

Policy No <b>B1000DC1234567000</b>		<b>1353</b> <b>LNP</b>
<b>MRC</b>		BKR
		DATE
Insured/Reinsured ABC, Inc		
Period		
For LPSO use		
For IUA use		
For LIRMA use		

Internal Use Only

dzg



B0000DC1234567000

---

**Risk Details**

---

**Unique Market  
Reference:**

B0000DC1234567000

**Attaching To  
Delegated  
Underwriting  
Contract  
Number:**Attaching Lloyd & Partners Master Contract No  
B1000DC1239725000**Type:**

Marine Stockthroughput Insurance.

**Insured:**

**ABC, Inc** and/or Associated and/or Affiliated and/or Interrelated and/or Subsidiary Companies and/or Corporations as they now are or may hereafter be created and/or constituted and/or acquired and/or for whom the Insured receive instructions to insure and/or for whom the Insured have or assume a responsibility to arrange insurance, whether contractually or otherwise, as their respective rights and interests may appear hereinafter known as the Insured.

**Loss Payee**

In accordance with the Insured's business requirements it is agreed that Banks and/or mortgagees and/or lenders and/or similar interested parties are to be automatically included as Loss Payees herein as their respective rights and interests may appear in the subject-matter insured but only in so far as losses may be recoverable under the terms and conditions agreed herein. Details of such loss payee interests to be advised to and retained in the files of Lloyd & Partners.

**Address of the  
Insured:**P O Box 560  
Vance, AL 35490**Period:**

Open Cover to take all insurances attaching hereto on or after 7 February 2018 at 00:01 hours Local Standard Time at the "Address of the Insured" defined above herein. The anniversary date of this contract is deemed to be 7 February 2019 at 00:01 hours Local Standard Time at the "Address of the Insured" herein.

B0000DC1234567000

It is agreed that notwithstanding anything contained herein to the contrary that cover hereunder may be extended for up to three months, if required, subject to the agreement of the Slip Leader.

This Contract may be cancelled either by the Insured or by the Insurers, by one party giving to the other, 60 days notice in writing to expire at Any Time, but seven days notice at any time in respect of War, Strikes, Riots, Civil Commotions and Malicious Damage Risks except in respect of sendings to or from United States of America, when Strikes, Riots, Civil Commotions and Malicious Damage Risks will be subject to forty eight hours notice of cancellation. Notice, if given, not to apply to any risks which shall have commenced or been declared prior to termination of period of notice.

The above notice period is amended to 10 days at the sole option of the Insured in the event of any Insurer hereon ceasing to underwrite new insurance business or otherwise implementing any plans to enter into a run-off position. Such notice is only given in respect of the named Insurer with such Insurer agreeing to return to the Insured any annual premium payable hereunder on a pro-rata basis calculated from the effective date of the cancellation specified in the notice.

**Conveyance:**

Any conveyances - Land, Water including Barges and Air.

**Situation /  
Geographical  
Areas:**

At and from any Port or Ports, Place or Places in the World to any Port or Ports, Place or Places in the World, including domestic and/or internal transits and storage.

**Interest:**

On Goods and/or Merchandise of every description consisting principally of but not restricted to Lumber and/or industrial nuts and bolts and/or equipment mats and/or all other interests including raw materials and semi- finished goods handled by the Insured in the course of their business and/or in the care, custody and control of the Insured whether in transit (including domestic and internal transits) or store or elsewhere anywhere in the World - shipped in and/or over. Further including Increased Value whether by reason of liability for and/or payment of freight and or duty and/or any other charges on arrival or otherwise.

B0000DC1234567000

**Limits of Liability:**

USD 20,000,000 any one Vessel, Aircraft, Postal Sending, Conveyance, or any one loss any one Location but USD 1,500,000 any one retail location.

***Or equivalent in any other currencies***

**Basis of Valuation and Loss Settlement*****All Finished Goods and/or Merchandise:***

Insured's Selling Price

***Raw materials and/or supplies:***

Replacement cost at the time and place of loss, plus if applicable additional expenses/charges/costs as incurred, plus 10%.

***Work-in Process:***

Insured's selling price of finished stock at the time of loss, less any manufacturing expense not incurred by the Insured and less any discounts, rebates, and unincurred expenses to which the sales price would have been subject.

***All other property:***

Replacement Cost plus, if applicable additional expenses/charges/costs as incurred, plus 10%

**Conditions:**

Subject to the American Institute Cargo Clauses (Sept. 1, 1965) 32B-10 but with Clause No. 3 amended to read as follows:

"Against all risks of physical loss of or damage to the subject-matter insured from any external cause".

**Expressly excluding coverage for physical loss or damage or railcars themselves.**

Including War risks subject to the American Institute (AIMU) War Risk Only Open Policy (Cargo) (December 2, 1993) but average payable irrespective of percentage, the limitations in Clause 4 therein prevailing notwithstanding any provision whether written, typed or printed in this Contract inconsistent therewith.

Including Strikes risks subject to the American Institute (AIMU) S.R. & C.C. Endorsement (Form No. 10) (December 2, 1993), average payable irrespective of percentage.

**Access to Property**

It is understood and agreed that should any governmental or civil authority deny the Insured access to subject-matter insured hereunder, as a result of damage to a building and/or structure and/or conveyance in which it is held from a peril insured against hereunder, such subject-matter insured which cannot be retrieved shall be considered a total loss under the terms of this insurance contract.

Any salvage from subject-matter insured as described above shall be for the benefit of Insurers.

**Accumulation Clause**

Should there be an accumulation of interest beyond the limits expressed in this Contract by reason of any interruption of transit and/or occurrence beyond the control of the Insured, or by reason of any casualty and/or at a transshipping point and/or in a connecting vessel or conveyance, then, provided notice is given to the Insurers as soon as known to the Insured, the Insurers shall be liable for the full amount at risk, but in no event shall they be liable for more than twice the Contract limit.

**Apportionment Of Recoveries Clause**

Where a recovery is obtained from a carrier or other third party, such recovery shall be apportioned between the Insured and the Insurers in the same proportion as the respective parties hereto have borne the loss.

**Arbitration Clause**

If any dispute shall arise, relating to the amount of any loss or damage arising under or by virtue of this Policy, the same shall, at the written request of either party hereto, be submitted to two arbitrators, one to be appointed by the Insured and one by Insurers; and in event of their failure to agree, they shall choose a third person, and the award of any two in writing, touching the amount of such loss or damage, shall be binding on both parties.

**Attachment and Termination of Cover**

Notwithstanding the provisions of the American Institute Cargo Clauses (Sept. 1, 1965) 32B-10 and the American Institute (AIMU) S.R. & C.C. Endorsement (Form No. 10) (December 2, 1993), it is agreed that the "Duration of Cover Clause" herein is deemed paramount with regard attachment and termination of cover except for War and Terrorism risks defined by the relevant War and Terrorism Clauses.

**Automatic Acquisition Clause**

It is agreed that this Contract automatically provides cover for the subject matter insured whilst at locations not advised at the inception of this Contract and/or whilst at newly acquired and/or utilised locations. It is further agreed that new corporate acquisitions and/or partnerships and/or joint ventures and the like are automatically covered hereunder(, *unless the value of such acquisitions as above described exceed 10% of estimated sales prior to such acquisition, in which case pro rata premium is to apply and to be calculated and paid at anniversary of this Contract*). At rates to be agreed.

