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Česká podnikatelská pojišťovna, a.s., Vienna Insurance Group

**SUPPLEMENTARY INSURANCE TERMS AND CONDITIONS FOR THE INSURANCE OF  
SHIPMENT SITC-IS 1/16**

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**Article 1**  
*Introductory Provisions*

1. The Insurance of Shipment, arranged with Česká podnikatelská pojišťovna, a.s., Vienna Insurance Group (hereinafter referred to as “Insurer”), shall be governed by the Insurance Policy, General Insurance Terms and Conditions for Property Insurance GITCP 1/16 (hereinafter referred to as “GITCP”), these Supplementary Insurance Terms and Conditions for the Insurance of Shipment SITC-IS 1/16 (hereinafter referred to as “SITC”), the respective Special Insurance Terms and Conditions (hereinafter referred to as “SPEITC”) and the appropriate provisions of the Act No. 89/2012 Coll., Civil Code as amended.
2. The Insurance of a Shipment is an Indemnity Insurance.

**Article 2**  
*Subject of Insurance*

1. The insurance relates to a shipment in ownership of the Insured or which the Insured has taken over under a contract, order or job order, specified in the Insurance Policy, unless agreed otherwise in the Insurance Policy.
2. Unless agreed otherwise in the Insurance Policy, the shipment is insured assuming it is transported by mean of transportation specified in the Insurance Policy.

**Article 3**  
*Insurance Perils*

1. The Insurance of Shipment is agreed against all Insurance Perils. The Insurer shall grant the Indemnity for losses incurred by damage, destruction or missing of the shipment by any sudden event that is not further excluded.
2. The insurance relates also to losses incurred on the subject of the insurance at its loading or unloading during provision of transportation.

**Article 4**  
*Insured Value, Sum Insured*

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Differently from GITCP Article 3, Paragraph 2, the Insured Value of the shipment is expressed as its invoiced price. If it is not possible to determine it, the Insured Value of the insured shipment shall be its general price at the place and time of the dispatch of the shipment plus the costs of its transportation and insurance.

## **Article 5**

### *Insured Location*

1. The Insured Location shall mean the territory of the European Union, Iceland, Liechtenstein, Norway and further the territory of Swiss Confederation, unless agreed otherwise in the Insurance Policy.
2. In cases the shipment is loaded, unloaded or provisionally stored in parts, the inception and the expiration of the insurance shall be determined separately for each part of the shipment.
3. The insurance shall be effective even where two or more carriers carry the shipment and one of them shall store the shipment during transport to the intermediate store until it is loaded to another carrier.

## **Article 6**

### *Obligations of the Insured*

1. If the Policyholder changes the transport conditions set out in the contract on transportation or makes such a change during the insurance duration, he is obliged to inform the Insurer of this procedure and to wait for his consent.
2. If the Policyholder becomes aware during the insurance duration that the transport conditions set out in the contract on transportation have changed, he is obliged to inform the Insurer immediately and to pay any possible increase in the premium.

## **Article 7**

### *Period of the Insurance Duration*

1. The Insurance of a Shipment incepts at the moment the shipment at the place of dispatch is loaded onto the mean of transportation specified in the Insurance Policy and expires according to the fact that occurs earlier:
  - a) by the date stated in the Insurance Policy as the expiration of the insurance;
  - b) by unloading the shipment from the mean of transportation carrying the shipment at a designated place of unloading;
  - c) by commencement of the next shipment after its unloading at the place designated by the consignee if the change of transport conditions has changed by a change in the place of delivery and this fact has not been communicated to the Insurer;
  - d) by the sale of the shipment before the end of the insured shipment;
  - e) by expiry of a period of 30 calendar days from the date on which the shipment is provisionally stored;
  - f) by the expiry of the Insurance Risk (Insurance Peril);
  - g) by the return of the shipment to the place of dispatch;
  - h) by the loss of the shipment.

