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ZURICH

Policy Conditions

PC 2006

Translation: the original wording in German shall be decisive in the case of dispute.

In these conditions, the assured shall be on equal footing with those parties for whose actions the assured is responsible.

Policy types; declaration procedure

Open policy

The open policy documents the existence of an insurance agreement. It obligates:

- the assured to declare for insurance all risks designated therein;
- the insurer to insure the same at the conditions agreed.

The declarations must be made before the commencement of the insured voyage. If the assured cannot furnish all the necessary particulars when making the declaration, he must do so as soon as possible thereafter. Errors or omission at the time of making the declaration must be rectified by the assured immediately on discovery, even if the goods have already arrived undamaged at destination. In the event of a late or incorrect declaration, the insurance cover is valid only if the assured can prove that he has done everything in his power to declare in regular fashion all the risks designated in the open cover and to rectify all errors or omissions.

Should the assured intentionally violate the duty to declare, the insurer may cancel the contract forthwith and decline all claims under the cover.

In the event of cancellation, risks declared before termination of the insurance are insured.

Turnover policy

The turnover policy documents the existence of an insurance agreement. It obligates:

- the assured to declare for insurance all consignments designated therein (turnover declaration);
- the insurer to insure the same at the conditions agreed, even if the provisionally established, presumed turnover is exceeded.

The assured is freed of the obligation to report individual consignments but obliged to report to the insurer the turnover of the insured consignments. A provisional premium will be calculated based on the presumed turnover. The final premium will be calculated on the basis of the declared turnover. If the resulting balance is in favour of the assured, then this amount will be refunded: if the reverse should apply, the corresponding additional premium will be levied.

The duty to report will be agreed separately. Errors or omissions at the time of making the turnover declaration must be rectified by the assured immediately on discovery. The insurer is entitled to inspect all documents of the assured which relate to the insured consignments.

Should the assured intentionally violate the duty to declare, the insurer may cancel the contract forthwith and decline all claims under the cover.

In the event of cancellation, consignments shipped before termination of the insurance are insured.

In the event of cancellation, the actual turnover determined to that date shall provide the basis of the final premium calculation.

Flat-rate policy

The flat-rate policy documents the existence of an insurance agreement by which the consignments of goods designated therein are insured during the duration of the agreement against payment of a flat-rate premium. The assured is not obligated to declare the individual consignments; however, the insurer is entitled to inspect all of the assured's documents relating to the insured consignments. The insurance cover is defined in the attached conditions.

The premium is calculated from information provided by the assured. The assured is obligated to notify any significant changes of risk to the insurer to enable any necessary premium adjustments to be made from the time the risk changes.

In the event of cancellation, insurance cover, including that for goods underway at the time, will end with the expiry of the flatrate policy.

Insurance certificate

Issue of the certificate by the insurer

The insurer shall issue to the assured, upon request and upon payment of a fee, a certificate of insurance for each consignment. The insurance certificate attests that the goods mentioned therein are insured on the basis of the relevant cover.

Issue of the certificate by the assured

The company may provide the assured with certificate blanks enabling him to produce insurance certificates. The assured is obligated to use the certificate blanks, and to issue certificates, only in accordance with the provisions of the relevant policy. Specifically, the maximum sums insured and the insurance cover are to be observed. The assured is obligated to make good any loss occasioned the company by irregular use of the certificate blanks, to the extent that he is responsible.

Excluded goods

Unless otherwise agreed, the following are not insured under this policy:

- securities and documents of all kinds;
- precious metals (unprocessed, in bullion or coined) with a value at least equal to that of silver; current coins of base metal;
- banknotes;
- winning lottery tickets;
- articles of artistic or collectors' value;
- watches, jewellery, accessories and spare parts; genuine pearls (including cultured pearls), precious stones and other jewels;
- live animals;
- live or fresh plants;
- goods transported on their own axis.

This condition is valid even if the insurable goods are named under a collective term such as "goods of all kinds" or are among removal goods.

Payment of premiums

Premiums are due at the time of invoicing. If the due premium is not paid, the assured shall be requested in writing or by means of text evidence to pay within 14 days of despatch of the reminder, and is at the same time made aware of the consequences of non-payment. If the reminder is without success, the insurer may:

a) sue for the arrears, and

b) either decline to insure future consignments until outstanding premiums are settled,

c) or cancel the cover forthwith.

Offset of premiums against claims

The insurer may offset all arrears of premiums against indemnity. However, if the holder of title to claim is a third party acting in good faith, only the premium in arrears on the consignment concerned shall be taken into account.

Premium refunds

In the event of cancellation or termination of the insurance contract, premium is owed only for the period to the time of termination. However, this does not prejudice the provisions under "Duration of the contract; cancellation".

Duration of the contract; cancellation

The insurance contract enters into force at the time specified in the policy. Where concluded for a period of one year or more, it is automatically renewed for another period of one year unless cancelled in writing or by means of text evidence at least three months prior to expiry.

Notice is deemed to be on time if received by the insurer or the assured no later than the last day before commencement of the three-month notice period.

In the event that the insurer must indemnify a loss, either party is entitled to cancel the contract by giving written notice or by means of text evidence previous to payment of the indemnity.

On cancellation of the contract, the insurer's obligation expires 14 days after receipt of the cancellation notice by the other party.

In the event that the assured should cancel during the year following conclusion of the contract, the insurer is still entitled to receive premium for the current insurance period.

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