**Brands Clause**

The Insured shall have full rights to possession of all goods bearing embossed or indented brands or labels or other permanent markings and/or packed within trade marked cartons identifying the Insured as the manufacturer thereof, or the sale of which carries or implies a guarantee of the supplier or of the Insured, or exclusive and/or secret formulas that may be involved in any loss hereunder, and shall retain control of all such goods.

On shipments covered under this insurance, Insurers are to pay a total loss on any and all goods and/or packaging damaged by risks insured against, which the Insured agrees in conjunction with Insurers hereon to either destroy or return to their factory, or recondition, Insurers being entitled to such salvage as may be obtained.

The Insured shall in conjunction with Insurers hereon agree as to whether the goods involved in any loss hereunder are suitable for marketing and no goods deemed by the Insured to be unfit for marketing shall be sold or otherwise disposed of except by the Insured or with the Insured's consent, but the Insured shall allow Insurers any salvage obtained on any sale or other disposition of such goods.

**Certificates of Insurance**

It is agreed to issue "Payable Abroad" and/or "Payable London" Certificates of Insurance on any format, Insurers paying the fee and cost subject to the following:

"The Institute Clauses referred to herein are those current at the inception of this Contract but should such Clauses be revised during the period of this Contract, and provided that Insurers shall have given notice thereof, in accordance with the cancellation provisions herein, then the revised Institute Clauses shall apply to risks attaching subsequent to the date of expiry of the said notice"

Insurers agree to issue certificates via the Lloyd's Electronic Cargo Certificates system in accordance with its terms and conditions of use and further agree to be bound, subject to policy terms and conditions, for their respective shares by such certificates. Insurers further agree to pay their respective shares of the costs incurred from the use of the Lloyd's Electronic Cargo Certificates system in relation to this Contract. The Insured hereunder acknowledges Lloyd's Electronic Cargo Certificates system declarations as validly made against this policy and agrees to pay premiums due under this Contract resulting from such declarations.

#### **Civil Authority Clause**

Notwithstanding anything contained in this Contract, it is understood and agreed that property which is insured under this Contract is also covered against the risk of damage or destruction by civil authority during a conflagration or for the purpose of retarding the same; provided that neither such conflagration nor such damage or destruction is caused or contributed to by War perils elsewhere excluded herein.

#### **Concealed Damage Clause**

It is agreed that any loss or damage discovered on opening containers, cases and/or packages shall be deemed to have occurred during the transit insured hereunder (and irrespective of attachment of Insured's interest) and shall be paid for accordingly unless proof conclusive to the contrary be established, it being understood that any containers, cases and/or packages showing signs of damage are to be opened immediately on the cessation of risk hereunder.

This agreement shall, however, only apply where such loss or damage is discovered within 60 days of the cessation of risk hereunder.

It is further agreed that subject to prompt advice to Insurers and the payment of an additional premium, if required, the above-mentioned period may be extended.

**Container Clause**

Notwithstanding anything contained herein to the contrary where cargo, insured hereunder, is carried in containers, it is agreed, as between the Insured and Insurers, that the seaworthiness and/or cargo-worthiness of the container is hereby admitted.

It is agreed that this Contract is also to pay for shortage of contents (meaning thereby the difference between the number of packages as per shippers and/or suppliers invoice and/or packing list loaded or alleged to have been laden in the container and/or trailer and/or vehicle load and the count of packages removed therefrom taken by the Insured and/or their agent at time of container emptying) notwithstanding that seals may appear intact.

**Customs and/or Immigration Authority Inspection(s)**

This insurance is also specially to cover (notwithstanding the War Exclusion Clause contained herein) physical loss of or damage to the subject-matter insured arising out of the performance of inspection duties by the relevant Customs and/or Immigration Authorities or another duly constituted governmental agency of any State or Territory who are performing inspection duties in accordance with any governmental law, statute, mandate, rule or regulation covering the import or export of said subject-matter into or from the applicable State or Territory, or covering whilst said subject-matter is passing through such State or Territory prior to coming within the jurisdiction of the State or Territory of destination.

**Debris Removal Clause**

This insurance is extended to cover, in addition to any other amount recoverable under this insurance, extra expenses reasonably incurred by the Insured 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.

In no case shall the insurers be liable under this Clause for more than 10% of the damaged subject-matter removed.



**Deductible Clause**

All claims for loss, damage or expense resulting from any one occurrence or series of occurrences arising out of one event, shall be adjusted as one claim, and from the amount of such adjusted claim there shall be deducted:

- i) the sum of 20,000 (or equivalent in any other currencies) except as follows:
- ii) the sum of 1,000 (or equivalent in any other currencies) in respect of loss, damage or expense occurring during transit including during storage and/or other stoppages incidental to transit.

Notwithstanding the foregoing, claims recoverable under the American Institute Cargo Clauses (unamended), the American Institute War, the American Institute Strikes and General Average, Salvage and Sue and Labour Charges shall be payable in full.

The Insured is granted the authority to issue Certificates of Insurance without reference to any deductible or deductibles incorporated under this insurance, for letter of credit purposes. Insurers to settle any recoverable claim in full but Insurers hereon to be reimbursed by the Insured for all claims, up to the amount of said deductible or deductibles, paid by the Insurers which fall within the applicable deductible or deductibles. It being further agreed that any additional costs incurred in respect of settlement of CPA claims to be borne by Insurers.

In the event of loss or damage involving more than one location, conveyance or deductible under the Contract in one event, only one deductible shall apply, and the largest applicable deductible shall be assessed against the entire loss.

**Deliberate Damage Pollution Hazard Clause**

This Contract is extended to cover loss of or damage to the subject matter insured hereunder directly caused by governmental authorities acting for the public welfare to prevent or mitigate a pollution hazard or threat thereof, provided a recoverable claim would have resulted under the Contract (subject to all its terms, conditions and warranties) had the subject matter insured sustained physical loss or damage as a direct result of the accident or occurrence which gave rise to the threatened pollution hazard.

This clause shall not increase the Limits of Liability provided for in this Contract.

**Demurrage / Late Return Charges**

If the Insured is required by the actions of Insurers or their Agents or Surveyors to hold onto any property leased or hired by the Insured for the purpose of the carriage or the storage of the subject-matter insured hereunder and if the Insured is assessed a late return penalty and/or demurrage charge for holding said property passed the due return date, these Insurers will pay the late return penalties and/or demurrage charges as a consequence of such late return.

The amount these Insurers will pay shall be the charges assessed from the time the Insured is required to hold onto said property until the time the Insured is informed that the property can be released. Coverage under this clause is separate from and in addition to the limits of liability provided elsewhere herein.

**Duration of Cover Clause**

The insurance hereunder attaches from the time the subject matter becomes at the Insured's risk or the Insured assumes interest anywhere in the world and continues whilst the subject matter is in transit and/or in store or elsewhere including during delays within or beyond the Insured's control and including whilst held as stock including whilst at retail stores and showrooms and/or undergoing processing, assembly, manufacture, renovation, reconditioning, servicing or repair and/or on exhibition, whether or not in the course of transit, and further including any interest held for the purpose of packing and/or preparation and/or consolidation and/or deconsolidation and until finally delivered to intended final destination and/or the Insured's responsibility ceases anywhere in the world, irrespective of terms of purchase and/or sale.

Including risks in customs and transshipment, craft and barge risks, whether customary or otherwise.

Further including the risks of loading prior to despatch and unloading after arrival at Insured's or consignee's premises, including containers and/or contents where covered hereunder.

