

SPECIAL CLAIM SETTLEMENT CLAUSE

(APPLYING TO SPECIFIC CARGOES)

This special clause shall be applicable where the goods insured are;

- 1) semi-conductors, including part(s) thereof, and/or
- 2) precision machinery, including part(s) thereof

If the goods hereby insured are as enumerated above, in case any of the perils insured occurred during the period of this insurance, due to, in the technical opinion of the assured or the external technical expert entrusted by the assured, any possibility of invisible defect making them insufficient to fulfill the quality guarantee, this company agree to treat such damaged goods as a constructive total loss with no salvage regardless of damage exists or not and the assured shall destroy those goods.

However, as conditions of this clause, the Assured shall make a prior notice in writing to this company, the outer package of the goods being damaged shall be inspected by 3rd party surveyor, and this company shall agree to recognize the goods as total loss based upon the survey result and the insured goods which shall be disposed by the assured.

The recoverable amount under this clause shall be limited to the amount listed in the policy.