JAH Insurance Brokers Corp

The right insurance



MARINE CARGO INSURANCE

FULL COVER
GENERAL WORDING

POLICY WORDING

Version 9. 06/2025

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GENERAL CONDITIONS

IN CONSIDERATION OF THE DECLARATIONS DESCRIBED IN THE APPLICATION SUBMITTED BY THE POLICYHOLDER, WHICH IS AN INTEGRAL PART OF THE FULL COVER PLUS INSURANCE CONTRACT, JAH AND ITS UNDERWRITERS AGREE TO COVER THE INSURED GOODS DESCRIBED IN THE INSURANCE CERTIFICATE, AGAINST THE LOSSES OR DAMAGES DESCRIBED IN THE PARTICULAR CONDITIONS THEREOF, OCCURRING DURING THE MOBILIZATION OF THE GOODS AND SUBJECT TO THE FOLLOWING CLAUSES:

COVERAGES AND EXCLUSIONS – DAMAGES

1.1. COVERAGES

1.Partial or total loss due to robbery with violence.
2.Partial or total loss due to damage arising from:

- Stranding, sinking, jetsam, grounding, or collision of the vessel.
- Unforeseen wetting during transport by fresh and/or salt water.
- Loss of entire packages falling into the sea during loading, transshipment, and unloading.
- Loading/unloading maneuvers using auxiliary/smaller vessels (rafts, barges, ferries) from or to the main vessel.
- Fall of the aircraft, self-ignition, collision, overturning, or derailment of any transporting vehicle, including the collapse of bridges or of vessels essential for completing land transit.
- Breakage or fracture during transportation (excluding used or fragile goods, or those lacking proper packaging).
- Accidents befalling the transporting vehicle.
- VMM: Vandalism and Malicious Mischief, including acts of war and terrorism.
- Riot, civil or popular commotion, and strikes.
- Fire and/or lightning, explosion, or attempts to extinguish a fire arising from these causes.
- Acts of God such as earthquakes, landslides, floods, etc.

3. General or common average contribution, according to international definitions (notably the York and Antwerp Rules).

4. Partial or total loss due to robbery with violence or damage caused by international war, excluding conflict countries listed below, and subject to seven (7) business days' early-termination notice.

5. Extended coverage for up to 90 days of storage in customs or tax warehouses, without extra premium, for total or partial losses or damages directly caused by fire, lightning, explosion, snow, strike, riot, hurricane, hail, falling aircraft, vehicle impact, smoke, and robbery with violence.

1.2. EXCLUSIONS – CARGO SECTION

This Certificate does not cover losses or damage caused by:

1. Shipments not insured prior to departure (except maritime shipments, which have a 24-hour grace period post-departure to issue the Certificate).
2. Goods' inherent defects, spontaneous combustion, shrinkage, evaporation, or leakage due to the goods' nature.
3. Factory warranty.
4. Dispatching errors or shipping goods in poor condition.
5. Loss damage or expense caused by insufficiency or unsuitability of packing or preparation of the subject matter insured to withstand the ordinary incidents of the insured transit where such packing or preparation is carried out by the Assured or their employees or prior to the attachment of this insurance (for the purpose of these Clauses "packing" shall be deemed to include stowage in a container and "employees" shall not include independent contractors).
6. Electrical or electronic damage, except when directly caused by a peril covered under this policy.
7. Poor or inadequate packaging.
8. Damage to packaging or wrapping boxes due to humidity or tearing of packaging.
9. Damage to the transporting vehicle or the carrier's contractual Liability.
10. Loss of accessories in transporting automobiles, machinery, or equipment if those accessories are not explicitly declared and valued in the Certificate.
11. Damage caused by loading the insured goods alongside other cargo that compromises the goods' properties or integrity.
12. Container or packaging deterioration.
13. Used property or machinery, and normal wear and tears.
14. Collision with objects caused by exceeding the vehicle's dimensional capacity.
15. Nuclear reaction, radiation, or radioactive contamination.
16. War explosives (mines, torpedoes, bombs) accompany the cargo or transporting vehicle, even in non-conflict areas.
17. Confiscation, seizure, impoundment, or government actions by customs or state authorities.
18. Damage from official customs inspections or sampling.
19. Transportation in private vehicles owned by employees or by the company (unless reviewed and approved before the Certificate is issued).
20. Self-theft, fraud, malice, gross negligence, embezzlement, or dishonesty by employees, partners, or dependents acting alone or in collusion with others.
21. Robbery without violence, simple theft, unauthorized removal without violence or intimidation, or mysterious disappearance.
22. Abandonment of insured goods without the insurer's written consent.
23. The Insured's or their representative's violation of any law or regulation that contributes to the loss.
24. Loss, damage, or expense arising from the insolvency or default of the owners, managers, charterers, or operators of the vessel.
25. Indirect damages such as loss of market, profit, or delay, regardless of cause.
26. The mysterious disappearance of sealed door-to-door containers lacking evidence of seal tampering.
27. Damage to the container not related to transport or pre-existing.
28. Seizures, fines or penalties.
29. Air condensation inside containers or packaging units.
30. Delays in the means of transport that affect the goods.