**Extra Expense Clause**

Notwithstanding anything herein to the contrary this insurance is also to indemnify the Insured for up to 250,000 each and every loss and in the aggregate per annum in respect of additional expenses incurred by the Insured in attempting to prosecute an intended voyage covered hereunder whether such attempt may ultimately prove successful or otherwise (including but not limited to extra chartering costs and/or storage costs and/or transshipment costs and/or guarantees and all other forwarding costs including by any alternative means of conveyance) as a result of one or more of the following occurrences:

- (a) the vessel and/or conveyance on which the cargo is being carried or is intended to be carried being arrested, restrained (including but not limited to restriction of access to port(s) and/or place(s) of loading and/or discharge and/or any other area in-between), detained and/or otherwise delayed for any time period and as a result of any reason whatsoever, excluding however financial default and/or insolvency of the Insured.
- (b) the Cargo being forcibly discharged from the vessel and/or conveyance as a result of any reason whatsoever, excluding however financial default and/or insolvency of the Insured.
- (c) loss of, mechanical breakdown of, or damage to the hull, machinery (including electrical machinery and boilers) and/or equipment of the vessel and/or conveyance on which the cargo is being carried or is intended to be carried
- (d) the vessel and/or conveyance on which the cargo is being carried or is intended to be carried encountering or having to divert to avoid adverse weather conditions of any description including but not limited to heavy weather.

The coverage afforded hereunder is in addition to the Sum Insured and/or Limits of Liability herein furthermore, in no case shall this clause be deemed to limit in any way cover otherwise provided for elsewhere in this insurance.

**Fumigation Clause**

In the event of goods insured herein being fumigated and loss and/or damage arises therefrom (including loss or damage to the goods arising out of fumigation of any vessel, wharf, warehouse or any other storage facility, location or carrying conveyance in or on which the goods are, will be or have been located) and subject to such fumigation having been required by properly constituted authorities, Insurers agree to indemnify the Insured for such loss and/or damage. The Insured hereby agree to subrogate to Insurers any recourse that they may have for recovery of such loss or damage from others.

It is further understood and agreed that in the event of goods insured under this Contract being wetted while in transit or while under the protection of insurance as provided in this contract and the quality of the goods is thereby affected, the extra expenses of drying will be reimbursed by Insurers provided always that the insuring conditions applying to the goods or shipment involved include water damage as an insured peril.

**Fraudulent Documents**

This Contract covers physical loss of or damage to goods and/or merchandise insured hereunder through the acceptance by the Insured and/or their Agents and/or Shippers of fraudulent shipping documents, including but not limited to Bill(s) of Lading and/or Shipping Receipt(s) and/or Messenger Receipt(s) and/or Warehouse Receipts and/or other shipping document(s)

This Contract is also to cover physical loss of or damage to goods insured caused by utilisation of legitimate Bill(s) of Lading and/or other shipping documents without the authorisation and/or consent of the Insured or their Agents and/or Shippers.

**General Average Clause**

This insurance covers general average and salvage charges, adjusted or determined according to the contract of affreightment and/or the governing law and practice (or, if there is no contract of affreightment, according to Foreign Statement or to York-Antwerp Rules) incurred to avoid or in connection with the avoidance of loss from any cause except those specifically excluded herefrom.

For the purpose of claims for general average contributions and salvage charges recoverable hereunder, the subject-matter insured shall be deemed to be insured for its full contributory value.

B0000DC1234567000

General average deposits shall be payable on production of general average deposit receipts.

**Goods Purchased by the Insured on Insured or Delivered Terms**

Where goods are purchased on terms whereby the Insured are not responsible for insurance, such goods shall be covered hereunder on the normal Cover Conditions.

In all such cases the Insurers will be subrogated to all rights and remedies of the Insured under the contract of purchase and/or insurance provided by the supplier and in no case shall this insurance contribute in double insurance.

**Increased Value on Arrival Clause**

On Increased Value of Cargo as described herein (whether such cargo is insured herein or otherwise) by reason of liability for and/or payment of freight and/or duty and/or levy and/or any charges on arrival at the place where these or any of them become due or otherwise.

This Contract covers all the risks and embodies all the liberties clauses and conditions of the insurance on the cargo referred to above and is to be for the duration of such insurance on such cargo.

This Contract is to pay the same proportion of the amount of insurance hereunder as the sum paid on the cargo insurance referred to above bears to the amount of such cargo insurance except that until the liability to pay freight and/or duty and/or levy and/or charges arises this Contract only covers particular and/or general average loss (other than liability for general average expenditure) of the cargo referred to above.

Should the liability to pay freight and/or duty and/or levy and/or charges be extinguished or diminished, then this insurance in the proportion of such extinction or diminution shall be deemed to be reduced.

Also including the Insured's liability for the payment of duty, following loss of or damage to the insured Interest recoverable hereunder, to the Authority of any country through which the Interest may pass prior to coming within the jurisdiction of the country of destination.

**Institute Clauses**

The Institute Clauses referred to herein are those current at the inception of this Contract but should such Clauses be revised during the period of this Contract, and provided that Insurers shall have given notice thereof, in accordance with the cancellation provisions herein, then the revised Institute Clauses shall apply to risks attaching subsequent to the date of expiry of the said notice.

**Insurable Interest Clause**

Notwithstanding that the interest insured hereunder may be purchased on "Free on Board" and/or "Cost and Freight" and/or "Free Along Side" or similar terms, it is agreed that the risk hereunder shall attach from the time of handling for the purposes of loading onto the carrying vehicle at the Suppliers Premises; Insurers being subrogated to the Insured's rights of recourse against the suppliers and/or any other interested parties.

Notwithstanding that the interest insured hereunder may be sold "CIF (Cost, Insurance and Freight) Port of Discharge", or similar terms, it is agreed that cover continues through to Buyer's inland destination. Insurers to be subrogated to the Insured's right of recourse against the consignees and/or their Insurers.

In no case shall this clause be deemed to limit in any way cover otherwise provided for elsewhere in this insurance.

In no case shall this insurance contribute in double insurance.

**Interruption of Transit of Damaged Goods**

It is agreed that goods taken out of the ordinary course of transit upon the instructions of surveyors appointed by or on behalf of these insurers for the purposes of establishment of loss or damage, shall be covered, subject to original terms and conditions applying to such shipment.

**ISM and/or ISPS Provisions**

1. In no event shall this Insurance be prejudiced where the subject-matter insured is shipped on a Vessel and/or Conveyance in breach of the SOLAS Convention 1974 as amended.

2. This insurance is extended to reimburse the Insured, 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 subject-matter to the destination to which it is insured hereunder or to a substitute destination or until returned to the point of shipment, all at the Insured's election, following release of cargo from a vessel arrested and/or detained and/or restrained (including but not limited to restriction of access to port(s) and/or place(s) of loading and/or discharge and/or any other area in-between) at or diverted to any other port or place where the voyage is terminated due either

(a) to such vessel not being certified in accordance with the ISM and/or ISPS Code.

Or

(b) to a current Document of Compliance (ISM) not being held by her owners or operators

as required under the SOLAS Convention 1974 as amended.

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

#### **Letter of Credit Clause**

Notwithstanding the conditions of the Contract it is agreed that Certificates and/or Policies may be issued hereunder to enable the Insured to comply with the insurance requirements of any letter of Credit and/or Sales Contract concerned, provided the cover required is not wider than that provided by the current Contract Wording. In the event that wider coverage is required, prior agreement of Insurers is to be obtained, such agreement being subject to the payment of any Additional Premium which may be required.

