insurance Schedule.
- 1.2. Where this Sub-Section applies, it forms part of Section 1.
- 1.3. The insurance provided by this Sub-Section is set out in this Sub-Section, Section 1, the General Policy Provisions, the Insurance Schedule, any endorsements, the Questionnaire, and on the basis of the Duty of Disclosure and Basis of Contract clause (clause 1) of the General Policy Provisions.
- 1.4. The cover provided in this Sub-Section is in consideration of payment of the premium. If the Assured does not comply with any premium warranties in the Policy, Underwriters are discharged from liability from the date of the breach of warranty.
- 1.5. This Sub-Section takes precedence over clause 10.22 of Section 1.
- 1.6. The cover provided by this Sub-Section is provided on a “claims made during the policy period” basis as set out below.

2. ERRORS AND OMISSIONS

- 2.1. Underwriters agree to indemnify the Assured under Section 1 for any legal liability to Third Parties arising out of any negligent act, error or omission in relation to any:
 - 2.1.1. Advice or information provided about the Operations at any Insured Location;
 - 2.1.2. Documentation produced by the Assured in the course of its Operations;
 - 2.1.3. Breach of professional duty by the Assured, its directors or employees;
- 2.2. But only if:
 - 2.2.1. The liability arises out of an event which would have been an Accident if it had occurred during the Policy Period;
 - 2.2.2. Subject to clause 2.2.1, the liability would have been covered by Section 1 if clause 10.22 of Section 1 did not apply;
 - 2.2.3. The Assured gives Underwriters immediate notice in writing of:
 - A. Any circumstance, of which the Assured becomes aware during the Policy Period, which is likely to give rise to a claim against the Assured;
 - B. The receipt of notice from any person of an intention to make a claim against the Assured;
or
 - C. Any claim made against the Assured; and
 - 2.2.4. Underwriters first receive notice of a possible claim during the Policy Period.

3. CONTRACTUAL LIABILITY FOR ADVICE OR INFORMATION

- 3.1. Where the Assured contracts to supply advice or information on the management of Operations insured under Section 1, Underwriters agree to indemnify the Assured for any liability for any loss of income, less any savings, to the person with whom the Assured has contracted;
- 3.2. But only if:
 - 3.2.1. The liability would have been covered if clause 5.8 did not apply;
 - 3.2.2. The contract has been approved in accordance with clause 7.1 or 7.2 of Section 1; and
 - 3.2.3. The loss arises out of the inaccuracy of the advice or information.
- 3.3. Where this Sub-Section applies, an Accident will be treated as having occurred when the advice or information was or should have been provided.
- 3.4. Subject to any lower limit applying under clause 4 below, any Sub-Limit applying to clause 7 of Section 1 applies to this clause. Any amount payable under this clause will be applied towards any such Sub-Limit.

4. LIMIT

- 4.1. Underwriters' liability under this Sub-Section is limited to the figure stated for this Sub-Section in the Insurance Schedule.
- 4.2. If no figure is stated in the Insurance Schedule Underwriters' liability is limited to the lower of:
 - 4.2.1. USD 500,000; and
 - 4.2.2. The total Limit for Section 1 of the Policy.

5. EXCLUSIONS

The cover provided by this Sub-Section in any event excludes any actual or alleged liability, however arising, for:

- 5.1. Any act, error or omission committed, or alleged to have been committed, before the Inception Date or any retroactive date stated in the Insurance Schedule;
- 5.2. Any circumstance of which the Assured was aware before the beginning of the Policy Period;
- 5.3. Any offence occasioned by a person or persons arising outside the course of their employment with the Assured;
- 5.4. Breach of any law or fiduciary duty by any director, officer or other member of the Assured's senior management;
- 5.5. Any liability, cost or expense which is normally covered by Directors and Officers insurance whether or not the Assured has such insurance for the alleged liability in question;
- 5.6. Defamation, or any statement by any means whatsoever in any media (including without limitation electronic, print, social or broadcast media);
- 5.7. Any actual or alleged act(s) of medical malpractice;
- 5.8. Loss of market, loss of use, loss of income, loss of profits, loss of opportunity or interruption of or delay to business;
- 5.9. Any consequential loss or damage whatever; or
- 5.10. Any loss arising out of any act, error or omission (including any negligent error) in the performance of the Operations, unless the loss would otherwise have been covered by Section 1 in the absence of this Sub-Section.

SUB-SECTION 1c - FINES AND DUTY

1. APPLICATION

- 1.1. This Sub-Section is only in force if described as such in the Insurance Schedule.
- 1.2. Where this Sub-Section applies, it forms part of Section 1.
- 1.3. The insurance provided by this Sub-Section is set out in this Sub-Section, Section 1, the General Policy Provisions, the Insurance Schedule, any endorsements, the Questionnaire, and on the basis of the Duty of Disclosure and Basis of Contract clause (clause 1) of the General Policy Provisions.
- 1.4. The cover provided in this Sub-Section is in consideration of payment of the premium. If the Assured does not comply with any premium warranties in the Policy, Underwriters are discharged from liability from the date of the breach of warranty.
- 1.5. This Sub-Section takes precedence over clause 10.15 of Section 1 and clause 15 of the General Policy Provisions.

2. LIABILITY FOR BREACH OF REGULATIONS

- 2.1. Underwriters agree to indemnify the Assured for its liability arising from its unintentional breach of any regulation, legal or statutory provision resulting in:
 - 2.1.1. Fines, customs duty, sales, excise tax, value added tax or similar fiscal charges or other penalty imposed by an Authority on the Assured or any other person acting within their authority on the Assured's behalf.
 - 2.1.2. Confiscation by an Authority of any property, including the handling equipment of the Assured.
- 2.2. But only if the breach directly relates to:
 - 2.2.1. The import or export of Cargo and/or the equipment of the Assured's customers;
 - 2.2.2. Immigration;
 - 2.2.3. The safety of working conditions; or
 - 2.2.4. Pollution;
- 2.3. And only if the Assured's liability would have been covered under Section 1, interpreted in accordance with clause 2.4 below, if clause 10.15 of Section 1 did not apply.
- 2.4. Where this Sub-Section applies, the Assured's unintentional breach giving rise to liability under clause 2.1 shall be treated as an Accident giving rise to physical damage to the property of a Third Party if it occurred during the Policy Period.

3. LIMIT

- 3.1. Underwriters' liability under this Sub-Section is limited to the figure stated for this Sub-Section in the Insurance Schedule.
- 3.2. If no figure is stated in the Insurance Schedule Underwriters' liability is limited to the lower of
 - 3.2.1. USD 500,000; and
 - 3.2.2. The total Limit for Section 1 of the Policy.

4. EXCLUSIONS

- 4.1. The cover provided by this Sub-Section in any event excludes any liability however arising:
 - 4.1.1. That has not been properly established, proved and/or held by a relevant court and/or tribunal acting within its powers and/or duties;
 - 4.1.2. For commercial fines and/or penalties in respect of freight tariffs, competition or the structure or operation of the Assured's business or that of any person acting on the Assured's behalf;
 - 4.1.3. For any breach of any regulation arising from the weight of Cargo or carrying equipment on a public road unless caused by an honest mistake;
 - 4.1.4. For any amount that would have been payable by the Assured notwithstanding any breach;

- 4.1.5. In the case of the United States - Enforced by the Federal Maritime Commission, Department of Justice or Federal Trade Commission of the United States of America or the Drug Enforcement Agency or any similar or successor agency; or
- 4.1.6. For any fine or duty relating to non-compliance with the ISPS Code.
- 4.2. If any court or tribunal determines that it is illegal for the Assured to be insured for any cover given under this endorsement, then the other parts of this endorsement shall remain effective, although no indemnity will be given with respect to any loss or claim arising from the cover under this endorsement which is held to be illegal.

SUB-SECTION 1d - WRONGFUL DELIVERY OF CARGO

1. APPLICATION

- 1.1. This Sub-Section is only in force if described as such in the Insurance Schedule.
- 1.2. Where this Sub-Section applies, it forms part of Section 1.
- 1.3. The insurance provided by this Sub-Section is set out in this Sub-Section, Section 1, the General Policy Provisions, the Insurance Schedule, any endorsements, the Questionnaire, and on the basis of the Duty of Disclosure and Basis of Contract clause (clause 1) of the General Policy Provisions.
- 1.4. The cover provided in this Sub-Section is in consideration of payment of the premium. If the Assured does not comply with any premium warranties in the Policy, Underwriters are discharged from liability from the date of the breach of warranty.
- 1.5. This Sub-Section takes precedence over clause 10.6 of Section 1.

2. LIABILITY FOR WRONGFUL DELIVERY OF CARGO

- 2.1. Underwriters agree to indemnify the Assured for liability arising from wrongful delivery of Cargo:
 - 2.1.1. Contrary to instructions to withhold delivery;
 - 2.1.2. To the wrong person;
 - 2.1.3. Without presentation of the relevant document of title; or
 - 2.1.4. Without taking the required payment in exchange for delivery.
- 2.2. But only if the Assured's liability would have been covered under Section 1, interpreted in accordance with clause 2.3 below, if clause 10.6 of Section 1 did not apply.
- 2.3. Any such wrongful delivery will be treated as an Accident giving rise to physical loss if it occurred during the Policy Period.

