

Cargo insurance T10

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These cargo insurance terms and conditions specify the content of the cargo insurance contract together with the insurance policy and the special clauses laid down in the policy, the general terms and conditions of contract and the precautionary guidelines.

When a policy is being drafted or amended it is possible to agree upon more limited or extensive cover than is specified in these terms and conditions. Any exceptions are specified in the policy.

1 Object of insurance

The inventories specified in the insurance contract or policy or other specified property are the object of insurance.

Money, securities, precious metals, jewellery made of precious metals, pearls, jewels, works of art, live animals and live plants are covered only if this has been specifically agreed upon and it is indicated in the insurance policy document.

2 Contents and scope of the insurance

2.1 General information

The insurance covers cargo transportation that is part of the policyholder's business and is specified in the insurance contract or policy.

The English Institute Cargo Clauses, their possible additional terms and conditions specified in the insurance policy and sections 1, 2.1, 2.2.2, 2.4, 4.1.3, 4.2.3 and 5 of these terms and conditions are applied to the export transportation of goods and transportation within and between other countries.

In addition, the following Terms and Conditions are applied

- Institute Classification Clause
- Institute Cyber Attack Exclusion Clause
- Termination of Transit Clause (Terrorism)
- Institute Radioactive Contamination
- Chemical, Biological
- Bio-Chemical and Electromagnetic Weapons Exclusion Clause
- Cargo ISM Endorsement
- Cargo ISPS Endorsement
- U.S.A & Canada Endorsement for the Institute Radioactive
- Contamination
- Chemical, Biological
- Bio-Chemical and Electromagnetic Weapons Clause.

2.2 Comprehensive insurance

2.2.1 Comprehensive insurance covers any sudden and unexpected material damage from external factors to goods in transit and the costs specified in sections 2.3.7 and 2.3.8.

2.2.2 The scope of insurance is comprehensive (or Institute Cargo Clauses (A) or Institute Cargo Clauses (Air)), excluding the items listed in section 2.4.

2.3 Basic insurance

Basic insurance covers any sudden and unexpected material damage from external factors to goods in transit as a direct result of the following insured events and general average sacrifice, contribution and cost and salvage charges and reasonable costs to prevent or mitigate an immediately impending, coverable insured event (the costs specified in last two sections).

- fire, explosion or stroke of lightning
- sinking or capsizing of a sea transport vehicle or its collision with shore, sea bed, another sea transport vehicle or a floating or stationary object
- while on land, collision, capsizing, derailment or swerving off the road of a land transport vehicle such that it cannot be railed or returned to the road without assistance. A bump occurring during the shunting or connecting of railway wagons is not considered a collision.
- collision of goods loaded on a transport

vehicle during land transport with an object located outside of the transport vehicle

- collision, crashing into land or water or capsizing of an air transport vehicle
- unloading of goods from a ship at a port of refuge
- general average sacrifice, contribution and cost and salvage charges
- reasonable costs to prevent or mitigate an immediately impending, coverable insured event

2.4 Transportation covered by basic insurance (or Institute Cargo Clauses C).

2.4.1 in sea transportation, deck cargo is covered by basic insurance (or Institute Cargo Clauses (C)), including jettison and washing overboard of goods and breakage during loading and unloading.

Goods transported in an integral enclosed container or enclosed body are not considered deck cargo.

2.4.2 Cargo transported in an open land transport vehicle is covered by basic insurance (or Institute Cargo Clauses (C)), including breakage damage.

Categories of cargo that are usually transported in an open cargo space uncovered, such as large power tools, motor vehicles and concrete elements are, however, covered in the same manner as goods transported in an enclosed, covered cargo space.

2.4.3 Used and/or broken goods are covered by basic insurance (or Institute Cargo Clauses (C)), including loss, wet damage and breakage.

2.4.4 Cargo transported without packaging is covered by basic insurance (or Institute Cargo Clauses (C)).

Categories of cargo that are usually transported without packaging, such as large power tools, motor vehicles and concrete are, however, covered in the same manner as packaged cargo.