It is also agreed that regardless of the conditions on which any Certificates and/or Policies may be issued pursuant to the foregoing, the Insured named herein shall continue to enjoy the full protection of this Contract.

#### **Local Insurance**

It is noted and agreed that where the Insured or any of their associated, subsidiary or affiliated Companies are obliged by legislation or otherwise to insure locally, they shall continue to have full benefit of the protection afforded by this Contract.

It is also agreed that following the payment of a claim hereunder, the Insurers shall be subrogated to all rights and remedies of the Insured (as above defined) under such local insurance and in no case shall this insurance contribute in double insurance.

**Location Definition**

For the purposes of this Contract "Location" is defined as any building, tank, silo, dock, wharf, pier, bulkhead (or groups thereof) bounded on all sides by public streets or open waterways or open land space, each of which shall be not less than fifty feet wide, (for the purposes of this definition any bridge or tunnel crossing such street or waterway or open space shall render such separation inoperative).

**Non-admitted Insurance - Tax Clause**

In the event of a loss payable under this Contract to a foreign subsidiary of the Insured, where it is not legally permissible to pay the claim in the country of loss, it is agreed that the Insurers will pay the Insured the income tax the Insured must pay on the recovered claim.

**No Survey Clause**

No survey required on claims unlikely to exceed 25,000, net of any applicable deductible which may appear herein, or equivalent in any other currency. Customs and/or landing account, where available, to be deemed sufficient proof of loss.

**Other Insurance**

Notwithstanding that a third party may have arranged insurance covering the Insured's goods and/or merchandise with or without the Insured's instructions to so insure, at the sole option of the Insured, the Insured may deem this Contract to be primary insurance with full rights of subrogation against any such other insurance to be maintained. In no case shall this insurance contribute in double insurance.



**Packing Clause**

In the event of a claim being made for loss or damage which is alleged to be caused by insufficiency or unsuitability of packing or preparation of the subject matter insured, the Insurers hereby agree that they will not use such alleged insufficiency or unsuitability as a defence against the claim in any case where packing or preparation was carried out by a party other than the Named Insured and the insufficiency or unsuitability arose entirely without the Named Insured's privity or knowledge. For the purpose of this clause "packing" shall be deemed to include stowage in a Container and/or other similar inter-modal methods of unit load.

This agreement is not to interfere with rights of Subrogation against sellers and/or packers and/or other responsible third parties and/or their Insurers, furthermore the Insured agrees to assist the Insurers in all respects to pursue rights of recovery.

**Payment on Account Clause**

The Insurers hereunder agree that where claim papers submitted demonstrate that only the quantum of the claim is in question, they will make a "payment on account" equal to 75% of the lower of the amounts claimed and agreed to by Insurers.

**Process Clause**

This insurance remains in full force whilst the subject-matter insured is under any process but in no case shall extend to cover loss or damage thereto solely caused by such process.

**Profit Commission Clause**

Insurers shall allow the Insured in respect of each annual period of this Insurance a commission of 10% of the profit as defined hereunder accruing to the Insurers from the operation of this Insurance. Subject to renewal of this Contract by Insurers hereon.

**Credit:** 65% of gross premiums paid hereon, after deduction of all return premiums.

**Debit:**

1. Claims and expenses less refunds and salvage recoveries,
2. Estimated liability in respect of claims outstanding, and
3. Debit balance, if any, as ascertained from the Profit Commission statement of the previous period.

The excess of Credit over Debit shall represent the profit.

Within six months of the close of each annual period, Lloyd & Partners shall produce a Statement detailing the items set out above which to apply separately in respect of sections herein detailed.

In the event of the statement showing an excess of debit over credit such remaining debit shall be brought into the statement of the ensuing period or periods but not beyond the statement for the third annual period from which the loss occurred.

In the event of claims being settled or recoveries effected after a Profit Commission has been paid in respect of the period to which such claims or recoveries attach, the Profit Commission shall be subject to further readjustment.

**Radioactive Contamination Exclusion Clause (USA Endorsement)**

This insurance (reinsurance) is subject to the Institute Radioactive Contamination, Chemical, Biological, Bio-Chemical and Electromagnetic Weapons Exclusion Clause Cl.370 dated 10/11/03 provided that

if fire is an insured peril

and

where the subject matter insured or, in the case of a reinsurance, the subject matter insured by the original insurance, is 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 sub-clauses 1.1, 1.2 and 1.4 of the Institute Radioactive Contamination, Chemical, Biological, Bio-Chemical and Electromagnetic Weapons Exclusion Clause Cl.370 dated 10/11/03.

any loss or damage arising directly from that fire shall, subject to the provisions of this insurance (reinsurance), be 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.

**Released Bill of Lading**

Privilege is hereby granted to the Insured to ship goods and merchandise covered by this Contract under released or limited bills of lading, express receipts or shipping receipts and to accept other usual contracts from carriers, bailees and warehousemen releasing or limiting their liability, without prejudice to this insurance.

**Returned Shipments Clause**

Shipments upon which delivery to the consignee cannot be accomplished because of refusal of acceptance and which are returned for this or any other reason are covered while at risk of the Insured until sold or otherwise disposed of, subject to cover terms, clauses and conditions.

**Risks Covered**

Without limitation to coverage otherwise provided for herein the following perils clause is incorporated herein:-

Touching the adventures and perils which the Insurers are contented to bear and do take upon themselves in this voyage, they are of the seas and inland waters, men-of-war, fire, enemies, pirates, rovers, thieves, jettison, letters of mart and countermart, surprisals, takings at sea, arrests, restraints and detentions of all Kings, Princes and People of what nation, condition or quality soever, barratry of master and mariners, and of all other like perils, losses or misfortunes that have or shall have come to the hurt, detriment or damage of the said goods and merchandises and ship, or any part thereof.

**Sanction Limitation and Exclusion Clause (JC2010/014)**

No (re)insurer shall be deemed to provide cover and no (re)insurer shall be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose that (re)insurer to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America.

**Seller's Interest Clause**

This Insurance is to indemnify the Insured for loss and/or damage recoverable under the conditions and clauses herein on Cost and Freight (CFR), Free on Board (FOB) or other sales for which the Insured is not responsible for insurance.

Claims under this Clause are limited to the extent that the Buyer fails to pay for lost and/or damaged goods and/or refuses the goods and/or the documents of title thereof; the goods thus deemed to remain the property of and/or at the risk of the Insured and therefore covered in accordance with the primary coverage herein, subject to all its terms, clauses, limitations and exceptions.

Insurers agree to supply General Average Guarantees or refund General Average Deposits.

#### **Shipments Clause**

Shipments are covered hereunder whether containerised or otherwise and whether on deck or under deck irrespective of Bill of Lading instructions. Including jettison and loss overboard.

#### **Subrogation Waiver Clause**

Including waivers of subrogation against the Insured as defined herein and/or any party to whom such a waiver is given by the afore-mentioned in the course of their business.

Where the Insured are obliged as the result of subrogation proceedings on the part of cargo Insurers to indemnify third parties and/or defend themselves against third party claims, such amount that the Insured are obliged to pay and/or all related costs of defence shall be reimbursed by the Insurers hereunder.

