



Royal & Sun Alliance Insurance plc (Company No 93792)
 Registered in England and Wales at St Mark's Court, Chart Way, Horsham, West Sussex RH12 1XL
 Authorised and regulated by the Financial Services Authority

UKC00498E

JANUARY 2006



[Premier Transit]

Freight



- KEY ASPECTS OF ROYAL AND SUNALLIANCE CLAIMS SERVICE**
- 24 hour claims reception, handling, settlement and recovery facilities
 - Experts always available to give advice and with the authority to take action in the event of a claim
 - Immediate, effective claims response reducing claims and claims handling costs and protecting commercial relationships
 - International network of established agents



THIS POLICY (AND THE SCHEDULE WHICH FORMS AN INTEGRAL PART OF THE POLICY) IS A LEGAL CONTRACT. PLEASE EXAMINE IT THOROUGHLY TO ENSURE IT MEETS YOUR REQUIREMENTS. IF IT DOES NOT PLEASE ADVISE YOUR INSURANCE ADVISER IMMEDIATELY. WE WOULD REMIND YOU THAT YOU ARE REQUIRED TO INFORM US IMMEDIATELY OF ANY FACTS OR CHANGES WHICH WE WOULD TAKE INTO ACCOUNT IN OUR ASSESSMENT OR ACCEPTANCE OF THIS INSURANCE. FAILURE TO DO SO MAY INVALIDATE YOUR POLICY OR RESULT IN CERTAIN COVERS NOT OPERATING FULLY. IF YOU ARE IN ANY DOUBT AS TO WHETHER A FACT IS MATERIAL OR NOT, PLEASE CONTACT YOUR INSURANCE ADVISER.

Royal & Sun Alliance Insurance plc (we) and the Insured (you) agree that:

1. this Policy, the Schedule (including any Schedule issued in substitution), any endorsements and memoranda shall be considered one document and any word or expression to which a specific meaning has been attached shall bear such meaning wherever it appears and
2. the information in the proposal and any other information supplied by you or on your behalf shall be incorporated into and shall form the basis of this contract of insurance and
3. the due observance and fulfilment of the terms so far as they relate to anything to be done or complied with by you and the truth of statements and answers in the proposal together with any other information supplied by you or on your behalf shall be conditions precedent to our liability to make any payment under this Policy and
4. we will provide the insurance described in this Policy (subject to the terms set out herein) for the Period of Insurance shown in the Schedule and any subsequent period for which you shall pay and we shall agree to accept the premium

This Policy shall not be in force unless the Schedule has been initialled by an authorised official of Royal & Sun Alliance Insurance plc.



B McIntyre
UK Chief Executive
Royal & Sun Alliance Insurance plc

[Premier Transit - Freight]

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General Definitions

The following expressions shall have the meanings set out below wherever they appear in this Policy:

British Isles

Great Britain, Northern Ireland, the Channel Islands, the Isle of Man, the off-shore islands and the Republic of Ireland

CMR

The Convention on the Contract for the International Carriage of Goods by Road (CMR)

Container

Any container, tanktainer, demountable body, flat or similar unit (including ancillary equipment whilst attached to any such unit)

Conveyance

Water and/or air and/or road and/or rail conveyances of every description

Conveyance Limit

The maximum amount we will pay for all property in or on any one conveyance at any one time

Damage

Physical loss or damage, destruction or misdelivery

Electronic data

Information represented or stored in electronic form; facts, concepts and information converted to a form useable for communications, display, distribution, interpretation or processing by electronic and electromechanical data processing or electronically controlled equipment and including programs, software and other coded instructions for such equipment

Employee

- a) any person under a contract of service with you or
- b) any self employed individual providing you with labour only or
- c) any individual hired to or borrowed by you

Event

Any one occurrence or all occurrences of a series consequent upon or attributable to one original source or cause

Event Limit

The maximum amount we will pay for all claims arising out of any one event

Excess

The amount for which you are responsible in respect of each and every claim arising out of any one event (as ascertained after the application of any provisions relating to underinsurance)

High risk property

Bullion, precious metals and/or stones and/or articles made of or containing precious metals and/or stones
Jewellery and/or watches
Processed tobacco and/or tobacco products
Lap-top, palm-top and similar portable computer equipment
Mobile, cellular, WAP and other portable telephone equipment
System boards, memory boards, microchips, integrated circuits, microcontrollers, hard disks, disk drives, memory
SIMMS, memory DIMMS, central processing units, CD ROM drives, PCMIA cards and similar electronic data processing
equipment for use with computers and/or hardware and/or software and/or programs and/or electronic data processing
equipment

Location Limit

The maximum amount we will pay if property housed in one or any number of buildings at any one site sustains damage as a result of any one event