3 Insurance cover during transport

3.1 Suitable transport vehicle

Unless otherwise agreed, the insurance only covers transportation using a vehicle or transport equipment approved by the authorities for traffic or cargo transport.

3.2 Onward transport in import trade and preliminary transport in export trade

Unless otherwise agreed, the insurance automatically covers

- Onward transport of goods imported under CIF, CIP or corresponding terms to the final destination after the CIF/CIP point, in the event that the policyholder's import transportation is also included in this contract
- Preliminary transportation of goods exported under FCA, FOB or corresponding terms to ports, airports, border stations and transport terminals, providing that the policyholder's export transportation is also included in this contract.

3.3 Commencement of insurance cover

3.3.1 For each handling unit, cover begins at the earliest when

- according to the term of delivery, the policyholder's or insured's liability for risk or obligation to insure begins and
- the transfer of the handling unit to the transport vehicle reserved for the actual carriage begins at the place of storage at the location referred to in the insurance contract; and
- the transfer takes place in order to immediately start the loading and carriage.

In deviation from the above, import transportation under the term "FCA carrier terminal" is covered from the moment when the seller has handed the shipment over to the carrier at the carrier's terminal and the liability is transferred to the buyer in accordance with the delivery term.

3.3.2 If the commencement of transportation is delayed after loading for a reason not attributable to the policyholder or insured, the insurance covers such a delay; see 3.6.1.

3.3.3 Furthermore, while the insurance is in force, any normal handling and transfer of cargo taking place at locations other than the dispatcher's or recipient's warehouse is considered actual carriage; see 3.4.1.

3.4 Continuation of the insurance

- The insurance cover continues until the end of the normal carriage and comprises normal reloading and intermediate storing, including loading and unloading.
- The insurance covers barge transport or barge storage in the area of the port of loading or delivery that is a normal part of marine transportation, but not for a longer period than eight days after the cargo was loaded on the barge.
- For an extra charge, LocalTapiola's liability includes extension of liability in the event that, because of circumstances not attributable to the policyholder, insured or similar, the transportation uses a route other than customary, other than customary reloading is performed, or a delay occurs that extends past the time limits specified in previous section.

After receiving information about circumstances that may incur an extra premium, the policyholder must notify LocalTapiola about this without delay. If the policyholder fails to fulfil this obligation, LocalTapiola is discharged from any liability resulting from this circumstance.

3.5 Termination of the insurance

3.5.1 The insurance expires when

- liability for risk or obligation to insure in accordance with the delivery terms or delivery contract ends, or
- the cargo has arrived at the destination specified in the insurance policy or referred to in the insurance contract and it has been unloaded from the vehicle used for the actual carriage and, immediately after unloading, taken to a warehouse or place of storage at the unloading site, or
- before this, the policyholder, insured or similar has, exercising its authority, started to store, sort or distribute the goods, sold the goods or ordered them to be transported to a destination other than that specified in the insurance policy

or referred to in the insurance contract.

In addition, storage in a container or other transportation vehicle is considered storage that terminates the insurance cover in accordance with this section, providing that the storage in question is not intermediate storage included as part of normal carriage.

3.5.2 Unless otherwise agreed, the insurance expires at the latest

- 60 days after the end of the day when the insured goods were unloaded from a seagoing ship at the final port of delivery, or
- 30 days after the end of the day when the insured goods were unloaded from an aircraft at the airport of destination, or
- eight days after the end of the day when the insured goods were unloaded from a vehicle other than a seagoing ship or an aircraft at customs, a railway station or other freight station at the destination.

3.6 Interruption of transport

3.6.1 In the event that, because of action or negligence by the policyholder, insured or similar,

- onward transportation of goods from the port of delivery to the final destination is delayed or interrupted, or
- the goods are stored or kept at a location other than the final warehouse or place of storage specified in the insurance policy or referred to in the insurance contract,

insurance cover will expire at the beginning of such a delay, interruption or storage.