#### **Sue and Labour**

It is agreed that in case of actual or imminent loss, damage, cost or expense, it shall be lawful and necessary for the -Insured, their Factors and Assigns, to sue, labour and travel for, in and about the defence, safeguard and recovery of the interests insured hereunder, or any part thereof, or to incur such other expenses as are reasonable and/or necessary for the purpose of reducing or attempting to reduce any potential loss or liability under this Contract without prejudice to this Insurance, and subject always to the terms, conditions, limitations and exclusions of this Insurance, the charges thereof shall be borne by the-Insurers. It is further agreed that no acts of the Insurers or the Insured in recovering, saving or preserving the interests insured shall be considered as a waiver or acceptance of abandonment. The Insurers hereon agree to pay the charges described above in addition to amounts otherwise recoverable hereunder, subject however to the applicable limits of this insurance as contained herein or endorsed hereto, which would operate so as to restrict the amount of such charges payable by the Insurers hereon.

**Termination of Transit Clause (Terrorism)**

***This clause shall be paramount and shall override anything contained in this insurance inconsistent therewith.***

1. Notwithstanding any provision to the contrary contained in this Contract or the Clauses referred to therein, it is agreed that in so far as this Contract covers loss of or damage to the subject-matter insured caused by any terrorist or any person acting from a political motive, such cover is conditional upon the subject-matter insured being in the ordinary course of transit and, in any event, *shall terminate*:

***either***

- 1.1 As per the transit clauses contained within the Contract,

***or***

- 1.2 on delivery to the Consignee's or other final warehouse or place of storage at the destination named herein,

- 1.3 on delivery to any other warehouse or place of storage, whether prior to or at the destination named herein, which the Insured elect to use either for storage other than in the ordinary course of transit or for allocation or distribution,

***or***

- 1.4 in respect of marine transits, on the expiry of 60 days after completion of discharge overside of the goods hereby insured from the oversea vessel at the final port of discharge,

- 1.5 in respect of air transits, on the expiry of 30 days after unloading the subject-matter insured from the aircraft at the final place of discharge,

***whichever shall first occur.***

2. If this Contract or the Clauses referred to therein specifically provide cover for inland or other further transits following on from storage, or termination as provided for above, cover will re-attach, and continues during the ordinary course of that transit terminating again in accordance with clause 1.

For the purpose of establishing the attachment point of "ordinary course of transit" as referenced in the Termination of Transit Clause herein, it is hereby noted and agreed by Insurers that this is deemed to be :-

B0000DC1234567000
-------------------

from the time the goods leave the warehouse or place of storage at the place of origin, but in respect of bulk liquids shall be as the subject-matter insured leaves tanks for the purpose of loading at the place of origin.

#### **Translation of Claims Documentation**

Where documents necessary for the collection of a claim hereunder are submitted in a language other than English, Lloyd & Partners are authorized to secure translations of such documents as Insurers consider essential and shall be deemed to have been instructed by Insurers hereunder to do so. Costs for such translations shall be deemed to be for Insurers account.

#### **Vermin Damage**

This insurance covers damage directly caused by rats or vermin to the interest at the risk of the Insured.

#### **General Contract Provisions**

The Insured shall not be prejudiced by any unintentional delay or omission in the reporting, where specified herein, of risks attaching hereto or any unintentional error in the amount or description of such risks including but not limited to the subject matter insured, conveyance, voyage or location, or if the subject matter of the insurance be shipped by any other conveyance, if notice be given to the Slip Leader as soon as practicable after said facts become known to the Insured and deficiency of premium, if any, made good.

Where a loss occurs and there has been a breach of an Express Warranty and/or Condition Precedent relative to matter before the happening of loss, which breach would otherwise disentitle the Insured to recover under this insurance, the breach shall not disentitle the Insured to recover if the Insured establishes that the loss was not caused or contributed to by the breach of warranty or condition.

Insurers hereon agree to provide bail and/or salvage guarantees in respect of cargo proportions applicable hereto, including all salvage agreements as well as Lloyd's Open Form. Insurers hereon are deemed to have signed relevant 'short form' counter guarantee, when required to whichever bonding company and/or guarantor is acceptable to the salvors and/or their legal representatives.

It is hereby noted and agreed by Insurers that where instructions to bind coverage are received in the offices of Lloyd & Partners and/or J Smith Lanier & Co prior to inception, then Insurers agree

coverage is automatically bound on terms, clauses and conditions as contained herein.

It is hereby noted and agreed that permission is granted to the Insured to purchase insurance in excess of loss of the Limits of Liability provided for hereunder, with premium payable on amounts hereto. The Limits of Liability provided for hereunder operating on a first loss basis accordingly.

Institute Marine Policy General Provisions (Cargo) Cl.269 dated 1.10.82

Institute Radioactive Contamination, Chemical, Biological, Bio-Chemical and Electromagnetic Weapons Exclusion Clause Cl.370 dated 10/11/03 as amended by the Radioactive Contamination Exclusion Clause (U.S.A. Endorsement).

**Choice of Law  
and Jurisdiction:**

**LMA Rules Clause**

This Contract shall be subject to the applicable state law to be determined by the court of competent jurisdiction as determined by the provisions of the Institute Service of Suit Clause (U.S.A.) Cl.355 1.11.92.

**Premium /  
Rates:**

USD ..... in full premium.

The above premium/rate is inclusive of War and Strikes Risks.

**US Terrorism Risk Insurance Act of 2002 (TRIA) as amended by the US Terrorism Risk Insurance Extension Act of 2005 (TRIEA), the US Terrorism Risk Insurance Program Reauthorisation Acts of 2007 and 2015 (TRIPRA)**

TRIA 2002 as amended (coverage for acts of terrorism not already included in this insurance contract): Additional Annual Premium USD..... or pro rata for time on risk LMA 9104 dated 12/01/15.

In the event that the Insured elects to purchase TRIA 2002, as amended, cover in accordance with the foregoing, LMA 5218 dated 12/01/15 2015 is deemed incorporated hereunder.

In the event that the Insured declines to purchase TRIA 2002, as amended, cover in accordance with the foregoing, LMA 5219 dated 12/01/15 is deemed incorporated hereunder.

Insured's option as above is to be notified to the slip leader.

<b>B0000DC1234567000</b>
--------------------------

TRIA 2002, as amended, (coverage for acts of terrorism already included in this insurance contract: Annual Allocation USD..... (being a portion of the premium already stated in this insurance contract), LMA 9105 dated 12/01/15 .

Nothing in the forgoing shall act to limit and/or restrict coverage which may be otherwise provided for elsewhere in this insurance contract.

**Payment  
Terms:**

The Insured undertakes that premium will be paid in full to Insurers within sixty days of inception of this Contract (or, in respect of instalment premiums, when due).

If the premium due under this Contract has not been so paid to Insurers by the sixtieth day from the inception of this Contract (and, in respect of instalment premiums, by the date they are due) Insurers shall have the right to cancel this Contract by notifying the Insured via the broker in writing. In the event of cancellation, premium is due to Insurers on a pro rata basis for the period that Insurers are on risk but the full Contract premium shall be payable to Insurers in the event of a loss or occurrence prior to the date of termination which gives rise to a valid claim under this Contract.

It is agreed that Insurers shall give not less than 15 days prior notice of cancellation to the Insured via the broker. If premium due is paid in full to Insurers before the notice period expires, notice of cancellation shall automatically be revoked. If not, the Contract shall automatically terminate at the end of the notice period.

Unless otherwise agreed, the Leading Insurer (and Agreement Parties if appropriate) are authorised to exercise rights under this clause on their own behalf and on behalf of all Insurers participating in this contract.

If any provision of this clause is found by any court or administrative body of competent jurisdiction to be invalid or unenforceable, such invalidity or unenforceability will not affect the other provisions of this clause which will remain in full force and effect.