Mainland Europe

Andorra, Austria, Belgium, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Gibraltar, Hungary, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Monaco, Netherlands, Norway, Poland, Portugal, San Marino, the Slovak Republic, Spain, Sweden and Switzerland

Property

Goods and/or merchandise carried and/or handled and/or warehoused for reward other than:

- a) containers
- b) goods and/or merchandise owned or hired by or leased or loaned to you

Subcontractor

Any person (other than an employee) to whom property and/or transportation equipment is entrusted for reward by you or on your behalf for the performance of the whole or part of the contract

Terms

All terms, conditions, endorsements, exceptions, exclusions, memoranda, notices, limits of liability, provisions and extensions contained in or added to this Policy

Terrorism

Any act including (but not limited to) the use of force or violence or the threat thereof, by any person or group of persons (whether acting alone or on behalf of or in connection with any organisation or government) committed for political, religious, ideological or similar purposes (including the intention to influence any government or to put the public or any section of the public in fear

Thief Attractive Property

Bottled perfumery
Bottled spirits
Clothing and/or footwear
Televisions, digital cameras, audio equipment, video equipment and/or associated pre-recorded media
Computer equipment, associated software, electrical and/or electronic accessories
Non-ferrous metals in sheet, bar, tube, ingot, coil, scrap or similar form

The expression thief attractive property does not include property specified in the general definition of high risk property

Total Sum Insured

The maximum amount we will pay for any claim or series of claims arising out of any one event

Trailer

Any trailer or semi-trailer

Transportation Equipment

Trailers, containers, load securing and stowage equipment and any ancillary and similar equipment for which cover is provided by this Policy but excluding motor vehicles and self propelled equipment

Unattended

Where neither you nor any employee are in a position to keep the vehicle and/or property under constant surveillance and at the same time have a reasonable prospect of preventing any unauthorised interference with the vehicle and/or property

Vehicle

Any motor vehicle (other than motor cycles) or trailer used for the carriage of property

Vehicle Limit

The maximum amount we will pay for all property in or on any one motor vehicle, trailer or motor vehicle and trailer combination at any one time

We

Royal & Sun Alliance Insurance plc

Western Europe

Andorra, Austria, Belgium, Denmark, France, Germany, Gibraltar, Italy, Liechtenstein, Luxembourg, Monaco, Netherlands, Norway, Portugal, San Marino, Spain, Sweden and Switzerland

You

The person or company or firm named in the Schedule as "The Insured"

General Conditions applying to the whole Policy

1. Variation of contract conditions

You must not agree to:

- a) vary the contract conditions shown as "insured" in the Schedule nor
- b) accept any special declaration of value nor
- c) accept any declaration of special interest in delivery

without our prior consent.

2. Reasonable precautions

You must at your own expense take all reasonable precautions to prevent or diminish any liability, damage or other loss which may give rise to a claim under this Policy.

3. Subcontractors

- a) You must not entrust property and/or transportation equipment to any subcontractor unless prior to acceptance they have agreed in writing:
 1. to accept no less liability than you have and
 2. to fully indemnify you for all loss and damage.This condition does not apply to property or transportation equipment entrusted by you to any subcontractor acting in the capacity of a shipping line, airline, port or railway operator.
- b) The indemnity provided by this Policy shall not be prejudiced if you have failed to secure the written agreement of any subcontractor to accept liability and indemnify you in accordance with part a) of this condition provided that you can prove to our satisfaction that:
 1. at the time of the loss you had established procedures for doing so and
 2. all employees had been instructed in writing to follow such procedures and any failure to do so was due to an error.
- c) Under no circumstances whatsoever shall the benefit of this Policy pass to any subcontractor or the insurers of any subcontractor.

4. Cancellation

- a) We may cancel the Policy at any time by giving 15 (fifteen) days notice to that effect in writing by pre-paid letter post to either your insurance adviser or your last known address, in which case we will refund either:
 1. the difference (if any) between the adjusted premium for the period during which insurance was in force in accordance with any premium adjustment clause shown in the Schedule and the premium actually paid or
 2. a pro rata portion of the premium paid for the unexpired Period of Insurance if no premium adjustment clause applies.
- b) We may cancel this Policy without notice if you:
 1. cancel any credit agreement relating to this Policy and then fail to pay to us immediately the full amount of the premium or
 2. fail to take the action specified in any default notice issued by us before the date shown in it or
 3. fail to pay a first instalment of premium.

5. Event limit: high risk and thief attractive property

The event limit is:

- a) for high risk property: £10,000
- b) for theft of thief attractive property: £50,000. But this event limit will not apply:
 1. to property entrusted to subcontractors or
 2. if you can prove to our satisfaction that neither you nor any employees had any means of knowing that such thief attractive property was being carried, handled or warehoused
- c) any lesser limit specified in the Policy.

