

MARKET BULLETIN

From Manager, Certificate Office Agency Department (extn 5244)

Date 21 July 2006

Reference Y3851

Subject **Lloyd's Certificates of Insurance**

Subject areas

Attachments

Action points

Deadlines

As of 4th September, 2006 (the "cut-off date"), all new Lloyd's Certificates of Insurance issued by the Certificate Office and any subsequent endorsements will conform to Lloyd's new brand guidelines. Existing certificates will however remain valid within the specified inception and expiry dates. For the sake of consistency, the Certificate Office will not be able to accept (except in exceptional circumstances) any requests for endorsements to existing certificates utilising the "old" artwork on or after the cut off date. Any amendments to existing covers necessitating certificate endorsements will therefore require that new certificates be ordered after the cut off date.

Paper based Certificates

For security reasons we have decided not to list all of the changes which will be made to the security paper and wording. However the wording will not be materially affected. A sample 'C' certificate showing the wording / layout is attached hereto for your information.

Any Lloyd's Broker or Underwriter requiring further clarification of the changes should please contact the Certificate Office for further details.

Lloyd's Electronic Cargo Certificates and other electronic certificates

Similar changes will apply to all electronic certificates which will continue to be accessible in the usual way.

In accordance with our current service levels we undertake to supply a certificate proof to the Broker/Underwriter within 4 working days from the date of submission of the relative policy/slip to us. Although we shall do our utmost to continue to maintain these standards as we introduce the newly branded certificates, the new artwork will require additional time as we prepare new certificate templates. In order to minimize any potential delays please submit your policies/slips to the Certificate Office as soon as you are able to do so.

We take this opportunity to thank you in advance for your understanding and co-operation.

Mike Spaul
Manager, Certificate Office
Agency Department

OWN VEHICLE THEFT EXCLUSION CLAUSE

- Excluding theft of/from unattended vehicle unless:
1. All points of access are locked, keys removed and any alarm/immobiliser systems set and
 2. Between the hours of 9pm and 6am the vehicle is kept in a locked compound/premises.

PAIRS AND SETS CLAUSE

In the event of loss of or damage to any article forming part of a pair or set Underwriters shall not be liable for more than the value of particular part or parts which may be lost or damaged without reference to any special value which such part or parts may have as forming a pair or set but in any event not exceeding a proportionate part of the sum insured in respect of the pair or set.

ACCUMULATION CLAUSE

The limits of liability expressed herein shall not apply in the event of or during transhipment or after the arrival of the overseas vessel or conveyance at the port or place of discharge provided always that any accumulation of interests during the ordinary course of transit beyond such limits of liability shall not have arisen from circumstances within the control of the assured.

BRANDS CLAUSE

The Assured shall have full rights to possession of all goods bearing embossed or indented brands or labels or other permanent markings identifying the Assured as the manufacturer thereof, or the sale of which carries or implies a guarantee of the supplier or of the Assured, or exclusive and/or secret formulas that may be involved in any loss hereunder, and shall retain control of all such goods. On shipments covered under this insurance, the Underwriters are to pay a total loss on any and all goods and/or packaging damaged by risks insured against, which the Assured elects to either destroy or return to their factory, or recondition, the Underwriters being entitled to such salvage as may be obtained.

The Assured, exercising a reasonable discretion, shall be the sole judge as to whether the goods involved in any loss hereunder are suitable for marketing and no goods deemed by the Assured to be unfit for marketing shall be sold or otherwise disposed of except by the Assured or with the Assured's consent, but the Assured shall allow Underwriters any salvage obtained on any sale or disposition of such goods.

CARGO ISM ENDORSEMENT

Applicable to shipments on board Ro-Ro passenger ferries.

Applicable with effect from 1 July 1998 to shipments on board:

- 1) passenger vessels transporting more than 12 passengers and
- 2) oil tankers, chemical tankers, gas carriers, bulk carriers and cargo high speed craft of 500 gt. or more.

Applicable with effect from 1 July 2002 to shipments on board all other cargo ships and mobile offshore drilling units of 500 gt. or more.

In no case shall this insurance cover loss, damage or expense where the subject matter insured is carried by a vessel that is not ISM Code certified or whose owners or operators do not hold an ISM Code Document of Compliance when, at the time of loading of the subject matter insured on board the vessel, the Assured were aware, or in the ordinary course of business should have been aware:-

- a) Either that such vessel was not certified in accordance with the ISM Code.
- b) Or that a current Document of Compliance was not held by her owners or operators as required under the SOLAS Convention 1974 as amended.