Where the premium is to be paid through a London Market Bureau, payment to Insurers will be deemed to occur on the day of delivery of a premium advice note to the Bureau.



B0000DC1234567000

In respect of "Declaration" based contracts only it is noted and agreed that for premium payment purposes hereunder the deemed instalment due date as above is to be taken as 30 days from the date of declaration submission to Lloyd & Partners.

**Taxes Payable by  
the Insured and  
Administered by  
Insurers:**

This insurance is subject to the following taxes which are payable by the Insured and administered by Insurers.

None.

**Recording,  
Transmitting  
And Storing  
Information:**

Where Lloyd & Partners maintains risk and claims data/information/documents Lloyd & Partners may hold data/information/documents electronically.

**Insurer Contract  
Documentation:**

This document details the contractual terms between the contracting parties, and constitutes the contractual document.

Any further documentation changing this contract, agreed in accordance with the contract change provisions set out in this contract, shall form the evidence of such change.

This Contract has been arranged by Lloyd & Partners (a trading name of Specialty Limited).

**Form:**

Market Reform Contract.

B0000DC1234567000

---

### Information

---

Information made available to and seen by all subscribing Insurers hereon includes the following:

Lloyd and Partners understand the following from their principals per their emails dated 05 January 2018, timed at 15:07;

Exposures are virtually the same as last year.

Revenues are up around USD 1,000,000 (less than 1%).

No other changes.

Information as extracted from contract reference B1000DC1672680000;

Lloyd and Partners understand the following from their principals per their emails dated 9 December 2015 at 09:42 and 17 December 2015 at 15:27 and 18 December 2015 at 18:38 and 19 December 2015 at 04:05 and

### Risk Information

- Flatbed transit is less than USD 10,000 per transit. There are around 20-30 per day all over the South East. ABC has about 45 trucks that can perform backhaul shipments. These are owned by ABC.
- Common carrier is used on the trucks that do not perform any backhaul operations.
- The insured also purchases industrial nails from S. Korea. There are 3-7 ocean cargo containers per year. Average shipment is USD 20,000.
- Half or more of the sales are picked up directly from Vance, AL and ABC relinquish all insurable interest at that point. These are the common carrier or outside carrier transits.
- On the railcars, half the transits are empty railcars. The outbound railcars are usually carrying large equipment mats (these are made out of lumber, they are not rubber mats).
- The lumber is typically sent out on flatbeds. Average limit on these is USD 10,000. Radius of operations is 600 miles for 98% of the flatbed transits.
- ABC manufacturers the equipment mats themselves.

It has been advised that the insured will have approximately 600 rail shipments throughout the year, however, the transit exposures that they are responsible for are as follows:-

Estimated inbound domestic shipments of lumber: USD 30,000,000

Estimated outbound domestic shipments of lumber: USD 20,000,000

Estimated outbound domestic shipments of mats: USD 20,000,000

Estimated outbound domestic shipments of pallets: USD 40,000,000

Insureds total back haul shipments are USD 12,000,000 which has been included in the above USD 30,000,000 of inbound domestic shipments of lumber. Insured do not back haul for anyone else and therefore back haul shipments will be of the same interest of the insured.

Maximum any one conveyance for back haul shipments is USD 15,000.

**Attached:**

**1) Stock Throughput Application (2 pages)**

The insured will often have pallets and mats in their yard which they have sold, but they have not yet been collected. Values at the yard would be roughly USD 9,000,000 and have been contemplated in the numbers already advised.

Insured also may have mats located at certain points in the U.S. Where they still have an insurance interest but someone else may be leasing them etc. a mat is worth around USD 400

**2) Property Schedule** including COPE (1 page)

- Insured have advised no building have sprinklers and all building are class 3 metal buildings. The wood is primarily green, meaning it was recently cut and has a lot of water saturated within it, so it would be very difficult to burn.
- The fire department is about 1 mile from ABC's front entrance.

**3) ABC Location Pictures (6 pages)**

**3) Loss Record (4 pages)**

There have been no stock losses in 5 years.

Which seen and noted by Insurers accordingly.

---

**Statistics**


---

**Insured:**

	<b>Premium Nett Less Refunds</b>	<b>Claims Paid Less Recoveries</b>	<b>Claims Outstanding</b>
<b>2016/17</b>	28,856	12,559	None Reported
<b>2017/18</b>	26,763	Nil Advised	None Reported
<b>Total(s)</b>	<b>55,619</b>	<b>12,599</b>	None Reported

**Dated:** **09 January 2018** *(The statistical information "as at" date).*

**Source of Information:** Lloyd & Partners, *Claims Business Unit, as generated from the BFE processing system.*

**Unless expressed otherwise, all figures are USD (United States Dollar), and exclude taxes.**

**Attached**

Copy of Claims Summary (1 Page)

B0000DC1234567000

---

**Security Details**

---

**Insurer's Liability:      Insurer's liability several not joint**

The liability of an Insurer under this contract is several and not joint with other Insurers party to this contract. An Insurer is liable only for the proportion of liability it has underwritten. An Insurer is not jointly liable for the proportion of liability underwritten by any other Insurer. Nor is an Insurer otherwise responsible for any liability of any other Insurer that may underwrite this contract.

The proportion of liability under this contract underwritten by an Insurer (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of the syndicate taken together) is shown next to its stamp. This is subject always to the provision concerning "signing" below.

In the case of a Lloyd's syndicate, each member of the syndicate (rather than the syndicate itself) is an Insurer. Each member has underwritten a proportion of the total shown for the syndicate (that total itself being the total of the proportions underwritten by all the members of the syndicate taken together). The liability of each member of the syndicate is several and not joint with other members. A member is liable only for that member's proportion. A member is not jointly liable for any other member's proportion. Nor is any member otherwise responsible for any liability of any other Insurer that may underwrite this contract. The business address of each member is Lloyd's, One Lime Street, London EC3M 7HA. The identity of each member of a Lloyd's syndicate and their respective proportion may be obtained by writing to Market Services, Lloyd's, at the above address.

**Proportion of liability**

Unless there is "signing" (see below), the proportion of liability under this contract underwritten by each Insurer (or in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of the syndicate taken together) is shown next to its stamp and is referred to as its "written line".

B0000DC1234567000

Where this contract permits, written lines, or certain written lines, may be adjusted ("signed"). In that case a schedule is to be appended to this contract to show the definitive proportion of liability under this contract underwritten by each Insurer (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of the syndicate taken together). A definitive proportion (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of a Lloyd's syndicate taken together) is referred to as a "signed line". The signed lines shown in the schedule will prevail over the written lines unless a proven error in calculation has occurred.

Although reference is made at various points in this clause to "this contract" in the singular, where the circumstances so require this should read as a reference to contracts in the plural.

**Order Hereon:** 100.00% part of 100% of the Limits of Liability

**Basis Of  
Written Lines:** Percentage of Whole.

**Signing  
Provisions:** In the event that the written lines hereon exceed 100% of the order, any lines written "to stand" will be allocated in full and all other lines will be signed down in equal proportions so that the aggregate signed lines are equal to 100% of the order without further agreement of any of the Insurers.

However:

- a) in the event that the placement of the order is not completed by the commencement date of the period of insurance then all lines written by that date will be signed in full;
- b) the signed lines resulting from the application of the above provisions can be varied, before or after the commencement date of the period of insurance, by the documented agreement of the (re)insured and all Insurers whose lines are to be varied. The variation to the contracts will take effect only when all such Insurers have agreed, with the resulting variation in signed lines commencing from the date set out in that agreement.