31. Temperature fluctuations or interruption of the cold chain.
32. Bulk merchandise (unless the Certificate explicitly states coverage authorized by the Company).
33. Courier, parcel shipments, or household goods.
34. Transfers within a plant, warehouse, or premises.
35. Contamination of the insured goods, regardless of cause.
36. Precious metals/stones, works of art, money, valuables.
37. Wrinkles, stains, discoloration, folds, dents, cracks, scrapes, scratches, or breakage, unless from a covered peril. For used or breakable goods or those lacking packaging, this exclusion is absolute.
38. Damage caused by vermin, insects, rodents, or any living organism.
39. Loss of physical, chemical, biological, or biochemical properties (e.g., color, odor, aroma, taste, texture).
40. On-deck shipment by sea, river, or lake (except properly secured containerized goods).
41. Transportation of Livestock (any animal species). Coverage may be provided if expressly approved by the Company in the Certificate.

1.3. CONFLICT COUNTRIES WHERE COVERAGE DOES NOT APPLY

Coverage does not apply to shipments traveling in, out of, to, or from the following countries: Afghanistan, Albania, Algeria, Angola, The Balkans (Bosnia, Herzegovina, Bulgaria, Slovenia, Macedonia, Romania, Kosovo), Belarus, Burma (Myanmar), Chad, North Korea, Ivory Coast, Croatia, Crimea, Cuba, Eritrea, Ethiopia, Georgia, the Persian Gulf and adjacent waters (including the Gulf of Oman), Guinea, Central African Republic, Democratic Republic of Congo, Iraq, Iran, Israel and Red Sea coasts, Laos, Lebanon, Liberia, Libya, Montenegro (Former Yugoslavia), Nigeria, Pakistan, Qatar, Russian Federation, Serbia, Sierra Leone, Syria, Somalia, Sri Lanka, North Sudan, Ukraine, Uzbekistan, Venezuela, Yemen, Zaire, Zimbabwe, or any location restricted by the Mexican or U.S. governments, the United Nations, OFAC (Office of Foreign Assets Control), or under any official sanctions.

1.4. GENERAL CONDITIONS – CARGO SECTION

1.4.1. Parties of the Insurance

1. Policyholder: The individual or entity who arranges and pays for the Insurance Certificate (logistics operator, customs agent, transporter, or cargo client in direct relationship with JAH Insurance Brokers or its affiliates).
2. Insured: The individual or entity owning the cargo or contractually responsible for it, bearing the financial loss in case of a claim.
3. Beneficiary: If she/he is different from the Insured, they must identify themselves and state their capacity (owner, creditor, lessee, etc.).

1.4.2. Non-Insurable Goods

- Unless otherwise stated in the Certificate, the following are not covered:
- Securities, banknotes, coins, money, or asset titles.
- Jewelry, gold, precious metals/stones, antiques, art objects, etc.
- Watches/jewelry (other than costume jewelry).
- Lottery tickets, stocks, bonds, negotiable instruments, stamps, traveler's checks, or documents representing

value.

