

Marine Cargo Single Transit Insurance policy

Section 1 – Agreement

In consideration of payment of premium by the Insured, the Company agrees to provide the insurance as described in this Policy and any Institute Clauses described in the Policy Schedule and forming part of this insurance, for the Insured Transit shown in the Schedule.

The Policy wording, the Schedule, endorsements and any Institute Clauses described in the Schedule are to be read together.

Section 2 - Definitions

The following words have the same special meanings as defined below wherever they appear:

Conveyances

means any ship, vessel, aircraft, postal service, rail, or road transport used to transport the Goods.

Excess

means the sum shown in the Policy which any loss or claim must exceed before the Company will be liable under this Policy and which the Company will not be liable to pay in respect of each loss.

The amount of the excess will be deducted from each and every loss provided that, where a claim is made in respect of more than one occurrence, the excess will apply as though a claim was made for each individual occurrence.

Subject Matter Insured/Goods or Insured Goods means the type of goods detailed in the Schedule.

Unless specifically listed in Policy schedule or agreed to by the Company in writing the following goods will not be insured:

1. Perishable and temperature sensitive cargo.
2. Works of art and antiques.
3. Precious metals and stones, money including cheques coins & banknotes, bullion, credit or other card sales vouchers, securities, shares, bonds deeds, bills of exchange or any documents that represent money.
4. Used or second-hand plant machinery electrical or electronic equipment.
5. Livestock, bloodstock and poultry.
6. Household goods and personal effects.
7. Watches, Jeweler and the like.
8. Property shipped on deck other than vessels or property shipped in ISO fully enclosed solid roof and wall containers.
9. Live fish, birds, animals and plants.
10. Aircraft and helicopters.

Institute Clauses

Are the customary market standard wordings prepared by the Institute of London Underwriters? Any Institute Clauses referred to in the Policy or Policy documents are deemed to be those most current at the time of attachment of the risk. In the event of any of these clauses being altered or added to, new clauses shall automatically form part of this Policy, unless the alteration or addition reduces your protection, in which event you shall be advised in writing.

Insured or You or Your or Assured means the insured named in the Schedule.

Insured Transit

means transit (From/To) specified in the Schedule subject to the Transit Clause of the appropriate Institute Clause.

Limit of liability

means the limit of liability specified in the Schedule. Our liability is limited to the amount stated any one loss or series of losses arising from the one event.

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Policy

means this Policy wording, the current Schedule any Institute Clauses described in the Schedule, and any endorsement, all of which are to be read together.

Contribution

means the premium specified in the Schedule, any endorsement premium.

Schedule

means the schedule attaching to this policy.

Subject-matter Insured

Good as specified in the Schedule.

Section 3- Cover

1. Indemnity

The Company will indemnify You against loss or damage to the Insured Goods or expense arising from loss or damage to the Goods:

- a) which are caused by risks covered within any Institute Clauses or any other clauses described in the Schedule and forming part of this insurance; and
- b) which occurs during the Insured Transit.

Subject to the Limit of Liability .clauses, conditions, additional benefits, exclusions and other cover limitations contained in or attaching to this Policy.

2. Limit of Liability

The Company's liability is limited to the amount stated in the Schedule for anyone loss or series of losses arising from the one insured event.

Section 4 - Exclusions and other cover limitations applicable

Exclusions contained within any Institute Clauses described in the Schedule and forming part of this insurance shall be paramount where they conflict with terms contained in this Exclusion section of the Policy.

A. This Policy does not cover loss, damage, liability, destruction, cost or expense of any nature directly or indirectly caused by or contributed to by or arising from any of the following:

1. Consequential loss/Delay Exclusion

This Policy does not cover loss of market and/or loss arising from delay or consequential loss of any description.

2. War Risks

War, Strikes , Riots and Civil Commotions (SRCC) Risks other than as covered by the Institute War and Strikes , Riots and Civil Commotion Risks Clause attached .Such risk must be written in conjunction with the ordinary Marine risks and for amounts not exceeding the corresponding Marine risks.

3. Terrorism Exclusion Clause (Cargo)

- a) Terrorism, and/or.
- b) steps taken to prevent, suppress, control or reduce the consequences of any actual, attempted, anticipated, threatened, suspected or perceived terrorism.

For the purpose of this clause, "terrorism" means any act(s) of any person(s) or organisation(s) involving:

1. the causing, occasioning or threatening of harm of whatever nature and by whatever means;
2. putting the public or any section of the public in fear, in circumstances in which it is reasonable to conclude that the purpose(s) of the person(s) or organisation(s) concerned are wholly or partly of a political, religious, ideological or similar nature.