B0000DC1234567000

---

**Written Lines**

---

In a co-insurance placement, following insurers may, but are not obliged to, follow the premium charged by the lead insurer.

Insurers may not seek to guarantee for themselves terms as favourable as those which others subsequently achieve during the placement.

**Agree bind under Lloyd & Partners Master Contract No B1000DC1239725000**

---

**Subscription Agreement**

---

**Slip Leader:** AML Lloyd's syndicate 2001

**Basis of  
Agreement to  
Contract  
Changes:**

**General Provisions**

Subject to the GUA (Version 2.0 February 2014) incorporating GUA Marine Cargo Schedule (April 2013) Insurers hereon agree to the signing of a copy of this M.R.C. document and to take down additional premiums, return premiums, non-premium endorsements and claims on photo-copies thereof.

Insurers also agree to accept claims and/or refunds and the figures presented for profit commission calculations and premium adjustments on each annual slip policy without sighting the relative declarations and/or certificates on the understanding that **Lloyd & Partners** will retain such declarations as received on file for sight by Insurers if so requested.

Any declarations and/or additional and/or return premium agreements within the terms of this cover or in respect of which the requisite agreement has been obtained are acceptable to Insurer(s) hereon for presentation to Xchanging Ins-Sure Services Limited without having to be further initialled by Slip Leader prior to such presentation and Xchanging Ins-Sure Services Limited are instructed to accept such declarations or additional and/or return premium agreements as presented.

All claims for loss will be settled, upon receipt of legible copy and/or photocopy documents, including but not limited to bills of lading and survey reports, it being understood and agreed that the Insured will use their best endeavours to furnish whatever original documents may be required for subrogation purposes.

However, where a certificate of insurance has been issued, no claim will be settled without production of the original, or the claimant's signature to a letter of indemnity.

In addition to amounts as recoverable elsewhere herein, Insurers agree, subject to prior written agreement of Slip Leader, Insurers will pay all fee, costs or expenses (whether such fees, cost and expenses be for legal accounting or other services) incurred by the Insured in establishing the existence or amount of any actual or potential loss as may be recoverable by the contract



B0000DC1234567000

It is understood and agreed that the subscribing Insurers hereto will follow the slip leader in all matters pertaining to the provision of bail and/or salvage guarantees in respect of cargo proportions applicable hereto, including all salvage agreements as well as Lloyd's Open Form.

Signing endorsements to be agreed by Slip Leader only.

**Other Agreement  
Parties For Contract  
Changes, For Part 2  
GUA Changes Only:**

MKL Lloyd's Syndicate 3000, or NAV Lloyd's syndicate 1221 or NVA Lloyd's syndicate 2007

**Agreement Parties  
For Contract Changes  
For Their Proportion  
Only:**

None

**Basis of Claims  
Agreement:**

Claims to be managed in accordance with:

- i) The Lloyd's Claims Scheme (Combined), or as amended or any successor thereto.
- ii) IUA claims agreement practices.
- iii) The practices of any company(ies) electing to agree claims in respect of their own participation. Where they are not the Contract Leader, such companies agree to follow all settlements of the Contract Leader (other than Ex Gratia settlements).

**Claims Agreement  
Parties:**

- i) For Lloyd's syndicates

The leading Lloyd's syndicate and, where required by the applicable Lloyd's Claims Scheme, the second Lloyd's syndicate and/or the Scheme Service Provider.

The second Lloyd's Syndicate is ( where this is left blank but a second Lloyd's syndicate is required by the applicable Lloyd's Claims Scheme, the second Lloyd's syndicate appearing in the Security Details Section will take this role)

- ii) Those companies acting in accordance with the IUA claims agreement practices, excepting those that may have opted out via iii below.

- iii) Those companies that have specifically elected to agree claims in respect of their own participation.
- iv) All other subscribing insurers that are not party to the Lloyd's/IUA claims agreement practices, each in respect of their own participation. Where they are not the Contract Leader, such companies agree to follow all settlements of the Contract Leader (other than Ex Gratia settlements).

**Claims**

**Administration:** Current XIS / XCS claims procedures where applicable.

**Rules and Extent  
of any other  
Delegated Claims  
Authority:**

Lloyd & Partners have full authority to handle and settle claims of up to USD 100,000.00, net of policy deductible, or the equivalent in any other currency provided they are satisfied that the claim falls within the scope of the Contract, and Insurers agree to settle based upon their claims adjustment without further documents. Survey fees can also be approved provided the claim amount is within this limit. Lloyd & Partners are not permitted under this authority to appoint any experts other than surveyors, recovery agents, translation experts if required and, if relevant salvage experts to assist with loss mitigation. The settling authority provided hereunder includes all decision making during the lifecycle of a claim, with the exception of any without prejudice or ex gratia decisions on claims settlements. No claims are to be declined and no reservations of rights issued without referral to insurers. Any action or decision made on behalf of insurers in this delegated role must be approved by a Partner or above in the Cargo Claims Team.

**Expert Fees  
Collection:**

Lloyd & Partners to collect fees applicable to Lloyd's, IUA and LIRMA markets, unless collectable via XIS 'Expert Fees Scheme'. Non bureau insurers will be presented with expert fee invoice by Lloyd & Partners, but will settle directly with expert.

**Settlement Due  
Date:**

60 days from inception

**Instalment Premium  
Period of Credit:**

Where applicable, 60 days from each instalment date.

B0000DC1234567000

**Adjustment Premium**

**Period of Credit:** Where applicable, 120 days from anniversary date.

**Bureau**

**Arrangements:** Lloyd & Partners to present de-linked signings to Xchanging Ins-Sure Services Limited where possible.

If instalment premiums are applicable, first instalment to be signed as original premium and subsequent instalments to be signed as additional premiums. (Please note PANS for the a.p.s. will be expressed as PM closings as they are part of the original premium payment).

**Non-Bureau**

**Arrangements:** None

B0000DC1234567000

---

**Fiscal and Regulatory**

---

**Taxes Payable by Insurers:**

None.

**Country Of Origin:**

U.S.A.

**Overseas Broker:**

J Smith Lanier  
11330 Lakefield Drive  
Building 1, Suite 100  
Duluth  
GA 30097  
USA

**US Classification:**

(For Lloyd's use only)

Non-Regulated

**Allocation of Premium to Coding:**

V  
8T (TRIA) (as applicable)

**Regulatory Client Classification:**

Large Risk

**Is Business Subject to Distance Marketing Rules?**

No

B0000DC1234567000

---

**Broker Remuneration and Deductions Section**

**Fee Payable  
By The Client?**

No

**Total  
Brokerage:**

Less 32.50%

Plus 1.5% Subscription Market Brokerage

**Other Deductions  
From Premium:**

None.

