



This is to certify that in accordance with the authorization granted under the Contract, the number of which is specified in the Schedule, to Hanson Insurance Services Limited by certain Underwriters at Lloyd's, whose definitive numbers and the proportions underwritten by them, which will be supplied on application, can be ascertained by reference to the said Contract which bears the Seal of Lloyd's Policy Signing Office, the said Underwriters are hereby bound, severally and not jointly, their Executors and Administrators, to insure in accordance with the terms and conditions contained herein or endorsed hereon.

The subscribing Underwriters' obligation under this Policy to which they subscribe are several and not joint and are limited solely to the extent of their individual subscriptions. The subscribing Underwriters are not responsible for the subscription of any co-subscribing Underwriters who for any reason does not satisfy all or part of its obligation.

All summons, notice, or process to Lloyd's Underwriters are to be served upon Lloyd's General Representative for Hong Kong, 1220, Two Pacific Place, 88 Queensway, Hong Kong, who has the authority to accept service and to appear on the Lloyd's Underwriters' behalf.

## INSURING CLAUSE

The Proposal Form and other information submitted by the Insured shall form the basis of this Policy. In consideration of the payment of the Premium specified in the Schedule, the Underwriters agree to indemnify the Insured to the extent and in the manner as hereinafter provided.

## DEFINITIONS

The following definitions shall apply to this Policy. Words in the masculine include the feminine and vice versa. Words in the singular include the plural and vice versa. Any word or expression to which a specific meaning has been assigned shall bear such meaning throughout.

**Accident** shall mean one occurrence or series of occurrences arising out of or attributable to one source or original cause.

**Aggregate** shall mean the most the Underwriters will pay under this Policy in any one Period of Insurance regardless of the number of Accident.

**Cargo** shall mean lawful goods or merchandise not otherwise excluded by this Policy, entrusted with the Insured or any of the Insured's Representative and being carried inside the fully enclosed body of or inside a container attaching to the Covered Truck for transportation.

**Covered Truck** shall mean the truck specified in the Schedule of this Policy as Covered Truck.

**Deductible** shall mean the amount specified in the Schedule of this Policy as Deductible which shall be deducted from each and every adjusted loss covered by this Policy.

**Insured** shall mean the person or entity specified in the Schedule as Insured.

**Insured's Representative** shall mean the agent, servant, director, officer or employee of the Insured, or any person under the instruction of the Insured or the agent, servant, director, officer or employee of the Insured.

**Limit of Liability** shall mean the amount specified in the Schedule as Limit of Liability, applicable to each Covered Truck.

**Period of Insurance** shall mean the period of time specified in the Schedule as Period of Insurance.

**Policy** shall mean this policy, including the Schedule, Clauses, Warranties and/or Endorsements which altogether shall be read as one document.

**Special Cargo** shall mean the following type(s) of lawful goods or merchandise:

1. Wines, spirits and other alcoholic beverages.
2. Cigarettes, cigar, tobacco and other tobacco based products.
3. Furs, leather and garments or items made from furs and/or leather.
4. Audio and/or video equipment or device, including parts, accessories, components and peripherals of all kinds.
5. Clocks and watches, including parts, accessories, components and peripherals of all kinds.
6. Computers, servers and gaming consoles or device, including micro-chips, parts, accessories, components and peripherals of all kinds.
7. Cellular or mobile telephones, including SIM-card, parts, accessories, components and peripherals of all kinds.
8. Temperature controlled goods or merchandise of any kind.

**Territorial Limit** shall mean the trading area of the Covered Truck specified in the Schedule as Territorial Limit.

**Truck** shall mean a truck with fully enclosed body or a tractor bearing valid vehicle registration and licence or permit issued by the appropriate authority to operate within the Territorial Limit, owned and operated by the Insured and specified in the Schedule as Covered Truck. Tractor shall include trailer and the container mounted thereon as and when attached to a tractor.

**Underwriters** are interchangeable with Insurer or Insurers.

**Writing** includes facsimile, telex, printing and any other permanent method of representing words in a visible form, including email.