6. Terrorism

If insurance is provided under this policy for property stored at a rental or under a contract for storage and distribution or otherwise upon request the Total Sum Insured is £100,000 (or any lesser amount specified in the Policy) for such Property in respect of damage, liability, loss or expense of whatsoever nature directly or indirectly caused by or arising from terrorism regardless of any other cause or occurrence contributing concurrently or in any other sequence.

In any action, suit or other proceedings where we allege that damage is covered by this policy only up to the Total Sum Insured specified above you must prove that such damage is covered beyond that Total Sum Insured.

7. Policy limits

Irrespective of the number of parties claiming under this Policy the total amount payable by us in respect of all claims arising out of any one event shall not exceed any applicable limit of liability or maximum amount payable specified in the Policy or in the whole the Total Sum Insured.

8. Parties insured by this Policy

Where "The Insured" named in the Schedule comprises more than one party, all such parties shall be treated as one party or legal entity so that there will be only two parties to the contract of insurance namely Royal & Sun Alliance Insurance plc and the parties named in the Schedule being jointly insured.

9. Other insurance

If at the time of any claim there is (or but for the existence of this Policy there would be) any other insurance covering your interest in or liability for the property, transportation equipment and/or goods the indemnity will only apply in respect of any amount beyond that which would have been payable under such other insurance had this Policy not been in force.

10. Non-disclosure/misrepresentation

This Policy shall be voidable by us if you have failed to disclose or have misrepresented or misdescribed any material information.

11. Law applicable to this contract

Unless the parties have agreed otherwise in writing any dispute concerning the interpretation of the Policy shall be governed and construed in accordance with English law and shall be resolved within the exclusive jurisdiction of the courts of England and Wales.

12. Premium Adjustment

This condition applies only if a premium adjustment clause is included within the Schedule. The deposit premium shown in the premium adjustment clause is adjustable. You must keep an accurate record of all charges received or due during each Period of Insurance for each category shown in the premium adjustment clause. Within 3 (three) months of the expiry of each Period of Insurance you must declare to us the gross charges (including ferry charges and payments to subcontractors and other third parties but not duty and VAT) received or due for each such category. We will then adjust the deposit premium retrospectively at the rates shown subject to our retaining the amount specified as our minimum retention.

If requested by us declarations of charges must be certified by your accountants.

13. References

You must obtain and retain two satisfactory references from reliable sources for all drivers engaged after the inception of this Policy and prior to entrusting them with any property, transportation equipment or goods.

Verbal references must be recorded in writing at the time they are taken. All references (including the written record of any verbal reference) must include the date supplied, name of the person who supplied the information and the organisation they represent and must be produced to us promptly on demand.

If you fail to obtain and retain such satisfactory references we will still indemnify you provided that we consider that such failure was immaterial to the claim.

This condition does not apply to drivers supplied to you by any employment agency.

14. Bills of lading, housebills and waybills

- a) You and/or your employees must not:
 - 1. enter or give instructions to enter information which is known to be incorrect or likely to be incorrect on any bill of lading, housebill, waybill or similar document or
 - 2. release or give instructions to release customers' property except against the surrender of the original bill of lading or similar original document.

- b) Any house bill of lading or house air waybill issued by you or on your behalf:
 - 1. must contain on the reverse the British International Freight Association Standard Trading Conditions (or your own contract conditions for freight forwarding) shown as insured under the Freight Forwarding Section of the Schedule and
 - 2. must not be signed by you or on your behalf 'as carrier'.

- c) Any air waybill or house air waybill issued by you or on your behalf must include a notice to the effect that if the carriage involves an ultimate destination or stop in a country other than the country of departure, the Warsaw Convention may be applicable and the Convention governs and in most cases limits the liability of the carriers in respect of loss of or damage to property.

- d) You must only issue air waybills with the express agreement of the third party air carrier and any such air waybill must:
 - 1. be signed by you 'as agent for' such third party air carrier and
 - 2. contain the contract conditions of such third party air carrier on the reverse.

Claims Conditions applying to the whole Policy

1. You must notify us immediately of any:
 - a) claim made against you or
 - b) circumstances or incident which might give rise to a claim under this Policy.
For the purposes of sub-clause b) if the only indication of possible loss or damage is an annotation to the delivery documents, such annotation will not be regarded as circumstances or an incident which might give rise to a claim under this Policy provided that the value of the property which has or may have suffered loss or damage would not reasonably be expected to exceed £10,000).