3. LIMIT

- 3.1. Underwriters' liability under this Sub-Section is limited to the figure stated for this Sub-Section in the Insurance Schedule.
- 3.2. If no figure is stated in the Insurance Schedule Underwriters' liability is limited to the lower of:
 - 3.2.1. USD 500,000; and
 - 3.2.2. The total Limit for Section 1 of the Policy.

4. EXCLUSIONS

- 4.1. The cover provided by this Sub-Section in any event excludes any actual or alleged liability if:
 - 4.1.1. The wrongful delivery was made intentionally or recklessly by the Assured, the Assured's employees or others to whom the Assured has entrusted responsibility;
 - 4.1.2. The Assured was on notice that the delivery might be wrongful; or
 - 4.1.3. The Assured makes the wrongful delivery against a Letter of Indemnity, unless Underwriters agree before delivery is made.
- 4.2. If there is no cover under this Sub-Section because of clause 4.1 but Underwriters nevertheless decide to pay a claim, any such waiver shall not create any entitlement, expectation or presumption that Underwriters will pay a claim on any subsequent Accident.

SECTION 2 - HANDLING EQUIPMENT

1. GENERAL

- 1.1. The insurance provided by this Section is set out in this Section, the General Policy Provisions, the Insurance Schedule, any endorsements, the Questionnaire, and on the basis of the Duty of Disclosure and Basis of Contract clause (clause 1) of the General Policy Provisions.
- 1.2. The cover provided in this Section is in consideration of payment of the premium. If the Assured does not comply with any premium warranties in the Policy, Underwriters are discharged from liability from the date of the breach of warranty.
- 1.3. This Section is only in force if described as such in the Insurance Schedule.

2. INSURING CLAUSES

- 2.1. Underwriters agree to indemnify the Assured for:
 - 2.1.1. Physical loss or physical damage to Insured Handling Equipment arising from an Accident which occurs within an Insured Location during the Policy period;
 - 2.1.2. Costs or expenses incurred in the removal of wreckage or debris of Insured Handling Equipment following loss or damage recoverable elsewhere under this Section, but subject to a limit of 25% of the Insured Value of that Insured Handling Equipment.
 - 2.1.3. Subject to clause 6 of this Section, daily lease charges for any Insured Handling Equipment leased to the Assured where such charges have been incurred as a result of an Accident resulting in:
 - A. The prevention of the redelivery of an item of Insured Handling Equipment to the lessor by the originally intended date due to that item being an actual or constructive total loss;
 - B. Delay in redelivery of an item of Insured Handling Equipment to the lessor due to an obligation to effect repairs to the item.
- 2.2. Underwriters' liability under this Section is limited to the lower of:
 - 2.2.1. The Limit for this Section; and
 - 2.2.2. The Insured Value of any Insured Handling Equipment which is lost or damaged.

3. FIRE FIGHTING EXPENSES

This Section covers the following, where used or incurred by the Assured to safeguard the Insured Handling Equipment from a peril covered under this Section:

- 3.1. The Assured's fire extinguishing materials or equipment; and
- 3.2. Reasonable Fire Brigade charges or other extinguishing expenses.

4. STRIKES / RIOTS

- 4.1. Cover under clause 2.1.1 of this Section is extended to physical loss or physical damage to Insured Handling Equipment arising from strikes, lock-outs, labour disturbances and/or riots.
- 4.2. However, cover under clauses 2.1.1 and 4.1 excludes all of the following: civil commotion, war, invasion, terrorism, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, civil strife, military or usurped power, confiscation, nationalisation, requisition, appropriation, seizure or destruction of or damage to Insured Handling Equipment by or under the order of any Authority.
- 4.3. Underwriters may cancel the cover provided under clause 4.1 of this Section by giving the Assured 7 days' notice. Physical loss or physical damage to Insured Handling Equipment arising from strikes, lock-outs, labour disturbances and/or riots will be excluded from cover from the time such notice takes effect, without prejudice to cover up to that time.
- 4.4. Clause 4 of this Section takes precedence over clause 15 of the General Policy Provisions.

5. AUTOMATIC COVER FOR ACQUISITIONS AFTER INCEPTION DATE

- 5.1. This Section automatically covers handling equipment within the confines of an Insured Location which is acquired by the Assured after the Inception Date, but only if:
- 5.1.1. The acquired handling equipment is similar to the Insured Handling Equipment listed in the Insurance Schedule (including without limitation its type, nature, age, condition and value);
 - 5.1.2. Satisfactory notice regarding such handling equipment is given to Underwriters in writing within 30 days of acquisition;
 - 5.1.3. The total value of all handling equipment acquired by the Assured after the Inception Date does not exceed 10% of the overall Limit of cover under this Section as set out in the Insurance Schedule.
- 5.2. Underwriters reserve the right to charge additional premium and/or impose such terms, conditions or exclusions as they deem appropriate, or to refuse cover, in respect of handling equipment insured under clause 5.1 of this Section.

6. DAILY CHARGES

- 6.1. This Section does not cover daily lease charges where the item of Insured Handling Equipment leased to the Assured is subject to a purchase option exercisable by the Assured and/or for the benefit of the Assured.
- 6.2. Underwriters shall only be liable under this Section for a maximum of 30 days' daily lease charges, from and including the original intended redelivery date, unless the Insurance Schedule provides for a different period.

7. EXCLUSIONS

The following are excluded from cover under this Section:

- 7.1. Wear, tear, marring, scratching or gradual deterioration; wet rot, dry rot or mould; spoilage, decay or decomposition; normal settling, shrinking or expansion; fatigue, corrosion, rust, discoloration, oxidation, electrolytic action or erosion; leakage or evaporation;
- 7.2. Loss or damage caused by subsidence, ground heave or landslip, coastal or river erosion, loss of sea-bed, earthquake, seaquake, tsunami, tidal wave, avalanche and their consequences;
- 7.3. Loss or damage arising out of dredging operations;
- 7.4. Loss or damage caused solely by one or more of the following:
 - 7.4.1. Vermin;
 - 7.4.2. Moths, termites or other insects;
 - 7.4.3. Animal or plant infestation;
 - 7.4.4. Atmospheric dampness or dryness; condensation; extremes or changes in atmospheric temperature;

But further loss or damage due to a subsequent cause which is covered by this Section is not excluded.

- 7.5. Loss or damage caused by defects in design, faulty workmanship or manufacture, including but not limited to error in materials, installation or erection and costs incurred in remedying or repairing those defects;
- 7.6. Mechanical or electrical failure or breakdown or derangement of any communication equipment, alarm system or computer system external to an item of Insured Handling Equipment;
- 7.7. Loss or damage arising from confiscation, requisition, detention, occupation, embargo or quarantine arising from any order of any Authority or loss or damage arising from acts of contraband or illegal transportation or illegal trade;
- 7.8. Loss or damage caused by the backing up of sewers or drains, whether or not such sewers or drains are within an Insured Location, or seepage of any substance whatsoever;
- 7.9. Loss or damage caused by exceeding or disregarding the specification, rating, manufacturers' guidelines, safe working load or lift capacity of any Insured Handling Equipment;
- 7.10. Loss or damage relating to the handling of Cargo which is not Usual Cargo;

- 7.11. Loss or damage relating to the handling of Project Cargo;
- 7.12. Loss of market, loss of use, loss of income, loss of profits, loss of opportunity or interruption of or delay to business, unless the Insurance Schedule expressly includes cover;
- 7.13. Any consequential loss or damage whatever, unless the Insurance Schedule expressly includes cover;
- 7.14. Loss or damage caused by cessation of, fluctuation or variation in or insufficiency of power, water, gas or electricity supplies;
- 7.15. Voluntarily parting with title to or possession of any Insured Handling Equipment;
- 7.16. Loss or damage caused by processing, renovating, repairing or working on any Insured Handling Equipment (not including routine maintenance);
- 7.17. Loss or damage caused by artificially generated electrical current to electrical appliances, fixtures or wiring, including fire or explosion so caused;
- 7.18. Loss or damage caused by error or fault in computer or machinery programming or by data processing media or information technology failure or breakdown;
- 7.19. Mechanical or electrical breakdown, failure or derangement as such. However, this exclusion shall not apply to physical loss or physical damage caused by such mechanical or electrical breakdown or derangement where such physical loss or physical damage is otherwise covered elsewhere in this Section;
- 7.20. Unexplained loss or disappearance or stocktaking errors;
- 7.21. Loss of or damage to any aircraft, helicopter, watercraft, vessel, vehicle designed for highway use, locomotive or rolling stock designed for railroad use;
- 7.22. Loss of or damage to Insured Handling Equipment outside an Insured Location;
- 7.23. Loss or damage caused by seepage, pollution or contamination however caused;
- 7.24. Loss or damage attributable to inherent vice or latent defect;
- 7.25. Loss or damage attributable to the wilful misconduct of the Assured, the Assured's employees or others to whom the Assured has entrusted responsibility.