## **SCOPE OF COVERAGE**

This Policy will indemnify the Insured for:

1. **Cargo Liability**
  - A. the legal liability incurred by the Insured for direct physical loss of or damage to the Cargo directly as a result of an Accident happening during the Period of Insurance and caused by or arising from a peril not otherwise excluded by this Policy,
  - B. the cost and expense necessarily and reasonably incurred by the Insured with the prior written consent of the Underwriters:
    - 1) in defending and investigating a loss covered by the Policy,
    - 2) in minimizing a loss covered by the Policy,
    - 3) in rerouting the Cargo to the correct destination had the Cargo been misdirected,
    - 4) in removing and/or disposing the Cargo following a loss covered by the Policy,
2. **Trailer and/or Container Liability**

the legal liability incurred by the Insured for direct physical loss of or damage to a trailer and/or container not owned by or leased to the Insured directly as a result of an Accident happening during the Period of Insurance and caused by or arising from a peril not otherwise excluded by this Policy,
3. **Errors and Omissions Liability**

the legal liability incurred by the Insured for any claim which is first made against the Insured during the Period of Insurance for breach of professional duty by reason of any negligent act, error or omission committed or alleged to have been committed by the Insured or any of the Insured's Representative,

while the Cargo is entrusted with the Insured or any of the Insured's Representative for transportation inside the fully enclosed body of or inside a container attaching to the Covered Truck, including loading from and/or unloading of the Cargo to the premises of customer of the Insured if required by the contract of transportation, within the Territorial Limit.

## **LIMIT OF LIABILITY**

The liability of the Underwriters under this Policy, before the application of Deductible, shall not exceed the amount specified in the Schedule or any Endorsement(s) of this Policy as Limit of Liability.

If there is more than one Covered Truck under this Policy, the Limit of Liability shall apply to each Covered Truck separately.

## **DEDUCTIBLE**

The amount specified in the Schedule or any Endorsement(s) of this Policy as Deductible shall be deducted from each and every adjusted loss which is otherwise payable under this Policy.

If this Policy covers more than one Covered Truck, the Deductible shall apply to each Covered Truck separately.

If a covered claim on any one item within the SCOPE OF COVERAGE involves more than one Deductible, the highest of the applicable Deductible will apply.

## **APPROVED TRADING CONDITIONS WARRANTY**

It is warranted that the Insured shall trade under contract terms according to Bill of Lading, Air Waybills, Carriage Contract or Cargo Receipt approved by the Underwriters. In the absence of any approved Bill of Lading, Air Waybills, Carriage Contract or Cargo Receipt, the liability of the Underwriters under this Policy shall be limited to the liability regime as provided for under the standard trading terms of the Hong Kong Container Tractor Owner Association (June 2000 version) with Clause 13.2 limited to a maximum amount up to HKD25 per kilogram.

## **QUALITY DRIVER WARRANTY**

It is warranted that the Insured or any of the Insured's Representative shall not employ any driver to operate the Covered Truck, who, to the best knowledge of the Insured or any of the Insured's Representative, had been convicted in a Court of competent jurisdiction within the Territorial Limit of any traffic offence on dangerous driving, or driving under the influence of alcohol and/or drug, or has been or had ever been refused to be insured by any insurance company in the past 3 years immediately preceding the effective date of this Policy.

## EXCLUSIONS

This Policy shall not cover loss, damage, liability, cost or expense:

1. to accounts, antiques, articles of virtue, bills, bullions, coupons, currencies, deeds, documents, drawings, evidence of debts, fruits, jewelry, letters of credit, live animals, birds, fish, poultries or reptiles, manuscripts, money, notes, paintings, passports, perishable products, precious metals, precious stones, securities, statuary, tickets, valuables, vegetables, works of art.
2. to Cargo being carried gratuitously.
3. to Cargo and/or container if such Cargo or the container containing such Cargo is being hoisted for a height of over thirty (30) feet above ground or floor level.
4. to the Covered Truck itself, other than the trailer and/or container not owned by the Insured.
5. to Cargo owned by the Insured.
6. to Cargo, trailer and/or container as a result of the container not properly mounted on and securely locked to the trailer and/or the trailer with mounted container is not properly attached to and securely locked to the tractor.
7. to the Cargo, trailer and/or container at all times when the trailer and/or container is detached from the Covered Truck.
8. to Cargo caused by breakage, chipping, denting, insufficient or improper packing, leakage, marring, rough handling, scratching, wet or dampness, or by being discolored, frosted, molded, rotted, rusted, soured, spotted, steamed, or changed in flavor unless as a result of an Accident caused by or arising from a peril not otherwise excluded by this Policy.
9. caused intentionally by the Insured or any of the Insured's Representative. An intentional act is one whose consequences could have been foreseen by a reasonable person.
10. caused by any fraudulent or dishonest act committed by the Insured or any of the Insured's Representative, acting alone or in collusion with others.
11. caused by any criminal act committed by the Insured or any of the Insured's Representative, acting alone or in collusion with others.
12. due to any consequential loss, delay, loss of market or loss of use.
13. arising from the breakdown or malfunctioning of refrigeration and/or cooling machinery or from insufficiency of insulation.
14. caused by mysterious disappearance or unexplained shortage.
15. arising from any punitive or exemplary damages.
16. to Cargo being left unattended under whatsoever circumstance, other than as provided for in Exclusion 17 hereunder.
17. to Cargo being left in or on any unattended Covered Truck, except in circumstance where the Insured or any of the Insured's Representative has to unavoidably leave the Covered Truck unattended:
  - A. within the compound of the Hong Kong Customs or the China Customs for the purpose of custom clearing.
  - B. for rest break(s), provided that at all times during such rest break(s):
    - 1) all doors and windows of the Covered Truck, or that of the Trailer and/or Container attaching to such Covered Truck shall be securely closed and locked.
    - 2) all keys to the Covered Truck, or that of the Trailer and/or Container attaching to such Covered Truck shall be kept in a secure place away from such Covered Truck.
    - 3) the alarm and GPS tracking systems of the Covered Truck, or that of the Trailer and/or Container attaching to such Covered Truck, if installed, shall be activated and put into effective use.
    - 4) the driver of the Covered Truck shall remain within the immediate vicinity of such Covered Truck.

For the purpose of this Exclusion, rest break shall mean a break from work within working hours, during which the driver can have a meal or take a rest.

18. to trailer and/or container being left unattended, except in circumstance where the Insured or any of the Insured's Representative has to unavoidably leave such trailer and/or container within the compound of the Hong Kong Customs or the China Customs for the purpose of custom clearing.
19. to the extent arising from an increase of the liability of the Insured under a contract of carriage as a result of the customer of the Insured making a declaration of value or giving special instructions concerning delivery time.
20. if the Insured or any of the Insured's representative failed to take reasonable measures to maintain the Covered Truck in roadworthy conditions.
21. directly or indirectly caused by or contributed to or arising from:
  - A. war, hostile or warlike action in time of peace or war, including action in hindering, combating or defending against an actual, impending or expected attack, by:
    - 1) any government or sovereign power, de jure or de facto, or by any authority maintaining or using military, naval or air forces; or
    - 2) military, naval, or air forces; or
    - 3) an agent or any such government, power, authority or forces;
  - B. any weapon of war employing atomic fission or radioactive force whether in time of peace or war;
  - C. insurrection, rebellion, revolution, civil war, usurped power, or action taken by governmental authority in hindering, combating or defending against such an occurrence;
  - D. seizure or destruction under quarantine or customs regulations, confiscation by order of any government or public authority, or risks of contraband or illegal transportation or trade.
22. arising from libel and/or slander.
23. arising from the insolvency or financial default of the Insured.
24. by nuclear reaction, radiation or radioactive contamination, all whether controlled or uncontrolled, and whether such loss be direct or indirect, proximate or remote, or be in whole or in part caused by, contributed to, or aggravated by the peril(s) insured against in this Policy. But whenever this Policy does insure against the peril of fire, then the preceding clause will NOT be effective, and the following clause will apply: by nuclear reaction, radiation or radioactive contamination, all whether controlled or uncontrolled, and whether such loss be direct or indirect, proximate or remote, or be in whole or in part caused by, contributed to, or aggravated by the peril(s) insured against in this Policy, however, subject to the forgoing and all provisions of this Policy, direct loss by fire resulting from nuclear reaction, radiation or radioactive contamination is insured against by this Policy.
25. Cyber Attack Exclusion (CL380). This clause shall be paramount and shall override anything contained in this Policy inconsistent therewith.
  - A. subject only to Clause B. below, in no case shall this Policy cover loss, damage, liability, cost or expense, directly or indirect, caused by or contributed to by or arising from the use or operation, as a means for inflicting harm, of any computer, computer system, computer software programme, malicious code, computer virus or process or any other electronic system.
  - B. where this clause is endorsed on policies covering risks of war, civil war, revolution, rebellion, insurrection or civil strife arising therefrom, or any hostile act by or against a belligerent power, or terrorism or any person acting from a political motive, Clause A. above shall not operate to exclude losses, which would otherwise be covered, arising from the use of any computer, computer system or computer software programme or any other electronic system in the launch and/or guidance system and/or firing mechanism of any weapon or missile.
26. Electronic Date Recognition Exclusion

