

WAVELENGTH PORTS AND TERMINALS

PROPERTY DAMAGE WORDING

1. LOSS, IF ANY, PAYABLE to the Assured or Loss Payee, as set out in the Insurance Schedule.

2. INSURING CLAUSES

In consideration of the payment of the premium, Underwriters hereby agree, subject to the provisions of this Policy and the limits of this Property Damage Section as set out in the Insurance Schedule to indemnify the Assured in respect of:

2.1 Physical loss or physical damage to Insured Property as set out in the Insurance Schedule, within the Confines of the Port or Terminal or Insured Location, arising from an Accident occurring during the Policy period.

2.2 Costs or expenses incurred in the removal of wreckage or debris of Insured Property following loss or damage recoverable elsewhere under this Property Damage section, but subject to a sub-limit of twenty-five percent of the insured value of the affected Insured Property, unless Underwriters agree otherwise.

In the event of a claim under 2.1 and 2.2 for the same Insured Property, the indemnity payable by Underwriters under both these clauses shall not exceed the insured value of that Insured Property or Property Damage Section limit as set out in the Insurance Schedule.

2.3 Physical loss or physical damage to Insured Property arising from strikes or riots, notwithstanding clause 7 of the General Policy Provisions and subject to clause 6 of this Property Damage Section. Coverage under this clause may be terminated by Underwriters at any time giving the Assured or Assured's brokers 7 days' notice by mail or e-mail.

In respect of 2.3 only, coverage afforded herein is subject to a sub-limit of USD 1,000,000 any one accident or occurrence and in the annual aggregate.

If both property damage and handling equipment coverage is purchased, then a combined single limit of USD 1,000,000 any one accident or occurrence and in the annual aggregate will apply in respect of physical loss or physical damage arising from strikes or riots.

3. FIRE FIGHTING EXPENSES

This Section covers the following, if used or incurred by the Assured to safeguard the Insured Property from a peril covered under this Section:

3.1 The Assured's loss of fire extinguishing consumables, materials, or equipment; and

3.2 Fire brigade charges or other extinguishing expenses, for which the Assured is liable.

Provided that the Assured maintains all equipment in accordance with the manufacturer's guidelines. If the Assured is not responsible for the materials or equipment, then a contract must be in place with an entity who is responsible for the maintenance.

Coverage afforded herein is subject to a sub-limit of USD 1,000,000 any one accident or occurrence and in the annual aggregate.

4. EXCLUSIONS

This Section does not cover loss or damage arising from the following:

4.1 wear, tear, marring, scratching, gradual deterioration, wet rot, dry rot, mould, spoilage, decay, decomposition, settling, shrinkage, expansion in building structures or foundations, subsidence, corrosion, rust, discoloration, electrolyte action, oxidation, erosion, leakage, evaporation, loss of weight, breakage of glass or other fragile articles;

4.2 vermin; moths, termites or other insects;

4.3 atmospheric dampness or dryness, condensation, smog, fog, extremes or changes in atmospheric temperature;

4.4 seepage of any substance whatsoever, backing up of sewers or drains, pollution or contamination;

4.5 inherent vice, latent defect, error in design, fault or error in workmanship, manufacture or use of unsuitable materials as well as any costs of remedying or repairing inherent vice, latent defect, defects in design or manufacture;

4.6 mechanical or electrical breakdown or failure of any communication equipment, alarm system or computer system;

Notwithstanding exclusions 4.1 – 4.6 (above) and noting the Assureds obligations under Clause 7 (Protective Maintenance) of this Property Damage wording, Underwriters will cover resultant damage to other Insured Property arising from such losses.

4.7 earthquake, tsunami, liquefaction, tidal wave, seaquake or volcanic eruption including fire or explosion directly caused by earthquake, tsunami, liquefaction, tidal wave, seaquake or volcanic eruption unless agreed by Underwriters;

4.8 confiscation, requisition, detention, occupation, embargo, quarantine, or arising from any order of public or government authority or arising from acts of contraband or illegal transportation or illegal trade;

4.9 the Safe Working Load being wilfully Overloaded;

4.10 loss of market, loss of use, loss of income, interruption of business, or any other consequential loss or damage whatsoever;

4.11 cessation, fluctuation or variation in, or insufficiency of power, water, gas or electricity supplies;

4.12 artificially generated electrical current to electrical appliances, fixtures or wiring;