8. PROTECTIVE MAINTENANCE

- 8.1. The Assured shall maintain in good order proper and adequate protection for the safety of the Insured Handling Equipment throughout the Policy Period. If the Assured fails to comply with this obligation, Underwriters will not be liable to indemnify the Assured for any loss or damage attributable to such failure.
- 8.2. The Assured must, in addition, implement any measures required by Underwriters at any time. Underwriters have no liability to pay any claim arising out of any Accident whatsoever which occurs while these measures are not in operation.

9. INSURED VALUES AND INCORRECT DECLARATION

If Insured Values declared for Insured Handling Equipment are less than the actual/market values, any recovery under this Section shall be reduced by the same proportion that the Insured Value bears to the actual value for that particular item.

10. CLAIMS SETTLEMENT

- 10.1. The maximum amount recoverable under this Section is the Insured Value for the item of Insured Handling Equipment in the Insurance Schedule. This sum will be payable where the item cannot be repaired.
- 10.2. Where the item can be repaired for less than the cost of replacing it, Underwriters will, subject to clause 9, pay the cost required to restore the item to the condition it was in before the physical loss or damage occurred, taking into account depreciation and salvage value for parts replaced.
- 10.3. The Assured is under a duty to carry out repairs, replacements or reinstatements with due care and speed. The Underwriters will not be liable to indemnify the Assured for any losses attributable to any failure by the Assured in this respect.

SUB-SECTION 2a – EARTHQUAKE EXTENSION

1. APPLICATION

- 1.1. This Sub-Section is only in force if described as such in the Insurance Schedule.
- 1.2. Where this Sub-Section applies, it forms part of Section 2.
- 1.3. The insurance provided by this Sub-Section is set out in this Sub-Section, Section 2, the General Policy Provisions, the Insurance Schedule, any endorsements, the Questionnaire, and on the basis of the Duty of Disclosure and Basis of Contract clause (clause 1) of the General Policy Provisions.
- 1.4. The cover provided in this Sub-Section is in consideration of payment of the premium. If the Assured does not comply with any premium warranties in the Policy, Underwriters are discharged from liability from the date of the breach of warranty.
- 1.5. This Sub-Section takes precedence over clause 7.2 of Section 2.

2. DAMAGE TO HANDLING EQUIPMENT CAUSED BY EARTHQUAKE

- 2.1. Underwriters agree to indemnify the Assured for physical loss or damage to the Insured Handling Equipment:
 - 2.1.1. Directly caused by earthquake, seaquake, tsunami, tidal wave or volcanic eruption; or
 - 2.1.2. Attributable to fire or explosion directly or indirectly caused by earthquake, seaquake, tsunami, tidal wave or volcanic eruption;
- 2.2. But only if the loss or damage would have been covered by Section 2 of the Policy if clause 7.2 of Section 2 did not apply.
- 2.3. If clause 2.1.1 applies, Underwriters are only liable to pay for loss or damage occurring during one period of 48 consecutive hours, less any Deductible.

3. LIMIT

- 3.1. Underwriters' liability under this Sub-Section is limited to the figure stated for this Sub-Section in the Insurance Schedule.
- 3.2. If no figure is stated in the Insurance Schedule Underwriters' liability is limited to the Limit for Section 2 of the Policy.
- 3.3. If the Insurance Schedule specifies a Deductible for this Sub-Section, Underwriters' liability under this Sub-Section will be reduced by the amount of that Deductible.

SECTION 3 - PROPERTY DAMAGE

1. GENERAL

- 1.1. The insurance provided by this Section is set out in this Section, the General Policy Provisions, the Insurance Schedule, any endorsements, the Questionnaire, and on the basis of the Duty of Disclosure and Basis of Contract clause (clause 1) of the General Policy Provisions.
- 1.2. The cover provided in this Section is in consideration of payment of the premium. If the Assured does not comply with any premium warranties in the Policy, Underwriters are discharged from liability from the date of the breach of warranty.
- 1.3. This Section is only in force if described as such in the Insurance Schedule.

2. INSURING CLAUSES

- 2.1. Underwriters agree to indemnify the Assured in respect of:
 - 2.1.1. Physical loss or physical damage to Insured Property within an Insured Location arising from an Accident which occurs within the Policy Period.
 - 2.1.2. Costs or expenses incurred in the removal of wreckage or debris of Insured Property following loss or damage recoverable elsewhere under this Section, but subject to a limit of 25% of the Insured Value of that Insured Property.
- 2.2. Underwriters' liability under this Section is limited to the lower of:
 - 2.2.1. The Limit for this Section; and
 - 2.2.2. The Insured Value of any Insured Property which is lost or damaged.

3. FIRE FIGHTING EXPENSES

This Section covers the following, where used or incurred by the Assured to safeguard the Insured Property from a peril covered under this Section:

- 3.1. The Assured's fire extinguishing materials or equipment; and
- 3.2. Reasonable Fire Brigade charges or other extinguishing expenses.

4. STRIKES / RIOTS

- 4.1. Cover under clause 2.1.1 of this Section is extended to physical loss or physical damage to Insured Property arising from strikes, lock-outs, labour disturbances and/or riots.
- 4.2. However, cover under clauses 2.1.1 and 4.1 excludes all of the following: civil commotion, war, invasion, terrorism, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, civil strife, military or usurped power, confiscation, nationalisation, requisition, appropriation, seizure or destruction of or damage to Insured Property by or under the order of any Authority.
- 4.3. Underwriters may cancel the cover provided under clause 4.1 of this Section by giving the Assured 7 days' notice. Physical loss or physical damage to Insured Property arising from strikes, lock-outs, labour disturbances and/or riots will be excluded from cover from the time such notice takes effect, without prejudice to cover up to that time.
- 4.4. Clause 4 of this Section takes precedence over clause 15 of the General Policy Provisions.

5. AUTOMATIC COVER FOR ACQUISITIONS AFTER INCEPTION DATE

- 5.1. This Section automatically covers property within the confines of an Insured Location which is acquired by the Assured after the Inception Date, but only if:
 - 5.1.1. The acquired property is similar to the Insured Property listed in the Insurance Schedule (including without limitation its type, nature, age, condition, and value);
 - 5.1.2. Satisfactory notice regarding such property is given to Underwriters in writing within 30 days of acquisition;
 - 5.1.3. The total value of all property acquired by the Assured after the Inception Date does not exceed 10% of the overall Limit of cover under this Section as set out in the Insurance Schedule.

- 5.2. Underwriters reserve the right to charge additional premium and/or impose such terms, conditions or exclusions as they deem appropriate, or to refuse cover, in respect of property insured under clause 5.1 of this Section.

6. EXCLUDED PROPERTY

- 6.1. Cover for the following property is excluded from this Section.
- 6.1.1. Land or land values, air, water or other naturally occurring substances;
 - 6.1.2. Roads, parking areas, driveways, pavements, sidewalks, walkways, curbing, culverts or excavations;
 - 6.1.3. Buildings or structures in the process of construction including materials or supplies for that construction;
 - 6.1.4. Property outside an Insured Location;
 - 6.1.5. Cash, money, notes, negotiable instruments, specie, securities, deeds, accounts, bills, evidence of debt and valuable papers;
 - 6.1.6. Bullion, precious metals and alloys, precious stones, precious objects, jewellery, fine art, furs, garments, animals and plants;
 - 6.1.7. Aircraft, helicopters, watercraft, vessels, vehicles designed for highway use, locomotives and rolling stock designed for railroad use;
 - 6.1.8. Cargo, or stock owned or in the care, custody or control of the Assured;
 - 6.1.9. Vessels, containers or handling equipment.
- 6.2. Clause 6.1 takes precedence over anything to the contrary in the Insurance Schedule unless the Insurance Schedule expressly states that an item is insured notwithstanding clause 6.1.

7. EXCLUSIONS

The following are excluded from cover under this Section:

- 7.1. Wear, tear, marring, scratching or gradual deterioration, wet rot, dry rot or mould; spoilage, decay or decomposition; normal settling, shrinking or expansion in or of buildings, structures or foundations; fatigue, corrosion, rust, discoloration, oxidation, electrolytic action or erosion; leakage or evaporation;
- 7.2. Loss or damage caused solely by one or more of the following:
 - 7.2.1. Vermin;
 - 7.2.2. Moths, termites or other insects;
 - 7.2.3. Animal or plant infestation;
 - 7.2.4. Atmospheric dampness or dryness; condensation; smog or fog; extremes or changes in atmospheric temperature;

But further loss or damage due to a subsequent cause which is covered by this Section is not excluded.