This insurance excludes loss or damage caused by, resulting from, contributed to or made worse by the failure of any owned or non-owned:

- A. computer system, computer equipment, hardware, program or software; or
  - B. micro-chip, integrated circuit or similar device in computer equipment or non-computer equipment;
- to correctly recognize any date as its true or correct date. Losses which ensue from such failure are only insured against if they are caused by or resulted from fire, lightning, explosion, aircraft or vehicular impact, falling objects, windstorm, hail, tornado, hurricane, cyclone, riot, strikes, civil commotion, vandalism, malicious mischief, theft or freezing of plumbing or sprinkler system.

This exclusion also excludes costs or expenses incur by the Insured to repair or modify any:

- A. computer system, computer equipment, hardware, program or software; or
- B. computer equipment or non-computer equipment containing a micro-chip, integrated circuit or similar device, in order to correct deficiencies or failures of logic or operation.

27. Terrorism Exclusion

Notwithstanding any provision to the contrary within this insurance or any endorsement thereto it is agreed that this insurance excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any act of terrorism regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

For the purpose of this exclusion, an act of terrorism means an act, including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organization(s) or government (s), committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public, in fear.

This exclusion also excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to any act of terrorism.

If the Underwriters allege that by reason of this exclusion, any loss, damage, cost or expense is not covered by this insurance, the burden of proving the contrary shall be upon the Insured.

In the event any portion of this exclusion is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

28. Sanction Limitation and Exclusion Clause

No Insurer shall be deemed to provide cover and no Insurer shall be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose that Insurer to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America.

29. the Deductible, if any and if applicable.

30. in respect of which judgements are not in the first instance delivered by or obtained from a court of competent jurisdiction within Hong Kong.

**CONDITIONS**

1. The Insured shall take all reasonable precautions for the safety and protection of the Covered Vehicle and the Cargo.

2. Currency

The base currency of the Policy is Hong Kong Dollar and on which Premium shall be collected and claim shall be paid. Any currency other than Hong Kong Dollar shall be converted to Hong Kong Dollars at the exchange rate as published by the bankers of the Underwriters on the date of settlement, which shall be conclusive.

3. Concealment or misrepresentation

This Policy shall be voided if the Insured intentionally conceal or misrepresent any material fact or circumstance relating to this insurance at any time.

4. Termination

This Policy may be cancelled at any time:

- A. by the Insured on notice to that effect being given in writing to the Underwriters, in which case the Underwriters will retain the customary short period rate for the time the Policy has been in force or the Minimum Retained Premium, whichever is the greater; or
- B. by the Underwriters on seven (7) days' advance notice to that effect being given in writing to the Insured's last known address, in which case the Underwriters shall be liable to repay on demand a rateable proportion of the Premium for the unexpired term from the date of the cancellation.

provided that no refund of Premium for the unexpired term shall be made by the Underwriters had any claim been made by the Insured under this Policy during the Period of Insurance immediately preceding such date of termination.

The short period rate specified in Clause 4. A. shall be calculated in accordance with the following table:

<u>Number of month or part thereof being insured</u>	<u>Percentage of Premium to be charged</u>
1	10
2	20
3	30
4	40
5	50
6	60
7	70
8	80
9	85
10	90
11	95
12	100

5. Duties of the Insured in the event of loss or damage

If any event giving rise to or likely to give rise to a claim comes to the knowledge of the Insured, the Insured shall:

- A. immediately take steps to minimise the loss and give notice in writing to the Underwriters and to the police authorities having jurisdiction at the place where such loss had occurred.
- B. within thirty (30) days or such further time as the Underwriters may allow in writing deliver, at the expense of the Insured, to the Underwriters all such information and available documents or proofs regarding the origin of, cause of, place of and circumstances under which the loss occurred, and any matter relating to the liability or the amount of liability of the Underwriters, as may be reasonably required by the Underwriters together with a declaration on oath or in other legal form of the truth of the claim and any matters connected therewith.

