

1/12/99 AWRIS CARGO CLAUSES
**WAR AND S.R. & C.C. -INLAND TRANSPORT
RISKS COVERED**

1. This insurance covers, except as provided in Clauses 3,4 and 5 below, loss of or damage to the subject matter insured caused by

1.1 war, civil war, revolution, rebellion, insurrection or civil strife arising there from, or any hostile act by or against a belligerent power

1.2 capture, seizure, arrest, restraint or detainment arising from risks covered under I.I above, and the consequences thereof or any attempt thereat

1.3 derelict mines, missiles, bombs or other derelict weapons of war

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

1.5 any terrorist or any person acting from a political motive.

2. This insurance covers recovery and/or repair costs (limited to the sum insured hereunder) adjusted or determined according to the contract of carriage and/or the governing law and practice, incurred to avoid or in connection with the avoidance of loss from a risk covered under these clauses.

EXCLUSIONS

3. In no case shall this insurance cover

3.1 loss, damage or expense attributable to willful misconduct of the Assured

3.2 ordinary leakage, ordinary loss in weight or volume, or ordinary wear and tear of the subject matter insured

3.3 loss, damage or expense caused by insufficiency or unsuitability of packing or preparation of the subject matter insured (for the purpose of this Clause 3.3 "packing" shall be deemed to include stowage in a container or liftvan but only when such stowage is carried out prior to attachment of this insurance or by the Assured or their servants)

3.4 loss, damage or expense caused by inherent vice or nature of the subject matter insured

3.5 loss, damage or expense proximately caused by delay, even though the delay be caused by a risk insured against (except expenses payable under Clause 2 above)

3.6 loss, damage or expense arising from insolvency or financial default of the owners, managers, hirers or operators of the conveyance

3.7 any claim based upon loss of or frustration of the transit and/or adventure

3.8 loss, damage or expense arising from any hostile use of any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter

3.9 loss, damage or expense arising from the absence, shortage or withholding of labour of any description whatsoever resulting from any strike, lockout, labour disturbance, riot or civil commotion.

4. In no case shall this insurance cover loss, damage or expense arising from

4.1 confiscation, requisition, pre-emption

4.2 capture, seizure, arrest, restraint or detainment of the subject matter insured by the Government of the Country in which the Assured is domiciled

4.3 hijacking of the subject matter insured and/or the conveyance

4.4 the carriage by the conveyance of arms, ammunition or explosives manufactured as such.

5. 5.1 In no case shall this insurance cover loss, damage or expense arising from:

unroadworthiness of truck, lorry, tractor, trailer, or similar conveyance,

Unfitness of truck, lorry, tractor, trailer, conveyance, container or lift van for the safe carriage of the subject matter insured,

where the Assured or their servants are privy to such unroadworthiness or unfitness, at the time the subject matter insured is loaded therein.

5.2 It is warranted that the truck, lorry, tractor, trailer or similar conveyance is roadworthy and that the truck, lorry, tractor, trailer, conveyance, container or lift van is fit to carry the subject matter insured to destination. However, the Insurers waive any breach of this warranty unless the Assured or their servants are privy to such unroadworthiness or unfitness.

DURATION

6. 6.1 This insurance attaches from the time the subject matter insured and as to any part as that part leaves the warehouse, premises or place of storage at the place named herein for the commencement of the land transit and continues during the ordinary course of transit and terminates either

6.1.1 on delivery to the consignees or other final warehouse, premises or place of storage at the destination named herein or

6.1.2 on delivery to any other warehouse, premises or place of storage, whether prior to or at the destination named herein,

which the Assured elects to use either

6.1.2.1 for storage other than in the ordinary course of transit

or

6.1.2.2 for allocation or distribution.

6.2 If the departure from the warehouse, premises or place of storage at the place named herein for the commencement of the transit has been delayed beyond the time stated when the insurance was effected, the Assured shall inform the Insurers of such delay as soon as he becomes aware thereof. Where an increase of the risk has occurred prior to the departure, the Insurers shall be entitled to an increase of premium corresponding to the increase of the risk.