- 7.3. Loss or damage caused by defects in design, faulty workmanship or manufacture, including but not limited to error in materials, installation or erection and costs incurred in remedying or repairing those defects;
- 7.4. Mechanical or electrical failure or breakdown or derangement of any communication equipment, alarm system or computer system;
- 7.5. Unexplained loss or disappearance or stocktaking errors;
- 7.6. Loss or damage arising from confiscation, requisition, detention, occupation, embargo or quarantine arising from any order of any Authority or loss or damage arising from acts of contraband or illegal transportation or illegal trade;
- 7.7. Loss or damage caused by the backing up of sewers or drains, whether or not such sewers or drains are within an Insured Location, or seepage of any substance whatsoever;
- 7.8. Loss or damage caused by exceeding or disregarding the specification, rating, manufacturers' guidelines, safe working load or lift capacity of any Insured Property;
- 7.9. Loss or damage relating to the handling of Cargo which is not Usual Cargo;

- 7.10. Loss or damage relating to the handling of Project Cargo;
- 7.11. Mechanical or electrical breakdown, failure or derangement as such. However, this exclusion shall not apply to physical loss or physical damage caused by such mechanical or electrical breakdown or derangement where such loss or damage is otherwise covered elsewhere in this Section;
- 7.12. Loss or damage to boilers, steam pipes, steam turbines, steam engines, pressure or vacuum vessels owned or operated by the Assured, caused by explosion, implosion, rupture or bursting;
- 7.13. Loss of market, loss of use, loss of income, loss of profits, loss of opportunity or interruption of or delay to business, unless the Insurance Schedule expressly includes cover;
- 7.14. Any consequential loss or damage whatever, unless the Insurance Schedule expressly includes cover;
- 7.15. Loss or damage caused by cessation of, fluctuation or variation in or insufficiency of power, water, gas or electricity supplies;
- 7.16. Shrinkage; evaporation; loss of weight; breakage of glass or other fragile articles; loss or damage where one of the causes is infidelity, dishonesty, theft, fraud or pilferage on the part of the Assured or the Assured's employees or others to whom the Assured has entrusted responsibility;
- 7.17. Voluntarily parting with title to or possession of any Insured Property;
- 7.18. Loss or damage caused by processing, renovating, repairing or working on any Insured Property (not including routine maintenance);
- 7.19. Loss or damage caused by artificially generated electrical current to electrical appliances, fixtures or wiring, including fire or explosion so caused;
- 7.20. Loss or damage caused by error or fault in computer or machinery programming or by data processing media or information technology failure or breakdown;
- 7.21. Loss or damage caused by seepage, pollution or contamination however caused;
- 7.22. Loss or damage caused by subsidence, ground heave or landslip, coastal or river erosion, loss of sea-bed, earthquake, seaquake, tsunami, tidal wave, avalanche and their consequences;
- 7.23. Loss or damage caused by a change in the water table;
- 7.24. Loss or damage arising out of dredging operations;
- 7.25. Loss or damage caused by the freezing of plumbing, heating or air-conditioning systems or their appliances;
- 7.26. Loss of or damage to Insured Property outside an Insured Location;
- 7.27. Loss or damage attributable to inherent vice or latent defect;
- 7.28. Loss or damage attributable to the wilful misconduct of the Assured, the Assured's employees or others to whom the Assured has entrusted responsibility.

8. PROTECTIVE MAINTENANCE

- 8.1. The Assured shall maintain in good order proper and adequate protection for the safety of the Insured Property throughout the Policy Period. If the Assured fails to comply with this obligation, Underwriters will not be liable to indemnify the Assured for any loss or damage attributable to such failure.
- 8.2. The Assured must, in addition, implement any measures required by Underwriters at any time. Underwriters have no liability to pay any claim arising out of any Accident whatsoever which occurs while these measures are not in operation.

9. INSURED VALUES AND INCORRECT DECLARATION

If Insured Values declared for Insured Property are less than the actual/market values, any recovery under this Section shall be reduced by the same proportion that the Insured Value bears to the actual value for that particular item.

10. CLAIMS SETTLEMENT

- 10.1. Claims under this Section shall be settled on the basis of the cost of repairing, replacing or reinstating the Insured Property, whichever is the least, with material of "like for like" kind and quality.

- 10.2. The Assured is under a duty to carry out repairs, replacement or reinstatement with due care and speed. The Underwriters will not be liable to indemnify the Assured for any losses attributable to any failure by the Assured in this respect.

SUB-SECTION 3a – EARTHQUAKE EXTENSION

1. APPLICATION

- 1.1. This Sub-Section is only in force if described as such in the Insurance Schedule.
- 1.2. Where this Sub-Section applies, it forms part of Section 3.
- 1.3. The insurance provided by this Sub-Section is set out in this Sub-Section, Section 3, the General Policy Provisions, the Insurance Schedule, the Questionnaire, and on the basis of the Duty of Disclosure and Basis of Contract clause (clause 1) of the General Policy Provisions.
- 1.4. The cover provided in this Sub-Section is in consideration of payment of the premium. If the Assured does not comply with any premium warranties in the Policy, Underwriters are discharged from liability from the date of the breach of warranty.
- 1.5. This Sub-Section takes precedence over clause 7.22 of Section 3.

2. PROPERTY DAMAGE CAUSED BY EARTHQUAKE

- 2.1. Underwriters agree to indemnify the Assured for physical loss or damage to the Insured Property:
 - 2.1.1. Directly caused by earthquake, seaquake, tsunami, tidal wave or volcanic eruption; or
 - 2.1.2. Attributable to fire or explosion directly or indirectly caused by earthquake, seaquake, tsunami, tidal wave or volcanic eruption
- 2.2. But only if the loss or damage would have been covered by Section 3 of the Policy if clause 7.22 of Section 3 did not apply.
- 2.3. If clause 2.1.1 applies, Underwriters are only liable to pay for loss or damage occurring during one period of 48 consecutive hours, less any Deductible.

3. LIMIT

- 3.1. Underwriters' liability under this Sub-Section is limited to the figure stated for this Sub-Section in the Insurance Schedule.
- 3.2. If no figure is stated in the Insurance Schedule Underwriters' liability is limited to the Limit for Section 3 of the Policy.
- 3.3. If the Insurance Schedule specifies a Deductible for this Sub-Section, Underwriters' liability under this Sub-Section will be reduced by the amount of that Deductible.

SECTION 4 – BUSINESS INTERRUPTION

1. GENERAL

- 1.1. The insurance provided by this Section is set out in this Section, the General Policy Provisions, the Insurance Schedule, any endorsements, the Questionnaire, and on the basis of the Duty of Disclosure and Basis of Contract clause (clause 1) of the General Policy Provisions.
- 1.2. The cover provided in this Section is in consideration of payment of the premium. If the Assured does not comply with any premium warranties in the Policy, Underwriters are discharged from liability from the date of the breach of warranty.
- 1.3. This Section is only in force if described as such in the Insurance Schedule.

2. INSURING CLAUSES

This Section covers the following losses caused by an interruption to the Operations arising from an event set out in clause 3 below, which results in the Assured being wholly or partially unable to perform its Operations for a period commencing within the Policy Period:

- 2.1. **Loss of profit.** This shall be calculated by taking the reduction in the Assured's revenue relating to its Operation(s) during the Loss Period and deducting:
 - 2.1.1. Any savings the Assured may have made in not being able to operate, including but not limited to savings in working costs, standing charges, overheads and taxes; and
 - 2.1.2. Any net increase in revenue at another of the Assured's location(s) (whether an Insured Location or not) resulting from the interruption.
- 2.2. **Increase in the cost of working.** Costs and expenses incurred by the Assured during the Loss Period for the sole purpose of averting and/or minimising a loss and/or claim. The extent of cover for such costs and/or expenses is limited to the reduction in revenue that the Assured is seeking to avert and/or minimise.
- 2.3. **Costs and/or expenses.** Costs and expenses incurred by the Assured in investigating an Accident which is an interruption event as set out in clause 3 or in protecting the interests of the Assured following such an Accident, but only if and to the extent that they are agreed by Underwriters before they are incurred by the Assured.

3. INTERRUPTION EVENTS COVERED

- 3.1. An Accident:
 - 3.1.1. Causing physical loss and/or physical damage to Insured Handling Equipment or Insured Property;
 - 3.1.2. Causing a blockage of an Insured Location which is a berth or quay;
 - 3.1.3. Causing a blockage of any approach channel or waterway giving access to any Insured Location;
 - 3.1.4. Prohibiting or restricting access to an Insured Location or to any adjoining land; or
 - 3.1.5. Causing an interruption to the electrical supply to Insured Handling Equipment or Insured Property which is beyond the control of the Assured or the Assured's employees.
- 3.2. Underwriters will not in any event be liable under clause 3.1.1 of this Section unless they have paid out or admitted liability for physical loss or physical damage under the Property Damage or Handling Equipment Sections of the Policy.

4. EXCLUSIONS

The following are excluded from cover under this Section:

- 4.1. The Assured's liability for tax of any description;
- 4.2. Any loss caused by subsidence, landslip, ground heave, coastal or river erosion, loss of sea-bed, earthquake, seaquake, tsunami, tidal wave, avalanche or volcanic eruption and their consequences;
- 4.3. Anything excluded from the cover provided by the Property Damage Section, Handling Equipment Section or General Policy Provisions;
- 4.4. Any loss relating to the handling of Cargo which is not Usual Cargo;

- 4.5. Any loss relating to the handling of Project Cargo;
- 4.6. Any loss caused by strikes, lock-outs, labour disturbances, riots, civil commotion, war, invasion, terrorism, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, civil strife, military or usurped power, confiscation, nationalisation, requisition, appropriation, seizure or destruction of or damage to Insured Handling Equipment or Insured Property by or under the order of any Authority;
- 4.7. Any loss caused by a failure to comply with any law or order or demand made by an Authority;
- 4.8. Any loss or increase in loss caused by the application or enforcement of laws relating to the use, construction, maintenance, repair, demolition or removal of any Insured Handling Equipment or Insured Property;
- 4.9. Any loss caused by faulty workmanship occurring during the execution of repairs;
- 4.10. Any loss caused by lack of maintenance or diligence;
- 4.11. Any loss or increase in loss arising from insolvency or entry into an Insolvency Procedure;
- 4.12. Any loss caused by failure or delay in performance of any contractual obligation or guarantee;
- 4.13. Any increase in loss attributable to the Assured's failure to take reasonable or reasonably prompt steps to rectify or bring to an end an interruption to the Operations.

