

MARINE CARGO INSURANCE - RETAIL

PROSPECTUS

Introduction

Marine Insurance is the most important and oldest form of insurance designed to protect the financial interest of business community against possible loss or damage to cargo. It offers cover against physical loss or damage to cargo whilst being transported by rail, road, sea and/or air from anywhere to anywhere as agreed.

Scope of Cover

There are two types of coverage available under Marine Portfolio:

1. All Risks Policy: All types of Risks involving physical loss or damage to the subject matter insured from any external cause except those specifically excluded under the General Exclusion Clause of the Policy.
2. Named Perils Policy or Basic Policy: The Policy covers physical loss or damage to the cargo from any external cause against specified perils only, as named in the Policy.

A comparative analysis of the Inland Transit Clauses

Type of Risks		Covered (Yes)/(No)		
		ITC-A	ITC-B	ITC-C
Loss / damage caused by / attributable to:				
1	Fire	Yes	Yes	Yes
2	Lightning	Yes	Yes	Yes
3	Breakage of bridges	Yes	Yes	No
4	Collision with or by the carrying vehicle	Yes	Yes	No
5	Overturning of the carrying vehicle	Yes	Yes	No
6	Derailment or accidents of like nature to the carrying railway wagon or vehicle	Yes	Yes	No
7	Loss or damage caused by "malicious act, vandalism or sabotage"	Yes	No	No
8	Shortage	Yes	No	No
9	Theft	Yes	No	No
10	Pilferage	Yes	No	No
11	Non-Delivery	Yes	No	No
12	Contamination	Yes	No	No
13	Hook Damage	Yes	No	No
14	Leakage	Yes	No	No
15	Fresh Water	Yes	No	No

16	Reasonable charges for averting or minimizing loss recoverable under this insurance and also those incurred to pursue recovery rights against carriers, bailees or third parties.	Yes	Yes	Yes
17	Any loss or damage to the cargo due to accident from external cause	Yes	No	No

A comparative analysis of the Institute Cargo Clauses for Overseas risks/shipments

Type of Risks		Covered (Yes)/(No)		
Loss / damage caused by / attributable to:		ICC-A	ICC-B	ICC-C
1	Fire or Explosion	Yes	Yes	Yes
2	Vessel / Craft being stranded, grounded sunk or capsized.	Yes	Yes	Yes
3	Overturning / derailment of land conveyance.	Yes	Yes	Yes
4	Collision or contact of vessel, craft or conveyance with any external object other than water.	Yes	Yes	Yes
5	Discharge of cargo at a port of distress.	Yes	Yes	Yes
6	Earthquake, Volcanic eruption, Lightning	Yes	Yes	No
7	General average and salvage charges incurred to avoid loss from any cause except those excluded	Yes	Yes	Yes
8	General average sacrifice	Yes	Yes	Yes
9	Jettison	Yes	Yes	Yes
10	Washing overboard	Yes	Yes	No
11	Entry of sea, lake or river water into the vessel, craft, hold, conveyance, container, lift van or place of storage.	Yes	Yes	No
12	Rainwater damage (F.W.D.)	Yes	No	No
13	Total loss of any package lost overboard or dropped whilst loading or unloading from vessel or craft.	Yes	Yes	No
14	Piracy	Yes	No	No
15	Loss or damage caused by "malicious act, vandalism or sabotage"	Yes	No	No
16	Theft	Yes	No	No
17	Pilferage	Yes	No	No
18	Non-Delivery	Yes	No	No
19	Any loss or damage to the cargo due to accident from external cause	Yes	No	No
20	In the event of frustration of the voyage resulting from a risk covered, extra charges incurred in unloading, storing and forwarding to destination.	Yes	Yes	Yes

21	Reasonable charges for averting or minimizing loss recoverable under this insurance and also those incurred to pursue recovery rights against carriers, bailees or third parties.	Yes	Yes	Yes
22	In the event of frustration of the voyage resulting from a risk covered, extra charges incurred in unloading, storing and forwarding to destination.	Yes	Yes	Yes
23	Liability under "Both to blame collision" clause of Bill of Lading.	Yes	Yes	Yes