- Data on magnetic or electronic media, installed software.
- Explosives, corrosives, ammunition, fireworks, or weapons.
- Narcotic substances.
- Self-propelled vehicles, aircraft, or vessels during transit under their own power.
- Livestock (pets, exotic animals).
- Unginned cotton or cotton bales.
- Fishmeal, cotton, or bulk goods.
- Human organs (transplants).
- Chemical/biological agents, hydrocarbons, gas, oil derivatives, rubber, radioactive substances, biomedical products, or copper.

1.4.3. Mobilization of Special Goods

Certain goods, while not outright excluded, are subject to special terms and logistics/safety conditions outlined in the Certificate:



GROUP 1

- New and used cars.
- Motorcycles.
- Aircrafts.
- Yatchs.
- Golf carts.
- Vessels.



GROUP 2

- Food, flowers, products and medicines under temperature control.
- Refrigerated and frozen.

For this group, the provisions of paragraph 1.4.6 Mobilization of refrigerated products - Annex 3 attached to the Insurance certificate apply.



GROUP 3

- Laptop computers.
- Tablets.
- High-end electronics*
- Cellular telephones.
- Drones.

* High-end is defined as those items that are part of the same category, brand or class.

For this group, specifically for the mobilization of cell phones, the provisions of numeral 1.4.14 Prevention measures numeral 8 apply, for shipments over USD 20,000.00.



GROUP 4

- Perfumery.
- Alcoholic beverages.
- Cigarettes.
- Tobacco.
- Flammable.
- Hazardous chemicals.



GROUP 5

- Glassware.
- Glass.
- Marble.d. Used household goods and office equipment.
- Unaccompanied baggage.
- Any other merchandise, due to its nature, susceptible of breakage.
- Coverage is only provided under Total Loss conditions.
- A 20% depreciation applies for used household goods and office equipment.

1.4.4. Mobilization of Dangerous Goods

The insured must comply with all national and international standards (e.g., Decree 1609 in Colombia) regarding classification, packaging, labeling, and transporting of dangerous goods.

1.4.5. Movement of Goods Controlled by Antinarcotics Authorities

The Insured guarantees that any necessary permits or authorizations for transporting chemically controlled substances have been obtained from the relevant government agencies.

1.4.6. Mobilization of Frozen Goods

The Insured must maintain temperature control and follow Appendix 3 of the Certificate regarding coverage terms and conditions.

1.4.7. Limit per Dispatch

The Company's maximum liability per dispatch is the limit stated in the Insurance Certificate. A "dispatch" is the shipment from one sender, one point of origin, in a single vehicle, under one carriage contract, to one consignee. If the shipment is split at an intermediate point, each vehicle is considered a separate dispatch if values are clearly identifiable. Otherwise, it is a single dispatch.

1.4.8. Sum Insured

The insurable sum includes the merchandise value plus freight, taxes, and packing costs, following the applicable INCOTERMS. This value also determines any claim settlement. Specific calculations vary for import, export, or domestic shipments, maquila operations, and used goods. Additional paragraphs note the exchange rate basis, required proof for expenses, and how discounts or taxes affect the insured value.

1.4.9. Underinsurance

If the sum insured is less than the goods' insurable value, the Company will proportionally reduce the indemnity to reflect the underinsurance ratio.

1.4.10. Maximum Indemnity Limit

The indemnity cannot exceed the sum insured or the per-dispatch limit. Partial losses are paid pro rata, subject to underinsurance if applicable.

1.4.11. Transit Clause

1. Subject to Clause 11 below, this insurance attaches from the time the subject-matter insured is first moved in the warehouse or at the place of storage (at the place named in the contract of insurance) for the purpose of the immediate loading into or onto the carrying vehicle or other conveyance for the commencement of transit, continues during the ordinary course of transit and terminates either

2. on completion of unloading from the carrying vehicle or other conveyance in or at the final warehouse or place of storage at the destination named in the contract of insurance,

3. on completion of unloading from the carrying vehicle or other conveyance in or at any other warehouse or place of storage, whether prior to or at the destination named in the contract of insurance, which the Assured or their employees elect to use either for storage other than in the ordinary course of transit or for allocation or distribution, or

4. when the Assured or their employees elect to use any carrying vehicle or other conveyance or any container for storage other than in the ordinary course of transit or

5. on the expiry of 60 days after completion of discharge overside of the subject-matter insured from the oversea vessel at the final port of discharge, whichever shall first occur.