3.6.2 If the goods were unloaded at a different location than the final destination specified in the contract of carriage because of termination of the contract of carriage for a reason not attributable to the policyholder, and the policyholder, insured or similar does not receive goods at such a location, insurance cover will continue under specifically agreed terms and conditions and at extra charge,

- until the goods are sold at such a location, or
- until the policyholder has asked to terminate the insurance, or,
- if the goods are transported onward to

the destination specified in the terminated contract of carriage or other agreed destination, until the insurance expires in accordance with 3.5,

providing that the policyholder, immediately after being informed of these circumstances, has without delay reported them to LocalTapiola and at that time the policyholder or LocalTapiola have not been informed that any goods were damaged.

4 Exclusions

4.1 Permanent exclusions

The insurance does not cover damage, loss or costs caused by

4.1.1 wilful acts of the policyholder, insured or similar (see General terms of contract of cargo insurance S10, section 11)

4.1.2 the cargo's own characteristics

4.1.3 atmospheric radiation, light or changes in air temperature or humidity, unless damage or loss occurred as a direct consequence of an event covered by basic insurance

4.1.4 normal loss of weight or volume or normal abrasion, wear or scratching

4.1.5 incomplete or inappropriate packing, marking, protection, other preparation for carriage or binding or securing of cargo, if this was carried out by the policyholder, insured or their employee, or before the beginning of the insured carriage.

Independent subcontractors used by the policyholder or insured for these assignments are not considered employees of the policyholder or insured.

4.1.6 the vessel not being seaworthy or suitable for safe carriage and in appropriate condition, while the policyholder or insured was or should have been aware of this when loading or stowing the cargo.

However, this clause is not applied to the detriment of the buyer in carriage of purchased goods, where the goods were delivered under

CIF/CIP or an equivalent delivery term and at the moment of purchase the buyer did not and could not have known that the vessel was not seaworthy.

4.1.7 the fact that any other type of vehicle or cargo container was not suitable or in appropriate condition for safe carriage, and

- the policyholder, insured or similar carried out the loading and was or should have been aware of this during the loading or stowing of the cargo, or
- the loading or stowing was performed before the insured carriage began.

4.1.8 repossession, seizure, necessity, confiscation, quarantine delay or other action by civil or military authorities.

4.1.9 Under no circumstances shall the insurance cover damage, liability or cost directly or indirectly caused or contributed to by

- ionising radiation or radioactive pollution caused by nuclear fuel, nuclear waste or the combustion of nuclear fuel
- combustibility, radioactivity, toxicity or other dangerous or polluting quality in a nuclear installation, a reactor or other nuclear device, a related component or radioactive material
- a weapon or device operated by nuclear fission and/or nuclear fusion or equivalent reaction or by radioactive force or material
- a chemical, biological, biochemical or electromagnetic weapon.

If part of this permanently valid exclusion 4.1.9 or the entire exclusion is exceptionally declared not enforceable under regional or other law in the USA or Canada, the rest of it will remain in force. Such a statement will not alter the enforceability of this exclusion under other law.

4.10 The insurance does not cover liability for damages to a third party.

4.1.11 The insurance does not cover damage or loss caused only to the transport package of the cargo.

4.1.12 The insurance does not cover damage to goods or other losses resulting from a delay, even if the delay was caused by an event covered by the insurance.

4.1.13 The insurance does not cover loss of time, loss of interest or cyclical loss, loss of market, costs resulting from delayed carriage or any other indirect loss.

4.1.14 The insurance does not cover damage, loss or costs resulting from the fact that the carrier or the party with whom the policyholder signed the freight contract or the agent for such agreement, either because of inability to pay or through criminal or fraudulent action, has not carried out the transportation or has contributed to the transportation not being carried out.

However, the insurance covers the damage, loss or costs referred to above, if

- at the moment of loading, the policyholder or insured did not know and could not have known about the abovementioned inability to pay or criminal or fraudulent action, or
- the transported goods consist of purchased goods with the delivery term CIF/CIP or similar, and at the moment of purchase the buyer did not know and could not have known about the carrier's inability to pay or the carrier's criminal or fraudulent action.

