

Cargo Fleet

Risks of war, terrorism and strike

Extended cover

Special agreements n° 491 b

(October 2008 version)

Insurance contract

General Terms and Conditions n° 274

Legal provisions and duties of the *Insurer* and the *Insured Party*

Special Agreement n° 491

Risk of war, terrorism and strike

Extended cover

Special Agreement n° 492

Risk of war, terrorism and strike

Maritime cover (Waterborne)

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1. Covered losses

The present Special Agreements are only of value if they complete the General Terms and Conditions of Cargofleet, reference 274. They apply to all shipments carried out by professional transporters.

Article 1.1

- a) civil war or war between countries, hostilities, reprisals, torpedoes, mines and all other war machines and generally, all accidents and events due to war and acts of sabotage and terrorism of a political nature or related to war;
- b) capture, takeover, arrest, seizure, constraint, molestation or detention by any government or authority;
- c) riot, popular movement, strike, lockout and other similar event;
- d) piracy of a political nature or related to war;
- e) arms of war or machines intended to explode through modification of the structure of the nucleus of the atom.
- f) scuttling or destruction ordered by the French authorities subsequent to one of the above events.

Article 1.2

Also covered are

- a) the risks of theft, pillage or disappearance as a result of one of the above events;
- b) the material damage to the insured goods subsequent to stoppage of the refrigeration or air conditioning equipment following fuel shortage or labour, or a servicing defect occurring on a vessel;
- c) deterioration of insured goods subsequent to lateness when this occurs on a vessel.

Article 1.3

Dispossession or unavailability giving right to *abandonment* shall be covered when a result of capture, arrest, seizure, constraint or detention ordered by any government or authority;

Article 1.4

Also covered, to the equivalent of their amount and proportional to their insured value, are the limited expenses listed hereafter, when they are the result of one of the events listed below:

- a) Reasonably incurred costs with a view to conserving the insured goods from *material damage* covered or limiting the same *material damage*;
- b) The contribution of the insured goods to *common damage* and their assistance expenses, the *Insurer* besides accepting to substitute himself to the *Insured Party* to pay the provisional *premium* or guarantee payment of the *premium* for *common damages* and assistance expenses;
- c) The expert's expenses and fees, and those of the average surveyor
- d) Costs reasonably listed in the event of voyage interruption or rupture, of offloading, storage, transfer, rerouting, the cost of onward dispatch and demurrage of the insured goods to the destination designated in the Specific Conditions, in the transport contract or any other place of destination suitable to the *Insurer*.

- These costs borne shall exceed neither the cost of maritime freight relating to the insured voyage, nor the cost of the most economical rail, road or waterway transport, nor **25 %** of the insured value. Within these limits, there remains due as a result of these costs a sum greater than the insured value, yet the *Insurer* is liable to pay it.

- The costs listed are covered for up to twelve months with effect from landing the insured goods where their onward dispatch commenced before the said period of **12 months**.

The cost of storage is covered for a maximum period of **6 months**.

Article 1.5

Under the conditions of "Institute War Clauses and Institute Strikes Clauses", shipments for which the conditions of sale, *documentary credit* or any other similar agreement so stipulates, shall be covered, without derogation to more favourable conditions than those of this contract.

Article 1.6 - Presumption

When it is not possible to establish the cause of *damages*, these are taken as being the result of a risk included in the Cargofleet General Terms and Conditions, reference 274.

2 Payment of losses

In all cases giving rise to compensation from the *Insurer*, payment is made without *franchise*.

3 Exclusions

Article 3.1 – Excluded risks and damages

The following should be excluded :

- a) dispossession or unavailability resulting from capture, takeover, arrest, seizure, constraint, detention or the consequences thereof ordered by the authorities of a European Union Member State, Switzerland, Liechtenstein, Island or Norway;
- b) dispossession or unavailability resulting from seizure or detention by an authority of right or consecutive to a fraudulent operation;
- c) *material damages* undergone during dispossession or unavailability provided for in indents a) and b) above;
- d) *material damages* undergone by the goods belonging, at the time of the *loss*, to an enemy of France ;

Article 3.2 – Excluded goods

Ammunition and war equipment shall be excluded, except in cases of agreements to the contrary and payment of a special *premium*

4. Duration of the cover

The Insurance cover takes effect from the moment a carrier takes charge of the goods at the initial point of departure and ends when these goods are handed over to the consignee, with discharge, at the end of the insured voyage.

The Insurance cover ends on acceptance of delivery of the goods covered, whether by the *Insured Party* or by any other beneficiary of the insurance, be this an employee, a representative, or an assignee, prior to the moment when the insurance terminates under the provisions of this article.

