

Wordings for Marine & DSU Add On Covers & Clauses

Marine Add On Covers/Clauses:

- 1. 200% Accumulation Clause:** Should there be an accumulation of interest beyond the Per Bottom Limits expressed in this Policy by reason of any interruption of transit and/or occurrence beyond the control of the Insured or by reason of any casualty and/or on connecting vessel or conveyance Underwriters shall be liable for the full amount at risk, but in no event shall they be liable for more than twice the Per Bottom Limit
- 2. Multi Transit Clause:** This policy covers transit of goods of the Assureds to the intermediate storage places owned and/or hired by the Assured Anywhere in India for the purpose of allocation, distribution and processing and, thence, to the final destination of the Assured. The period of storage at all godowns put together of the Assured shall not be more than.....days and the liability of the company shall be restricted to Fire and allied perils, STFI, earthquake, burglary and house braking only during storage period.
The transit cover after completion of storage period as mentioned in the policy shall be operative once the consignment leaves the storage places of the insured for the commencement of journey and shall terminate on delivery of the goods at the final destination of the Assured as per duration Clause 5 of Inland Transit (Rail or Road) Clause A (All risk) 2010.
- 3. Buyer's Interest Clause:**
 1. Notwithstanding anything contained herein to the contrary, Insurer's liability to the Insured commences from the time of leaving supplier's factory, warehouse, store or mill, notwithstanding the goods and/or interest may have been purchased on FOB or FAS terms, Insured subrogating their right of recourse against suppliers for any damage that may occur prior to delivery "free on board" or "free alongside steamer". The Buyer's Interest Insurance Clause will override the other terms and conditions which are not inconformity therewith
 2. The policy covers physical loss of or damage to the cargo insured including subject to the terms and conditions as per ICC (A), ICC (B) or ICC (C) attached to the policy and the Assured has the right to claim hereunder providing that
 - (a) he has suffered a pecuniary loss due to the perils covered under ICC(A) 01/01/2009, ICC(B) 1/1/2009 or ICC (C) 1/1/2009
 - (b) he has taken all reasonable steps to invoke the contract of sale and the responsibilities thereunder and has attempted to recover from the Seller and/or Seller's Insurers any pecuniary loss which he has suffered by reason of loss or damage to the subject matter from a peril insured against during the currency of the policy
 - (c) he has not divulged the existence of this insurance to the Seller or the Seller's insurers

3. This insurance is not assignable to any other person who may acquire insurable interest in respect of property insured excepting a banker operating in India
4. This extension does not cover pecuniary loss by reason of Exchange Control Regulations which apply in the country of the seller or any other country enroute to the port/place of loading
5. Warranted this insurance not to be deemed as double insurance.
6. Warranted cargo shipped under deck
7. Warranted no cover in respect of purchases made on CIF/DDU/DDP terms
8. Warranted that the insured shall safeguard all contractual and other rights against the sellers, carriers and other parties concerned with the transactions and transportation of the goods covered herein. Insurers are to be subrogated to the Assured's rights against the seller, the consignor's underwriters, as well as other parties
9. Claims, if any, is payable in Indian Currency only

4. Duty insurance Clause:

This insurance is on "Increased value" of cargo by reason of payment of Customs Duty at the port or place of destination and is subject to the same clauses and conditions as the insurance on cargo and to pay the same percentage of "Duty" payable (excluding charges and expenses) as may be paid thereon, but excluding claims in respect of:

- (a) Total loss of whole or part of cargo prior to the "Duty" becoming payable
- (b) General Average, Salvage and/or Salvage charges arising from any casualty occurring prior to the "Duty" becoming payable

In ascertaining the amount of the claim recoverable hereunder, credit shall be given for any rebates or refund of "Duty" which may become allowable.

This insurance shall not be valid if effected after the arrival of the vessel at the destination port.

Warranted that

1. The Assured is the holder or assignee of the Import License, or is the actual user who has purchased goods from recognized Export House/Channelising Agency
2. This policy is not assignable
3. No claim shall be paid for "Duty" until the claim under the CIF value insurance policy is payable and proof of liability for loss under that policy shall be furnished to the Company. This provision need not apply to cases where CIF is insured overseas due to contractual obligation
4. This is not a valued policy as defined in the Marine Insurance Act. Claims under this policy are payable on the basis of actual "Duty" paid or on the basis of the Sum insured, whichever is less

5. In the event of a claim under this policy, immediate notice of loss shall be given to the Company and a reasonable opportunity given to the Company to survey and assess the loss. The assured shall cooperate with the Company and take all reasonable measures to minimize or prevent a loss. The Assured shall also lodge a claim with the Customs Authorities within the stipulated time for refund of duty where admissible, and with the Carriers or others for recovery of the "Duty" paid in respect of such damaged or lost cargo and any recovery relating to the "Duty" paid shall be credited to the Company.