4.1.15 The insurance does not cover reloading costs, freight that is not the liability of the policyholder or insured, or costs such as customs duty and taxes paid for the damaged goods at the destination.

4.2 Exclusions that can be insured against under supplementary cover

The following exclusions are in force, unless specifically otherwise agreed and specified in the insurance contract, policy document or list of insurance cover:

4.2.1 The insurance does not cover damage, loss or cost caused by war, civil war or events that, in addition to these, are covered under the war risk insurance terms and conditions

in force at the moment of agreeing on the insurance.

4.2.2 The insurance does not cover damage, loss or costs caused by a strike, lockout, riot, civil disturbance, robbery, act of terrorism or sabotage

4.2.3 The insurance does not cover damage, loss or costs caused by cold or heat, unless the damage occurred as a direct consequence of an event covered by the basic insurance.

4.2.4 The insurance does not cover

- costs of removing or destroying the damaged goods
- costs of the cleaning of the transport vehicle, cargo container or environment.

5 Deductible

In each insured event, a basic deductible as defined in the insurance contract or policy will be subtracted from the amount of coverable loss.

6 Specifically agreed coverable insured events or costs

Furthermore, the insurance covers one or several of the following insured events or costs, if specifically agreed upon and specified in the insurance contract or policy.

6.1 Thermal damage

In deviation from 4.2.3, the insurance covers damage to goods in thermal transportation caused by the wrong temperature resulting from

- thermal equipment being off or not in working order,
- incorrectly installed thermostats or
- wrong handling or stowing temperature of goods

and this was due to reasons not attributable to the policyholder, the insured, the dispatcher or any party acting under their responsibility.

Thermal transportation refers to transportation that is thermally controlled by thermal equipment. Thermal equipment refers to a cooling or heating device with the cooling or

heating effect being controlled by a thermostat such that the temperature in the vehicle or unit constantly remains at the required level.

This additional cover is provided and compensation is paid providing that

- the vehicle or unit used for the transportation is suitable for the purpose
- the carrier has received instructions on appropriate handling or transportation temperature of the goods, correct loading temperature, checking of the loading temperature and recording of any deviations in the transit document
- the required transportation temperature has been recorded in the transit document
- before the loading began, the cargo was kept at the transportation temperature specified in the bill of carriage
- the temperature upon receipt was checked and the incorrect temperature was recorded in the transit document as a comment
- the transportation unit is equipped with a recording temperature monitoring device that reliably records the temperature of the cargo or transport vehicle/unit during the entire journey and
- a printout from the temperature monitoring device has been sent to LocalTapiola.

If thermal equipment is damaged during the journey, the policyholder or the party that the policyholder is responsible for must ensure that the cargo is immediately taken to a safe storage place in order to guarantee correct storage temperature. The thermal equipment must be repaired before the journey is continued.

6.2 Costs of disposing of damaged goods

The insurance covers costs resulting from removal and disposal of damaged goods from the site of an accident which are regarded as waste or environmental risk based on law, decree or official regulation, if the policyholder is liable for such disposal costs under the law and they are not covered by any other insurance.

The compensation for disposal costs is 10% of

the insurable value of the damaged goods, but not more than EUR 50 000 per insured event.

These costs are covered in full, even if the costs and the compensation paid for the actual damage to the goods total more than the insured value of the goods, if the said total sum does not exceed the maximum liability specified in the contract (General terms of contract of cargo insurance S10 section 3.3).

The insurance does not cover water system or soil renewal costs.

6.3 Protection of trademarks

The policyholder is entitled,

- as the manufacturer or
- the sole importer of a product or
- a retailer of the product in the event that the policyholder as a retailer has agreed with the supplier in writing on protection of trademarks before the insured event,

to forbid the selling of a product deemed trademarked goods by the policyholder and to inform LocalTapiola about a reasonable residual value of the damaged product, to be subtracted from the compensation, if the product is damaged so badly that it is deemed by the policyholder to be beyond repair and/or impossible to be introduced on the market.

If LocalTapiola considers the estimated residual value too low, LocalTapiola is, at its own cost, entitled to have the residual value evaluated by a goods inspector authorised by the Chamber of Commerce and subtract the residual value based on this assessment from the compensation.