If the Company asserts that any loss, damage, liability or expense is not covered by reason of this clause it shall be for the Insured to prove to the contrary.

However this exclusion will not apply to any loss, damage, liability or expense arising from the operation, ownership, management or chartering of:

1. Cargo in the ordinary course of transit as described in the Termination of Transit Clause (Terrorism) as attached; or
2. whilst the subject matter insured is either 'waterborne' or 'airborne' as defined in the War Risk Waterborne and War Risk Airborne Agreement issued by Lloyd's Underwriters' Association and the Institute of London Underwriters dated 19 December 1997.

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4. Termination of Transit Clause Terrorism)

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

a) Notwithstanding any provision to the contrary contained in this Policy or the Clauses referred to therein, it is agreed that in so far as this Policy 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. as per the transit clauses contained within the Policy.

Or

2. on delivery to the Consignee's or other final warehouse or place of storage at the destination named herein.

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

Or

4. in respect of marine transits, on the expiry of 60 days after completion of discharge over side of the goods hereby insured from the oversea vessel at the final port of discharge.

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?

b. If this Policy 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.

5. Radioactive Contamination risks - as per Institute Extended Radioactive Contamination Exclusion Clause CL 356A 01/11/02

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

1. ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel.

2. the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof.

3. any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.

4. the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter. The exclusion in this sub-clause does not extend to radioactive isotopes, other than nuclear fuel, when such isotopes are being prepared, carried, stored, or used for commercial, agricultural, medical, scientific or other similar peaceful purposes.

6. Chemical, Biological, Biochemical and Electromagnetic Weapons and Cyber Attack - s per Institute Chemical, Biological, Biochemical and Electromagnetic Weapons and Cyber Attack Exclusion Clause CL365 01/11/02

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

b) In no case shall this insurance cover loss damage liability or expense directly or indirectly caused by or contributed to by or arising from.

c) any chemical, biological, bio-chemical or electromagnetic weapon.

d) the use or operation, as a means for inflicting harm, of any computer, computer system, computer software programme, computer virus or process or any other electronic system.

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7. Nuclear Energy Risks Exclusion Clause (Marine) 01/01/89

- a) nuclear reactors and nuclear power stations or plant.
- b) any other premises or facilities concerned with:
 - 1. the production of nuclear energy or.
 - 2. the production or storage or handling of nuclear fuels or nuclear waste;
- c) any other premises or facilities eligible for insurance by any local Nuclear Pool or Association but only to the extent of the requirements of the local Pool or Association.
- d) nuclear or radioactive fuel, or nuclear or radioactive waste. However, this Exclusion shall not apply:
 - 1. to any insurance or reinsurance in respect of the construction, erection or installation of buildings, plant and other property (including contractor's plant and equipment used in connection therewith);
 - 2. to any Machinery Breakdown or other Engineering insurance or reinsurance not coming within the scope of (a) above, nor affording coverage in the "high radioactivity" zone.
 - a) for the storage of nuclear fuel - prior to the commencement of storage.
 - b) as regards reactor installations - prior to the commencement of loading of nuclear fuel into the reactor, or prior to the initial criticality, depending on the commencement of the insurance or reinsurance of the relevant local Nuclear Pool or Association.
 - c) to any insurance or reinsurance in respect of the Hulls of ships, or aircraft or other conveyances.
 - d) to any insurance or reinsurance in respect of loss of or damage to (including any expenses incurred therewith) nuclear or radioactive fuel or nuclear or radioactive waste whilst in transit or storage as cargo, other than while being processed or while in storage at the reactor installation or any other final destination concerned with production, storage or handling of nuclear fuel or nuclear waste.

8. Deck Shipments Clause

Goods carried in containers are covered in a similar manner to under-deck cargo, but, unless otherwise agreed, all other deck cargo shall be subject to Institute Cargo Clause (C) including the risk of jettison and Joss overboard of whole or part of the deck cargo and excluding the cover offered under the Extended Transit (Loading/Unloading) Clause.

9. This Policy does not cover

- a) The Claim Excess stated on the Schedule.
- b) War on Land loss or damage to the Goods due to rust, oxidation or discoloration unless caused by an insured event.
- c) loss or damage to the Goods caused by electronic, mechanical or electrical failure breakdown or malfunction where there is no visible external evidence of damage from an insured event.
- d) loss or damage that existed or occurred prior to the commencement of the insured transit.
- e) loss of market or consequential loss of any description, even if caused by any insured events.
- f) Rejection risk.
- g) Stock throughput risk
- h) Ship owners interest and freight.

Section 5 - General conditions

1. Insurable Interest

This contract is to insure the subject matter specified for transits and on the conditions specified shipped by or on account of the Insured or the insurance of which is under their control as selling or purchasing agent or to insurable interest being acquired by the insured or Assignee.

