JAH Insurance Brokers Corp

The right insurance

GENERAL TERMS AND CONDITIONS
FULL COVER PLUS

MARINE CARGO INSURANCE

POLICY WORDING

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GENERAL CONDITIONS

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

CHAPTER I. COVERAGES AND EXCLUSIONS FOR DAMAGES

1.1. COVERAGES

1. Partial or total loss due to robbery with violence.
2. Partial or total loss due to damages and the following events:

- Stranding, sinking, jetsam, grounding, or collision of the vessel.
- Unforeseen wetting during transport (fresh water, salt water, or both).
- Loss of entire packages fallen into the sea during loading, transshipment, or unloading maneuvers.
- Unloading maneuvers including transport by auxiliary and/or smaller vessels (rafts, barges, or ferries) from or to the main vessel.
- Aircraft crash, self-ignition, collision, overturning, or derailment of the vehicle or other means of transportation used, including breakage or collapse of bridges or vessels essential to completing land transit.
- Breakage or cracking during transportation. (Used and breakable merchandise is excluded, as are goods lacking proper packaging.)
- Accident involving the transporting vehicle.
- **VMM (Vandalism and Malicious Mischief, including war acts and terrorism).**
- Riot, civil or popular commotion, and strike.
- Fire and/or lightning, explosion, or attempts to extinguish fire originating from such causes.
- **Acts of God** such as earthquakes, landslides, floods, etc.

3. General or common average contributions, in accordance with international definitions on the matter (especially the York and Antwerp Rules).
4. Partial or total loss due to robbery with violence or damage caused by international war, excluding conflict countries detailed below, and subject to early termination with 7 working days' notice.
5. Extension of coverage for customs-warehouse stay for up to 90 days, without extra premium, against total or partial losses or damage directly caused by fire, lightning, explosion, snow, strikes, riots, hurricanes, hail, falling aircraft, impact of vehicles, smoke, and total or partial loss due to robbery with violence.

1.2. EXCLUSIONS – CARGO SECTION

This insurance certificate does not cover events arising from:

1. Shipments not insured before the journey begins, except maritime shipments, which have a 24-hour period after the start of the voyage to issue the certificate.
2. Inherent defect of the goods, spontaneous combustion, shrinkage, evaporation, or filtration due to the nature of the goods transported.
3. Factory warranties.
4. Errors or faults in dispatch or goods sent 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, unless directly caused by one of the covered perils.
7. Damage caused by improper or inadequate packaging.
8. Deterioration or damage to packaging or boxes (including humidity and/or tearing).
9. Damage to the transporting vehicle or the carrier's contractual Liability.
10. Loss of accessories in the transportation of automobiles, machinery, or equipment—where such accessories are not part of normal operation—unless expressly declared and valued in the insurance certificate.
11. Damage caused by transporting the insured property together with other merchandise that affects its properties or integrity.
12. Damage caused by deterioration of the container or packaging.
13. Used property and machinery, and any normal wear and tear of the insured property.
14. Collision of the load with objects due to exceeding the dimensional capacity of the load and/or vehicle structure.
15. Losses due to nuclear reactions, radiation, or radioactive contamination.
16. Damage caused by mines, torpedoes, bombs, or other war devices transported along with the cargo or the vehicle, even in conflict-free territories.
17. Confiscation, seizure, and sequestration by customs or any authority.
18. Loss or damage occurring during inspection or sampling by any customs authority.
19. Transportation in private automobiles owned by employees and/or the company (unless specifically reviewed and approved before contracting).
20. Self-theft, fraud, malice, bad faith, gross negligence, breach of trust, or infidelity by employees, partners, or dependents, whether acting alone or in collusion.
21. Robbery without violence, simple theft, subtraction without violence or intimidation, or mysterious disappearance and misplacement.
22. Abandonment of the insured goods by the Insured or by anyone representing the Insured's interests, unless authorized by the insurer.
23. Violation by the Insured or their representative of any law or regulation issued by any authority (foreign or national, federal, state, or municipal) that influences the occurrence of the loss.
24. Loss, damage, or expense arising from the insolvency or default of the owners, managers, charterers, or vessel operators.
25. Indirect damages (loss of market, lost profits, delays, or other commercial or economic difficulties), regardless of cause.
26. Mysterious disappearance of sealed door-to-door containers, missing containers without a breach of