This exclusion shall not apply where the insurance has been assigned to the party claiming hereunder who has bought or agreed to buy the subject matter insured in good faith under a binding contract.

CARGO ISM FORWARDING CHARGES CLAUSE

This insurance is extended to reimburse the Assured, up to the limit of the sum insured for the voyage, for any extra charges properly and reasonably incurred in unloading, storing and forwarding the subject-matter to the destination to which it is insured hereunder following release of cargo from a vessel arrested or detained at or diverted to any other port or place (other than the intended port of destination) where the voyage is terminated due either

- (a) to such vessel not being certified in accordance with the ISM Code or
- (b) to a current Document of Compliance not being held by her owners or operators as required under the SOLAS Convention 1974 as amended.

This clause, which does not apply to General Average or Salvage or Salvage Charges, is subject to all other terms, conditions and exclusions contained in this insurance and to Cargo ISM Endorsement.

INCREASED VALUE (DUTY AND/OR TAXES) CLAUSE

Increased Value by reason of payment of Duty and/or Levy is covered subject to the same conditions as are, or would be, applicable to the insurance on cargo hereunder and to pay on the same basis as such insurance cover but excluding:-

- (1) Total Loss, or Total Loss of part arising prior to Duty and/or Levy becoming payable and resulting in non-payment of Duty and/or Levy.
- (2) Liability for General Average Contributions and Salvage Charges unless the occurrence giving rise to the General Average occurs after Duty and/or Levy becomes payable.

Also including the Assured's liability for the payment of any other Levies, following loss of or damage to the insured interest recoverable hereunder, to the Authority of any country through which the interest may pass including Country or origin prior to delivery to the consignee.

No claim to attach hereto for duty payable in the country of destination unless such duty amount is declared within the insured value hereunder.

Also deemed to cover Duty and/or other Levies including Carnet penalties, which become payable due to the physical loss of equipment in the country in which the loss occurs.

PERILS CLAUSE

In case of damage from perils insured against against effecting labels only, the loss to be limited to an amount sufficient to pay the cost of re-conditioning, cost of new labels and relabelling the goods provided the damage will have amounted to a claim under the terms of this policy.

PROCESS CLAUSE

No claim to attach for damage to property hereby insured which may be sustained whilst the same is under any process and directly resulting therefrom.

SECONDHAND REPLACEMENT CLAUSE

Underwriters liability under the Institute Replacement Clause is limited to that proportion of any claim which the insured value bears to the present day cost of Machines and/or any other interest of a similar nature when new.

EXHIBITION RISKS EXTENSION CLAUSE

This insurance is extended to include on cover terms and conditions, the insured property whilst in transit to and from exhibition site and whilst the insured property remains on such premises during unpacking, assembly, awaiting and on exhibition, dismantling and repacking.

- Notwithstanding anything contained herein to the contrary, this insurance excludes:-
1. Loss or damage arising from latent defect or arising from faulty assembly or construction.
 2. Loss or damage resulting directly from mechanical electrical or manual operation of the insured property for demonstration or other purposes.
 3. Theft and/or pilferage from unattended exhibition stand.
 4. Theft and/or pilferage from unattended exhibition site unless following forcible or violent entry.
- Warranted repacked to not less than same standard as for outward journey and repacking is supervised by a responsible official of the Insured.

CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999 EXCLUSION CLAUSE (CARGO)

The provisions of the Contracts (Rights of Third Parties) Act 1999 do not apply to this Insurance or to any Certificate(s) of insurance issued hereunder. Neither this insurance nor any certificates issued hereunder confer any benefits on any third parties. No third party may enforce any term of this insurance or any certificate issued hereunder. This clause shall not affect the rights of the Assured (as assignee or otherwise) or the rights of any loss payee.

CONCEALED DAMAGE CLAUSE

In respect of shipments insured hereunder which are received by the Consignee at final destination and placed in storage but not unpacked, this insurance shall not cover any loss or damage discovered upon the opening of the case, container or package which is deemed to have occurred before transit and shall be paid for accordingly unless conclusive proof to the contrary be established, provided the case, container or package is opened not later than 30 days after arrival in store.

Cases, containers or packages showing outward signs of loss and/or damage are to be opened immediately on arrival at site.