4.13 processing, erecting, dismantling, renovating, repairing (which shall not include general maintenance), or working upon any Insured Property;

4.14 error or fault in computer or machinery programming or from data processing, media failure or breakdown;

4.15 mechanical or electrical breakdown or failure; however, this exclusion shall not apply to physical loss or physical damage arising from or caused by such mechanical or electrical breakdown or failure provided that such loss or damage is not otherwise excluded elsewhere in this Policy;

4.16 unexplained loss or mysterious disappearance, inventory shortage or loss due to book keeping, accounting or billing errors or omissions;

4.17 infidelity, dishonesty, theft, fraud or pilferage of the Assured or the Assured's employees or others to whom the Assured has entrusted responsibility;

4.18 the Assured or the Assured's employees voluntarily parting with title or possession of Insured Property;

4.19 boilers, steam pipes, steam turbines, steam engines, pressure or vacuum vessels, caused by explosion, implosion, rupture or bursting where such are owned or operated by the Assured.

5. EXCLUDED PROPERTY

This Section does not cover the following:

- 5.1** Land or land values, air, water or other naturally occurring substance(s);
- 5.2** Roads, driveways, pavements, curbing, culverts or sidewalks;
- 5.3** Buildings or structures in the process of construction including materials or supplies for such construction;
- 5.4** Cargo, or stock, whether owned by the Assured, or in the care, custody or control of the Assured;
- 5.5** Property in transit, unless within the Confines of the Port or Terminal or Insured Location;
- 5.6** Accounts, bills, currency, money, notes, electronic cryptographic or virtual currency including Bitcoin or anything similar securities, deeds, evidence of debt and valuable papers;
- 5.7** Jewellery, precious stones, precious metals and alloys, bullion, fine arts/works of art, curiosities, furs, garments, animals or plants;
- 5.8** Aircraft or any other aerial device, watercraft, vehicles designed for highway use or locomotives or rolling stock designed for railroad use, or cargo handling equipment.

6. STRIKES / RIOTS

Strikes or riots shall not include any of the other acts excluded in clause 7 of the General Policy Provisions.

7. PROTECTIVE MAINTENANCE

The Assured shall maintain in good order, proper and adequate protection for the safety of the Insured Property, including any additional measures required by Underwriters, throughout the Policy period. Such protection shall not be withdrawn or reduced unless prior agreement has been obtained from Underwriters. If the Assured fails to comply with this clause, Underwriters will not be liable for any claims arising partly or solely from the Assured's breach of this clause.

8. AUTOMATIC ACQUISITIONS

This Section automatically holds covered property acquired, leased, hired, rented by the Assured, which they either own or assume responsibility for insuring, after the inception date of the Policy period for a period of up to 30 days after acquisition, provided:

- 8.1** Satisfactory advice and information regarding such Property is given to Underwriters within 30 days of acquisition; and
- 8.2** The value of such Property does not exceed more than 5% of the overall limit of liability for this Section as set out in the Insurance Schedule; and
- 8.3** The Property is similar to that already scheduled and is within the Confines of the Port or Terminal or Insured Location

Underwriters reserve the right to charge additional premium and impose such terms, conditions and exclusions as they deem appropriate, or to decide not to continue to insure the property after the 30 days elapse.

9. VALUES DECLARED AND INCORRECT DECLARATION PENALTY

If Insured Property values declared to the Insurance Schedule are less than the actual market values, then any recovery hereunder shall be reduced by the same percentage by which the insured value of the item is less than the market value for that particular item. This paragraph does not require Underwriters to pay more than the insured value for any item of property.

10. SETTLEMENT OF CLAIMS

Settlement of claims under this Section shall be calculated on the basis of the cost of repairing, replacing or reinstating (whichever is the least) the Insured Property with material of like kind and quality, subject to the following provisions:

The repair, replacement or reinstatement is carried out with due diligence and dispatch; Underwriter's liability is limited to the actual amount necessarily spent by the Assured in repairing, replacing or reinstatement of the Insured Property, and will not in any event exceed the limits declared in the Insurance Schedule and overall limits for this Property Damage Section.

THIS SECTION IS TO BE READ IN CONJUNCTION WITH THE GENERAL POLICY PROVISIONS, AND THE INSURANCE SCHEDULE AND THE QUESTIONNAIRE ALL OF WHICH FORM PART OF THE POLICY

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