

TERMS AND CONDITIONS FOR HOUSEHOLD GOODS AND PERSONAL EFFECTS COVERAGE

Subject to the terms, conditions, exclusions and limitations set out below, this policy covers household goods and personal effects, antiques, fine arts, except as may hereinafter be excluded, and automobiles as properly declared and valued in supporting documents appended hereto against all risks of physical loss or damage occurring during the policy period.

1) TRANSIT CLAUSE:

(a). This policy attaches from the time the insured goods leave the place the goods were packed for the commencement of the transit and continues, subject to all of the terms of this policy, until the goods are delivered to the insured's residence or the goods are delivered to a Commercial Furniture Mover and Storage Company, not to include self storage, mini storage or garages and the like, **subject to sections (b) , (c) and (d) below.**

(b). This insurance shall immediately and automatically terminate, if the goods have not been delivered at its final destination within 120 days after the goods have been picked up by the mover at origin. The 120-day time period shall be comprised of no more than 60 days following collection and additional 60 days after arrival in the state or country of destination.

(c). An extension of coverage is available at an additional premium for any period of time after the 60 days *following collection at origin or arrival at the state or country* of destination have expired. The insured must give timely written notice by completely filling out and delivering as indicated the storage coverage extension application attached hereto prior to expiry of the *said* 60 days and paying in full the quoted premium.

(d). Underwriters will have no liability for any losses which may occur in whole or in part after expiry of the 60 days at either origin or the state or country of destination or 120 days total, unless the insured has extended coverage by duly notifying Fidelity & Marine in writing and has received written confirmation to extend coverage and paid the additional premium prior to the expiration of the 120 days.

(e) It is a condition precedent to Underwriters liability under this policy that all cargo intended to be covered by this policy is carried in a steel steamship container. Therefore, any cargo not transported in a container will not be covered under this policy.

2) 100% CO-INSURANCE CLAUSE:

The insured shall at all times maintain insurance in the amount of 100% of the actual value of the item at destination. Upon its failure to do so the insured shall to the extent of such underinsurance bear his, her, or their underinsured proportionate share of the loss. In an underinsurance situation, Underwriters will within their sole discretion reduce any claim determined to be covered by this policy by said underinsurance value. Underinsurance may also result in repair and/or replacement cost not being paid in full at Underwriters sole discretion. *It is a condition precedent to Underwriters liability under this policy that a household goods descriptive inventory must be prepared at origin, prior to the shipment leaving the place of origin, showing the number and condition of the goods to be shipped.* Failure to prepare such an inventory may at Underwriters sole discretion result in declination of any claim, in whole or in part, which may occur.

3) HIGH VALUED GOODS:

Any insured item **or set** having a value in excess of \$500 must be individually identified on the shipping inventory referred to in Paragraph 2 above and the insured (**actual**) value of said item must be reported thereon. Any failure to specifically report an insured item with a value in excess of \$500 will limit Underwriters liability for loss or damage to that item **or set** to the **actual** value of the item **or set** or to \$500 whichever is **less**.

4) PAYMENT OF THE PREMIUM:

The minimum premium shall be charged at a rate of US \$6.00 per pound of the weight as indicated on the valued inventory list, which is a part hereof. This minimum premium may not fully insure your cargo in which event the co-insurance provision contained herein will apply. In order to make sure that your cargo is completely covered for its value the insured must make sure to identify its full value on the inventory and fully pay the corresponding premium. This policy is not in full force and effect until such time as the full premium due under the said policy has been received by Fidelity & Marine as administrators for Underwriters.

5) PACKED-BY-OWNER (P.B.O.) CARTONS CLAUSE:

Only limited insurance coverage is afforded to packed by owner (PBO) carton as follows:

(a). Theft of or damage to an entire carton will be limited to recovery of \$500.00, subject to the conditions of Paragraph (b) below.

(b). Theft and damage to the contents is covered but only if caused by fire, overturn and/or collision of the transporting vehicle, aircraft, or vessel.

© Notwithstanding the foregoing, Underwriters shall have no liability for breakage, scratching, denting, marring, chipping, staining, tearing or any missing items packed by owners.

