

Cargo Fleet

Risks of war, terrorism and strike

Maritime cover (waterborne)

Special agreements n° 492 b

(October 2008 version)

Insurance Policy

General Conditions n° 274

Legal provisions and duties of the insurer and insured party

Special Agreement n°492

Risks of war and associated risks

Maritime cover (Waterborne)

Special Agreement n°491

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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 and exclusively by maritime route.

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) captures, takeovers, arrests, seizures, constraints, molestations or detention by any government or authority;
- c) riots, popular movements, strikes, lockouts and other similar events;
- d) piracy of a political nature or related to war;
- e) war arms or machines destined 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;
- b) material damage suffered by goods insured subsequent to a stoppage of cooling or air conditioning mechanism following a fuel shortage, labour or defective servicing;
- c) deterioration in the insured goods following lateness, and giving rise to one of the events noted in article 1.1 above.

Article 1.3

Dispossession or unavailability giving right to *abandonment* shall be covered when a result of captures, arrests, seizures, constraints or detention ordered by any government or authority;

Article 1.4

Also covered, to the equivalent of their amount and in proportion with their insured value, are the limited expenses listed hereafter, when they are the result of one of the events listed herebelow:

- a) Reasonably incurred costs with a view to conserving the insured goods from *material damages* covered or limiting the same *material damages*;
- b) The contribution of the insured goods to *common damages* 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, for unloading, 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*.

- 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 Strike 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 in the Special Agreement.

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, Iceland or Norway; are however covered for risks of scuttling, destruction and wilful burning in compliance with the orders of the French authorities, subsequent to one of the events listed in Section 1 above;
- 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 ;
- e) any consequences whatsoever arising from export or import prohibitions, as well as generally, all obstacles to commercial exploitation or operation by the Insured Party or by the beneficiaries of the insurance.

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 coverage

The *Insurer's* coverage shall take effect when the goods leave land at the port of loading to be boarded on the seagoing vessel or lighters. It shall end when they are offloaded at the final port of offloading. Unless stipulated to the contrary, it may not be prolonged, even on board the seagoing vessel or lighters, beyond a period of **15 days** from midnight on the day when the vessel drops anchor or is moored in the final port of offloading.

If the maritime transporter ends the voyage in a port or place other than that initially planned, the port or place in question shall be taken as the final port of offloading and the coverage shall end as specified in the previous indent. However, if within a period of **2 months**, the goods are re-shipped, the insurance shall take effect once more on being loaded onto a seagoing vessel, in return for the *premium* in force, on condition that before being boarded, advice of re-shipment and the destination is sent to the *Insurer*.

In the case of transshipment to another seagoing vessel, the *Insurer's* coverage shall end, unless stipulated to the contrary, on expiration of a period of **15 days** as from midnight on the day when the first vessel, having arrived at the port of transshipment, drops anchor or is moored there. It shall be taken up again only when the insured goods are boarded on the seagoing vessel onto which the transshipment is made.

During the pre-quoted period of **15 days**, the insured goods shall remain covered both on board the first vessel and on lighters or on land.

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 all modifications entailing an increase risks, the ***Insured Party*** shall undertake to inform the ***Insurer*** within **3 days** of his becoming aware of them.

If he informs the *Insurer* and if the aggravation is not caused by his fault, the insurance shall be continued in return for a *premium* corresponding to the increase in question.

If the increase is caused by the *Insurer* himself, he 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 he does not inform the *Insurer* within three days, the present coverage shall automatically end, unless he provides proof of his good faith, in which case the *Insurer* shall cover the risk in proportion with the *premium* paid with respect to the one he should have received, unless in cases where he establishes that he would not have covered the risks had he been 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*, under pain of inadmissibility, should, within **3 months** at the latest from being made aware of the event, notify the *Insurer* with documents as proof, of the event opening his 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 fixed in the Special 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 all times. 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 acts 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 expiration 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 the present Article shall also apply to contracts taken out for third parties.

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