5. SECTION LIMIT

This Section is subject to the Section Limit specified in the Insurance Schedule for all cover bought by the Assured under this Section.

6. LOSS PERIOD

- 6.1. Underwriters shall only be liable under this Section for loss during the Loss Period stated in the Insurance Schedule.
- 6.2. The Loss Period commences on the date of the Accident under clause 3.1 or, if applicable, after the expiry of any Deductible Period and runs continuously without suspension until the earliest of:
 - 6.2.1. The Assured's revenue returns to normal;
 - 6.2.2. The expiry of the Maximum Loss Period; and
 - 6.2.3. The Assured's insolvency or entry into an Insolvency Procedure
- 6.3. Underwriters shall not be liable under this Section in respect of any period of interruption after the expiry of the Loss Period.

7. PROTECTIVE MAINTENANCE

- 7.1. The Assured shall maintain in good order proper and adequate protection for the safety of the Insured Handling Equipment and Insured Property throughout the Policy Period. If the Assured fails to comply with this obligation, Underwriters will not be liable to indemnify the Assured for any loss or damage attributable to such failure.
- 7.2. The Assured must, in addition, implement any measures required by Underwriters at any time. Underwriters have no liability to pay any claim arising out of any Accident whatsoever which occurs while these measures are not in operation.

8. ON ACCOUNT PAYMENT

At the request of the Assured, Underwriters may make payments on account to the Assured during the loss period, provided that the Assured supplies sufficient information to allow an estimate of a claim to be made. Any such payment shall immediately be repaid to Underwriters if the Assured has been overpaid or if the claim is reduced or not covered under this Section.

GENERAL POLICY PROVISIONS

These General Policy Provisions apply to and form part of the Sections, Insurance Schedule and Questionnaire.

1. DUTY OF DISCLOSURE AND BASIS OF CONTRACT

- 1.1. The Assured must tell Underwriters every material fact or circumstance which might influence Underwriters' judgement in deciding whether to provide insurance or the terms on which they are prepared to provide insurance, including without limitation the premium, conditions and exclusions.
- 1.2. Any information given to Underwriters in response the Questionnaire or any other question is a material fact, but the Assured may not rely on the Questionnaire or any other question to say that a fact or circumstance was not material.
- 1.3. The Assured must tell Underwriters of any change in the material facts or circumstances before the Inception Date.
- 1.4. The Assured warrants that all statements made and information given to Underwriters are true and complete and these statements and information form the basis of this insurance contract.
- 1.5. Underwriters have no liability under any Section of this Policy if the Assured fails to comply with its duties under this clause or is in breach of the warranty under sub-clause 1.4.

2. LIMITS

2.1. Section Limits

- 2.1.1. Underwriters' liability under each Section of this Policy is limited to the amount stated in the Schedule for the relevant Section.
- 2.1.2. This Limit is the maximum amount payable under the Section:
 - A. For any claims arising from any Accident or series of Accidents.
 - B. If the Insurance Schedule states that the Limit is in the aggregate, for all claims made during the Policy Period.
- 2.1.3. There will be a series of Accidents where a number of Accidents occur as a consequence of the same event, source, cause or set of circumstances.
- 2.1.4. The Section Limit includes any liability Underwriters may have under the Section to pay for costs and/or defence expenses.
- 2.1.5. If the Insurance Schedule does not show a Limit for a Section (other than these General Policy Provisions), there is no cover for that Section and that Section does not form part of the Policy.

2.2. Sub-Limits

- 2.2.1. Where a Section or Sub-Section states that a Sub-Limit applies, Underwriters' liability for any claim is limited to the amount of that Sub-Limit as stated in the Insurance Schedule or elsewhere in the Policy.
- 2.2.2. This Sub-Limit is the maximum amount payable under that part of the Section or the Sub-Section to which it applies:
 - A. For any claims arising from any Accident or series of Accidents.
 - B. If the Insurance Schedule states that the Sub-Limit is in the aggregate, for all claims made during the Policy Period.
- 2.2.3. The Sub-Limit is subject to the Limit applicable to the Section and does not increase Underwriters' liability under the Section above the Limit.
- 2.2.4. The Sub-Limit includes any liability Underwriters may have to pay for costs and/or defence expenses under that part of the Section or the Sub-Section to which it applies.

2.3. Aggregation

- 2.3.1. When the total claims made under a Section reach any aggregate Limit or Sub-Limit, Underwriters will cease to have any further liability under the Section or part of the Section or Sub-Section.

2.3.2. Underwriters are under no obligation to reinstate cover. If the Assured wishes to reinstate cover, the terms and premium for reinstatement must be agreed with Underwriters as if a new policy was being agreed.

2.4. Insured Value

2.4.1. Where the Insurance Schedule sets out an Insured Value for any item or items, the Insured Value is the maximum that Underwriters will pay for that item or items.

2.4.2. If Insured Values exceed the Section Limit, Underwriters' liability shall nevertheless be limited to the Section Limit.

2.5. Multiple Assureds

Where there is more than one Assured (whether as Joint Assured, Co-Assured or otherwise) or Loss Payee, each Section Limit or Section Sub-Limit(s) is the maximum amount payable to all the Assureds or Loss Payees.

3. DEDUCTIBLES

3.1. Where a Deductible applies, Underwriters' liability is reduced by the amount of that Deductible for each and every claim.

3.2. Where more than one Deductible applies, Underwriters' liability is reduced by every applicable Deductible.

3.3. However,

3.3.1. Each Deductible will apply only once for each Accident or series of Accidents.

3.3.2. If claims arising out of the same Accident or series of Accidents are made in relation to more than one item insured under the same Section, only the highest Deductible applicable under that Section will apply.

3.4. Underwriters may deduct any outstanding premium from any payment made to the Assured, but the Assured may not withhold payment of premium against any alleged or established liability of Underwriters.

4. LOSS PAYEE

4.1. If the Insurance Schedule identifies a Loss Payee, Underwriters will make any payment due under this Policy to the Loss Payee and not the Assured.

4.2. The Loss Payee is not a party to this contract and has no right to demand payment which remains with the Assured.

4.3. If a payment is made but Underwriters are entitled to repayment, both the Assured and the Loss Payee will be jointly and severally liable to repay Underwriters.

5. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999 EXCLUSION CLAUSE

The rights of a person who is not a party to this Policy to enforce a term of this Policy and/or not to have this Policy rescinded, varied or altered without his consent by virtue of the provisions of the Contracts (Rights of Third Parties) Act 1999 are excluded from this Policy.

6. DANGEROUS GOODS

Underwriters have no liability for any loss, damage or expense for any claim involving dangerous goods if the Assured has failed to take all reasonable and proper steps to ensure compliance with all relevant and applicable laws and regulations relating to the carriage, handling and storage of dangerous goods.

7. DUE DILIGENCE AND ASSURED'S DUTY TO MINIMISE LOSS

7.1. The Assured must:

7.1.1. Act as if a prudent uninsured at all times.

7.1.2. Take such measures as may be reasonable for the purpose of averting or minimising any claim under this Policy at his own expense.

7.2. Underwriters have no liability to pay any claim which is affected, either before or after an Accident, by the Assured's breach of this requirement.

- 7.3. Underwriters may cancel the Policy from the Inception Date if the Assured admits liability, assumes any obligation or waives or assigns any right of recovery without Underwriters' prior written agreement. No premium will be repayable to the Assured in such case.
- 7.4. The Assured must maintain any risk management and loss prevention measures which it has informed Underwriters are in place. Underwriters have no liability to pay any claim for any Accident whatsoever which occurs while these measures are not in operation.
- 7.5. The Assured must, in addition, implement any measures required by Underwriters at any time. Underwriters have no liability to pay any claim arising out of any Accident whatsoever which occurs while these measures are not in operation.

8. MATERIAL CHANGE IN OPERATIONS

- 8.1. The Assured must notify Underwriters of any change in or affecting the Operations which:
 - 8.1.1. Would have led the Assured to give a different answer in the Questionnaire;
 - 8.1.2. Would have led Underwriters to charge a substantially different premium; or
 - 8.1.3. Would have led Underwriters to impose special terms or conditions, or to require the Assured to implement loss prevention measures.
- 8.2. If there is such a change Underwriters will be entitled to amend the terms of the Policy or cancel the Policy and return premium.
- 8.3. Underwriters shall be under no liability under the Policy for any Accident whatsoever which occurs before the Assured gives notice of any such change.
- 8.4. Nothing in this clause affects the Assured's duty of disclosure prior to the Inception Date.

