

# Annual Marine Cargo Policy Wording

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This policy is underwritten by <> () to conduct insurance business, with registered office address at the <>

# Annual Marine Cargo Policy Wording

## 1 Definitions

When used in this **Policy**, the following definitions will apply:

- 1.1 **Deductible** means the amount stated in the **Schedule** or elsewhere in the **Policy** which the Insured must bear first in the event of a claim.
- 1.2 **Institute Clauses** means the Institute Clauses published by the International Underwriting Association of London and as may be amended by the terms of this **Policy**.
- 1.3 **Insured** shall mean the insured party as named in the **Schedule** or defined in the **Policy**.
- 1.4 **Period of Insurance** means the period of coverage stated in the **Schedule**.
- 1.5 **Policy** means a contract of insurance between the **Insured** and **Zurich**. It contains all the details of the insurance coverage provided during a specified **period of insurance**. This **Policy** is made up of:
  - the **Schedule** that is to be read as part of the **Policy**. It specifies the **subject matter insured** and sets out further details regarding insurance cover that are specific to the **Insured's** individual circumstances;
  - the Policy Wording
  - any other written change otherwise advised by us in writing (such as an endorsement). These written changes vary or modify the above documents.

The above **Schedule**, **Policy Wording** and any other written changes shall be read together as one contract. In the event of any conflict, ambiguity and/or inconsistency in or between the different constituent components of the **Policy**, the priority of each document shall be in accordance with the following order:

1. the written changes / endorsement (to prevail over all other constituent components of the **Policy**);
2. the **Schedule** and
3. the Policy Wording

- 1.6 **Policy Wording** means the following sections of the **Policy** - Definitions, The Cover, Exclusions, Claims Procedure, General Terms and Conditions and Appendix 1 (Standard Conditions, Special Conditions which includes both Institute Clauses and non-institute clauses).
- 1.7 **Schedule** means the document attaching to and forming part of the **Policy** which outlines the coverage provided under the **Policy**, including any revised **Schedule**.

1.8 **Subject matter insured** means the insured goods (as specified in the **Schedule**) including packaging and labels.

1.9 **Zurich** means Zurich General Insurance Company (China) Limited in this **Policy**.

## 2 The Cover

- Coverage is provided against any physical loss and/or damage to the **subject matter insured** under the terms and conditions of this **Policy**.
- This **Policy** excludes coverage for shipments to, from and/or through the following countries:

[ ] .

- This insurance is limited to the limit of liability stated in the **Schedule** and the sub-limits (where applicable) that are indicated in the **Policy**.
- Basis of valuation: The Basis of Valuation is an agreed basis for determining the value of the **subject matter insured** under this **Policy** as follow:

Imports: [ ]

Exports: [ ]

Goods in transit: [ ]

Goods in storage: [ ]

- In issuing this **Policy**, **Zurich** has relied on the information given by the **Insured** or on the **Insured's** behalf. **Zurich** agrees to provide insurance described in this **Policy**, subject to payment of premium by the **Insured**, that is in accordance with the Premium Payment Warranty clause.
- For backdating of cover, **Zurich** shall not be liable for any known or reported loss and/or damage of **subject matter insured** prior to the date of issue as stated in the **Schedule**. In no case shall **Zurich** be liable for intended actions of defrauding **Zurich** where the **Policy** is purchased after a loss event has occurred.

## 3 Exclusions

The following exclusions apply in addition to the exclusions contained in the Institute Clauses or stated elsewhere in the **Policy**.

In no case shall this insurance cover:

- 3.1 Any pre-existing damages and defects on the *subject matter insured*;
- 3.2 Any unexplained shortages of the *subject matter insured*;
- 3.3 Any mechanical, electrical and/or electronic breakdown, malfunction or derangement unless caused by visible external damage on the *subject matter insured*;
- 3.4 Any rust, oxidation and discoloration unless caused by an insured perils recoverable under the Institute Cargo Clauses (C) 01/01/2009;
- 3.5 Any loss, damage, liability or expense arising from (i) terrorism; and/or (ii) steps taken to prevent, suppress, control or reduce the consequences of any actual, attempted, threatened, suspected or perceived terrorism.  
However, this exclusion will not apply to the extent of the provisions of exclusion clause in the Institute Strikes Clauses in the Appendix 1 (where applicable).
- 3.6 Any shipments by tow (with tug and barge vessels) .
- 3.7 Information technology hazards  
This insurance does not cover losses otherwise recoverable arising directly or indirectly out of loss of or damage to, or a reduction or alteration in the functionality or operation of, a computer system, hardware, programme, software, data, information repository, microchip, integrated circuit or similar device in or connected with computer equipment or non-computer equipment whether your property or not unless the losses are caused directly by one or more of the following perils:
- 3.7.1. theft of equipment;
  - 3.7.2. collision;
  - 3.7.3. sinking, grounding or stranding of the carrying vessel;
  - 3.7.4. overturning or derailment of land conveyance;
  - 3.7.5. jettison or washing overboard;
  - 3.7.6. fire, lightning, explosion;
  - 3.7.7. aircraft or vehicle impact;
  - 3.7.8. falling objects; and/or
  - 3.7.9. windstorm, hail, tornado, cyclone, hurricane, earthquake, volcano, tsunami, flood, freeze or weight of snow.