5. **Contingent/deemed Duty Clause:** Cover here includes, at an additional premium for Rs...and subject to declaration, the risk of customs duty and/or excise duty becoming payable through an insured peril notwithstanding that it has not been included in the Sum insured but not exceeding Rs..... as a total insured value including duty any one loss

6. **Additional Custom Duty Clause:** In consideration of the insured having paid an additional premium of Rs...., it is hereby declared and agreed that the insured shall also be indemnified during the currency of the policy, towards the additional customs duty amount of Rs. 5 Crs which may be incurred by the insured over and above the customs duty amount taken into account in arriving at the sum insured of the affected item. The policy will indemnify, following a recoverable loss or damage, the customs duty/excise duty that could be levied on the replacement supplies up to a limit of Rs. 5 Crs (Not to increase the policy limit).

The indemnity for such additional customs duty will stand reduced after occurrence of the claim unless reinstated by payment of an additional premium prescribed by the Company.

Subject otherwise to the terms, conditions and exception of the policy.

7. **Repacking Clause:** It is understood and agreed that, should outer packaging be damaged from any cause which renders interest unfit for on shipment or distribution, irrespective of final destination shown herein, Insurers will pay the cost of reasonable repacking expenses, provided such damage occurred during the currency of this insurance.

8. **Seal Intact Clause:** It is agreed in respect of purchases made by the Insured of subject matter shipped in containers, trailer or full vehicle loads, that claims will not be invalidated by the fact that the container, trailer and/or seals appear intact and the production of discharge tally sheets and/or claused delivery notes will be sufficient evidence of loss or damage.

9. **Returned shipment Clause:** In the event of shipments insured under this policy being rejected or returned for any reason, such shipments shall be covered against policy conditions continuously hereunder including whilst in warehouse or elsewhere until finally disposed of by the insured.

Reports of such detentions and/or return shipments to be made to the insurers by the insured as soon as practicable after they have knowledge of the same.

These risks shall be covered at rates to be agreed subject to details of each case as may arise

In those cases where returned goods were not insured under this section for the outward voyage or where cover under this section has not been continuous, then it is agreed that shipments are held covered subject to the Institute Cargo Clauses (B), including heavy weather damage and loss overboard, and Institute War and Strike Clauses at rates to be agreed.

10. Removal of debris Clause: This Insurance is extended to cover, in addition to any other amount recoverable under this Insurance, extra expenses reasonably incurred by the Assured for the removal and disposal of debris of the subject-matter insured, or part thereof, by reason of damage thereto caused by an insured risk, but excluding absolutely

- (1) Any expenses incurred in consequence of or to prevent or mitigate pollution or contamination or any threat or liability therefor,
- (2) The cost of removal of cargo from any vessel or craft.

11. Airfreight replacement: In the event of loss of or damage to the goods, Underwriters are to pay the cost of air-freighting the damaged parts to the manufacturers for repair and return, or the air-freighting of replacement parts from manufacturers and/or suppliers to destination. Notwithstanding that the goods lost or damaged were not originally dispatched by air freight.

12. Cargo ISM forwarding charges: In consideration of payment of an additional premium, this insurance is extended to reimburse the Assured, up to the limit of the sum insured for the voyage, for any extra charges properly and reasonably incurred in unloading, storing and forwarding the cargo to the destination to which it is insured hereunder following release of cargo from a vessel arrested or detained at or diverted to any other port or place (other than the intended port of destination) where the voyage is terminated due to either
To the such vessel not being certified in accordance with the ISM Code, or
To a current of Document of Compliance not being held by her owner or operators as required under the SOLAS Convention 1974 as amended.

This clause, which does not apply to General Average or Salvage Charges, is subject to all other terms, conditions and exclusions contained in the policy and to JCC Cargo ISM endorsement.