6) EXCLUSIONS:

This policy does not cover

(a). loss of or damage *arising out of or resulting from* moths, vermin, mold, mildew, wear and tear, unexplained/mysterious disappearance, mechanical or electrical derangement, changes in climatic conditions, inherent vice, *delay*, infestation of rodents or insects, loss or damage resulting from strikes, riots, and commotions, acts of war/rebellion, nuclear reaction, radiation, acts of Governments, Customs authorities, confiscation, losses in market value, *or any form of consequential loss howsoever arising*.

(b). jewelry, furs, currency, documents, valuable/negotiable papers, coins or stamp collections, alcohol and beverages, computer programs, software, and media, items of no market value, such as, but not limited to, photographs, family albums, newspaper clippings, letters.

(c). break bulk cargo.

7) AUTOMOBILES:

With respect to insurance for all vehicles the following liabilities are not covered: scratches, marks, dents, marring, rust, oxidation, or discoloration, also permanently installed accessories in the vehicle including but not limited to radios, cassette recorders, CD players, speakers, VCR s, and any other personnel effects shipped inside the vehicle and/or its trunk area even if locked. **Underwriters will not be liable for any damages resulting from the loading or stacking of goods on the vehicle.**

8) PAIR OR SET CLAUSE:

In the event of total loss of or damaged to:

(a). Any article or articles which are part of a pair or set, the measure of the loss of or damage to such article or articles shall be **the pro rata value of the actual declared value, to be determined** in the Underwriters sole discretion, of the pair or set, but in no event shall such loss or damage be construed to mean total loss of the pair or entire set.

9) EVIDENCE CLAUSE:

(a). Acceptance by the insured (or insured's agent) of the shipment without written notation of specific visible damage or loss on the carrier's delivery documents at the time of delivery shall be evidence that the shipment had been delivered complete and in good order and condition for which no insurance claim shall result. **Underwriters shall have no liability for any damage or loss which is not specifically noted in writing on the transporters delivery documents.**

(b). It is a condition of this insurance that recovery for visible damage/loss is limited to/for only those items specifically noted as damaged/loss on the carrier's delivery documents at the time of delivery.

(c). Any and all claims including those for concealed loss/damage must be reported to Fidelity & Marine within 15 days of the goods arrival at destination as indicated in the certificate or if a storage extension has been secured from Underwriters, within 15 days of delivery from the storage facility. Failure to provide written notice of claim within 15 days may, at Underwriters sole discretion, void any claim.

10) PROOF OF VALUE/SURVEY:

Fidelity & Marine on Underwriters behalf may, at their option, require proof of ownership, value and/or proof of shipment on any item claimed to be damaged or lost pursuant to this policy. Moreover, Fidelity & Marine on Underwriters behalf may require at its option the insured to secure a survey, at their cost, for any claim from an approved list of Surveyors.

11) SALVAGE CLAUSE:

When replacement or declared value is paid for any item, Underwriters (at their sole option), have the right to any and all salvage, legal possession of such item including full title and interest.

12) SUBROGRATION:

The Underwriters shall be subrogated to the extent of their payment for losses and/or damages insured hereunder to all of the insured rights of recovery against any person, entity, or organization who may be responsible. The insured agrees to assist Underwriters by signing any and all necessary documents in order

to pursue subrogation and to provide such other assistance as maybe necessary for Underwriters to recover such payment.

13) OTHER INSURANCE:

This *policy* does not cover the goods to the extent of any other insurance, whether secured prior or subsequent hereto which covers the same property and if such other insurance shall exist than this insurance policy shall be considered excess to said other insurance and said other insurance shall be required to be paid in full before these Underwriters shall have any obligations thereto.

14) MISREPRESENTATION AND FRAUD:

This *policy* shall be void if at any time, the insured, its agent or designee has concealed or misrepresented any fact which Underwriters consider in their sole discretion to be material or Underwriters consider having effected the risk concerning this insurance or any other case of fraud or false swearing by the insured, its agent, and/or its designee.

15) LAW AND JURISDICTION:

It is agreed that in the event of a dispute between the insured, Underwriters, and/or their administrator Fidelity & Marine that the sole jurisdiction for the determination of said dispute will be the jurisdiction of the Courts of England and that such disputes shall be subject to English law.