DEBRIS REMOVAL CLAUSE

This insurance is extended to cover, in addition to any other amount recoverable under this insurance, extra expenses reasonably incurred by the Assured for the removal and disposal of debris of the subject-matter insured or part thereof, by reason of damage hereto caused by an insured risk, but excluding absolutely

1. any expenses incurred in consequence of or to prevent or mitigate pollution or contamination, or any threat or liability thereof.
 2. the cost of removal of cargo from any vessel or craft.
- In no case shall Underwriters be liable under this Clause for more than 10% of the proportionate insured value under this insurance of the damaged subject-matter removed.

INSOLVENCY EXCLUSION CLAUSE

It is agreed that this exclusion "loss, damage or expense arising from insolvency or financial default of the owners, managers, charterers or operators of the vessel and/or aircraft" (incorporated in the Institute Clause) hereunder is amended to read as follows:

"In no case shall this insurance cover loss, damage or expense arising from insolvency or financial default of the owners, managers, charterers or operators of the vessel and/or aircraft where the Assured are unable to show that, prior to the loading of the subject-matter insured on board the vessel and/or aircraft, all reasonable practicable and prudent measures were taken by the Assured, their servants and agents, to establish the financial reliability of the party in default".

TERMINATION OF TRANSIT CLAUSE (TERRORISM)

This clause shall be paramount and shall override anything contained in this insurance inconsistent therewith.

1. Notwithstanding any provision to the contrary contained in this insurance or the Clauses referred to therein, it is agreed that in so far as this insurance covers loss of or damage to the subject-matter insured caused by any terrorist or any person acting from a political motive, such cover is conditional upon the subject-matter insured being in the ordinary course of transit and, in any event, SHALL TERMINATE: either
 - 1.1 As per the transit clauses contained within the Policy,
 - or
 - 1.2 on delivery to the Consignee's or other final warehouse or place of storage at the destination named herein,
 - 1.3 on delivery to any other warehouse or place of storage, whether prior to or at the destination named herein, which the Assured elect to use either for storage other than in the ordinary course of transit or for allocation or distribution,
 - or
 - 1.4 in respect of marine transits, on the expiry of 60 days after completion of discharge outside of the goods hereby insured from the overseas vessel at the final port of discharge,
 - 1.5 in respect of air transits, on the expiry of 30 days after unloading the subject-matter insured from the aircraft at the final place of discharge,whichever shall first occur.
2. If this insurance or the Clauses referred to therein specifically provide cover for inland or other further transits following on from storage, or termination as provided for above, cover will re-attach, and continues during the ordinary course of that transit terminating again in accordance with clause 1.
3. This clause is subject to English law and practice.

IMPORTANT INSTRUCTIONS IN EVENT OF CLAIM

DOCUMENTATION OF CLAIMS

To enable claims to be dealt with promptly, the Assured or their Agents are advised to submit all available supporting documents without delay, including when applicable:-

1. Original policy or certificate of insurance.
2. Original or copy shipping invoices, together with shipping specification and/or weight notes.
3. Original Bill of Lading and/or other contract of carriage.
4. Survey report or other documentary evidence to show the extent of the loss or damage.
5. Landing account and weight notes at final destination.
6. Correspondence exchanged with the Carriers and other parties regarding their liability for the loss or damage.

IMPORTANT

LIABILITY OF CARRIERS, BAILEES OR OTHER THIRD PARTIES

It is the duty of the Assured and their Agents, in all cases, to take such measures as may be reasonable for the purpose of averting or minimising a loss and to ensure that all rights against Carriers, Bailees or other third parties are properly preserved and exercised. In particular, the Assured or their Agents are required:-

1. To claim immediately on the Carriers, Port Authorities or other Bailees for any missing packages.
 2. In no circumstances, except under written protest, to give clean receipts where goods are in doubtful condition.
 3. When delivery is made by Container, to ensure that the Container and its seals are examined immediately by their responsible official. If the Container is delivered damaged or with seals broken or missing or with seals other than as stated in the shipping documents, to cause the delivery receipt accordingly and retain all defective or irregular seals for subsequent identification.
 4. To apply immediately for survey by Carriers' or other Bailees' Representatives if any loss or damage be apparent and claim on the Carriers or other Bailees for any actual loss or damage found at such survey.
 5. To give notice in writing to the Carriers or other Bailees within 3 days of delivery if the loss or damage was not apparent at the time of taking delivery.
- Note.- The Consignees or their Agents are recommended to make themselves familiar with the Regulations of the Port Authorities at the port of discharge.