If you fail to notify us immediately we will still indemnify you provided that:

- a) at the date we received your notification the Policy had neither lapsed nor been cancelled and
 - b) notification was received by us within three months of the date that the claim was made against you or that you first became aware of the circumstances or incident giving rise to it (whichever is the earlier) and the delay in notification has not in our opinion prejudiced the investigation, defence or mitigation of the claim and
 - c) we agree between us mutually acceptable terms for continuation of the Policy if the delay in notification has in our opinion prejudiced renewal or our underwriting of the Policy.
2. you must give immediate notice to the police in respect of theft or malicious damage.
 3. you must take all reasonable steps to hold responsible any party who has (or may have) a liability in respect of any claim under this Policy, including the giving of written notice in due time and ensuring that any time limit is protected.
 4. If you receive any writ, summons and/or legal process you must immediately upon receipt:
 - a) advise us verbally, or by facsimile or e-mail and
 - b) forward the document to us unanswered.
 5. All benefit paid or which would otherwise be payable under this Policy shall be forfeited if any claim is in any respect fraudulent or any fraudulent means be used by you or anyone acting on your behalf to obtain any benefit under this Policy or any damage is occasioned by your wilful act or with the connivance of you or any relative of yours.
 6. You must:
 - a) not admit liability nor make any offer, promise or payment nor give indemnity without our written consent.
 - b) at all times give full co-operation, including allowing us to act as necessary for the purposes of enforcing any rights and remedies or obtaining relief or indemnity against other parties.
 - c) send to us a detailed claim in writing and supply copies of correspondence or such further particulars as may be reasonably required by us.
 - d) allow us at our option to take over and conduct in your name the defence or settlement of any claim or to institute or prosecute in your name for our benefit any claim for indemnity or damages or otherwise and allow us full discretion in the conduct of any proceedings or in the settlement of any claim.

General Exclusions applying to the whole Policy

We will not pay claims for:

1. damage to or your liability for:
 - a) documents; unused postage stamps;
 - business records; savings stamps;
 - money; cash, credit, debit and/or charge cards;
 - securities for money; consumer redemption vouchers, stamps or cards;
 - negotiable instruments; lottery tickets and/or scratch cards
 - and property of a similar nature to any of the above.
 - b) trailers other than whilst being carried on a vehicle for reward.
 - c) property being towed other than on a trailer.
 - d) property stored at a rental or under a contract for storage and distribution or otherwise upon request except as provided for under the Static Risks Section of this Policy (if shown in the Schedule as "included").
 - e) damage or injury to or death, disease or illness of any person or living creature.
 - f) natural deterioration.
2. the following unless caused by fire, theft, attempted theft or as a direct result of the collision or overturning of the conveyance:
 - a) damage to property caused by or arising from any change in temperature or humidity
 - b) hardening of tarmac, concrete or similar property.
3. loss of market, loss of profits, delay or any consequential loss of any nature whatsoever and howsoever arising except as provided for in General Extension 4 (Consequential loss).
4. damage, liability, loss or expense of whatsoever nature caused by, or contributed to by, or arising from:
 - a) war, invasion, act of foreign enemy, hostilities (whether war be declared or not), military or usurped power, civil commotion, revolution, rebellion, insurrection or civil war.
 - b) confiscation, requisition or damage by order of any government or other officials or authorities.
 - c) ionising radiation or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel.
 - d) any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.
 - e) the radioactive, toxic, explosive or other hazardous properties of any:
 1. nuclear installation, reactor or other nuclear assembly or nuclear component thereof
 2. radioactive matter. The exclusion in this sub-clause does not extend to radioactive isotopes (other than nuclear fuel) when such isotopes are being prepared, carried, stored, or used for commercial, agricultural, medical, scientific or other similar peaceful purposes.
 - f) any chemical, biological, bio-chemical or electromagnetic weapon.
5. damage or liability caused by or arising from faulty packing or process where you have contracted to pack or to undertake any such process.
6. liability caused by or arising from the exercise by you of a lien whether contractual or otherwise.
7. theft of property by deception by any person purporting to be a subcontractor except as provided for in the Bogus subcontractors extensions to the Road Haulage and Freight Forwarding Sections.

- 8.** damage, liability, loss or expense of whatsoever nature directly or indirectly caused by or arising from:
- a) the failure of a system
 - b) the malicious partial or total destruction, distortion, erasure, corruption, alteration, misinterpretation or misappropriation of electronic data
 - c) malicious creation, amendment, input or use of electronic data
 - d) malicious acts resulting in total or partial inability or failure to receive, send, access or use electronic data (for any time or at all)
 - e) the taking of or failure to take any corrective or other action in connection with a) to d) above

For the purposes of this exclusion the expression:

- 1. 'failure of a system' means the failure or inability of any system to:
 - a) correctly recognise or utilise any data concerning a date as being such calendar date as the data is intended to represent
 - b) operate as a result of any command programmed in to the system utilising any date.
- 2. 'system' includes computers and/or other computing and electronic and mechanical equipment linked to a computer, hardware, software, programs, data, electronic data processing equipment, microchips and anything which relies on a microchip for any part of its operation.
- 3. 'microchip' includes integrated circuits and microcontrollers.