If a claim is made or suit is brought against the Insured, the Insured must immediately record the specifics of the claim or suit and the date received and notify the Underwriters in writing as soon as practicable. The Insured must:

- A. immediately send copies of any demands, notices, summonses or legal papers received in connection with the claim or suit to the Underwriters;
- B. authorize the Underwriters to obtain records and other information;
- C. cooperate with the Underwriters in the:
  - 1) investigation or settlement of the claim; or
  - 2) defense of the suit; and
  - 3) assist the Underwriters upon request in enforcing any right against any person or organization which may be held liable for the loss.

6. No benefit to Carrier or Bailee

No person or organization, other than the Insured, having custody of freight shall benefit from this insurance.

7. Other Insurance

If in respect of any claim under this Policy the Insured shall be entitled to indemnity under any other policy of insurance, the coverage provided by this insurance shall apply as excess insurance over and above any such other policy of insurance.

8. Subrogation

The Insured shall at the request and at the expense of the Underwriters do and concur in doing and permit to be done all such acts and things as may be necessary or reasonably required by the Underwriters for the purpose of enforcing any rights and remedies or of obtaining relief or indemnity from any other parties, to which the Underwriters shall be or would become entitled or subrogated upon its paying or making good any claim under this Policy, whether such acts and things shall be or become necessary or required before or after indemnification by the Underwriters.

9. Any person or entity who is not a party to this Policy shall have no rights under the Contracts (Rights of Third Parties) Ordinance (Cap. 623 of the laws of Hong Kong) to enforce any terms of this Policy.

10. Arbitration

If any difference shall arise as to the amount to be paid under this Policy, such difference shall be determined by arbitration in accordance with the prevailing Arbitration Ordinance. If the parties fail to agree upon the choice of arbitrators or umpires, then the choice shall be referred to the Chairman for the time being of the Hong Kong International Arbitration Centre. It is hereby expressly stipulated that it shall be a condition precedent to any right of action or suit upon this Policy that an arbitration award shall be first obtained.

11. Legal action against the Underwriters

No action in law or in equity shall be brought against the Underwriters to recover on this Policy unless brought within one (1) year from the happening of the loss unless the claim of which is the subject of pending legal action or arbitration.

12. Law

This Policy shall be subject to the laws of Hong Kong.

**STORAGE EXTENSION (applicable only if specified in the Schedule)**

Notwithstanding anything contained herein to the contrary, it is noted and agreed that this Policy is extended to cover loss, damage, liability, cost or expense as a result of an Accident caused by or arising from a peril not otherwise excluded by this Policy to the Cargo, Trailer and/or Container whilst the Covered Truck, or the detached trailer and container of such Covered Truck, is parked in a legally licensed car parking facility within the Territorial Limit for temporary storage in the day time or overnight, provided that:

1. the liability of the Underwriters under this Extension, before the application of Deductible, shall not exceed the amount specified in the Schedule of this Policy as Limit of Liability for this Extension.
2. the amount specified in the Schedule of this Policy as Deductible for this Extension shall be deducted from each and every adjusted loss otherwise payable under this Extension.

It is a condition precedent to liability of the Underwriters that the Insured or any of the Insured's Representative shall at all times during such overnight storage ensure that:

1. all doors and windows of the Covered Truck, or that of the Trailer and/or Container of such Covered Truck shall at all times be securely closed and locked.
2. all keys to the Covered Truck, or that of the Trailer and/or Container of such Covered Truck shall at all times be kept in a secure place away from the Covered Truck.
3. the alarm and GPS tracking systems of the Covered Truck, or that of the Trailer and/or Container of such Covered Truck, if installed, shall at all times be activated and put into effective use.

Subject otherwise to the terms, conditions and exclusions of this Policy.