If LocalTapiola can, at its own costs, modify the product so that its origins cannot be identified, LocalTapiola is entitled to gain ownership of the indemnified product.

7 Specifically agreed insured transportation

Furthermore, the insurance covers one or several of the following transportation types and possible related storage, if this has been agreed upon and specified in the insurance contract or policy.

7.1 Exhibitions and fairs

7.1.1 Object of insurance

In addition to the actual items displayed at the exhibition or fair, the objects of insurance include other fixed assets owned or borrowed by the policyholder that the policyholder uses at the exhibition or fair. However, the insurance does not cover items specified in clause 1. These are covered only when this has been specifically agreed upon. Unless specifically agreed upon and indicated in the insurance policy, the insurance covers exhibitions and fairs with a maximum length of 20 days, including transportation in both directions.

7.1.2 Scope of insurance cover

The insurance covers the transportation of goods specified in 7.1.1 to the exhibition or fair and back again in accordance to sections 1 to 5 of the terms and conditions.

During the time when the goods are indoors at an exhibition or fair, the insurance covers the sudden and unexpected loss or damage caused to the goods directly by the following insured events:

- fire, explosion or stroke of lightning
- sudden leak from sprinkler equipment or a building's water supply system
- burglary
- robbery
- theft and pilferage
- vandalism
- breakage due to an external force such that the goods become deformed.

Goods that are kept outside are only covered for fire. Goods are considered to be outside also when they are in an open shelter, in a tent, on a loading platform or other similar place.

7.1.3 Specific exclusions to cover

In addition to the exclusions mentioned in 4.1 and 4.2, the insurance does not cover damage, loss or costs caused by

7.1.3.1 an appliance used for the transferring or handling of the goods or the fastening of the goods to that appliance being unsuitable or inadequate for the safe handling of the goods

7.1.3.2 theft or vandalism if the goods were left without the supervision of at least one person during the opening hours of the exhibition or fair

7.1.3.3 burglary, theft or vandalism if the goods were left in an unlocked and unprotected storage place outside the opening hours of the exhibition or fair, such that the storage place can be accessed without breaking the structures or locks of the storage place.

7.1.3.4 fire, if insufficient fire protection or fire alarm systems in relation to the quality or value of the goods is present, insofar as this has affected the extent of damage.

7.2 Transportation between sites

7.2.1 Object of insurance

The objects of insurance include transportation of the policyholder's inventories between the policyholder's various sites, such as transportation from store to store, from warehouse to store and from warehouse to warehouse. Smallscale transportation of spare parts and accessories in the policyholder's service cars between the policyholder's site and a customer are also considered transportation between sites.

7.2.2 Scope of insurance cover

The insurance covers transportation specified in 7.2.1 in accordance with the terms and conditions of sections 1–5.

7.3 Transportation relating to subcontracting and test run

7.3.1 Object of insurance

The insurance covers the following transportation of the policyholder's inventories:

- transports to and from the customer for test run, testing or similar purpose and
- transports to and from a subcontractor for tooling, equipping, coating or other similar purpose
- in connection with the abovementioned transportation, storage of up to 60 days at the site of the customer or subcontractor.

7.3.2 Scope of insurance cover

The insurance covers transportation specified

in 7.3.1 in accordance with the terms and conditions of sections 1–5.

During the time when the goods are stored by a customer or subcontractor, the insurance covers sudden and unexpected loss or damage caused to the goods directly by the following insured events:

- fire, explosion or stroke of lightning
- sudden leak from sprinkler equipment or a building's water supply system
- burglary
- robbery.

Goods that are kept outside are only covered for fire. Goods are considered to be outside also when they are in an open shelter, in a tent, on a loading platform or other similar place.

During such storage, the insurance does not cover damage or loss resulting from the tooling, test running, showing, etc. of goods.

7.4 Transport of movable fixed assets

7.4.1 Object of insurance

The objects of insurance include transportation of the policyholder's movable fixed assets, such as tools, movable/transportable machines and equipment, and transport-related storage when the assets are stored in service cars or corresponding cars owned by the policyholder.