9. ENDORSEMENTS

- 9.1. Any endorsement to this Policy, whether it includes words to equivalent effect or not:
 - 9.1.1. Only applies to the extent set out in the Insurance Schedule or the endorsement itself; and
 - 9.1.2. Forms part of the Sections which it applies to as set out in the Insurance Schedule or the terms of the endorsement, and only those Sections.
 - 9.1.3. Forms part of the Policy only after the Endorsement Inception Date and does not affect the cover provided by the Policy before the Endorsement Inception Date.
- 9.2. Any endorsement will contain the following implied terms:
 - 9.2.1. The insurance provided by this endorsement is set out in this endorsement, any Section to which it applies, the General Policy Provisions, the Insurance Schedule, any other endorsements, the Questionnaire, and on the basis of the Duty of Disclosure and Basis of Contract clause (clause 1) of the General Policy Provisions.
 - 9.2.2. The cover provided by this endorsement is in consideration of payment of the premium. If the Assured does not comply with any premium warranties in the Policy, Underwriters are discharged from liability from the date of the breach of warranty.
 - 9.2.3. **Limit**
 - A. Underwriters' liability under this Endorsement is limited to the figure stated in this Endorsement or the Insurance Schedule; or
 - B. If no figure is stated in the Insurance Schedule Underwriters' liability is limited to the lower of:
 - (i) USD 500,000; and
 - (ii) the total Limit for the Section to which the Endorsement applies.
- 9.3. Where an endorsement is agreed after the Inception Date:
 - 9.3.1. The Assured must comply with clause 1 as if the Inception Date was the Endorsement Inception Date or the date when the Endorsement was agreed if later;
 - 9.3.2. Underwriters have no liability under any Section of the Policy if the Assured fails to comply with its duties under clause 1 or is in breach of the warranty under sub-clause 1.4.

- 9.4. If any term of an endorsement conflicts with any term elsewhere in the Policy, the term of the endorsement will only take precedence if it expressly refers to that other term.

10. NOTICE OF POTENTIAL CLAIMS

- 10.1. The Assured must give Underwriters immediate notice of any Accident which might lead to a claim covered under any Section of the Policy.
- 10.2. The Assured must also give Underwriters a written account of the Accident and the nature of the possible claim stating the cause, if known, the extent of the anticipated loss or liability and the nature of the Assured's interest. The written account must be received by Underwriters as soon as reasonably practicable after the Accident.
- 10.3. If the Assured fails to give notice under clause 10.1 or a written account under clause 10.2, any claim in relation to that Accident will be null and void and Underwriters will have no liability under the Policy, unless the Assured could not have reasonably known about the Accident and gave notice as soon as it became aware of the Accident.
- 10.4. The Assured is responsible for ensuring that Underwriters receive the notice given under clause 10.1 and the written account under clause 10.2. If the Underwriters do not in fact receive the notice or the account, the Assured will be in breach and clause 10.3 will apply.
- 10.5. If the Insurance Schedule identifies representatives of the Underwriters, the Assured may satisfy the requirements of this clause by giving them notice or a written account as the case may be.

11. CO-OPERATION OF THE ASSURED, CLAIMS CONTROL AND SUBROGATION

- 11.1. The Assured must co-operate with Underwriters in all matters relating to any claim and in particular must:
- 11.1.1. Provide Underwriters with any information they or their agents require.
- 11.1.2. Allow Underwriters and their agents and representatives access to any evidence.
- 11.1.3. Make witnesses available for interview and secure their attendance if necessary.
- 11.2. If a claim is made against the Assured, the provisions of clause 7.1 apply and the Assured must defend the claim. Underwriters have the right, but not the duty, to control the defence, settlement and litigation of any such claim, including any appeal.
- 11.2.1. If Underwriters do not exercise this right, and clause 5.1 of Section 1 applies, Underwriters will indemnify the Assured for reasonable legal costs and expenses the Assured incurs in the defence of a claim in accordance with Section 1.
- 11.2.2. In any event (whether Underwriters exercise their right or not), Underwriters' maximum liability including all legal costs and expenses is the relevant Section Limit.
- 11.3. If Underwriters agree to indemnify the Assured under the Policy:
- 11.3.1. They have the right, but not the obligation, to pursue a claim in the name of the Assured for the sums Underwriters have agreed to pay or have paid, in which case:
- A. The Assured's rights of recovery will be exclusively subrogated to Underwriters whether the Assured has been fully reimbursed for its loss or not.
- B. The Assured will assist, co-operate and lend its name to the exercise of Underwriters' rights under this clause.
- C. The Assured agrees, if necessary and at Underwriters' request, to assign its rights of recovery to Underwriters.
- 11.3.2. Underwriters shall receive the full benefit of any recovery made in the Assured's name and shall only be obliged to account to the Assured for any net balance after repayment of all amounts paid or to be paid by Underwriters including all Underwriters' costs and expenses and interest if applicable.
- 11.4. Underwriters will reimburse the Assured for any expense incurred by the Assured at Underwriters' request under this clause but:
- 11.4.1. The Assured will not be entitled to any reimbursement for any internal costs including any fees, salaries or retainers for salaried employees and employed counsel and all office expenses of the Assured.

11.4.2. Any expenses under sub-clause 11.1 or 11.2 shall be applied towards the available Limit under the relevant Section.

12. INSTITUTE RADIOACTIVE CONTAMINATION, CHEMICAL, BIOLOGICAL BIO-CHEMICAL AND ELECTROMAGNETIC WEAPONS EXCLUSION (CL 370)

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

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

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

13. INSTITUTE CYBER ATTACK EXCLUSION CLAUSE (CL 380)

13.1 Subject only to Clause 13.2 below, in no case shall this insurance cover loss damage liability or expense directly caused by or contributed to by, or arising from the use or operation, as a means for inflicting harm, of any computer, computer system, computer software programme, malicious code, computer virus or process or any electronic system.

13.2 Where this Clause is endorsed on policies covering risks of war, civil war, revolution, rebellion, insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power, or terrorism or any person acting from a political motive, Clause 13.1. shall not operate to exclude losses (which would otherwise be covered) arising from the use of any computer, computer system, computer software programme, or any electronic system in the launch and/or guidance system and/or firing mechanism of any weapon or missile.

14. LEGALITY

Underwriters have no liability under this Policy, and cover is excluded, for:

- 14.1.1. Any Accident arising out of any Operations which are not lawful;
- 14.1.2. Any Accident arising out of any Operations which are not carried out in a lawful manner, so far as the Assured can control the matter;
- 14.1.3. Any liability, loss or damage attributable to a failure to comply with any law or order or demand made by an Authority;
- 14.1.4. Any liability, loss or damage attributable to anti-competitive practices.

15. WAR, STRIKES AND OTHER DISRUPTION

15.1. Underwriters have no liability for liability, loss or damage directly or indirectly occasioned by, happening through or in consequence of any strike, lock-out, labour disturbance, riot, civil commotion, war, invasion, terrorism, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, civil strife, military or usurped power, confiscation, nationalisation, requisition, appropriation, seizure or destruction of or damage to property by or under the order of any Authority.

15.2. Any mention of terrorism in this Policy:

15.2.1. Means any acts of any person or organisation involving the causing, occasioning or threatening of harm of whatever nature and by whatever means, or putting the public or any section of the public in fear, in circumstances in which it is reasonable to conclude that the purpose of the person or organisation concerned are wholly or partly of a political, religious, ideological or similar nature; and

15.2.2. Includes any steps taken to prevent, suppress, control or reduce the consequences of any actual, attempted, anticipated, threatened, suspected or perceived terrorism.

16. SANCTIONS CLAUSE (LMA 3100)

16.1. The LMA Sanction Limitation and Exclusion Clause (LMA3100), quoted below, applies to this Policy:

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

16.2. For the purpose of this clause only “insurer” shall mean “Underwriters”.

17. ELECTRONIC DATE RECOGNITION EXCLUSION CLAUSE

This Policy does not cover any actual or alleged liability for any loss, damage, cost, claim, and/or expense whether preventative, remedial or otherwise, directly or indirectly arising out of or relating to:

17.1. The calculation, comparison, differentiation, sequencing or processing of data involving any date change including change of year and leap year calculations, by any computer system, hardware, programme or software and/or microchip, integrated circuit or similar device in computer equipment and/or non-computer equipment, whether the property of the Assured or not; and/or,

17.2. Any change, alteration and/or modification involving any date change including change of year and leap year calculations, to any such computer system, hardware, programme or software and/or any microchip, integrated circuit or similar device in computer equipment and/or non-computer equipment, whether the property of the Assured or not.

17.3. This clause applies regardless of any other cause and/or event that contributes concurrently or in any sequence to any loss, damage, cost, claim, and/or expense.

18. OTHER INSURANCES

18.1. Underwriters shall have no liability under the Policy if any other insurance:

18.1.1. Provides the Assured with an indemnity for the same loss, liability or expense, even if the Assured’s interest is different;

18.1.2. Would have provided the Assured with such an indemnity if this Policy did not exist; or

18.1.3. Would have provided the Assured with such an indemnity if the Assured had complied with its terms (including without limitation any warranties or conditions precedent).

18.2. Clause 18.1 applies even if the Assured is not indemnified under the other insurance or the amount of the indemnity which is or would have been available under the other insurance differs from that which would have been available under this Policy.