6. If, after discharge overside from the oversea vessel at the final port of discharge, but prior to termination of this insurance, the subject-matter insured is to be forwarded to a destination other than that to which it is insured, this insurance, whilst remaining subject to termination as provided in Clauses

7 to 10., shall not extend beyond the time the subject-matter insured is first moved for the purpose of the

commencement of transit to such other destination.

8. This insurance shall remain in force (subject to termination as provided for in Clauses 7 to 10 above and to the provisions of Clause 9 below) during delay beyond the control of the Assured, any deviation, forced discharge, reshipment or transhipment and during any variation of the adventure arising from the exercise of a liberty granted to carriers under the contract of carriage."

1.4.12. Stay Clause

Coverage extends to insured goods stored in customs/tax warehouses for nationalization (up to 90 days) for losses caused by fire, lightning, explosion, snow, strike, riot, hurricane, hail, aircraft, vehicle collision, smoke, and robbery with violence. An additional premium is required for storage exceeding 90 days.

1.4.13. Termination Clause of the Transportation Contract

If transit ends prematurely for reasons beyond the Insured's control, coverage terminates unless the Insured immediately notifies the Company and requests extended coverage (potentially subject to additional premium).

1.4.14. Land Transportation Conditions

To minimize losses:

1. Use toll roads where available; do not exceed vehicle load/size limits; use proper containers/trailers in good condition.
2. (In Mexico) En-route stops are allowed only for refueling, driver's basic needs, or meals, at secure, well-lit sites with official/private surveillance.
3. Use intact steel or naval locks/seals for containers/trailers.
4. Contract legally authorized cargo transporters holding valid Liability or transport insurance.
5. The transport company must monitor the shipment by phone or comparable system.
6. For shipments ≥ USD 25,000, vehicles must have functional satellite tracking with constant position updates.
7. For shipments ≥ USD 100,000, physical or virtual escort (depending on value and local regulations) is required.
8. Shipments of cellular phones ≥ USD 20,000 require a security escort.
9. Transport vehicles shall not exceed 20 years of age.

1.4.15. Means of Transportation

Transport may use any means noted in the Certificate. By sea, vessels must be mechanically self-propelled, steel-hulled, and properly classified (per Lloyd's, ABS, Bureau Veritas, etc.). Age limits are detailed for conventional or charter vessels. Additional premium/conditions may apply otherwise.

1.4.16. Special Coverage for Used Goods, Returns, and Goods Not Initially Covered (Continuation of Trip)
Coverage is limited to:

1. Total loss due to robbery with violence.
2. Total loss due to damage by fire, lightning, or explosion of the transport means, plus (for ocean shipments) stranding, sinking, collision, and general average contributions, and (for land/air) vehicle or structure collision/collapse.

If a No Damage Certificate is issued by a recognized surveyor, coverage expands to all risks stated in the Certificate.

1.4.17. Modifications to the Risk Status
The Insured/Policyholder must maintain the stated risk conditions. They must notify the Company in writing of any aggravating circumstance at least 10 working days before it arises (or within 10 working days of learning of it). The Company may then revoke or adjust the premium. Failure to notify results in cancellation.

1.4.18. Coexistence, Concurrence, or Plurality of Insurances

All other existing policies on the same goods must be disclosed in writing to the Company within 10 days of issuance. In multiple policies, indemnities are shared proportionally. Failure to disclose may void this insurance.

1.4.19. Subrogation

By paying the indemnity, the Company assumes the Insured's rights against any responsible party, up to the amount paid.

1.4.20. Loss of the Right to Indemnification

The right to indemnity is forfeited if:
1. There is bad faith in reporting the loss or proving the claim.
2. The Insured conceals any coexisting insurance for the same goods.
3. The Insured waives rights against liable parties without the Company's consent or impedes subrogation.

1.4.21. Obligations of the Insured in the Event of Loss

1. Promptly notify JAH BROKERS CORP's Claims Department (email, website, or the JAH INSURANCE app) within 5 business days of receiving the goods and discovering damage.
2. Prevent further damage, preserve salvage, and refrain from abandonment without the Company's consent.
3. Submit a written notice to the Company within 5 working days of discovering the loss.
4. Declare in writing any coexisting insurances.
5. File a claim against those responsible within the legally required timeframe.