Furthermore, the objects of insurance include occasional transportation to and from the repair shop relating to the maintenance or repair of machines and equipment owned by the policyholder.

7.4.2 Scope of insurance cover

The insurance covers transportation specified in 7.4.1 in accordance with the terms and conditions of sections 1–5.

During the time when the goods are in storage in the policyholder's car in accordance with 7.4.1, the insurance covers sudden and unexpected loss or damage caused to the goods directly by the following insured events:

- fire, explosion or stroke of lightning
- burglary
- robbery

- vandalism

In order for the insurance to cover burglary and vandalism, the vehicle must be equipped with an immobiliser and a burglar alarm approved by the Finance Finland. A list of approved systems is available at www.vahingontorjunta.fi.

7.5 Additional cover for transportation that is at a business partner's risk

This term is applied to the transportation of sold and purchased goods or goods for import and export that include a reference to this term in the insurance policy. In deviation from section 6 in the terms of contract S10, the policyholder is entitled to claim damages under this insurance also in the following cases.

1. Transportation relating to sales and export:

After the occurrence of an insured event that is within the buyer's responsibility and insurance interest, the buyer is unable to pay the purchase price to the seller, because the buyer has not taken out insurance for transportation that is at the buyer's risk, or the cargo insurance taken out by the buyer does not cover the insured event.

2. Transportations relating to purchases and import:

After the occurrence an insured event that is within the seller's responsibility, the seller does

not refund the amount of loss to the buyer or does not provide a free-of-charge replacement delivery, and the buyer has paid the purchase price, fully or in part, to the seller before the occurrence of the insured event or in accordance with the delivery term, an agreed extensive full-value / all risks insurance, war and strike risk insurance, thermal insurance or similar taken out by the seller for the benefit of the buyer does not cover the insured event. If the policyholder has agreed with the seller not to take out an insurance policy to cover a material risk, cover provided by this term cannot be applied for in this respect.

This additional term is not applied to transportation that must be specifically agreed upon to be included in the scope of insurance cover before the beginning of the transportation, such as transportation in areas of high risk of war, on old ships or in other corresponding circumstances that are agreed upon specifically.

Based on this term, compensation for loss or damage is paid to the policyholder up to the sum of the commercial invoice for the shipment.

Cover based on this term will expire immediately should the policyholder disclose it or any part thereof to an external party.

In case of any dispute under these terms and conditions the original Finnish wording shall prevail.

Insurance is granted by the following mutual insurance companies in LocalTapiola Group (business ID):

LähiTapiola **Etelä** (0139557-7) | LähiTapiola **Etelä-Pohjanmaa** (0178281-7) | LokalTapiola **Sydkusten** – LähiTapiola **Etelärannikko** (0135987-5) | LähiTapiola **Itä** (2246442-0) | LähiTapiola **Kaakkois-Suomi** (0225907-5) | LähiTapiola **Kainuu-Koillismaa** (0210339-6) | LähiTapiola **Keski-Suomi** (0208463-1) | LähiTapiola **Lappi** (0277001-7) | LähiTapiola **Loimi-Häme** (0134859-4) | LähiTapiola **Lännen** (0134099-8) | LähiTapiola **Pirkanmaa** (0205843-3) | LokalTapiola **Österbotten** - LähiTapiola **Pohjanmaa** (0180953-0) | LähiTapiola **Pohjoinen** (2235550-7) | LähiTapiola **Pääkaupunkiseutu** (2647339-1) | LähiTapiola **Satakunta** (0137458-1) | LähiTapiola **Savo** (1759597-9) | LähiTapiola **Savo-Karjala** (0218612-8) | LähiTapiola **Uusimaa** (0224469-0) | LähiTapiola **Varsinais-Suomi** (0204067-1) | LähiTapiola **Vellamo** (0282283-3) |
LocalTapiola General Mutual Insurance Company (0211034-2)

The companies' contact details are available at www.lahitapiola.fi.

