

SPECIAL CLAUSE FOR OPEN POLICY (TIME) OF CARGO INSURANCE

DECLARATION CLAUSE

The Assured shall make definite declaration every month as follows for the shipments covered by this Open Policy to the Assurer at the end of each month or as soon thereafter as practicable unless otherwise specially agreed. **(Domestic sales and inventory value should be made definite declaration within 15 days after the expiration of this policy duration)**

Ocean Marine Cargo :

- ① Invoice Number
- ② Insured Interest (descriptions and quantities)
- ③ Insured Value and Insured Amount
- ④ Insured Voyage
- ⑤ Name and Sailing Date of Carrying Vessel &/or Leaving Date of Aircraft

Inland Transit and Storage Cargo :

- ① Sales
- ② Inventory Value

Against such declaration, no special policy, certificate or debit note on each and every shipment shall be issued unless particularly requested by the Assured, and this company shall issue one debit note for all shipments of the month.

In case of any loss or damage claimable hereunder, the Assured shall make a claim against the Assurer or the Claim Settling Agent of the Assurer with this Open Policy or the signed commercial invoice containing the following words instead of an individual insurance policy or certificate.

It is, however, agreed that this Open Policy shall not be prejudiced by any omission of, error &/or delay in making declaration, except for those made intentionally or by gross negligence, provided prompt notice be given to the Assurer as soon as the said omission, error &/or delay has become known to the Assureds and subject to the adjustment of premium if and as required.

The Assurer shall have the privilege, at any time during business hours, to inspect the records of the Assured as respect shipments coming within the provisions of this Open Policy.

In addition, against such declarations, this Company shall issue a Policy or Certificate of Insurance which is necessary for the Assured to make a claim against this Company for any loss or damage happening to the insured interest.

PAYMENT OF PREMIUM CLAUSE

This endorsement forms a part of the Policy to which it is attached and is effective on the inception date of the Policy. This endorsement shall prevail if any provision of the policy contradicts it.

The Insured shall pay all premiums payable specified in the policy to the Insurer within two weeks after receiving the policy and the according debit note(s).

After the insurance contract is formed, the Insurer shall begin to undertake the risk from the time agreed.

Nevertheless, the Insurer shall have the right to decline indemnity or any payment until the Insurer has received all the premiums receivable specified in the policy.

In case that the Insured has not paid all the premiums payable specified in the policy longer than 60 days, the Insurer shall give written notice to the Insured and reserve the right to cancel the policy 30 days thereafter and demand the Insured bear all the liabilities for breach of contract as well except as agreed otherwise.

PAYMENT OF CLAIM CLAUSE

Should the Assured be exempted, as a result of any loss or accident whether caused by the perils insured against or not during the currency of insurance, from paying freight and/or charges or any thereof, which are included in the insured value, the settlement of claim shall be made on the basis of the amount which is equivalent to the insured value with the deduction of freight and/or charges so saved.

In case the payment of claim is to be made abroad, the amount of claim shall be paid in the foreign currency stated in the commercial invoice.

In case of any claim payable in China, the amount of claim in the foreign currency shall be converted into Renminbi Yuan at the middle exchange rate offered by the Bank of China at the time and day of occurrence of a claim.

LIMIT OF LIABILITY CLAUSE

Notwithstanding anything to the contrary contained in this Open Policy, the sum recoverable, in respect of all losses of and/or damages to and/or sue and labour and other charges for the insured interests loaded and/or to be loaded on any one oversea vessel (or aircraft) sustained or incurred during any one voyage (including inland transit), shall not exceed the limit(s) specified in this Open Policy, unless a request is made by the Assured prior to the attachment of the risk or before any known or reported loss or accident, for the increase of such limit(s) and the special agreement thereto of the Representative Co. is obtained. In settlement of any claim to which this Clause and Article 6. Location Clause are both applicable, the former shall be first applied and then the latter applied.

Notwithstanding anything to the contrary contained in this Open Cover, this Company shall not be liable, in respect of all losses of and/or damage to and/or sue and labour and others charges for the insured interests loaded and/or to be loaded on any one oversea vessel sustained or incurred during any one voyage (including connecting transit), for more than the limit(s) specified in the attached Schedule, unless a request is made by the Assured, prior to the attachment of the risk or before any known or reported loss or accident, for the increase of such limit(s) and the special agreement thereto of this Company is obtained.

LOCATION CLAUSE

In case of losses of &/or damages to &/or sue and labor and other charges for the insured interests covered under this Open Policy on land the Co-Insurers shall in no case be liable in respect of any one accident or series of accidents arising out of the same event (as for earthquake, accidents happening during the period of 72 consecutive hours to be considered as those arising out of the same event) for more than their respective proportion of the location limit(s) as specified in the attached "Schedule", unless a request is made by the Assured, prior to the happening of loss or accident, for the increase of such limit(s) and the special agreement thereto of the Representative Co. is obtained.

ALTERATION CLAUSE

The Representative Co. reserve the right to alter rates &/or conditions &/or other items contained in this Open

Policy by giving a thirty (30) days previous notice in writing to the Assured.

Such alteration shall become effective on the expiry of thirty (30) days counting from midnight of the day on which such notice is given by the Representative Co., but it shall not apply to any shipment by the vessel which shall have sailed from the port of loading before such alteration becomes effective.

DURATION CLAUSE

This Open Policy shall continue to remain in force until it shall be cancelled by either party (the party regarding the Co-insurers shall be the Representative Co.) giving to the other at the address shown in this Open Policy a thirty (30) days previous notice in writing of the intention to terminate.

Such cancellation shall become effective on the expiry of thirty (30) days counting from midnight of the day on which such notice is given by or to the Representative Co., but it shall not apply to any shipment to which the risk shall have attached before such cancellation becomes effective.

N. B. Each and every Policy or Certificate of insurance issued under this Open Policy is subject to the terms and conditions of this Open Policy, whether expressly so stated in the Policy or Certificate of Insurance or not, unless otherwise specially agreed by the Assurer.