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Key Features of Policy 104783 from 1st August 2014 to 31st July 2015

**The following is a summary of the main features of our general cargo insurance.
It does not contain all the terms and conditions of the policy**

Who are we: Lonham Marine Underwriters is a trading name of Lonham Group Ltd Registered in the UK and operating from offices at The Captain's House, 81 Grimwade Street, Ipswich, Suffolk, IP4 1LN. Lonham Group Ltd has a binding authority with certain syndicates at Lloyd's of London, allowing policies to be underwritten on their behalf.

Our product: General cargo insurance by way of a Master policy arranged on behalf of Diversified Transportation (the "Intermediary").

Cover: Subject to the Intermediary having received specific instructions to insure your goods, this insurance shall indemnify your property for either all risks of loss/damage to your goods or specific named perils, by an insured event or peril subject to policy clauses, conditions and exclusions.

Subject to the cargo being insured under Institute Cargo Clauses (A)

This insurance covers physical loss or damage to the subject-matter, subject to the exclusions shown in the document below.

Goods &/or Merchandise insured:

Every type of Manufactured and Raw Material of a non-hazardous, non-volatile &/or non fragile &/or non-perishable nature, subject to the exclusions listed.

Territories covered:

Worldwide shipments, but movements to/from or between the following countries have to be referred to underwriters for their approval, terms and conditions, prior to shipment being agreed: Afghanistan, Bougainville, Burundi, Chechnia Republic of, Cuba, Cote D'Ivoire (Ivory Coast), Democratic Republic of Congo (formerly Zaire), Eritrea, Iran, Iraq, Liberia, Nigeria, North Korea, Sierra Leone, Somalia and Syria.

Vessel:

Conveyances &/or Approved Power Vessels &/or Aircraft &/or Road &/or Rail, except Barge movements that are excluded under this policy.

Basis of Settlement:

Places in the world to places in the world to be value at Cost, Insurance and Freight plus 10% and Duty if applicable, payable at destination &/or as declared to Underwriters prior to transit.

Returned goods in transit back to their suppliers, market value at time of loss or invoice cost, whichever is lower.

Goods which are not subject to a purchase or sales invoice replacement cost at time at loss if new, or market value at time of loss if used or second hand.

Computer Clause: Insurers' liability shall be limited to the replacement or repair (such replacement or repair to be at Underwriters' option) of any computers or components actually lost or damaged plus the charges of forwarding and refitting if covered hereunder. Insurers will not be liable for more than the value of any particular part or parts which may be lost or damaged notwithstanding that the loss or damage of the part or parts may result in depreciation in the value of the insured item or in the loss of guarantees or warranties provided by manufacturers or installers or sales outlets relating to the insured items.

In no case shall the liability of the Insurers exceed the insured value of the complete insured items.

In the event that the insured item or items have been previously involved in transit prior to the attachment of the policy and have not remained in the original manufacturer's packaging, coverage hereunder shall be limited to physical loss or damage recoverable under conditions as provided per Institute Cargo Clauses (C), unless otherwise professionally prepared and packed for shipment.

New Machinery: The total liability of insurers shall not exceed the cost or replacement or repair of such part(s) plus labour for (re)fitting and carriage costs in respect of same. Duty incurred in the provision of replacement or repair part(s) shall be recoverable provided that the full duty payable on the insured machine or manufactured item is included in the insured amount. The total liability of insurers shall in no event exceed the amount insured of the machine or manufactured item.

Second Hand Machinery: Insurers' liability is limited to that proportion of any claim which the insured value bears to the present day cost of machines and/or any other interest of a similar nature when new.

Labels Clause: Loss to be limited to an amount sufficient to pay the cost of re-conditioning cost of new labels and relabeling the goods provided the damage will have amounted to a claim under the terms of this policy.

Returned Goods Clause: The assured shall take all reasonable steps to ensure that Customers/Clients who return goods shall comply with the following:

- * Goods returned by post shall be despatched via a system, which provides proof of posting and of delivery
- * Goods shall be suitably packed and protected for the return transit.

This policy is subject to the following main market clauses/conditions, but not limited to:

- **Institute Strikes Clauses (Cargo & Air Cargo)**
- **Institute War Clauses (Cargo & Air Cargo (excluding sendings by post) & Sendings by post)**
- **Institute War Cancellation Clause**
- **Institute Classification Clause**
- **Institute Cyber Attack Exclusion Clause**
- **Institute Service of Suit Clause (USA)**
- **JC 98/019 Cargo ISM Endorsement**
- **Cargo ISPS Endorsement**
- **Cargo ISM & ISPS Forwarding Charges Clauses**
- **JC2009-056 Termination of Transit Clause (Terrorism) 2009**

The Institute Clauses are deemed to be those current at the time of commencement of the risk.
(Copies of all clauses are available on request. An explanation of each clause is also available on request).