2. Period of Cover

The liability of the company shall commence, notwithstanding any date to the contrary specified in the schedule, and shall expire on the date specified in the Schedule. Insureds will be informed about the renewal of the policy 30 days prior to expiry of the policy.

3. Coinsurance Clause

If, at the time of any loss or damage to the Goods, there is any other current insurance, whether effected by You or any other person or persons, covering the same Goods, We will not be liable (where legally entitled) for more than the ratable proportion of the loss, damage or expense.

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4. Duty of Insured

The extent of the Company's liability is conditional upon:

- a) The notification as soon as practicable of any change materially varying any of the facts and circumstances existing at the commencement of this Policy.
- b) The observance of the terms and conditions of the Policy by You and by any other person entitled to claim indemnity under this Policy.
- c) Your taking all reasonable precautions to prevent loss or damage to the interests insured.

5. Variation War and Strikes Rates

- a) If the war and strikes rates for a country or area are amended by the London War Risks Rating Committee, the Company will give 7 days notice (48 hours for strikes rates on shipments to or from the USA) of the amendment in accordance with the Institute War Cancellation Clause (Cargo).
- b) The amended rate shall apply from the end of the period of notice which begins at midnight of the day that the notice is issued by the Company. It will not apply to Insured Transits where cover under this Policy has attached before the amended rate applies.
- c) Our rights to cancel cover for war and strikes risks are not prejudiced by prepayment of the war and strikes premium.

6. Cancellation

The company may at any time cancel the policy due to:

- a) Any misrepresentation, misdescription, non disclosure of material facts, or any fraudulent acts;
- b) Non compliance of any specific condition, stipulation or warranty.
- c) Non- payment of premium and.

By giving 30 [Thirty] days notice in writing to the Insured at their address last known to the company.

The Insured shall have the option to request cancellation of the policy at any time without assigning any reasons by giving notice to the Company and (provided there are no unpaid or outstanding claims).

The Insured shall, in all cases where this policy is invalidated or cancelled, return to the Company the original insurance policy, or any related documents and that he will bear the penal and civil liability entailing from his use of the policy, or any other related documents after cancellation or invalidation.

In the event of cancellation, the Insured shall be entitled to the refund as follows [in respect of policy covering specific voyage]:

100% of the premium collected by the Company in respect of policy covering specific voyages. No cancellation allowed after commencement of voyage.

Cancellation for War and Strike Risks

- a) risks covered by Institute War clauses may cancelled at least 7 days notice.
- b) risks covered by Institute Strikes Clause may be cancelled at 7 days notice or at 48 hours in respect of shipments to or from USA.

Payment of refund to Insured is automatic and the Insured is not required to request payment

7. Law & Practice

Any disputes arising out of or in connection with this Policy shall be subject to and governed by the laws and regulations applicable in Saudi Arabia. Saudi Arabian Committee for Resolution of Insurance Disputes and Violations provided for in Article 20 of the Saudi Supervision of Cooperative Insurance Companies Law promulgated by Royal Decree No. M32 dated 02/06/1424H shall be the only competent bodies to deal with such matters

8. Currency

Saudi Arabian Riyal (SAR).

9. Geographical Limits

As stated in the policy schedule.

10. Arabic to prevail

In the event of a conflict or difference in meaning between the Arabic and English texts in this Policy the Arabic text shall prevail.

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Section 6 – Claims Conditions

1. Claims Procedure

Where there is loss or damage which may result in a claim under this Policy, You must take the following steps:

- Inform the Company about the event as soon as practicable.
- In case of oversea export shipments the nearest Lloyds Agent for a joint survey.
- The Goods should be examined prior to a receipt being given to the carrier.
- If there is any sign of damage or loss, endorse the receipt or request for damage or short landing certificate.
- Immediately hold the Carriers and/or Port Authorities responsible for the loss in writing and request for joint survey before taking delivery and removing of the goods from the port/terminal premises of the goods.
- If the goods are delivered to in shipping container examine the container for damage including the locks and seals and compare the numbers with those listed on the shipping document. If a container is delivered damaged or with seals broken or missing or with seals other than as stated in the shipping documents, note the delivery docket accordingly and retain the seals for subsequent identification.
- Submit as soon as practicable all written particulars, supporting documentation and correspondence regarding the event including invoices, statements or other documents evidencing the amount being claimed.
- Take reasonable measures to avoid or minimize any loss, damage or expense. We will pay the costs of such measures provided they are both reasonable and necessary.
- Properly preserve and exercise all rights against carriers, bailees or other third parties, specifically:

- Do not release those parties from liability.
- Deliver to the parties responsible a notice of intention to claim within 3 days of delivery.
- Do not give clean receipts where the Goods are in doubtful condition except under written protest.
- Where the delivery is made by container, ensure that the seals are examined immediately by a responsible official.
- Upon discovery of any loss or damage apply immediately for surveys by the carriers or other bailees to be conducted within 3 days of delivery.
- Inform the police immediately after a theft has occurred.
- Do not dispose of damaged goods without prior approval from the Company or the Surveyor.
- In the event of a general average or salvage contribution arising under this Policy, consult the Company or the Company's nominated settling agent before signing any general average or salvage bond.

