

WAVELENGTH PORTS AND TERMINALS

HANDLING EQUIPMENT 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 Handling Equipment Section as set out in the Insurance Schedule, to indemnify the Assured in respect of:

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

In respect of 2.2 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.

2.3 Daily lease charges for an item of Insured Handling Equipment, leased, hired, or rented by the Assured and where such charges have been incurred by reason of an Accident insured under this Section, (subject to clause 7) and resulting in:

A. The prevention of the redelivery of the Insured Handling Equipment to the lessor by the originally intended date due to that item being an actual or constructive total loss;

B. Delay in redelivery of the Insured Handling Equipment to the lessor by reason of obligation to effect repairs to the item.

In the event of a claim under this Handling Equipment Section, the indemnity payable by Underwriters under all sections for the same Insured Handling Equipment shall not exceed the insured value of that item as identified in the Insurance Schedule.

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

In the event of a claim under 2.1 and 2.4 for the same Insured Handling Equipment, the indemnity payable by Underwriters under both these clauses shall not exceed the insured value of that Insured Handling Equipment or Handling Equipment Section limit as set out in the Insurance Schedule.

3. FIRE FIGHTING EXPENSES

This Section covers the following, if used or incurred by the Assured to safeguard the Insured Handling Equipment 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 external to an item of Insured Handling Equipment;

Notwithstanding exclusions 4.1 – 4.6 (above) and noting the Assureds obligations under Clause 8 (Protective Maintenance) of this Handling Equipment 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 of any Insured Handling Equipment 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 Handling Equipment;

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, 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 Handling Equipment;

4.19 Handling Equipment in transit, unless within the Confines of the Port or Terminal or Insured Location;

4.20 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 HANDLING EQUIPMENT

This Section does not cover any aircraft, helicopter, drone, watercraft, vessels, vehicles designed for highway use, locomotives or rolling stock designed for railroad use.

6. STRIKES / RIOTS

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

7. DAILY CHARGES

This Policy does not apply to daily lease charges where the item of handling equipment leased to the Assured is subject to a purchase option exercisable by the Assured or for the benefit of the Assured. Underwriters shall only be liable for a maximum amount of thirty days daily lease charges, from and including the original intended redelivery date, unless otherwise agreed by Underwriters.

8. PROTECTIVE MAINTENANCE

The Assured shall maintain in good order, proper and adequate protection for the safety of the Insured Handling Equipment, 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.

9. AUTOMATIC ACQUISITIONS

This Section automatically holds covered handling equipment, 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:

9.1 Satisfactory advice and information regarding such Handling Equipment is given to Underwriters within 30 days of acquisition; and

9.2 The value of such Handling Equipment does not exceed more than 5% of the overall limit of liability for this Section as set out in the Insurance Schedule; and

9.3 The Handling Equipment 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 handling equipment after the 30 days elapse.

10. VALUES DECLARED AND INCORRECT DECLARATION PENALTY

If Insured Handling Equipment 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 Handling Equipment.

11. SETTLEMENT OF CLAIMS

Settlement of claims under this Section will be calculated as follows subject to a maximum of the amount declared for the item of Insured Handling Equipment in the Insurance Schedule:

11.1 Where the equipment can be repaired at a cost less than the cost of replacement of the equipment, Underwriters will pay the costs necessarily incurred to restore the equipment to the same condition as the equipment was in prior to the physical loss or physical damage occurring. Due allowance will be made for depreciation in respect of parts replaced, and the value of any salvage will be taken into account.

11.2 Where 11.1 does not apply Underwriters will pay the limit declared in the Insurance Schedule.

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