NOTE.- The Institute Clauses incorporated herein are deemed to be those current at the time of commencement of the risk. It is necessary for the Assured when they become aware of an event which is "held covered" under this Insurance to give prompt notice to Underwriters and the right to such cover is dependent upon compliance with this obligation. Lloyd's Agents referred to herein are not insurers and are not liable for claims arising on this Certificate. The service of legal proceedings upon Lloyd's Agents is not effective service for the purpose of starting legal proceedings against Underwriters. This insurance shall be subject to the non-exclusive jurisdiction of the English Courts.

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CLAIMS SETTLEMENT INSTRUCTIONS

- Lloyd's Settling Agent nearest destination is authorised to adjust and settle on behalf of the Underwriters, in accordance with Lloyd's Standing Regulations for the Settlement of Claims Abroad, any claim which may arise on this Certificate.
- If Lloyd's Agents are not to deal with claims, it should be clearly marked by an 'X' in the adjacent box and claim papers sent to :- 1234 Brokers Ltd., 1 London Road, London EC99 1AB.

THIS CERTIFICATE REQUIRES ENDORSEMENT IN THE EVENT OF ASSIGNMENT

CERTIFICATE OF INSURANCE NO. C 0000/

This is to Certify that there has been deposited with the Council of Lloyd's a Contract effected by 1234 Brokers Ltd., of Lloyd's, acting on behalf of New Business Supplier Ltd., with Underwriters at Lloyd's, for insurances attaching thereto during the period commencing the First day of January, 2005, and ending the Thirty-first day of December, 2005, both days inclusive, and that the said Underwriters have undertaken to issue to 1234 Brokers Ltd., Policy/Policies of Insurance at Lloyd's to cover, up to USD5,000,000 (or equivalent in other currencies), in all by any one steamer and/or conveyances, or sending by air and/or post, General Merchandise and/or Goods and/or Equipment of any nature whatsoever including but not limited to Rice, Sugar, Motor Spare Parts, Bicycles, Generator Sets, Raw Jute, Jute Goods, from any port or ports, place or places in the World, to any port or ports, place or places in the World, including all transshipments as and when occurring, and that New Business Supplier Ltd., are entitled to declare against the said Contract insurances attaching thereto.

Conveyance From _____

Via/To _____ To _____ INSURED VALUE _____ Currency _____

Marks and Numbers _____ Interest _____

[Signature]
 for the Council of Lloyd's.
 Dated at Lloyd's, London, 7th March, 2006.

SPECIAL IMME

We hereby declare for Insurance under the said Contract interest as specified above so valued subject to the special conditions stated below and on the back hereof.

Institute Cargo Clauses (A) or Institute Cargo Clauses (Air) (excluding sendings by Post) as applicable. Excluding rust, oxidation, discolouration, twisting and bending.
 Institute War Clauses (Cargo) or Institute War Clauses (Air Cargo) (excluding sendings by Post) or Institute War Clauses (sendings by Post) as applicable.
 Institute Strikes Clauses (Cargo) or Institute Strikes Clauses (Air Cargo) as applicable.
 Institute Classification Clause.
 Institute Radioactive Contamination Exclusion Clause.
 Institute Replacement Clause.

Underwriters agree losses, if any, shall be payable to the order of NEW BUSINESS SUPPLIER LTD., on surrender of this Certificate.

In the event of loss or damage which may result in a claim under this Insurance, immediate notice must be given to the Lloyd's Agent at the port or place where the loss or damage is discovered in order that they may examine the goods and issue a survey report. The survey agent will normally be the Agent authorised to adjust and settle claims in accordance with the terms and conditions set forth herein, but where such Agent does not hold the requisite authority, he will be able to supply the name and address of the appropriate Settling Agent.

A full list of Lloyd's Agents can be found at www.lloydsagency.com (Survey fee is customarily paid by claimant and included in valid claim against Underwriters.)

SEE IMPORTANT INSTRUCTIONS ON REVERSE

This Certificate not valid unless the Declaration be signed by NEW BUSINESS SUPPLIER LTD.

Dated

Brokers: 1234 Brokers Ltd., 1 London Road, London EC99 1AB.



Signed

Authorised Signatory

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