2. Claims documentation

In the interests of prompt settlement of any claim and to avoid prejudicing your claim under the Policy, You are required to submit all available supporting documentation as soon as practicable including:

- The Original Policy of Insurance.
- The surveyors report.
- Original invoice.
- Complete set of original Bills of lading /airway bill/consignment note.
- Short-landing/Damage certificate /Clause delivery note as applicable.
- Customs documentation.
- Repair estimates/receipts/claim bill.
- Copies of all correspondence exchanged with carriers.

3. Subrogation Clause

On settlement of a claim, the Company reserves to take over and pursue at its expense recovery rights in the name the Insured against the carrier or any other third party who may have caused loss or damage to the goods. And the Insured will be required to render reasonable assistance in such actions.

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4. Fraudulent Claims

If any claim is fraudulent or false in any respect the Company may refuse to pay the whole or part of the claim to the extent permitted by law and may also be entitled to cancel the Policy.

5. Waiver Clause

Any measures the Company or You may take to save, protect or recover the insured goods shall not be considered as a waiver or acceptance of abandonment or otherwise prejudice the rights of either party.

6. Waiver of Rights Clause

Where another person(s) is liable to compensate You for any loss or damage which is covered by this Policy but You have previously agreed not to seek recovery from that persons), then We will reduce Our liability under the Policy contract as permitted by law.

7. Claims settlement

a) Pairs and Sets Clause

Where any item is part of a pair or set, the Company will only pay for the part of the pair or set that is lost or destroyed, even if it cannot be replaced with a matching item. The insured value of the Goods will be regarded as spread over the whole of the pair or set, divided in the proportion that it would cost to replace each of the items making up the pair or set.

b) Replacement Clause - Used Machinery

In the event of a claim for loss or damage to the Goods as a result of an insured event covered by this Policy, the amount recoverable hereunder shall not exceed the cost of repairing or reinstating same to a condition equal to but no better or more extensive than its condition immediately prior to such loss or damage.

In no case shall the liability of the Underwriter exceed the insured value of the Goods. If there is no specified insured value, nor an agreed basis of valuation to establish same, the insured value shall be:

1. in the case of a purchase or sale, the purchase or sale price plus the cost of packing and transport; or
2. Following an insured event where in the case of movement of the Goods other than for the reason of purchase or sale the written down book value or the current market value (whichever is the highest).

Duty incurred in the provision of replacement part(s) shall also be recoverable provided that full duty payable on the insured machine is included in the amount insured.

or Aljazira Takaful Ta'awuni Co.

Authorized Signature

Company Seal

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Terms and Conditions of Cooperative Insurance

In accordance with Sharia Supervision Board Resolution No. (03), the company is committed to the following:

General Terms and conditions:

1. The Company will maintain accounts for insurance operations separate from the shareholders' accounts in accordance with the Implementing regulations provisions of the Law of Supervision of Co-operative Insurance Companies.
2. The Company undertakes to invest all funds, whether relating to shareholders or the policyholders strictly in accordance with the rules of Shariah principles and in consistent with the Company Investment policy approved by the Saudi Central Bank. The Company will add or subtract the investment return of the policyholder's invested funds, and subtracting the general expenses related to the policyholder's portion of the investment activities.
3. The Company, as the insurance administrator, will manage the insurance operations in favor of the policyholders. In case of net surplus in the insurance operations' account, it will be distributed in the following way:
 - a) Ten percent (10%) of the annual net surplus shall be distributed to the policyholders directly or in the form of reduction in premiums for the next year.
 - b) From the remainder, if any, an amount equal to (5%) of the total written premiums shall be carried forward to the shareholders' account as a fee against the Company's management of the insurance operations and investment in favor of the policyholders. This management fee shall not exceed 90% of the net surplus.
 - c) From the remainder, if any, following the distribution referenced (a) and (b) above, Company shall carry forward (10%) of the net surplus to the shareholders' account as performance incentive.

The Company may maintain the remainder of net surplus, if any, in the policyholders' account or distribute it wholly or partially to the policyholders following approval by the Saudi Central Bank and the Company's General Assembly.