Major Extensions/Add on Covers on Payment of additional premium

1. For Named Perils Policy including Basic Policy: Others perils will be such as fresh water, hook damage theft, shortage, non-delivery.
2. For All Risks or Named Perils Policy including Basic Policy:
 - a. Loading & Unloading risks
 - b. Container Demurrage Clause
 - c. Airfreight Replacement Clause
 - d. Buyers` Interest Clause
 - e. Concealed Damage Clause
 - f. Import Duty Clause
 - g. Sellers` Interest Clause
 - h. Brand Clause
 - i. FOB Clause
 - j. Difference in Conditions on goods purchased by the Buyer on `CIF` terms
 - k. Debris Removal Clause
 - l. Sealed Container Clause (FCL)
 - m. War & SRCC risks as per Institute Clause.

For complete list of extensions available under the policy, please refer endorsement wordings.

Types of Policies

Specific Policy - This is issued to cover cargo during specific transit from one place to another place. It can be single commodity/multiple commodities from one location to another location with all details duly specified at the time of risk inception.

Marine Open Policy for covering Import, Export & Inland Transit -

1. Open Policy is issued to manufacturers, exporters, importers, commercial traders etc to cover all their dispatches during specified policy period.
2. It is usually a contract for one year or can be less than one year as agreed.
3. Premium is collected in advance on fair estimate of turnover (monthly, quarterly or half yearly), and adjusted against actual values of shipments/dispatches based on declarations.
4. This policy will get cancelled on cancellation notice by either party to the contract or on exhausting the full sum insured by declarations whichever is earlier.
5. Certificates are issued for individual shipments/dispatches or monthly declaration is submitted as per agreed format.

Open Cover - This is issued to take care of requirements of exporters and importers for overseas consignments. An agreement will be entered in to with the Insured whereby, the Company will undertake to insure all consignments that is within the scope of agreement. The insured will declare

each and every consignment along with payment of premium (or adjustment against deposit) as per agreement for which separate certificate or policy will be issued by the company.

STOP (Sales Turnover Policy) - This is an improvement over Marine Open policy as it relieves the insured in respect of obligation to give declaration of each and every consignment on monthly basis. This policy will undertake to automatically insure all incoming raw materials and outgoing finished goods, be it inland or overseas. The inter-depot movements are also covered in this. The premium is calculated on the basis of expected turnover. The premium is collected in instalments as may be agreed. The insured will give declaration of sales turnover on quarterly basis or as agreed just to monitor the adequacy of premium and overall sum insured representing the turnover. But for this, the terms and conditions of the policy is same as marine open policy.

Important Standard Exclusions under various Marine Policies

1. Wilful misconduct of the assured
2. Ordinary leakage, loss in weight or volume, ordinary wear and tear
3. Insufficient packing
4. Inherent Vice/inevitable/ordinary loss
5. Loss caused by delay, even if delay be caused by an insured peril
6. Nuclear or radioactive weapons
7. SRCC (Strikes, Riots & Civil Commotions including Act of Terrorism)
8. War and allied perils.
9. Absence, shortage or strike, lock out, labour disturbances, riot or civil commotions.
10. Insolvency or financial default of owners, managers, charters or operators of the vessel
11. Unseaworthiness of vessels or craft or unfitness of vessel, craft, conveyance, container of lift van, where the Assured or their servants are privy at the time of loading.

For detailed list of exclusions, please refer policy wordings.

Sum Insured

Marine Cargo Policy is issued on Agreed Value basis except `Duty Insurance Policy` which is purely an Indemnity Policy.

Cargo Insurance takes care of Cost of the cargo being transported + Freight + Insurance cost + 10% to 15% of CIF Value to take care of incidental charges including notional profit. In case of specific contract requirements lower/ higher % may be offered based on the merits of the case.

Import Duty cover can be insured on actual basis

Increased Value Policy can be offered where, by reason of the market value of the merchandise of the goods at destination port on the date of landing being higher than the CIF & Duty value of the merchandise. The liability is limited to 75% of the assessed loss.

Premium Rate

It depends on various factors like nature of cargo, mode of transportation/conveyance, nature of packing, voyage-duration, policy limit - PBL and PLL, Terms of cover- All Risks or Basic Risks plus add-ons, deductible, past loss experience, turnover etc.