18.3. Underwriters have no liability to contribute or participate with the insurers of any other insurance.

19. SEVERAL LIABILITY (LSW 1001)

19.1. LSW 1001 on Several Liability, quoted below, forms part of this Policy:

“The subscribing insurers’/reinsurers’ obligations under contracts of insurance/reinsurance to which they subscribe are several and not joint and are limited solely to the extent of their individual subscription. The subscribing insurers/reinsurers are not responsible for the subscription of any co subscribing insurer/reinsurer who for any reason does not satisfy all or part of its obligations.”

19.2. For the purpose of this clause only “insurers” shall mean “Underwriters”.

20. INSOLVENCY OR BANKRUPTCY

- 20.1. The insolvency, or entry into any insolvency procedure (including without limitation liquidation, bankruptcy, receivership, administration and the like), or any refusal or inability to pay of the Assured and/or any Underwriter shall not operate to:
 - 20.1.1. Increase Underwriters' liability under the Policy;
 - 20.1.2. Increase any Underwriter's share of liability under the Policy; or
 - 20.1.3. Deplete any Deductible.
- 20.2. If the Assured becomes insolvent or enters any Insolvency Procedure:
 - 20.2.1. The Policy will be cancelled automatically; and
 - 20.2.2. The Policy Period will come to an end at that date; but
 - 20.2.3. No premium will be returned.
- 20.3. In no event shall any Underwriter of the Policy assume the responsibilities and/or obligations of the Assured and/or any other Underwriter.

21. AUDIT AND SURVEY

- 21.1. Underwriters may on reasonable notice:
 - 21.1.1. Examine and audit the Assured's books or records at any time relating to the subject matter of this Policy; or
 - 21.1.2. Arrange for any of the Assured's Operations or any Insured Location to be inspected or surveyed at any time before or during the Policy Period.
- 21.2. The Assured must co-operate fully with the representatives or agents appointed by Underwriters to carry out such audit or survey.

22. CANCELLATION

- 22.1. The Assured may cancel the Policy by sending Underwriters notice. Such notice must:
 - 22.1.1. State the date, not less than 30 days later, when cancellation will be effective; and
 - 22.1.2. Be sent by e-mail and by certified or registered mail or courier to Underwriters at the address stated in the Insurance Schedule.
- 22.2. Underwriters may cancel the Policy by sending the Assured notice. Such notice will:
 - 22.2.1. State the date when cancellation shall be effective. This date shall be not less than 30 days later unless a right to cancel arises under another clause of the Policy, in which case the notice may provide for the cancellation to be effective at any time;
 - 22.2.2. Be sent by e-mail and by certified or registered mail or courier to the Assured at the address stated in the Insurance Schedule or their brokers; and
 - 22.2.3. Be effective whether or not Underwriters tender the return of any premium.
- 22.3. Premium will be returned after the cancellation becomes effective as follows:
 - 22.3.1. If the Policy is cancelled by the Assured, Underwriters will retain the short rate proportion of the premium for the period the Policy has been in force calculated in accordance with the standard London Market Short Rate Cancellation Table;
 - 22.3.2. If the Policy is cancelled by Underwriters, they will retain the pro rata proportion of the premium for the period the Policy has been in force unless the right to cancel arises under a clause which provides otherwise;
 - 22.3.3. No premium will be returned if there is an Accident which is or would be insured under the Policy before notice of cancellation is given or before any cancellation becomes effective;
 - 22.3.4. If a claim is subsequently made in respect of an Accident occurring before cancellation became effective, Underwriters' liability will be reduced by the amount of premium returned.
- 22.4. Unless any other clause of the Policy states otherwise, the Policy Period comes to an end when the cancellation becomes effective.

23. ASSIGNMENT

- 23.1. The Assured may not assign its interest or any rights under this Policy without the prior written consent of Underwriters.
- 23.2. Any assignment or purported assignment in breach of this clause is invalid.

24. GOVERNING LAW

This Policy shall be subject to, governed by and interpreted in accordance with the laws of England and Wales.

25. ARBITRATION

- 25.1. Any dispute arising under, out of or in connection with this Policy, including formation and validity, and whether arising before, during or after the Policy Period, shall be referred to arbitration in London.
- 25.2. The arbitration tribunal will be appointed as follows:
 - 25.2.1. The claimant (the party requesting arbitration) will commence arbitration by appointing an arbitrator and giving the respondent written notice of the appointment;
 - 25.2.2. The respondent must appoint an arbitrator or agree a sole arbitrator, and give notice to the claimant, within 14 days of receiving notice of the claimant's appointment;
 - 25.2.3. If the parties each appoint an arbitrator, the arbitrators will appoint a third arbitrator who will act as chairman;
 - 25.2.4. If the respondent fails to appoint an arbitrator in accordance with clause 25.2.2, it will be treated as having agreed to the appointment of the arbitrator appointed by the claimant as a sole arbitrator, and the arbitrator will proceed accordingly.
- 25.3. Unless the parties otherwise agree, the arbitrators will have not less than 10 years' experience of insurance or reinsurance as persons engaged in the industry itself or as lawyers or other professional advisors, but may be retired.
- 25.4. The arbitration tribunal has power to fix all procedural rules for the holding of the arbitration including discretionary power to make orders as to any matters which it may consider proper in the circumstances of the case with regard to pleadings, disclosure, inspection of the documents, examination of witnesses and any other matter whatsoever relating to the conduct of the arbitration and may receive and act upon such evidence whether oral or written strictly admissible or not as it may think fit. All costs of the arbitration shall be determined by the arbitration tribunal who may direct to whom and in what manner they shall be paid.
- 25.5. The arbitration tribunal will give its award in writing. The award of the arbitration tribunal is binding on the parties.

26. INTERPRETATION

- 26.1. Words in the masculine include the feminine and vice versa. Words in the singular include the plural and vice versa.
- 26.2. Where a clause refers to any "other" loss, cause or other item, it means any other such item and the meaning of such "other" shall not be limited by the preceding words unless the words "or similar" are used.
- 26.3. Where a clause uses the word "including" it does so without limiting the preceding words whether or not the words "without limitation" are used.
- 26.4. References to laws include without limitation international, national and local laws (whether written or not), legislation, regulations, by-laws, orders and codes, constitutions and case law and any reference to any law or code of practice includes:
 - 26.4.1. Any subsidiary law or code of practice;
 - 26.4.2. Any amendment or successor law or code of practice; and
 - 26.4.3. Any similar law or code of practice.

27. REINSURANCE

If this wording is used in relation to a policy of reinsurance:

- 27.1. References to "Assured" and "Underwriters" will mean "Reinsured" and "Reinsurers" respectively;
- 27.2. The Reinsured must comply with all the Assured's obligations as if it was a direct Assured, but Reinsurers will nevertheless agree to indemnify the Reinsured if it is unable to provide Reinsurers with any information or notice because its own Assured has not provided it with that information or notice, but only:
 - 27.2.1. If the Reinsured complies with those obligations immediately on becoming aware of information which should be provided or notified to Reinsurers; and
 - 27.2.2. To the extent that the Reinsured remains liable to its own Assured despite such breach.
- 27.3. The Reinsured must not make any decision or exercise any discretion (including but not limited to any decision on whether to maintain or extend cover or impose terms, or to settle any claim) without the consent of Reinsurers. Any waiver or settlement made by the Reinsured will not be binding on Reinsurers and Reinsurers will not follow the Reinsured.
- 27.4. In addition to the consequences stated elsewhere in this policy, Reinsurers may cancel the Policy from the Inception Date if the Reinsured is in breach of its obligations under this clause 27.

28. DEFINITIONS

Words used in this Policy have the following meanings whenever used:

28.1. Accident

A sudden event which was neither expected nor intended by the Assured and which first occurred or commenced on an identifiable specific date during the Policy Period.

28.2. Assured

The Assured as identified in the Insurance Schedule including:

28.2.1. Any partner, executive officer, managing employee, director or trustee of that Assured while acting within the scope of the duties bestowed on that person by the Assured.

28.2.2. Where more than one Assured is identified in the Insurance Schedule, one or all of them.

28.3. Authority

28.3.1. Any government or governmental or quasi-governmental body or agency, public or local authority or flag representative.

28.3.2. Any port authority or other body having statutory jurisdiction over any Operation or any Insured Location.

28.4. Bodily Injury

Any physical injury to a Third Party including death, sickness, disease, mental injury, anguish and/or shock resulting from such physical injury but excluding mental injury where the Third Party has not also suffered a physical injury.

28.5. Cargo

Any goods or property capable of being transported by land, sea, water or air, and including any packaging material or container, that is neither owned nor supplied by the Assured.

28.6. Deductible

Any sum or Deductible Period described as such in the Insurance Schedule operating to reduce Underwriters' liability as set out in clause 3 of the General Policy Provisions.

28.7. Deductible Period

A period of time described as such in the Insurance Schedule, beginning on the date of an Accident.

28.8. Endorsement Inception Date

The date stated in an endorsement when that endorsement attaches or takes effect or, if no other date is specified, the date when that endorsement is agreed or the Inception Date, whichever is later.