Road Haulage Section

Indemnity

We will indemnify you for your liability for damage to property occurring within the territorial limits during any Period of Insurance whilst the property is being:

- a) loaded upon, carried by or unloaded from any vehicle shown as "insured" in the Road Haulage Section of the Schedule or
- b) loaded upon or unloaded from any other vehicle or
- c) temporarily stored in the course of transit (whether on or off a vehicle).

The indemnity will be to the extent of your liability for such damage:

1. under the contract conditions shown as "insured" in the Road Haulage Section of the Schedule
2. at common law if such contract conditions have been incorporated into the contract with your customer but cannot be enforced
3. if you do not use contract conditions or do not wish to restrict your liability for damage to property by application of contract conditions or common law and Item 5 (Full Responsibility) of the Road Haulage Section of the Schedule is shown as "insured".

Additional Exclusions

In addition to the General Exclusions we will not:

1. indemnify you under Item 5 (Full Responsibility) of the Road Haulage Section of the Schedule beyond your liability under any applicable International Convention.
2. pay claims for property in the course of a household, office, factory or similar removal.

Limits of liability

We will not pay more than the respective limits of liability specified in the Road Haulage Section of the Schedule or elsewhere in this Policy. Our maximum liability under this Policy will not exceed the Total Sum Insured.

If at the time of any damage your liability under Item 5 (Full Responsibility) of the Road Haulage Section of the Schedule for property:

- a) contained in or on any vehicle exceeds the vehicle limit or
- b) exceeds the event limit

then you will be considered as being your own insurer for the difference and shall bear a proportionate share of the claim accordingly.

Extensions applicable to the Road Haulage Section

The following Extensions (which are subject otherwise to the terms of this Policy) apply if the Road Haulage Section is shown as "included" in the Schedule.

Own Goods

We will by payment (or at our option by repair, reinstatement or replacement) indemnify you for damage to goods occurring within the territorial limits during any Period of Insurance whilst being loaded upon, carried by or unloaded from any vehicle owned or operated by you and shown as "insured" in the Road Haulage Section of the Schedule provided that:

1. for the purposes of this extension "goods" shall mean goods, equipment and/or merchandise belonging to you or hired, leased or loaned to you and appertaining to your business as Road Hauliers, Freight Forwarders or Warehousekeepers provided that the corresponding Road Haulage, Freight Forwarding or Static Risks Section is shown as "included" in the Schedule.
2. the vehicle limit under this extension is £10,000.
3. if at the time of any damage the value of goods contained in or on any vehicle exceeds the vehicle limit under this extension you will be considered as being your own insurer for the difference and shall bear a proportionate share of the claim accordingly.
4. in addition to the General Exclusions we will not pay claims for:
 - a) damage arising as a result of packing which was inadequate to withstand normal handling during transit.
 - b) damage caused by or arising from inherent vice.
 - c) wear and tear.
 - d) mechanical, electrical or electronic breakdown, failure or derangement.
 - e) damage to mobile telephones and/or trailers and/or containers.
 - f) goods carried for reward.

Bogus subcontractors

We will indemnify you for theft of property by deception by any person purporting to be a subcontractor provided that vehicles of subcontractors are shown as "insured" in the Road Haulage Section of the Schedule.

Drivers' personal effects

We will at your request indemnify the driver of any vehicle owned or operated by you and shown as "Insured" in the Road Haulage Section of the Schedule for damage to clothing and personal effects incurred whilst such driver is engaged in business on your behalf provided that:

- a) the event limit applicable to this extension is £500.
- b) we will not pay claims for damage caused by or arising from wear and tear.
- c) the excess applicable to this extension is £100.

Lien

We will indemnify you for damage to property in respect of which you are properly exercising a lien provided that:

1. such damage occurs whilst the property is being loaded upon, carried by or unloaded from any vehicle shown as "insured" in the Road Haulage Section of the Schedule within the territorial limits during any Period of Insurance.
2. we will not pay more than £50,000 or:
 - a) the vehicle limit or
 - b) the amount of the debt properly the subject of the lien or
 - c) the value of the propertywhichever is the least.
3. in addition to the General Exclusions we will not pay claims for:
 - a) damage arising as a result of packing which was inadequate to withstand normal handling during transit.
 - b) damage caused by or arising from inherent vice.
 - c) wear and tear.
 - d) mechanical, electrical or electronic breakdown, failure or derangement.