6.3 This insurance shall remain in force (subject to termination as provided for above and to the provisions of Clause 7 below) during delay beyond the control of the Assured, any diversion, forced unloading, reshaping or transshipment and during any variation of the transit arising from the exercise of a liberty granted to carriers or other bailees or forwarding agents under the contract of carriage.

6.4 For the purpose of this Clause 6. Land transit shall be deemed to include any waterborne crossing not exceeding 15 kilometers of any waterways, channels or straits en route provided that no other insurance policy is or shall be effected to cover any such waterborne crossing.

If any other insurance policy has been, is, or shall be effected covering any or all of the perils enumerated in Clauses 1.4 and 1.5 for part or all of the transit covered hereunder, then coverage hereunder in respect of those perils insured elsewhere only to attach. (subject always to Clauses 6.1 and 6.2 above) as and provided that coverage ceases under such other policy.

7. If, owing to circumstances beyond the control of the Assured, either the contract of carriage is terminated at a place other than the destination named therein, or the transit is otherwise terminated before delivery of the goods as provided for in Clause 6 above, held covered for a maximum of 144 hours after arrival at such place of termination at a premium and on conditions to be arranged, subject to prompt notice being given to Insurers. Thereafter, if continuation of cover is requested, the insurance shall remain in force, on the same conditions as may have been agreed for the "held covered" period, subject to an additional premium if required by Insurers, either

7.1. until the goods are sold and delivered at such place or until the expiry of 14 days (and thereafter one further period of up to 14 days if requested by the Assured and agreed by Insurers subject to a further additional premium if required) after arrival of the goods hereby insured at such place whichever shall first occur

or

7.2. if within the said period of 14 days (or within any further period in so far as such further period may have been agreed within the terms of 7.1 above) the goods are either returned to the place named herein for the commencement of the transit or forwarded to the destination named herein, or to any other destination, until terminated in accordance with the provisions of Clause 6 above.

8. For the purposes of Clauses 6 and 7 above, delivery is defined as the time of signing of the delivery note (or similar document) or on the expiry of 24 hours after arrival at the point of destination named herein or at such time as the subject matter insured and as to any part as that part is loaded on/in any aircraft and/or any waterborne vessel or craft and/or any railway rolling stock, whichever is the earlier.

9. Where, after attachment of this insurance, the destination is changed by the Assured, held covered at a premium and on conditions to be arranged subject to prompt notice being given to the Insurers.

BASIS OF VALUATION

10. 10.1 The insurable value of cargo is, unless otherwise expressly agreed, the value of the goods at the place where the liability of the Insurers attaches with the addition of freight and other costs of carriage at the risk of the cargo owner, costs of insurance,

10% profit calculated on the sum of all items mentioned above.

10.2 The value of the goods shall be calculated on the basis of the price stated in the invoice covering the goods, unless it is agreed that some other basis of calculation shall be used.

CLAIMS

11. 11.1 In order to recover under this insurance the Assured must have an insurable interest in the subject matter at the time of the loss.

11.2 Subject to II.I above, the Assured shall be entitled to recover for insured loss occurring during the period covered by this insurance, notwithstanding that the loss occurred before the contract of insurance was concluded unless the Assured was aware of the loss and the Insurers were not.

12. 12.1 When loss or damage is imminent or has occurred, the Assured shall immediately notify the Insurers or the verage Agent

named.

12.2 On receiving information that any measure mentioned in Clause 1.2 above has been taken against the insured goods, and/or against the conveyance, the Assured shall give notice to the Insurers.

13. 13.1 Where, as a result of the operation of a risk covered by this insurance, the insured transit is terminated at a place other than that to which the subject matter is covered under this insurance, the Insurers will reimburse the Assured for any extra charges properly and reasonably incurred in unloading, storing and either forwarding the subject matter to the destination to which it is insured hereunder, or returning the subject matter to the place named herein for the commencement of the transit.