16) REPAIRS

Underwriters shall be entitled in their sole discretion to repair any damaged article. But in no event, will Underwriters responsibility for repair costs be greater than either 30% of the declared insured value of the item or the actual repair costs whichever is less.

17 PERCENTAGE OF GLASS

It is warranted by the insured that the maximum percentage of glass, china, marble, earthenware and the like shall not exceed 15% of the total sum insured. Accordingly, Underwriters liability in this regard will be

the actual repair or replacement cost but in no event more than 15% of the total insured value of the shipment whichever is less.

3. TERMINATION OF TRANSIT CLAUSE (TERRORISM)

to be added as follows:

Termination of Transit Clause (terrorism) - JC 2001/056

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 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

1.1 As per the transit clauses contained within the Policy,

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 Assured 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 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.

This clause is subject to English law and practice.

All other terms, clauses and conditions remain unchanged.

3. INSTITUTE CLASSIFICATION CLAUSE

INSTITUTE CLASSIFICATION CLAUSE 01/01/2001 to be added as follows:

Qualifying Vessels:

1. This insurance and the marine transit rates as agreed in the policy or open cover apply only to cargoes and/or interests carried by mechanically self-propelled vessels of steel construction classed with a Classification Society which is:

- 1.1 a Member or Associate Member of the International Association of Classification Societies (IACS*), or
- 1.2 a National Flag Society as defined in Clause 4 below, but only where the vessel is engaged exclusively in the coastal trading of that nation (including trading on an inter-island route within an archipelago of which that nation forms part).

Cargoes and/or interests carried by vessels not classed as above must be notified promptly to underwriters for rates and conditions to be agreed. Should a loss occur prior to such agreement being obtained cover may be provided but only if cover would have been available at a reasonable commercial market rate on reasonable commercial market terms.

Age Limitation:

2. Cargoes and/or interests carried by Qualifying Vessels (as defined above) which exceed the following age limits will be insured on the policy or open cover conditions subject to an additional premium to be agreed.

Bulk or combination carriers over 10 years of age or other vessels over 15 years of age unless they :

- 2.1 have been used for the carriage of general cargo on an established and regular pattern of trading between a range of specified ports, and do not exceed 25 years of age, or
- 2.2 were constructed as containerships, vehicle carriers or double-skin open-hatch gantry crane vessels (OHGCs) and have been continuously used as such on an established and regular pattern of trading between a range of specified ports, and do not exceed 30 years of age.

Craft Clause:

3. The requirements of this Clause do not apply to any craft used to load or unload the vessel within the port area.

National Flag Society:

4. A National Flag Society is a Classification Society which is domiciled in the same country as the owner of the vessel in question which must also operate under the flag of that country.

Prompt Notice:

5. Where this insurance requires the assured to give prompt notice to the Underwriters, the right to cover is dependent upon compliance with that obligation.

Law and Practice:

6. This insurance is subject to English law and practice.

* For a current list of IACS Members and Associate Members please refer to the IACS website at www.iacs.org.uk

3. CANCELLATION CLAUSE

To be amended from:

Subject to 30 days' notice of cancellation from either party at any time for Marine Risks, 7 days' notice of cancellation for War, Strikes, Riots and Civil Commotions risks in respect of sendings to or from U.S.A. Cancellation shall become effective on the expiry of the appropriate number of days from midnight on the day on which notice of cancellation is issued by Assured or by Underwriters but shall not apply to any transit insurance which shall have been declared or attached in accordance with contract terms and conditions before the cancellation becomes effective.

To:

Subject to 30 days' notice of cancellation from either party at any time for Marine risks, 7 days notice of cancellation for War, Strikes, Riots and Civil Commotions risks, but for sendings to or from the USA 48 hours notice of cancellation for Strikes, Riots and Civil Commotions risks. Cancellation shall become effective on the expiry of the appropriate number of days from midnight of the day on which notice of cancellation is issued by Assured or to Underwriters but shall not apply to any transit insurance which shall have been declared or attached in accordance with contract terms and conditions before the cancellation becomes effective.

All other terms, clauses and conditions remain unchanged.

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