

WAR CLAUSES OF THE INSTITUTE (GOODS)

1. RISKS COVERED

1. Subject to the terms, exclusions and General Conditions of the Policy, endorsed hereby, it is understood and agreed that the Company shall compensate the Insured for damage and injury as a result of:
 - 1.1 War, civil war, revolution, rebellion, insurrection or civil dispute originating therefrom, or from a hostile act of or against a belligerent power.
 - 1.2 Any capture, decommissioning, preventive seizure or detention resulting from the risks mentioned in the previous paragraph and from the consequences thereof, or any attempt thereat.
 - 1.3 Mines, torpedoes, bombs or other abandoned weapons of war.

2. GENERAL AVERAGE CLAUSE

This clause covers general average and recovery costs that are adjusted or determined in accordance with the applicable charter agreement and/or law or practice, and that are incurred in preventing or attempting to prevent any loss on account of the risks covered under these clauses.

3. EXCLUSIONS

In no event shall the insurance cover:

- 3.1. Loss, damage or expenses attributable to the voluntary omission of the Insured.**
- 3.2. Normal waste, normal loss of weight or volume, or normal wear and tear of the insured interest.**
- 3.3. Loss, damage or expense caused by unsuitability or lack of packing or preparation of the insured interest (for the purpose of this clause "packing" shall include loading in a container or a rail wagon, although only if the insured interest has been loaded before the insurance comes into effect, or if it has been loaded by the Insured or any of its employees).**
- 3.4. Loss, damage or expense caused by an inherent flaw or due to the nature of the interest insured.**
- 3.5. Loss, damage or expense caused by delay, even when the delay is due to an insured risk (except for expenses payable under Clause 2).**
- 3.6. Loss, damage or expense originating from the insolvency or from the criminal financial oversights of the vessel's owners, administrators, charterers or operators.**
- 3.7. Any claim based on cancellation or impediment of the voyage or journey.**

- 3.8. Loss, damage or expense originating from the hostile use of any weapon of war that uses atomic or nuclear fission and/or fusion or any other similar radioactive reaction, force or material.**

4. EXCLUSION CLAUSES FOR LACK OF NAVIGABILITY AND UNSUITABILITY

- 4.1. In no event shall the insurance cover any loss, damage or expense originating from:**

- **Unsuitable navigation conditions for the vessel.**
- **Unsuitability of the vessel, means of transport, container or rail wagon to safely transport the goods insured.**
- **When the Insured or its employees are aware of unsuitable navigation conditions or unsuitability of the means of transport, when the insured goods are loaded thereupon.**

- 4.2. The Company waives any transgression of the implicit guarantees of the navigability of the vessel and the suitability thereof for transporting the goods insured to their destination, unless the Insured or its employees are aware of the lack of navigability of the vessel or the unsuitability thereof.**

5. TRANSIT CLAUSE

5.1.- The insurance

5.1.1.- Shall only come into effect when the insured goods or any part thereof are loaded on a trans-oceanic vessel, and

5.1.2. Shall terminate when, subject to Clauses 5.2. and 5.3., the insured goods or any part thereof are unloaded from a trans-oceanic vessel at the final port or point of unloading, or

Within fifteen days as from midnight on the day on which the vessel arrives at the final port or point of unloading, whichever occurs first.

Subject to the Company being advised promptly and to payment of an additional premium, the insurance

5.1.3.- Shall come back into effect when the vessel sails from the final port or point of unloading, without the insured goods having been unloaded, and

5.1.4. Shall terminate when, subject to Clauses 5.2 and 5.3., the insured goods or any part thereof are unloaded from the vessel, at the final port or point of destination of unloading (or replacement port or point of unloading), or

Within fifteen days as from midnight on the day on which the vessel returns to the final port or point of unloading, or from when the vessel arrives at a replacement port or place of unloading, whichever occurs first.

5.2.- If the trans-oceanic vessel arrives at an intermediate port or point to unload the insured goods for them to be transhipped to another trans-oceanic vessel or aircraft, or if the goods are unloaded from the vessel at a port or a place of shelter, during the voyage insured, then, subject to Clause 5.3 and payment of any additional premium (if required), the insurance shall remain effective for a further fifteen days as from midnight of the day on which the vessel arrives at the said port or point. The insurance shall come back

into effect when the insured goods or any part thereof are loaded on a trans-oceanic vessel or an aircraft. The insurance shall remain in effect for the fifteen-day period after unloading while the insured goods, or any part thereof, are unloaded at said port or point. If the goods are transported again during the fifteen-day period or if the insurance comes back into effect as established in Clause 5.2.