Optional Extensions applicable to the Road Haulage Section

The following Optional Extensions (which are subject otherwise to the terms of this Policy) apply to this Section only if shown as "included" in the Road Haulage Section of the Schedule.

1. Non-incorporation of contract conditions

We will indemnify you to the extent to which you have a liability at common law if you have failed to incorporate the contract conditions shown as "insured" in the Road Haulage Section of the Schedule into the contract with your customer provided that:

- a) you intended to trade under such contract conditions and took reasonable steps to notify customers of their application and
- b) the failure to notify the customer of such contract conditions was due to an error and you can prove to our satisfaction that you had established procedures for such notification to be given to customers and that all employees had been instructed in writing to follow such procedures.

2. Cabotage

We will indemnify you for your liability under the mandatory national laws of any country within the territorial limits specified in the Schedule (other than the British Isles) where the property is collected, carried and delivered solely within the borders of that country provided that:

- a) such liability attaches irrespective of any contract or agreement.
- b) we will not pay more than the limit specified in the Schedule for this extension.
- c) if at the time of any damage your liability for such property:
 1. whilst contained in or on any vehicle exceeds the vehicle limit or
 2. exceeds the event limitthen you will be considered as being your own insurer for the difference and shall bear a proportionate share of the claim accordingly.

3. Deterioration

General Exclusion 2a) does not apply to property whilst being carried in a temperature or humidity controlled vehicle or container.

4. Trailers

We will indemnify you for damage to trailers belonging to you or for which you are responsible provided that:

- a) we will not pay claims for:
 - (i) wear and tear, gradual deterioration, scratching, bruising or denting.
 - (ii) mechanical, electrical or electronic breakdown, failure or derangement.
 - (iii) damage to tyres by punctures, cuts, bursts or the application of brakes.
- b) we will not pay more for any one trailer than the amount specified in the Schedule for this extension.
- c) if at the time of any damage:
 1. the value of any one trailer or
 2. the total value of all trailersbelonging to you or for which you are responsible exceeds the respective amounts specified in the Schedule for this extension then you will be considered as being your own insurer for the difference and shall bear a proportionate share of the claim accordingly.

Static Risks Section

Indemnity

We will indemnify you for your liability for damage to property occurring whilst warehoused in a building at any location address shown in the Static Risks Section of the Schedule during any Period of Insurance.

The indemnity will be to the extent of your liability for such damage:

1. under the contract conditions shown as "insured" in the Static Risks Section of the Schedule
2. at common law if such contract conditions have been incorporated into the contract with your customer but cannot be enforced.

Additional Exclusions

In addition to the General Exclusions we will not pay claims for:

1. unexplained discrepancies between your records and those of your customer or
2. unexplained shortage discovered during stocktaking or inventory check.

Limits of liability

We will not pay more than the respective limits of liability specified in the Static Risks Section of the Schedule or elsewhere in this Policy. Our maximum liability under this Policy will not exceed the Total Sum Insured.

Extension applicable to the Static Risks Section

The following Extension (which is subject otherwise to the terms of this Policy) applies if the Static Risks Section is shown as "included" in the Schedule.

Lien

We will indemnify you for damage to property in respect of which you are properly exercising a lien provided that:

1. such damage occurs whilst the property is being warehoused at any location address specified in the Static Risks Section of the Schedule for a period not exceeding 14 (fourteen) days during any Period of Insurance.
2. we will not pay more than £50,000 or:
 - a) the location limit or
 - b) the amount of the debt properly the subject of the lien or
 - c) the value of the propertywhichever is the least.
3. the indemnity provided by this extension is restricted to damage caused by or arising from:
 - a) fire
 - b) explosion
 - c) water damage
 - d) theft involving entry to or exit from the building by violent and forcible means.

Optional Extension applicable to the Static Risks Section

The following Optional Extension (which is subject otherwise to the terms of this Policy) applies to this Section only if shown as "included" in the Static Risks Section of the Schedule.

Non-incorporation of contract conditions

We will indemnify you to the extent to which you have a liability at common law if you have failed to incorporate the contract conditions shown as "insured" in the Static Risks Section of the Schedule into the contract with your customer provided that:

- a) you intended to trade under such contract conditions and took reasonable steps to notify customers of their application and
- b) the failure to notify the customer of such contract conditions was due to an error and you can prove to our satisfaction that you had established procedures for such notification to be given to customers and that all employees had been instructed in writing to follow such procedures.

Freight Forwarding Section

Indemnity

We will indemnify you for your liability for damage to property occurring within the territorial limits during any Period of Insurance whilst the property is being:

- a) loaded upon, carried by or unloaded from any conveyance or
- b) temporarily stored in the course of transit (whether on or off any conveyance).