6. Cooperate fully with the Company in exercising subrogation.
7. Comply with all other legal obligations.

Failure may trigger legal penalties.

1.4.22. Documents Required for Indemnity Payment

The Insured/Beneficiary must provide (at their expense) documents such as a written indemnity claim, commercial invoices, packing lists, bills of lading or equivalent, import/export declarations, paid freight invoices, carrier claim letters, captain's protests or police reports, technical/repair estimates, official statements of receipt/delivery, equipment interchange receipts (for containers), and any other documents the Company deems necessary.

1.4.23. Deductible

A fixed amount or percentage applies to each indemnifiable loss. This is shown in the Certificate's cover or Particular Conditions.

1.4.24. Revocation

This contract may be revoked:

1. By the Company, by written notification to the last known address of the Insured/Policyholder at least 10 business days in advance (7 days for international war coverage)
2. By the Policyholder/Insured at any time via written notice, provided no insured shipment is in transit.

1.4.25. Payment of Premium and Termination of the Contract

If the premium is not paid at issuance (or within the agreed credit period), the contract terminates automatically and the Company's obligations cease.

1.4.26. Inspection Rights

The Insured must allow the Company's authorized representatives to access offices and review any documents related to this contract.

1.4.27. Salvage Rights

Upon indemnification, the Company may claim ownership of salvage or reject it. If salvage is sold, the Insured receives a proportional share of net proceeds after deductibles, underinsurance, and Company expenses.

1.4.28. Special Conditions for Critical Equipment

Equipment is "critical" if it:

- Has a unit value ≥ USD 500,000,
- Cannot be repaired at destination,
- Requires special (non-standard) means of transport,
- Weigh ≥ 30 metric tons (including packaging),
- Demands specialized handling or off-center anchoring,
- Must be shipped on deck (unless enclosed in a standard container designed/approved for container vessels),
- Or uses barges.

Guarantees include identifying weight/center of gravity, using recognized operators/equipment with valid certifications, and restricting land transit to daylight hours. Additional clauses apply for items over USD 1,000,000 (e.g., independent surveyor oversight and an impact detector). Noncompliance voids coverage.

1.4.29. Address

Notwithstanding local procedural provisions, both parties designate Miami, Florida, USA as their legal domicile for all matters related to this contract.

1.4.30. Information Security and Data Protection Policy

The Company may process the Insured's information to evaluate risks and handle claims. Collected data is safeguarded in accordance with applicable regulations.

1.4.31. Definitions

- **General Average:** Any intentional loss/expense to avert serious total or partial loss of vessel and/or goods, proportionately shared among all beneficiaries.
- **York and Antwerp Rules:** Customary (non-treaty) international rules broadly adopted in carriage contracts.
- **Additional Expenses in the Insured Amount:** Verified expenses beyond the commercial invoice (e.g., customs forms, freight, insurance exchange, exchange fluctuations, port fees, etc.).
- **Dispatch:** A shipment from a single origin, in one vehicle, under one contract of carriage. If split mid-route into multiple vehicles, each vehicle can be treated separately if values/damages are individually determined.
- **Packing Unit:** The outer wrapping of the insured goods (box, crate, sack, etc.) stated in the transport document. A container/stowage unit counts as packaging if the goods inside are not otherwise packaged.
- **Actual Value:** Replacement value minus depreciation at dispatch time.
- **Limit per Dispatch:** The Company's maximum liability for each shipment.
- **FCP:** Full Cover Plus
- **FC:** Full Cover
- **TL:** Total Loss
- **Total Loss:**

  - By damage: When repair/replacement costs equal or exceed the actual or insured value.
  - By theft: The non-delivery of the entire shipment.
- **Depreciation for Use:** Reduction in value from normal wear and tear.
- **Used Machinery and Goods:** A 10% annual depreciation (up to 70% of replacement value). Otherwise, the item's book value, certified by an accountant and signed by the legal representative, may be used.

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FULL COVER
GENERAL WORDING

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