In any event, notwithstanding the provisions of paragraph 1 of this contract, cover ceases on expiry of a period of:

- maritime dispatch **60 days** with effect from offloading the goods from the last sea-going vessel,
- air dispatch **30 days** with effect from the end of offloading the goods from the last plane,
- waterborne dispatch **30 days** with effect from offloading the goods from the last waterborne vessel,
- rail dispatch **30 days** with effect from the end of offloading the goods from the last train,
- dispatch entirely by road transport **30 days** maximum with effect from loading them onto the first transport vehicle. Cover ceases on offloading the goods from the last transport vehicle,
- packages entrusted to the Postal Service cover terminates at the moment that discharge is given by the consignee or their assignee, with no possibility of cover being extended beyond **14 days** with effect of the availability advice notice being issued by the Postal Service.

Nevertheless:

The periods mentioned in this article, may be extended by a special agreement and *premium*, on condition that the *Insured Party* has requested this prior to the commencement of the risk.

5 Territory covered

Cover applies in accordance with the territory stated in the Specific Conditions.

6 Change during the course of transportation

In the case of transshipment or deviation and any modification entailing increased risks, the *Insured Party* shall undertake to inform the *Insurer* within **3 days** of becoming aware of them.

Where the *Insured Party* informs the *Insurer* and where the aggravation is not his fault, the insurance shall continue to apply in return for a *premium* corresponding to the increase in question.

If the increase is caused by the *Insured Party*, the *Insurer* may either end the present coverage within three days of becoming aware of it, or request payment of a *premium* corresponding to the increase in the risk in question.

If the *Insured Party* does not inform the *Insurer* within three days, the present coverage shall automatically end, unless the *Insured Party* provides proof of good faith, in which case the *Insurer* shall cover the risk proportional to the *premium* paid in relation to that which should have been paid, except where he establishes that he would not have covered the risks had he been made aware of them.

7 Abandonment

The right to abandonment is open to the *Insured Party*:

- 1) In conformity with the provisions of Article 24.2 of the Cargofleet General Terms and Conditions, reference 274.
- 2) In the case of dispossession or unavailability as a result of one of the events listed in Article 1.3 above. However, the *Insured Party* should notify the *Insurer* with documents as proof, of the event giving right to *abandonment*.

8 Special provisions for subscription and/or temporary contracts

Article 8.1 - Presumption of awareness of an event concerning the insured goods

The insurance shall have no effect if it is established that, prior to the commencement of risks, the news of an event mentioned in article 1.1 was known at the place of contract subscription or at the place where items were notified both in respect of the *Insured Party* and of the third party, or at the place where the *Insurer* is situated, without there being a need to establish proof that the *Insured Party* was personally aware of such an event.

Article 8.2 – Rate of *premium* applying on notification of an item and/or case by case

Under the provisions of the Specific Conditions, the rate of *premium* is that applicable on the date of notification of an item where this is prior to cover taking effect. The rate remains valid where the cover takes effect within seven days of this notification.

When the insured goods transit in a geographic area or a country that is subject to a case by case *premium* under the Specific Conditions, the cover remains acquired, on condition that the *Insured Party* notifies the *Insurer* as soon as he becomes aware of it and that he undertakes to pay the additional *premium*.

When the insured goods are to arrive at or to come from a geographic area or a country subject to a case by case *premium* under the Specific Conditions, the cover is only acquired on prior request by the *Insured Party* and subject to an additional *premium*.

Article 8.3 – Rate of *premium* applying to a subscription contract with binding revision

The rate of *premium* is that applies on the date of subscribing to the contract remains valid until the next renewal date and is without tacit renewal. At each renewal, the *premium* will be determined in relation to the variable items making up the basis of the *premium* and/or any changes in the geographic area of the risk and/or any deterioration in the geo-economic political situation.

9 *Premium* and regularisation

Article 9.1 – *Premium* rates

The *premium* rate(s) shall be set in the Specific Conditions

Article 9.2 - Regularisation of the *premium*

Regularisation of the *premium* shall be determined in Section 6 of the Cargofleet General Terms and Conditions, reference 274.

10 Termination

Article 10.1 - Implementation

The *Insured Party* and the *Insurers* have the option of terminating cover under this Special Agreement at any time. Termination shall be notified by registered letter with confirmation of receipt. It shall take effect at the earliest **2 clear days** after the date of receipt of the letter of termination.

In all cases where the said letter has not reached the recipient, even due to an act of God or fortuitous circumstances, **5 clear days** after being sent, termination shall become effective as from midnight on the **5th day**.

Termination shall not apply:

- to goods for which cover applying under this Special Agreement took effect before expiry of the above period;
- to goods loaded onto all means of transport after expiration of the period if the *Insured Party* was not in a position to prevent their being loaded.

Article 10.2 - Third party acting in good faith

Suspension or termination notified by the *Insurer* shall remain without effect with respect to a **third party acting in good faith** to whom the **certificate of insurance** has been remitted in virtue of a certificate prior to the damage and notification of the suspension or termination, but the *Insurer* shall have the right to request that the *Insured Party* reimburse the compensation paid by him to the said third party. The *Insurer* shall be entitled to the *premium* afferent to the *certificate of insurance* transmitted to the said third party.

All the provisions of this Article shall also apply to contracts taken out for third parties.

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