Restrictions, Limits & Exclusions:

Limit: Lesser of; i) the sum specified by the customer in his instructions to the intermediary, or, ii) maximum USD 1,500,000.00 any one approved vessel/airfreight/vehicle/conveyance/location

Excess: As quoted prior to shipment, but subject to a minimum excess USD 250 each and every loss upto USD 500.00 each and every loss

Restrictions/Exclusions: but not limited to:

Vessel: Barge movements that are excluded under this policy.

Excluded Goods:

The following goods are excluded unless approval is obtained from underwriters prior to shipment and terms and conditions agreed:

- Alcoholic beverages of all kinds
- Art work, antiques, to include: Paintings, Drawings, Prints, Antique Rugs, Antique Carpets, Tapestries, Pictures, Antique Manuscripts, Antique Furniture, Bronzes, Sculptures, Statues, Silverware, Antique Clocks, Memorabilia, Porcelain, Antique Glassware, Antique China, Terracotta, Pottery, Antique Mirrors and/or similar
- Containers including ISO Tanks (All Risks). (Contents not included)
- Documents of all kinds
- Monies of every description, securities, negotiable documents or instruments, bonds, bullion, stamps, credit and debit cards including telephone calling cards
- Games consoles, tablet computers (including ipads), e-readers & other similar electronic device. Digital camera photo sticks
- Fresh fish, fresh meat, fresh fruit and fresh vegetables
- Frozen fish, frozen meat, frozen food and chilled products
- Furs, hides and skins
- Fishmeal
- Refined or raw sugar and coffee beans
- Household goods, personal effects and personal motor vehicles
- Jewellery and Watches
- Living creatures, dead creatures and life forms of any type

- Metals (other than iron and steel) in raw, scrap or ingot form
- Micro chips, mother boards and/or memory of any kind which is not part of a complete system
- Mobile telephones, components, parts and accessories
- Motor vehicles
- News print / pulp / reels of paper
- Perfume
- Precious stones, semi-precious stones or precious metals
- Sheet glass
- Tobacco, tobacco products, cigars and cigarettes
- Timber
- Weapons, arms, ammunition, explosives and/or parts, associated accessories, materials, ingredients, technology of all kinds
- Yachts/Power/Motor Boats

Excluded Causes:

- Loss, damage or expense attributable to the wilful misconduct of the assured
- Loss or damage caused by ordinary leakage, ordinary loss in weight or volume, or ordinary wear and tear of the subject matter insured
- Loss, damage or expense caused by insufficiency or unsuitability of packing or preparation of the subject-matter insured to withstand the ordinary incidents of the insured transit where such packing or preparation is carried out by the Assured or their employees or prior to the attachment of this insurance.
- Loss or damage caused by heating, sweating, inherent vice or nature of the subject matter insured and/or any loss or damage caused by atmospheric conditions
- Loss, damage or expense caused by delay, even though the delay be caused by a risk insured against
- Loss, damage or expense directly or indirectly caused by or arising from the use of any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.
- Loss, damage or expense arising from unseaworthiness of vessel or aircraft or container for the safe carriage of the subject-matter insured, where the Assured are privy to such unseaworthiness or unfitness, at the time the subject-matter insured is loaded herein.
- Loss, damage or expense arising from unfitness of container or conveyance for safe carriage of the subject-matter insured, where loading herein or thereon is carried out prior to attachment of this insurance or by the Assured or their employees and they are privy to such unfitness at the time of loading
- Loss, damage or expense arising from insolvency or financial default of the owners managers charterers or operators of the vessel and/or aircraft where the Assured are unable to show that prior to the loading of the subject-matter insured on board the vessel and/or aircraft, all reasonable practicable and prudent measures were taken by the Assured, their servants and agents, to establish the financial reliability of the party in default
- Loss or damage which may be sustained whilst the subject-matter is under any process and loss or damage directly resulting therefrom.
- Claims for consequential loss of any kind or description.

Under Insurance : If the property covered thereby shall at the time of loss be collectively of greater value than such Sum Insured, then the Insured shall be considered as being his own Insurer for the difference, and shall bear a rateable share of the loss accordingly.

Duty of the Assured: It is the duty of the Assured and their employees and agents in respect of loss recoverable hereunder:

- To take such measures as may be reasonable for the purpose of averting or minimising such loss and
- To ensure that all rights against carriers, bailees or other third parties are properly preserved and exercised.