## **Article 8**

### *Indemnity, Salvage and Other Costs*

1. The Beneficiary is entitled to an Indemnity also if the insured shipment has been damaged, destroyed, or alienated in direct connection with the scope of the insurance cover agreed in the Insurance Policy according to these SITC.
2. If the insured shipment has been damaged by an Insured Event, the Insurer shall provide the Indemnity up to the amount of the difference between the agreed Sum Insured and the value of the insured shipment after the damage.
3. If the shipment has been destroyed, lost or inaccessible in causal relationship with the Insured Event, the Insurer shall provide Indemnity up to the amount of the Sum Insured, less the value of the rescued items.
4. Within the agreed Sum Insured, the Insurer shall pay for the Insured:
  - a) a contribution to the general average, measured under the relevant law or according to disputes laid down in international agreements;
  - b) reasonable costs of transshipment and temporary storage of the shipment, appropriate to the circumstances and if necessary as a consequence of an Insured Event or the Insurer's order.To cover these costs, the Insurer is required to provide the Beneficiary with a reasonable advance payment or guarantee for the payment of the contribution to the general average.
5. In addition to the Indemnity or to the Sum Insured, the Insurer shall reimburse the salvage costs reasonably spent by the Policyholder, Insured or other person:
  - a) to avoid the immediate imminent Insured Event, but up to a maximum of 10% of the agreed Sum Insured for the subject of insurance, for which this costs were spent,
  - b) to mitigate the consequences of an already occurred Insured Event, but up to a maximum of 10% of the agreed Sum Insured for the subject of insurance, for which this costs were spent,
  - c) to meet the obligation to remove the property damaged by the Insured Event or its remnants for hygienic, environmental or safety reasons, including compensation for the damage suffered by him / her, but up to a maximum of 5% of the agreed Sum Insured for the subject of insurance, for which this costs were spent.

## **Article 9**

### *Special Exclusions from Insurance*

1. Unless in these SITC or in the Insurance Policy agreed otherwise, the insurance does not cover the cases, where the loss was caused:
  - a) by delay of the transportation;
  - b) by the loss of market;
  - c) due to natural character of the shipment, by internal destruction, insufficient wrapping, natural shrinkage of the volume or weight, error in calculation, rust, oxidation, humidity or fluctuation in air temperature, mould, self-ignition, imbibition of smell, frost, heat, atmospheric precipitations, animal pests;
  - d) on transported live animals;
  - e) on weapons, ammunition, explosives and pyrophoric substances;

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- f) on valuables, stamps and securities;
- g) on ships, aircrafts, means of transportation, trailers, semi-trailers and other towing machines to which the licence plate is assigned;
- h) on property of special value, samples, models, prototypes, documents and exhibits on exhibitions;
- i) by insolvency or payment delays to the lessor or the operator of the means of transportation;
- j) by abandoned weapons of war;
- k) to carriers, freight forwarder or warehouse keeper of the shipment;
- l) by a defect which the shipment had already prior to its takeover;
- m) due to insufficient, defective or missing wrapping;
- n) by violation of customs and declaration regulations.

#### **Article 10**

##### *Interpretation of Terms*

For the purposes of this insurance:

1. **General Price** shall mean the price, for which it is possible to acquire at the place and time of the dispatch of the shipment the same or comparable shipment.
2. **General Average** shall mean the way in which the costs of the loss and the costs incurred for measures to save the ship and the shipments transported by the ship are distributed from the joint risk (peril) on the rescued values (maritime law or inland waterway law).
3. **Shipment** shall mean movable property having the nature of goods or other cargo, transported from one place to another at one time, by one mean of transportation and one way specified in the Insurance Policy, and the owner of which is the Insured, or which the Insured has taken over under a contract, order or job order, unless agreed otherwise in the Insurance Policy. Shipment or part of the shipment shall not mean the wrapping that serves to protect the shipment or its content.

#### **Article 11**

##### *Final Provision*

These Supplementary Insurance Terms and Conditions shall become effective on April 1, 2016.