The indemnity will be to the extent of your liability for such damage:

1. under the contract conditions shown as "insured" in the Freight Forwarding Section of the Schedule
2. at common law if such contract conditions have been incorporated into the contract with your customer but cannot be enforced
3. under International Conventions or Statutes if shown as "Insured" in the Freight Forwarding Section of the Schedule.

Additional Exclusion

In addition to the General Exclusions we will not pay claims in respect of liability incurred under International Conventions or Statutes where you have specifically contracted under any such International Convention or Statute.

Limits of liability

We will not pay more than the respective limits of liability specified in the Freight Forwarding Section of the Schedule or elsewhere in the Policy. Our maximum liability under this Policy will not exceed the Total Sum Insured.

Extensions applicable to the Freight Forwarding Section

The following Extensions (which are subject otherwise to the terms of this Policy) apply if the Freight Forwarding Section is shown as "included" in the Schedule.

Bogus subcontractors

We will indemnify you for theft of property by deception by any person purporting to be a subcontractor.

Lien

We will indemnify you for damage to property in respect of which you are properly exercising a lien provided that:

1. such damage occurs whilst the property is being loaded upon, carried by or unloaded from any conveyance within the territorial limits during any Period of Insurance.
2. we will not pay more than £50,000 or:
 - a) the conveyance limit or
 - b) the amount of the debt properly the subject of the lien or
 - c) the value of the propertywhichever is the least.
3. in addition to the General Exclusions we will not pay claims for:
 - a) damage arising as a result of packing which was inadequate to withstand normal handling during transit.
 - b) damage caused by or arising from inherent vice.
 - c) wear and tear.
 - d) mechanical, electrical or electronic breakdown, failure or derangement.

Optional Extension applicable to the Freight Forwarding Section

The following Optional Extension (which is subject otherwise to the terms of this Policy) applies to this Section only if shown as "included" in the Freight Forwarding Section of the Schedule.

Non-incorporation of contract conditions

We will indemnify you to the extent to which you have a liability at common law if you have failed to incorporate the contract conditions shown as "insured" in the Freight Forwarding Section of the Schedule into the contract with your customer provided that:

- a) you intended to trade under such contract conditions and took reasonable steps to notify customers of their application and
- b) the failure to notify the customer of such contract conditions was due to an error and you can prove to our satisfaction that you had established procedures for such notification to be given to customers and that all employees had been instructed in writing to follow such procedures.

General Extensions

The following General Extensions (which are subject otherwise to the terms of this Policy) apply only to those Sections of the Policy shown as "included" in the Schedule.

1. Transhipment and other costs

We will indemnify you for reasonable costs or liability incurred by you for:

- a) transhipment, recovery or removal of debris following damage to property, transportation equipment or goods or an accident to the conveyance and/or
- b) transhipment, recovery or other charges incurred to mitigate damage or prevent any claim

provided that in each case:

1. your liability for damage to the property, transportation equipment or goods involved is insured elsewhere under this Policy.
2. the event limit applicable to this extension is £10,000.

2. Containers

We will indemnify you for your liability for damage to containers for which you are responsible provided that we will not pay claims for:

- a) more than £50,000 for any one container.
- b) wear and tear, gradual deterioration, scratching, bruising or denting.
- c) mechanical, electrical or electronic breakdown, failure or derangement.
- d) containers owned by, hired by, leased or loaned to you or stored at a rental or under a contract for storage and distribution or otherwise on request.

3. General Average and Salvage Charges

We will indemnify you for your liability for General Average and Salvage charges payable according to foreign statement or to York Antwerp Rules if in accordance with the contract of affreightment.

4. Consequential loss

We will indemnify you for your liability for financial loss consequent upon:

- a) damage to property (provided that your liability for such damage has been established and admitted as insured under this Policy)
- b) accidental delay in delivering or releasing property (other than failure to meet a specific delivery or release date or time agreed by you)

provided that:

1. the event limit applicable to this extension is £250,000.
2. we will not pay claims under this extension:
 - a) unless you contracted in terms which:
 1. excluded liability for such financial loss or
 2. limited liability for such financial loss to an amount not exceeding twice the charges received by or due to you for the carriage, handling or warehousing of the property which has suffered damage.
 - b) for financial loss consequent upon damage to goods and/or merchandise not being carried, handled or warehoused by you.

Optional Extensions applicable to the whole Policy

The following Optional Extensions (which are subject otherwise to the terms of this Policy) apply to this Policy only if shown as "included" in the Schedule.

1. Packing

For the purposes of this extension the reference to faulty packing is deleted from General Exclusion 5.

2. Errors and omissions

Indemnity

We will indemnify you for your liability for claims made against you during the Period of Insurance for breach of duty by reason of any negligent act, negligent error or negligent omission arising from failure to comply with instructions, faulty arrangements or clerical errors by you, your predecessors, any employee or subcontractor in the course of the conduct of your business.