New Machinery:

Excludes electrical and mechanical derangement unless caused by an insured peril
Excludes rust, oxidation and discolouration to unpacked and/or unprotected goods

Second Hand Machinery:

Excludes electrical and mechanical derangement unless caused by an insured peril
Excludes rust, oxidation and discolouration
Excludes scratching, denting, chipping and subsequent cost of repainting

Shipments of steel and/or Metals and/or similar items

Excludes loss or damage arising from rust, oxidation, discolouration absolutely and twisting, bending, distortion unless caused by an insured peril

Own Vehicle Theft Exclusion: Excludes theft of/from unattended vehicle unless i) all points of access are locked, keys removed and any alarm/immobiliser systems set AND ii) between the hours of 9 pm and 6 am the vehicle is kept in a locked compound/premises

Pairs and Sets Clause: Where any items are part of a pair or set, Insurers will only pay for the actual parts which are lost or damaged. No payment will be made for articles that are not lost or damaged.

Concealed Damage Clause: In respect of shipments received by the consignee at final destination and placed in storage but not unpacked, this insurance covers losses deemed to have occurred during transit unless conclusive proof to the contrary be established and provided the case, container or package is opened not later than 30 days after arrival in store.
Cases, containers or packages showing outward signs of loss and/or damage are to be opened immediately on arrival on site.

Debris removal Clause: Excluded under this policy:

Any expenses incurred in consequence of or to prevent or mitigate pollution or contamination, or any threat or liability thereof
The cost of removal of cargo from any vessel or craft
Insurers will not be liable for more than 10% of the proportionate insured value of the damaged subject matter removed

Increased Value (duty and/or taxes) Clause: Excluded under this policy:

1. Total Loss, or Total Loss of part arising prior to Duty and/or Levy becoming payable and resulting in non-payment of Duty and/or Levy.
2. Liability for General Average Contributions and Salvage Charges unless the occurrence giving rise to the General Average occurs after Duty and/or Levy becomes payable.

Also including the Assured's liability for the payment of duty or other levies, following loss of or damage to the Insured Interest recoverable hereunder, to the Authority of any country through which the interest may pass including country or origin prior to delivery to the consignee.

No claim to attach for duty payable in the country of destination unless such duty amount is declared within the insured value hereunder.

Also deemed to cover Duty and/or other levies including Carnet penalties which become payable due to the physical loss of equipment in the country in which the loss occurs.

Other Exclusions to include:

Loss or damage from or liability or expense directly or indirectly caused by or contributed to, by, or arising from :

- i) ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel
- ii) the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof
- iii) any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter
- iv) 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
- v) any chemical, biological, bio-chemical, or electromagnetic weapon.

Providing that if fire is an insured peril and where subject matter is insured, subject to the matter insured being within the USA, its islands, onshore territories or possessions and a fire arises directly or indirectly from one or more of the causes detailed in i), ii), iv) or v) above, any loss or damage arising directly from the fire shall, subject to the provisions of this insurance by covered, excluding however any loss damage liability or expense caused by nuclear reaction, nuclear radiation or radioactive contamination arising directly or indirectly from that fire.

Choice of law: The policy is subject to English Law and any dispute shall be submitted to the exclusive jurisdiction of the High Court of Justice, England.

Duration: Insurance will commence from time of taking up until finally delivered, in accordance with the terms of the contract between the intermediary and the customer. No storage cover is provided prior to or after transit unless referred to underwriters and approval obtained prior to storage commencing and terms and conditions agreed.

Cancellation: There are no Statutory Cancellation Rights. Early cancellation is possible by you or the Insurer. In this event you will remain liable for the premium due for the period on risk.

Claims: If you need to make a claim please contact the intermediary who will report the matter to their brokers and Lonham Claims & Recovery Bureau.
To enable claims to be dealt with promptly, the Assured or their Agents are advised to submit all available supporting documents without delay

IMPORTANT – LIABILITY OF CARRIERS, BAILEES OR OTHER THIRD PARTIES

It is the duty of the Assured and their Agents, in all cases, to take such measures as may be reasonable for the purpose of averting or minimising a loss and to ensure that all rights against Carriers, Bailees or other third parties are properly preserved and exercised. In particular, the Assured or their Agents are required:-

- 1) To claim immediately in writing on the Carriers, Port Authorities or other Bailees for any missing packages.
- 2) In no circumstances, except under written protest, to give clean receipts where goods are in doubtful condition.
- 3) When delivery is made by Container, to ensure that the Container and its seals are examined immediately by their responsible official. If the Container is delivered damaged or with seals broken or missing or with seals other than as stated in the shipping documents, to clause the delivery receipt accordingly and retain all defective or irregular seals for subsequent identification.
- 4) To apply immediately for survey by Carriers' or other Bailees' Representatives if any loss or damage be apparent and claim on the Carriers or other Bailees for any actual loss or damage found at such survey.
- 5) To give notice in writing to the Carriers or other Bailees within 3 days of the delivery if the loss or damage was not apparent at the time of taking delivery.