---

### Claims Procedure

---

**For Insurer's information; the Insured and Lloyd & Partners have established the following claims handling procedure which does not add to, amend, nor negate any of the terms and conditions of this insurance.**

#### 1. In the event of Loss or Damage:

The Insured / Claimants should notify

Lloyd & Partners  
The St Botolph Building  
138 Houndsditch  
London  
EC3A 7AW

Telephone: +44 (0)20 7466 6500

Fax number: +44 (0)20 7466 6565

Contacts	Direct Tel	Mobile	E-mail
Garry Cordess	+44 (0)20 7558 3012	+44 (0)7747 485103	<a href="mailto:Garry_Cordess@Group.com">Garry_Cordess@Group.com</a>
Adrian Leonardi	+44 (0)20 7558 3021	+44 (0) 7768 790003	<a href="mailto:Adrian_Leonardi@Group.com">Adrian_Leonardi@Group.com</a>
Jared Prince	+44 (0)20 7558 3082	+44 (0) 7506 741024	<a href="mailto:Jared_Prince@Group.com">Jared_Prince@Group.com</a>
Lucy Baker	+44 (0)207 466 6220	+44 (0) 7918 223777	<a href="mailto:Lucy_Baker@Group.com">Lucy_Baker@Group.com</a>
Paul Flanagan-Burns	+44 (0)207 7466 6518	+44 (0) 7384 232096	<a href="mailto:Paul_Flanagan-Burns@Group.com">Paul_Flanagan-Burns@Group.com</a>

**The following information should be provided as applicable:**

- 1.1 Vessel Name / Conveyance.
- 1.2 Bill of Lading (or similar) Number and Date.
- 1.3 Port of Loading and Port of Discharge.
- 1.4 Warehouse Name / Location.
- 1.5 Holding Certificate(s), Receipt(s) or Warrants.
- 1.6 Description of the subject matter insured.
- 1.7 Subject matter Location, Name of Contact, Phone Number, E-mail address.
- 1.8 Brief circumstances of loss

#### 2. Procedure:

Immediately inspect the consignment on delivery and do not give a clean signature for the goods unless they are outwardly undamaged. Failure to do so may prejudice your claim.

Ensure that any notice of any loss or damage is given to any or all third parties involved in the transit in writing immediately you are aware of a potential loss. Failure to do so may prejudice your claim.

Do not destroy any packing materials used. These may be required by the surveyor to establish where and how a loss occurred.

### 3. Documents

The list below includes all documents and information customarily required to ensure the efficient processing of a claim, through to settlement:

- 3.1 All claims require
  - 3.1.1 Purchase and or sales Invoices / Contracts.
  - 3.1.2 Copies of the Bill of Lading (front and reverse conditions) or similar. In the event of a total loss originals will be required.
  - 3.1.3 Copies of the Charter Party where relevant.
  - 3.1.4 Survey Report (where a surveyor has been assigned by Insurers).
  - 3.1.5 Original Insurance Certificates, if one was issued, or Insurance Declaration.
  - 3.1.6 A copy of correspondence holding third parties responsible for the loss, together with any subsequent replies.
  - 3.1.7 Independent evidence of loss.

#### **In addition:**

##### ***Shortage Claims***

- 3.2 Shortage claims require evidence of when the loss occurred and the weights, usually by way of:
  - 3.2.1 Weight note / Loading report.
  - 3.2.2 Out-turn / discharge report and or claused delivery receipt.

##### ***Damage and/or Contamination Claims***

- 3.3 Damage and/or contamination claims require evidence of where the damage occurred, what action was taken, details of the cost involved. Usual documents are:
  - 3.3.1 Out-turn / discharge report.
  - 3.3.2 Reconditioning report / invoice.
  - 3.3.3 Invoice evidencing any salvage sale, or destruction certificate.
  - 3.3.4 Moisture / quality certificates, if available and or applicable.

##### ***Storage and/or Warehouse losses***

- 3.4.1 Warehouse / storage receipts.
- 3.4.2 Any subsequent inventory / independent inspectors reports.
- 3.4.3 A copy of contract with warehouse facility / storage operators.

---

#### 4. General Average

In the event of General Average being declared by the Shipowners, they will usually require security to cover the G.A. Contribution payable by cargo interests before they will agree to discharge the cargo at the port of destination.

To avoid any delay in discharge, Insurers will on request, agree to the provision of the necessary General Average security.

Upon learning of the request for General Average Security the following details should be notified immediately to the Claims Unit of Lloyd & Partners, contact details as above:

- 4.1 Vessel and casualty details
- 4.2 Voyage
- 4.3 Description of Cargo and Bill of Lading No. and Date
- 4.4 Insured Value and/or Invoice Value (CIF)
- 4.5 Name of Average Adjusters appointed by Shipowners

Shipowners normally require in addition to Insurers' Guarantee a General Average Bond and Valuation Form to be completed, signed and sent to the Shipowners or Adjusters by the Cargo Owners.

On occasions, Shipowners will not accept an Insurers' Guarantee but insist on cargo owners paying a Cash Deposit (providing the amount called for is reasonable). In exchange for the payment, cargo owners should obtain an original General Average Deposit Receipt, and then this document should then be forwarded to the Claims Unit of Lloyd & Partners, who in turn will approach Insurers for prompt settlement of the Deposit amount.

#### 5. Salvage

In the event of the carrying vessel requiring the services of a Salvage Company to safeguard the completion of the intended voyage, it is again essential to advise immediately Lloyd & Partners of all casualty details as soon as they are known.

Insurers instructions regarding appointment of Surveyors and/or Legal Representatives will be advised by return.

Salvage Security will in most circumstances be demanded by the Salvors or their legal representatives. The most common form being "Lloyd's Open Form" of Salvage Agreement, which calls for satisfactory security to be provided.

The casualty details required by Lloyd & Partners are the same as in cases of General Average Security. Upon receipt of same, Lloyd & Partners will be pleased to make the necessary arrangements.

The name of Salvor's legal representative would also be required to minimise any delays.



---

## 6. Duty of Insured

It is important that the Insured/Claimants should be aware of their own, and their Agent's duty under the Contract, to take such measures as may be reasonable to avert or minimise loss, and to ensure all Insurers' rights of recourse against responsible third parties (e.g Suppliers / Shipowners / Receivers) are properly protected.

It should be noted that provided the expenses are reasonably and properly incurred, and are also, as a result of the operation of an insured peril, then such expenses would be for Insurers' account.

If Insured/Claimants are in any doubt whatsoever that they are unable to comply or require advice how to proceed, with this duty they should immediately contact Lloyd & Partners.

## 7. Certificates of Insurance

Where Certificates of Insurance are required and issued, the Claimants should follow the instructions thereon with regard to filing claims against Insurers.

## 8. Claims Services

### ***Notification and Assessment***

Claims should be notified to us (or to Insurers if the Contract provides for direct notification to them) promptly. If you have a third party claim we would advise you not to compromise that claim or admit liability until you have Insurers' approval to do so. You should observe all conditions in your Contract relating to the reporting and handling of claims – failure to do so may well lead to your claim not being paid. Details of claims which are notifiable under the terms of the insurance should be advised to us as your agent without delay, unless the insurance requires claims to be notified directly to the Insurer(s) or to another party. Upon our receipt of a claim notice from you, we will undertake an assessment of that claim. If we consider that notice of the claim is not required or if the notification appears deficient in any way, we will promptly explain to you the position and seek your further instructions.

Subject to the preceding paragraph, we will notify the participating Insurer(s) of the claim in a timely fashion and, where applicable, confirm to you in writing when such notification has been made. We will then promptly communicate to you any information, comments or advices, received from the Insurer(s), in relation to the claim notice(s).

### ***Negotiation and Settlement***

We will diligently pursue settlement and, where agreed with the Insurer(s), the collection of any claim under the insurance and seek to secure the fullest recovery possible within the terms, conditions and limitations of the insurance. We will not compromise the amount of any claim settlement without your prior approval. Where applicable, we will provide you with written confirmation of the acceptance of the claim and the amount of settlement agreed by the Insurer(s).

B0000DC1234567000

---

It is stated that these notes are intended only as an *aide memoire* and do not profess to be an exposition of Marine Insurance or Law. When in doubt assistance should be sought from *Lloyd & Partners* (Claims Unit).