Where you notify us of circumstances occurring during the Period of Insurance which may result in a claim under this extension any resulting claim shall be dealt with under this extension as if it had been made against you during such Period of Insurance.

The indemnity will be to the extent of your liability:

1. under the contract conditions shown as "insured" in the Schedule or at law if such contract conditions cannot be enforced provided that if you have failed to incorporate such contract conditions into the contract:
 - a) you intended to trade under such contract conditions and took reasonable steps to notify customers of their application and any failure to do so was due to an error and
 - b) you can prove to our satisfaction that you had established procedures to incorporate such conditions and that all employees had been instructed in writing to follow such proceduresor
2. at law:
 - a) if the contract conditions shown as "insured" in the Schedule do not provide for the claim made against you or
 - b) if there is no contract between you and the claimant governing the transaction giving rise to the claim.

Provided that we will not indemnify you if you have agreed to accept full responsibility for the transaction giving rise to the claim as provided for in Item 5 of the contract conditions shown in the Road Haulage Section of the Schedule.

Limits of liability

We will not pay more than the respective limits specified in the Schedule for this extension. Our maximum liability under this Policy will not exceed the Total Sum Insured.

Additional Condition

You must obtain and retain two satisfactory references from reliable sources for all managerial and clerical employees engaged after the inception of this Policy. Verbal references must be recorded in writing at the time they are taken. All references (including the written record of any verbal reference) must include the date supplied, name of the person who supplied the information and the organisation they represent and must be produced to us promptly on demand.

If you fail to obtain and retain such satisfactory references we will still indemnify you provided that we consider that such failure was immaterial to the claim.

This condition does not apply to managerial or clerical employees supplied to you by any employment agency.

Claims Condition 4

In respect of this extension our entitlement under Claims Condition 4 is subject to your right to object to litigation. If you do object we will not litigate unless leading counsel advises that such litigation would probably be successful.

Additional Exclusions

In addition to any other exclusions contained in this Policy we will not pay claims:

1. for any liability for damage (other than misdelivery).
2. for dishonest, fraudulent, criminal or malicious act by you, your predecessors, any employee or subcontractor.
3. arising from the breach of any obligation owed by you as employer to any employee or former employee.
4. for the consequence of any circumstances known to you at the inception of this extension that might reasonably have been expected to result in a claim.
5. resulting from your inability or failure to pay or collect accounts (other than accounts that you may be required to pay or collect on behalf of any customer, goods owner or principal contractor).
6. for any liability resulting from your insolvency.
7. for any liability for the charter of the whole or part of any conveyance.
8. for defamation, libel or slander.
9. for fines, duties, taxes, levies, expenses incidental to demand, or any other pecuniary penalties whatsoever incurred by you, your predecessors, any employee or subcontractor as a result of any infringement in codes of practice, legislation or regulations.
10. for any liability resulting from failure to arrange (or to effectively arrange) insurance of property unless you had in place an appropriate open cover insurance policy at the time of accepting instructions to insure.

Definition

The following expression shall have the meaning set out below wherever it appears in this extension:

Business

Road hauliers, Freight forwarders and Warehousekeepers provided that the corresponding Road Haulage, Freight Forwarding or Static Risks Section is shown as "included" in the Schedule.

Customer Complaints Procedure

We aim to provide you with a first class service. If we have not delivered the service that you expect or you are concerned with the service provided, we would like the opportunity to put things right.

Our complaints process

- Initially please raise your concerns with your usual business contact.
- If your complaint is not resolved or you are not happy with our response and the course of action proposed, you can progress your complaint to our Customer Relations Office.
- A separate investigation will then be carried out in an attempt to resolve your complaint and a final decision issued. However if resolution is not possible they will issue a response within 8 weeks of your original complaint.

Customer Relations Contact Details

Customer Relations Office
Royal & Sun Alliance Insurance plc
Bowling Mill
Dean Clough Industrial Park
Halifax HX3 5WA

Tel: 0800 1076160
Fax: 01422 325146
e-mail: halifax.customerrelationsoffice@uk.royalsun.com

What to do if you are still not satisfied

If you are still not satisfied Royal & SunAlliance is regulated by the Financial Services Authority whose arbitration service is the Financial Ombudsman Service and you may be able to refer your complaint to them.

Financial Ombudsman Service

South Quay Plaza
183 Marsh Wall
London
E14 9SR

Tel: 0845 0801800
e-mail: enquiries@financial-ombudsman.org.uk
web: www.financial-ombudsman.org.uk

Your rights

Your rights as a customer to take legal action remain unaffected by the existence or use of any complaints procedures referred to above. However the Financial Ombudsman Service will not adjudicate on any cases where litigation has commenced.