## 4 Claims Conditions

### 4.1 Claims Procedure

When loss or damage happens which may give rise to a claim under this *Policy*:

- 4.1.1 the **Insured** and their agents must take such measures as may be reasonable for the purpose of averting or minimizing a loss and to ensure that all rights against carriers, bailers or other third parties are properly preserved and exercised. In particular, the **Insured** or their agents are required:
- 4.1.1.1 to claim immediately on carriers, port authorities or other bailees for any missing quantities, packages and/or containers, of the **subject matter insured**.
  - 4.1.1.2 in no circumstances, except under written protest, to give clean receipts where the **subject matter insured** are in damaged or doubtful condition.
  - 4.1.1.3 when delivery is made by container, to ensure that the container and its seals are examined immediately by their responsible official to ensure that they are intact, and the seal numbers correspond with the transport documents;
  - 4.1.1.4 to check any consignment received for both quantity and condition (if not possible to do so, this should be indicated on the delivery note).
- 4.1.2 If a container and/or package containing the **subject matter insured** is delivered damaged or with seals broken or missing or with seals other than as stated in the shipping documents, the **Insured** or their agents are required:
- 4.1.2.1 to record the loss and damage found at the time of delivery on the delivery note;
  - 4.1.2.2 to collect the delivery receipt accordingly and retain all defective or irregular seals for subsequent identification.
  - 4.1.2.3 to apply immediately for survey by carriers' or other bailees' representatives if any loss or damage is apparent and claim on the carriers or other bailees for any actual loss or damage found at such survey; and/or
  - 4.1.2.4 to give notice in writing to the carriers or other bailees within 3 days of delivery or within the time limits set out in their contract of carriage (whichever comes first), if the loss or damage was not apparent at the time of taking delivery.
- 4.1.3 the **Insured** must notify **Zurich** or its nominated survey/settling agent immediately of what has happened and promptly send across full details of the incident. The following documents constitute the claim documents that need to be provided to **Zurich**:
- 4.1.3.1 an estimate of the amount claimed.
  - 4.1.3.2 original or copy shipping invoices, together with shipping specifications and/or weight notes.
  - 4.1.3.3 original bill of lading, waybill and/or another contract of carriage.
  - 4.1.3.4 landing account and weight notes at final destination.
  - 4.1.3.5 all documentary evidence (in particular, survey reports) to show the extent of the loss or damage.
  - 4.1.3.6 any valuation of the **subject matter insured** to substantiate the amount of loss.
  - 4.1.3.7 correspondence exchange with the carriers and other parties that may evidence their

liability for the loss or damage (so that subsequent recoveries can be thereafter sought from the responsible parties);

4.1.3.8 if any other insurance has been taken up by the **Insured** on the **subject matter insured**, documents evidencing this coverage; and/or

4.1.3.9 any other document that is relevant to the loss.

4.1.4 the **Insured** must not authorize any repairs to the **subject matter insured** without **Zurich's** consent.

#### 4.2 Settlement of Claims

4.2.1 In the event of a recoverable claim, **Zurich** has the option of settling by payment, repair, reinstatement or replacement of the lost or damaged **subject matter insured**.

4.2.2 Should the **Insured** be exempted, as a result of any loss or accident whether caused by the perils insured against or not during the currency of insurance, from paying freight and/or charges or any part thereof which are included in the basis of valuation, the settlement of claim shall be made on the basis of the amount which is equivalent to that calculated in accordance with the basis of valuation but with deduction of freight and/or charges so saved.

#### 4.3 Other insurance

When making a claim on this **Policy**, the **Insured** must also supply **Zurich** with written details of all policies that may pay or partially pay that claim.

#### 4.4 Non-Contribution Clause

If any other valid insurance(s) exists to cover the **subject matter insured**, this **Policy** shall be null and void in respect of the specific perils that are covered by the other polic(ies), whether the **Insured** is specifically named in those insurance polic(ies) or not.

#### 4.5 Rights of subrogation

**Zurich** is entitled to exercise any rights where the **Insured** or any assignee may have against anyone else in relation to the **subject matter insured** for which **Zurich** has settled a claim under this **Policy**. The **Insured**, and anyone else entitled to claim under this **Policy**, must cooperate fully with **Zurich** in exercising those rights and must give **Zurich** any information or assistance **Zurich** may require.

## 5 General Terms and Conditions

### 5.1 Cancellation

- 5.1.1 The **Insured** may cancel this **Policy** at any time by notifying **Zurich** in writing.
- 5.1.2 **Zurich** may cancel this **Policy** at any time by giving the **Insured** 30 days' notice in writing of the date from which cancellation is to take effect. The notification may be delivered personally or posted by certified mail to the **Insured** at the address last notified to **Zurich**. Proof of mailing will be sufficient proof of notification.
- 5.1.3 Cancellation will not apply to risks which have attached before the cancellation becomes effective.
- 5.1.4 Within [ ] days] of the effective date of cancellation the **Insured** must advise **Zurich** of the actual figures for the period the **Policy** has been in force to enable **Zurich** to calculate the premium due for this period. The difference between this premium and the deposit premium will either be paid by or allowed to the **Insured** but subject to retention by **Zurich** of [ ] %] of the proportionate part of the original estimated annual premium for the **Policy** has been in force.