5.2.1. When the new means of transport is a trans-oceanic vessel, the insurance shall remain subject to the terms of these clauses, or

5.2.2.- When the new means of transport is an aircraft, the current clauses of the institute for war (air freight, but excluding air mail) shall be understood as being incorporated into this insurance and they shall apply for transport by air.

5.3. If the shipment established in the transport contract terminates at a port or point that is not the final destination agreed therein, said port or place shall be understood as being the final port of unloading and the insurance shall cease in accordance with Clause 5.1.2. If the goods insured are then re-shipped to their original destination or to any other destination, the insurance shall come into effect again, on the condition that the Company is advised accordingly before continuation of shipment commences, and subject to payment of any additional premium.

5.3.1. If the insured goods have been unloaded, when the insured goods or any part thereof have been shipped, for the voyage on another vessel:

5.3.2. If the insured goods have not been unloaded, when the vessel sails from the final port of unloading, thereafter the insurance shall cease in accordance with Clause 5.1.4.

5.4. Insurance against the risk of derelict floating or submerged mines and torpedoes is extended while the insured goods, or part thereof, are loaded on a vessel and while the vessel is in transit to or from the trans-oceanic vessel, but in no event after sixty days have elapsed since the unloading of the trans-oceanic vessel, unless specifically agreed with the Company.

5.5. Subject to the Company being notified promptly, and to payment of an additional premium (if required), the insurance shall remain on effect, subject to the terms of these clauses, during any diversion or any change in the voyage on account of the shipping agents or charterers exercising freedom of choice under the charter agreement.

(For the purpose of Clause 5, "arrival" shall be understood as the vessel being anchored, moored, or in any other way tied to a quay or any other place within the area of the harbor authorities. If said quay or place is unavailable, "arrival" shall be understood as when the vessel first anchors, moors, or in any other way ties either in or outside the proposed port or point of unloading.

"Trans-oceanic vessel" shall be understood as a vessel that transports the goods from one port or point to another when the voyage is by sea.)

CHANGE OF DESTINATION CLAUSE

6. When the Insured changes the point of destination after the insurance comes into effect, the insurance shall remain effective with payment of a premium and under the conditions to be agreed, provided that the Company is notified promptly.

7. If any stipulation hereof is contrary to Clauses 3.7, 3.8 or 5, it shall be considered as having no legal effect up to the limit of said incompatibility.

8. INSURABLE INTEREST CLAUSE

- 8.1. In order to be able to recover under the insurance, the Insured must have an insurable interest in the goods insured at the time of the loss.
- 8.2. Subject to Clause 8.1., the Insured shall be entitled to recover for an insured loss that occurs during the insurance validity period, even though said loss occurs before the insurance agreement concludes, unless the Insured is aware of the loss and the Company is not.

9. INCREASE IN VALUE CLAUSE

- 9.1 If the Insured takes out any insurance to cover an increase in the agreed values of the goods, it shall be considered that that the value has been increased to the total insured sum hereunder and for all insurance for increase in value that covers the loss. The liability hereunder shall be in proportion to the difference between the insured sum hereunder and the total insured sum.

In the event of a claim, the Insured must submit to the Company evidence of the insured sum for all other insurance that it has taken out.

- 9.2. When the insurance covers increase in value, the following clause shall apply:
The agreed value of the goods shall be considered the same as the total insured sum for the primary insurance and for all insurance for increase in value that covers the loss and that the Insured has taken out for the goods. The liability hereunder shall be in proportion to the difference between the insured sum hereunder and the total insured sum.

In the event of a claim, the Insured must submit to the Company evidence of the insured sum for all other insurance that it has taken out.

10. NO EFFECT CLAUSE

The insurance shall not be effective to the benefit of the transporter or any other depositary.

11. OBLIGATIONS OF THE INSURED CLAUSE

With regard to any recoverable loss hereunder, the Insured, its employees and agent must:

- 11.1. Take all reasonable measures to prevent or reduce the loss

and

- 11.2. Ensure that all rights against transporters, depositories or other third parties are properly protected and exercised

In addition to any recoverable loss hereunder, the Company shall refund the Insured any expenses in which it reasonable incurs to meet its obligations.

WAIVER CLAUSE

12. The measures that the Insured or the Company takes in order to safeguard, protect or recover the insured interest shall not be considered as waiver or acceptance of abandonment, nor in any other way shall affect the rights of any of the parties.

REASONABLE PROMPTNESS CLAUSE

13. It is a condition of the insurance that the Insured acts reasonably promptly under all circumstances under its control.

CANCELLATION OF WAR CLAUSE

14. The Company or the Insured may cancel war risk coverage, provided that seven days notice to such effect is given.

Cancellation shall come into effect within seven days as from midday on the day on which the Company issues or receives notification of cancellation.

Shipments in transit shall not be affected by cancellation of war coverage and all goods shall be insured until their point of final destination.