Claims

In the event of loss or damage to merchandise, the Assured should give immediate Notice to the Company or to their nominated Claims Representative/Claims Settling Agent for conducting Survey for the assessment of the loss.

Assured should also submit the following documents without any delay:

1. Original Policy/Certificate of Insurance
2. Original or copy of Shipping Invoice & Packing List
3. Original Bill of Lading/Consignment Note/Airway Bill/Railway Receipt
4. Survey Report
5. FIR
6. Damage or Shortage/Short landing Certificate issued by the Carrier
7. Notice of Claim served on Carrier claiming monetary compensation.
8. Any other documents which relevant to process Claim.

OBLIGATIONS OF THE INSURED

- a) To disclose all information correctly sought by the insurer at time of filling the proposal form
- b) In case of any change / modification / addition to the already declared information the same shall be brought to the notice of the insurer immediately
- c) Non-disclosure of material information may affect the claim settlement.
- d) Disclosure of other material information during the policy period.

“Material Information” for the purpose of this policy shall mean all the necessary and relevant information sought by the company in the RFQ, Proposal forms, Emails and connected documents to enable it to take informed decision in the context of underwriting the risk such as Interest insured, Per sending limit, per location limit, Claims details, voyage type, conveyance type, packaging, Sanction countries exposure etc.

CANCELLATION CLAUSE

1. Cancellation/termination of the Policy

The insured can cancel the policy at any time during the term, without assigning any reason, by giving notice in writing to the Company. The Company shall-

- Refund proportion premium for unexpired policy period, if the term of the policy is upto one year and there is no claim(s) made during the policy period.
- Refund premium for the unexpired policy period, in respect of policy with the term more than one year and the risk coverage for such policy years has not commenced.

The Company can cancel the policy only on the grounds of established fraud, by giving minimum notice of 7 days to the insured.

2. War and Strikes Termination Clause

The inclusion of cover against War Risks may be cancelled by either party giving 7 days' notice.

The inclusion of cover against relevant Institute Strikes may be cancelled by either party giving 7 days (48 hours in respect of sendings to or from the U.S.A.) notice.

Such cancellation shall become effective on the expiry of the relevant (see above) number of days or hours from midnight I.S.T. of the day on which notice of cancellation is issued by or to the

Insurer, but shall not apply to any cover against the said risks which shall have attached before the cancellation becomes effective.

GRIEVANCE:

For resolution of any query or grievance, Insured may contact the respective branch office of the Company or may call toll free number 1800 266 4545 or may write an e- mail at care@zurichkotak.com

In case the Insured is not satisfied with the response, Insured may contact the Grievance Officer of the Company at grievanceofficer@zurichkotak.com . In case if the Insured is not satisfied with the solution the Grievance Officer has provided, Insured can write to seniorgrievanceofficer@zurichkotak.com / chiefgrievanceofficer@zurichkotak.com

However, if the resolution provided by us is not satisfactory you may approach Insurance Regulatory and Development Authority of India (IRDAI) through the Bima Bharosa Portal: <https://bimabharosa.irdai.gov.in>

You may also approach Insurance Ombudsman, subject to vested jurisdiction, for the redressal of grievance. The details of the Insurance Ombudsman/ complete Grievance Redressal Process is also available at Company's website: www.zurichkotak.com

The updated details of Insurance Ombudsman offices are also available on the website of Council for Insurance Ombudsman: www.cioins.co.in/Ombudsman

NOTE :

For detailed Terms and Conditions, Coverages, Exclusions etc., please go through the copy of the Policy Wording which can be collected from any of our branches or downloaded from company web site www.zurichkotak.com.

STATUTORY WARNING - PROHIBITION OF REBATES (Under Section 41 of Insurance Act 1938)

- 1) No person shall allow or offer to allow, either directly or indirectly as an inducement to any person to take out or renew or continue an insurance in respect of any kind of risk relating to lives or property, in India, any rebate of the whole or part of the commission payable or any rebate of the premium shown on the Policy, nor shall any person taking out or renewing or continuing a Policy accept any rebate, except such rebate as may be allowed in accordance with the published prospectuses or tables of the Insurer.
- 2) Any person making default in complying with the provisions of this section shall be liable for a penalty which may extend to ten lakh rupees.