13.2 In any event the amount recoverable under Clause 13.1 shall not exceed 50% of the sum insured hereunder.

13.3 This Clause 13, which does not apply to expenses in Clause 2, shall be subject to the exclusions contained in Clauses 3,4 and 5 above, and shall not include charges arising from the fault, negligence, insolvency or financial default of the Assured or their servants.

14. No claim for Constructive Total Loss shall be recoverable hereunder unless the subject matter insured is reasonably abandoned, either on account of its actual total loss appearing to be unavoidable or because the cost of recovering, reconditioning and forwarding the subject matter to the destination to which it is insured would exceed its value on arrival.

BENEFIT OF INSURANCE

15. This insurance shall not inure to the benefit of the carrier or other bailee.

ADDITIONAL INSURANCES

16 Warranted that in respect of land war and strikes, riots and civil commotions risks no increased value insurance or any other insurance P.P.I., F.I.A., or subject to any other like term is, or shall be, effected to operate during the duration of this policy, by or for account of the Assured without prior agreement of Insurers.

MINIMISING LOSSES

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

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

17.2 to ensure that all rights against carriers, bailees, or other third parties are properly preserved and exercised, and the Insurers will, in addition to any loss recoverable hereunder, reimburse the Assured up to the sum insured hereunder for any charges properly and reasonably incurred in pursuance of these duties.

18 Measures taken by the Assured or the Insurers with the object of saving, protecting or recovering the subject matter insured shall not be considered as a waiver or acceptance of abandonment or otherwise prejudice the rights of either party.

AVOIDANCE OF DELAY

19. It is a condition of this insurance that the Assured shall act with reasonable dispatch in all circumstances within their control.

ARBITRATION

20. If the Insured and the Underwriters fail to agree in whole or in part regarding any aspect of this Policy, each party shall, within 10 days after a demand in writing by either party,

appoint a recognised competent and disinterested arbitrator and the two so chosen arbitrators shall before commencing the arbitration select a competent and disinterested umpire. The arbitrators together shall determine such matters in which the Insured and the Underwriters fail to agree and shall make an award thereon, and if they fail to agree, they will submit their differences to the umpire. The umpire shall then decide on the award.

The Parties to such arbitration shall pay the arbitrators respectively appointed by them and bear equally the expenses of the arbitration and the charges of the umpire.

AUTOMATIC TERMINATION

21. Cover hereunder shall terminate automatically

21.1 upon the occurrence of any hostile detonation of any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter, wheresoever or whensoever such detonation may occur, whether or not the insured cargoes may be involved, and this insurance excludes loss, damage or expense arising from such occurrence

21.2 upon the outbreak of war (whether there be a declaration of war or not):

21.2.1 between any of the following countries:

United Kingdom, United States of America, France,
the Russian Federation, the Peoples Republic of China

or

21.2.2 between any of the countries in 21.2.1 and the country of domicile of the Assured, and this insurance excludes loss, damage or expense arising from such outbreak of war

21.3 in the event of the subject matter insured being requisitioned either for title or use, or in the event of the

conveyance being requisitioned for title or use in circumstances where the subject matter insured is not unloaded there from.

22 This insurance shall not become effective, if, prior to the intended time of its attachment, there has occurred any event, which would have automatically terminated this insurance under the provisions of Clause 21 above, had this insurance attached prior to such occurrence.

METHOD OF TRANSPORTATION

23 It is warranted that the subject matter insured is not conveyed within the duration of this policy by air or by sea (except as provided for in Clause 6.4) or by rail other than within the confines of any port, terminal, park or other storage area.

NOTE:-It is necessary for the Assured, when they become aware of an event which is "held covered" under this insurance, to give

prompt notice to Insurers and the right to such cover is dependent upon compliance with this obligation.