## 5.2 Cancellation – war and strikes

The cover against war and/or strikes risks (as defined in the relevant Institute War and/or Strikes Clauses in Appendix 1) may be cancelled by either the **Insured** or **Zurich** giving written notice. Such cancellation shall become effective on the expiry of [ ] days] (or [ ] days] in respect of strikes risks on shipments to and from the United States of America) from midnight on the day on which written notice of cancellation is issued to or by **Zurich** but shall not apply to risks which have attached in accordance with the conditions of the Institute War and/or Strikes Clauses before the cancellation becomes effective. Within [ ] days] of the effective date of cancellation the **Insured** must advise **Zurich** of the actual figures for the period war and/or strikes cover has been in force to enable the applicable war and/or strikes premium due for the period to be calculated and the premium prepaid for these risks to be adjusted.

## 5.3 Data Protection

**Zurich** may collect, use, disclose and retain the **Insured's** personal data in accordance with the Personal Information Protection Law of the People's Republic of China and **Zurich's** own policies and procedures.

## 5.4 Dispute Resolution

Any dispute arising from or in connection with this Policy shall be submitted to [ ] for arbitration.

The seat of the arbitration shall be Shanghai.

The Tribunal shall consist of 3 arbitrators.

The language of the arbitration shall be English.

## 5.5 Duty of Disclosure

According to Article 16 of the Insurance Law of the People's Republic of China, **Zurich** has the right to

cancel this **Policy**, or to refuse to pay claims under certain circumstances (which includes breach of the duty of disclosure).

### 5.6 Governing Law

This **Policy** shall be governed by, and construed in accordance with, the laws of People's Republic of China (excluding laws of Hongkong, Macao and Taiwan). All references to 'English law and practice' in the Appendix 1 (which includes both Institute Clauses and non-institute clauses) shall be replaced in its entirety with 'People's Republic of China (excluding Hongkong, Macao and Taiwan) law and practice'.–

### 5.7 Notification of material change

The **Insured** must notify **Zurich** as soon as possible of any material change in the risk covered by this **Policy**.

### 5.8 Plurals and titles

The proposal, this **Policy Wording**, the **Schedule** and any endorsements are one contract in which, unless the context otherwise requires:

- 5.8.1 headings are descriptive only, not an aid to interpretation;
- 5.8.2 singular includes the plural, and vice versa; and
- 5.8.3 the male includes the female and neuter.

### 5.9 Premium and adjustments

The **Insured** must pay **Zurich** the deposit premium stated in the **Schedule**. This is based on estimated figures for the **Period of Insurance** provided by the **Insured** and the **Insured** must keep accurate records of the equivalent actual figures. A statement of these actual figures (audited if requested) must be given to **Zurich** within one month after the end of the **Period of Insurance**.

**Zurich** will adjust the premium proportionally at the end of that period on the basis of the **Insured's** actual figures.

- 5.9.1 If the adjusted premium is higher than the deposit premium stated in the **Schedule**, the **Insured** must pay **Zurich** the difference unless the deposit premium is less than [ ] and the variation between estimated and actual figures for the period is less than [ %] then no difference in premium is payable.
- 5.9.2 If the adjusted premium is lower than the premium stated in the schedule, provided that the words 'minimum and non-refundable deposit premium' do not appear in the **Schedule**, **Zurich** must pay the difference to the **Insured**. However, **Zurich** is entitled to retain [ %] of the estimated annual premium the deposit premium was based on.

#### *5.10 Premium Payment Warranty*

It is a condition that the premium due must be paid in full within [ ] days] from the date of inception of the risk (the premium warranty period). If this condition is not complied with, then this **Policy** is automatically terminated upon expiry of the premium warranty period. This is without prejudice to any liability incurred within the premium warranty period and **Zurich** is entitled to a pro-rata time on risk premium subject to a minimum of [ ].

#### *5.11 Reasonable care*

The **Insured** must take reasonable care to prevent loss, destruction or damage covered by this **Policy**.

#### *5.12 Rights of Third Parties*

If anyone else is entitled to make a claim under this **Policy**, that person and/or entity must also comply with its terms. Unless expressly stated otherwise, a person, company or organization that is not a party to this **Policy**, shall have no rights to enforce any term of this **Policy**, unless otherwise prescribed by applicable laws.

#### *5.13 Trade and Economic Sanctions Clause*

Notwithstanding any other terms under this agreement, **Zurich** shall not be deemed to provide coverage or will make any payments or provide any service or benefit to the **Insured** or other party to the extent that such cover, payment, service, benefit and/or any business or activity of the **Insured** would violate any applicable trade or economic sanctions law or regulation.

## 6 Appendix 1 - Standard Conditions, Special Conditions

*(Includes both Institute Clauses and non-institute clauses agreed by both parties)*