- 28.9. **Handling Equipment**
Any equipment or other property capable of being used to handle or move any Cargo, but excluding any aircraft, helicopter, conveyance, vehicle, vessel, watercraft, locomotive, railroad rolling stock or container.
- 28.10. **Inception Date**
The first date of the Policy Period.
- 28.11. **Insolvency Procedure**
Any insolvency procedure, including without limitation liquidation, bankruptcy, receivership, administration, administrative receivership or other procedure or process intended to provide protection from creditors.
- 28.12. **Insurance Schedule**
The schedule setting out the Assured's details and the scope of the Policy.
- 28.13. **Insured Handling Equipment**
The handling equipment listed as such in the Insurance Schedule.
- 28.14. **Insured Location**
The confines of any port, terminal or other location specified in the Insurance Schedule.
- 28.15. **Insured Property**
The real or personal property listed as such in the Insurance Schedule, excluding any handling equipment (whether insured or not).
- 28.16. **Loss Payee**
The person identified as such in the Insurance Schedule.
- 28.17. **Loss Period**
The period of time during which the Underwriters will indemnify the Assured under Section 4 as set out in clause 6 of that Section.
- 28.18. **Maximum Loss Period**
The maximum length of the Loss Period as stated in the Insurance Schedule.
- 28.19. **Operations**
The operations identified in the Insurance Schedule.
- 28.20. **Policy**
All Sections, including Sub-Sections and endorsements to those Sections, the General Policy Provisions, Insurance Schedule and Questionnaire under which the Assured has been insured, as well as any other information or statement given to Underwriters in obtaining insurance.
- 28.21. **Policy Period**
The Period stated in the Insurance Schedule beginning at midnight GMT on the Inception Date.
- 28.22. **Port Authority**
The Assured if described as a port authority in the Insurance Schedule.
- 28.23. **Project Cargo**
28.23.1. Cargo required to facilitate the construction of a commercial project during a known and demonstrable period of time;
28.23.2. Heavy lift Cargo; or
28.23.3. Oversized Cargo or Cargo with unusual dimensions.
- 28.24. **Questionnaire**
The questionnaire which was or should have been completed by or on behalf of the Assured when Underwriters were asked to provide insurance.
- 28.25. **Terminal Operator**

The Assured if described as a terminal operator in the Insurance Schedule.

28.26. **Third Party**

Any person other than the Assured or Underwriters.

28.27. **Underwriters**

The underwriters subscribing to this Policy.

28.28. **Usual Cargo**

28.28.1. Bulk, bagged or palletised Cargo;

28.28.2. Cargo in ISO containers, including tank containers, flat racks and open top containers, whether refrigerated or not, up to a weight of 50 metric tonnes;

28.28.3. Roll on – Roll off Cargo and Cargo loaded on trailers or skids; and

28.28.4. Cargo listed in the Questionnaire completed by the Assured.

28.29. **Valuable Cargo**

28.29.1. Any Cargo where the value has been declared (ad valorem).

28.29.2. Any valuable Cargo including but not limited to bullion, precious metals and alloys, precious stones, precious objects, jewellery, cash, money, notes, negotiable instruments, specie, securities, deeds, accounts, bills, evidence of debt, valuable papers, fine art, furs and thoroughbred horses.

28.29.3. Any Cargo worth 10% of more of the Limit under Section 1.

NAVIGATORS

PORTS AND TERMINALS POLICY WORDING

AVAILABLE ENDORSEMENTS (NOT FORMING PART OF THE POLICY)

EXTENDED RADIOACTIVE CONTAMINATION EXCLUSION CLAUSE (USA ENDORSEMENT)

1. APPLICATION

- 1.1. This clause and endorsement is only in force if described as such in the Insurance Schedule.
- 1.2. Where this clause and endorsement applies, it forms part of the General Policy Provisions.
- 1.3. The insurance provided by this clause and endorsement is set out in this clause and endorsement, any Section described as being in force by the Insurance Schedule, the General Policy Provisions, the Insurance Schedule, the Questionnaire, and on the basis of the Duty of Disclosure and Basis of Contract clause (clause 1) of the General Policy Provisions.
- 1.4. The cover provided in this endorsement is in consideration of payment of the premium. If the Assured does not comply with any premium warranties in the Policy, Underwriters are discharged from liability from the date of the breach of warranty.
- 1.5. This clause and endorsement takes precedence over clause 12 of the General Policy Provisions.

2. EXTENDED RADIOACTIVE CONTAMINATION EXCLUSION CLAUSE

Clause 12 of the General Policy Provisions (CI 370) is amended so that in no case shall this Policy cover loss damage or expense directly or indirectly caused by or contributed to or arising from:

- A. Ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel.
- B. The radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof.
- C. Any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.
- D. The radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter. The exclusion in this sub-clause does not extend to radioactive isotopes, other than nuclear fuel, when such isotopes are being prepared, carried, stored, or used for commercial, agricultural, medical, scientific or other similar peaceful purposes.

3. RADIOACTIVE CONTAMINATION EXCLUSION CLAUSE (USA ENDORSEMENT)

Sub-clauses A, B and D of clause 2 of this clause and endorsement do not apply to any loss or damage arising directly from fire, but:

- 3.1. Only if the Insured Location, Insured Handling Equipment or Insured Property is within the USA, its islands, onshore territories or possessions; and
- 3.2. Loss, damage, liability or expense caused by nuclear reaction, nuclear radiation, or radioactive contamination arising directly or indirectly from the fire is in any event excluded from the cover provided by this Policy.

INFRINGEMENT OF PERSONAL RIGHTS ENDORSEMENT

1. APPLICATION

- 1.1. This endorsement is only in force if described as such in the Insurance Schedule.
- 1.2. Where this endorsement applies, it forms part of Section 1.
- 1.3. The insurance provided by this endorsement is set out in this endorsement, Section 1, the General Policy Provisions, the Insurance Schedule, any other endorsements, the Questionnaire, and on the basis of the Duty of Disclosure and Basis of Contract (clause 1) of the General Policy Provisions.
- 1.4. The cover provided in this endorsement is in consideration of payment of the premium. If the Assured does not comply with any premium warranties in the Policy, Underwriters are discharged from liability from the date of the breach of warranty.
- 1.5. This endorsement takes precedence over clauses 10.16 and 10.17 of Section 1, but otherwise Section 1 takes precedence over this endorsement.

2. LIABILITY FOR INFRINGEMENT OF PERSONAL RIGHTS

- 2.1. Underwriters agree to indemnify the Assured for its liability to a Third Party caused by the Assured:
 - 2.1.1. Wrongfully imprisoning or detaining a Third Party;
 - 2.1.2. Wrongfully entering onto a Third Party's property, evicting any Third Party or invading a Third Party's right of private occupancy; or
 - 2.1.3. Defaming a Third Party, or making any untrue statement which affects a Third Party's reputation or privacy;
- 2.2. But only if:
 - 2.2.1. The Assured or those acting on its behalf did not know or were reckless as to whether they were acting wrongfully or, in the case of clause 2.1.3, that any statement or publication was not true;
 - 2.2.2. The Assured's liability would have been covered under Section 1, interpreted in accordance with clause 2.3, if clauses 10.16 and 10.17 of Section 1 did not apply.
- 2.3. Where this endorsement applies, the infringement of the Third Party's rights shall be treated as Bodily Injury, and the action of the Assured insured by clause 2.1 shall be treated as an Accident if it occurred during the Policy Period.

3. LIMIT

- 3.1. Underwriters' liability under this endorsement is limited to the figure stated for this endorsement in the Insurance Schedule.
- 3.2. If no figure is stated in the Insurance Schedule Underwriters' liability under this endorsement is limited to the lower of:
 - 3.2.1. USD 500,000; and
 - 3.2.2. The total Limit for Section 1 of the Policy.

4. EXCLUSIONS

The cover provided by this Endorsement in any event excludes any liability however arising:

- 4.1. For actions or behaviour commencing before the Endorsement Inception Date, including anything first published before the Endorsement Inception Date;
- 4.2. Attributable to a criminal act;
- 4.3. Which is not covered by, or is excluded from the cover provided by, Section 1 irrespective of and as if unamended by any extension of cover provided by any Sub-Section or any other endorsement;
- 4.4. Under the laws of any jurisdiction where there is no Insured Location;
- 4.5. Determined by the Courts or Tribunals of a jurisdiction where there is no Insured Location;

- 4.6. To past, present or prospective employees of the Assured;
- 4.7. Under any contract or written provision;
- 4.8. Attributable to statements about any business or corporation's products or services;
- 4.9. Attributable to advertising carried out by the Assured or on the Assured's behalf;
- 4.10. Attributable to the use of any internet chat room, social media or other electronic forum;
- 4.11. Attributable to the breach or alleged breach of any law or code of conduct relating to the use or transmission of data or unsolicited communications, including without limitation:
 - 4.11.1. The Data Protection Act 1998;
 - 4.11.2. The Data Protection Directive;
 - 4.11.3. The Privacy and Electronic Communications Directive;
 - 4.11.4. The Telephone Consumer Protection Act of 1991 (TCPA); and
 - 4.11.5. The Controlling the Assault of Non-Solicited Pornography And Marketing (CAN-SPAM) Act of 2003;
- 4.12. Attributable to the arrest, detention or imprisonment of any watercraft, vessel, Cargo, freight, hire or property; or
- 4.13. Attributable to the wilful misconduct of the Assured, the Assured's employees or others to whom the Assured has entrusted responsibility.