13. Containers Damaged Clause: Where the insured has a legal liability under a handover agreement for loss or damage to containers in their care, custody and control, this policy is extended to cover such liability provided the loss or damage would have been recoverable in the terms of the Institute Cargo Clauses (B) / Inland Transit (Rail or Road) Clause-B (Basic Cover).
The basis of valuation is repair cost or written down book value

14. Container Demurrage charges: The policy shall cover demurrage charges and/or late penalties assessed against, and paid by the Assured for late return of containers-

after expiry of free period allowed by the Steamer Company for returning the containers and when said containers are retained by the Assured at the instruction of the Insurers for inspection by the surveyors nominated by the insurers in investigation of loss of or damage to cargo covered under the policy

15. Clause Bill of lading Clause: This insurance is not to be prejudiced solely by the reasons of the making of the Bill of Lading (or like document) with a clause indicating items insufficiently packed and/or by shipowner limiting or nullifying their liability

16. Deliberate Damage Pollution Hazard Clause: The policy covers loss of or damage to the property assured hereunder directly caused by governmental or civil authorities acting for the public welfare to prevent or mitigate a pollution hazard or other civil disaster or threat thereof, provided that the accident or occurrence creating the situation which required such governmental action would have resulted in a recoverable claim under the policy (subject to all of its terms ,conditions and warranties) if the property assured would have sustained physical loss or damage as a direct result of each accident and occurrence.

The coverage afforded hereunder shall not increase the limits of liability provided for hereunder.

17. Errors and Omissions Clause: Any bonafide errors and/or omissions in the making out of declarations shall not invalidate this contract provided that steps are taken to rectify same as soon as possible after they are brought to the attention of the Cover holder and/or his agents.

18. Shut Cargo Cargo Clause – 15 days: In the event of assured's interest being "shut out" from the vessel declared, this contract extends to cover the interest insured whilst waiting on the wharf, quay or pier or transfer to and while at another wharf, quay or pier and by such forwarding conveyances not more than 15 days from the date of declaring shut out and the interest insured is loaded on board the vessel, whichever shall first occur.

The policy is also extended to cover whilst waiting on barges, craft and/or lighter during Shut out period.

19. Nominated Adjuster's Clause: It is hereby noted and agreed that in the event of a loss, reported under the policy, surveyors/loss adjusters to be engaged individually or jointly by the insurer from the panel of surveyors/loss adjuster, mutually agreed between the insured and insurer, subject to the concurrence of Reinsurer.

20. On Account Payment clause: All liabilities being accepted and agreement reached as to the Loss adjuster's report, the insurer will make interim payment of the claim amount as approved by the loss adjuster within 15 days of agreement to the Loss Adjuster's Report and/or Addendum report/clarification issued therein and also subject to reinsurers' approval.

21. 50:50 Clause: In respect of the subject matter insured hereunder consigned from outside India. The Insured hereby undertakes to inspect each item of the subject

matter insured upon arrival at the contract site for possible damage sustained during transit.

In the case of packed items, which are to be left in their packaging until a later date, the packaging is to be visually inspected for signs of possible damage and where such damage is visible the items are to be unpacked and inspected and any damage discovered reported to the Marine Insurers.

Where the packaging of an item shows no visible signs of damage to such item having been sustained during transit any subsequent damage discovered upon unpacking will be dealt with by the Marine Insurers or the EAR Insurers according to whether it can be clearly established that such damage was caused before or after arrival at the contract site.

Where it is not possible to clearly establish whether the damage to an item was caused before or after arrival of the contract site it is hereby agreed that the cost of such damage shall be shared equally between the Marine Insurers and the EAR Insurers.

- 22. Waiver of Subrogation:** It is hereby agreed and understood that otherwise subject to the terms exclusions, provisions and conditions contained in the Policy or endorsed thereon, the Insurers shall waive all their rights of subrogation or action which they may have or acquire against the assured and any person, firm or corporation having an association or affiliation at the time of loss with the assured through ownership or management subject to having been insured under this Policy.
- 23. Non-Delivery of Entire Consignment:** Complaint to the Police station at the Booking place of the consignment will be lodged by the Insured under Registered/ Speed Post if the Carriers do not lodge complaint to the Police Authority. A copy of the complaint will be submitted to the underwriters along with non-delivery certificate issued by the Carrier. However, the underwriters may depute their own investigator to find out the authenticity of the loss. If the complaint was lodged to the Police station by the Carriers narrating the incident, the insured will try to obtain Final police report from the Carrier failing of which the claim for non- delivery will be settled at 80% of the assessed amount of loss after 03 weeks of claim reporting and upon submission of non- delivery certificate and balance 20% should be paid subject to submission of Final police report.
- 24. Consignment dispatched under Road Challan/without CN Note:** If the Consignment is dispatched under road challans issued by the carriers and or by the Private Carriers, the liability under the policy shall be limited to 90% of assessed amount of loss except for Non-Delivery & Hijacking losses.
- 25. TPND Claims:** For TPND claims up to INR 5 lacs if any, shall be admitted on the basis of Shortage certificate issued by the carriers and submission of GD/FIR lodged to the Police station will not be a mandatory requirement of the Assured. In case of claim for non-delivery of entire consignment, the claim should be settled on the basis of no delivery certificate issued by the carriers