security seals.
27. Damage or loss to containers not caused by transportation and pre-existing damage.
28. Embargoes, fines, and penalties.
29. Air condensation inside the container or packaging unit.
30. Delays in the means of transportation affecting the merchandise.
31. Damage or loss due to temperature variation or interruption of the cold chain.
32. Goods in bulk (unless specifically authorized and endorsed).
33. Courier services, parcels, and/or household goods.
34. Transfers within plants, warehouses, or premises.
35. Damage caused by contamination of the insured goods from any cause.
36. Transportation of precious metals or stones, works of art, money, and valuables.
37. Wrinkles, stains/discoloration, dents, cracks, scratches, or breakage, unless caused by a covered peril. For used and breakable goods or those lacking any packaging, this exclusion is absolute.
38. Damage or loss caused by pests, vermin, insects, rodents, or any living organism.
39. Changes in physical, chemical, biological, or biochemical properties (color, odor, aroma, taste, texture, etc.).
40. Transportation of goods on deck by sea, river, or lake—except if packed in containers that can be secured on the ship's deck.
41. Transportation of Livestock (any animal species). Coverage may be provided only by prior authorization from the insurer, and specific conditions must be stated in the insurance certificate.

1.3. CONFLICT COUNTRIES WHERE COVERAGE DOES NOT OPERATE

No coverage applies for shipments made in, to, or from (or originating in):

- 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, 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, and any country subject to limitations or embargoes enacted by the United Nations, the laws of the United Mexican States, the United States of America, or sanctions under the Office of Foreign Assets Control (OFAC).

1.4. GENERAL CONDITIONS – CARGO SECTION

1.4.1. Parties of the Insurance

1. Policyholder: The person or company purchasing the insurance certificate and obligated to pay the premium. This may be the logistics operator, customs agent, carrier, or cargo customer with a direct relationship with JAH Insurance Brokers or any of its affiliates/subsidiaries.
2. Insured: The person or company owning the cargo or contractually responsible for it who would suffer financial harm in the event of a loss.
3. Beneficiary: If different from the Insured, they must identify themselves and explain the basis of their insurable interest (ownership, creditor, leaseholder, etc.).

1.4.2. Non-Insurable Goods

Unless otherwise stipulated in the insurance certificate, the following are excluded:

1. Securities, banknotes, coins, money, or asset titles.
2. Jewelry, gold, precious metals or stones, items made of or containing precious metals/stones, paintings, statues, antiques, and works of art.
3. Watches and/or jewelry other than costume jewelry.
4. Lottery or similar tickets, stocks, securities, unstamped postage, traveler's checks, old coins, or valuable documents.
5. Negotiable instruments of any kind (checks, bonds, mortgage bonds, shares, debit or credit cards, etc.).
6. Information stored on disks, tapes, or other magnetic/electronic devices, and installed software.
7. Explosive or corrosive materials/substances.
8. Weapons, ammunition, fireworks, explosives.
9. Narcotics.
10. Motor vehicles, aircraft, or vessels moving under their own power.
11. Livestock (pets, exotic animals, etc.).
12. Unginned cotton or cotton in bales.
13. Installed software.
14. Fishmeal and cotton.
15. Goods in bulk.
16. Human organs (for scientific or transplant procedures).
17. Chemical and biological agents.
18. Hydrocarbons, gas, oil derivatives, rubber.
19. Radioactive substances.
20. Biomedical products.
21. Copper.

1.4.3. Mobilization of Special Goods

Certain goods listed below (unless otherwise excluded) require individually analyzed terms and conditions, along with specific logistical and security measures noted in the insurance 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, Section 1.4.6 (Mobilization of Frozen Goods – Annex 3) applies.

GROUP 3

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

"High-end" refers to high-value item sofa particular brand/category. "High-end" refers to high-value items of a particular brand/category."High-end"referstohigh-valueitemsofaparticularbrand/category.
For shipments of cell phones over USD 20,000, refer specifically to Clause 1.4.14 on preventive measures.

GROUP 4

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

GROUP 5

- Glassware.
- Glass.
- Marble.
- Used household goods and office equipment.
- Unaccompanied baggage.
- Any other merchandise, due to its nature, susceptible of breakage.

These Group 5 items are excluded from partial coverage and will be insured only for total loss. A 20% depreciation factor applies to used household goods and office equipment.

1.4.4. Mobilization of Dangerous Goods

Transportation must comply with the applicable technical standards and legal provisions (for example, Decree 1609 in Colombia or any equivalent), especially those regarding packaging, labeling, and the respective liabilities of the cargo shipper, transport company, and vehicle owner.

1.4.5. Movement of Goods Controlled by the Antinarcotics Authorities

The Insured guarantees all required governmental permits and authorizations for transporting goods controlled by antinarcotics authorities (e.g., chemical precursors).

1.4.6. Mobilization of Frozen Goods

The Insured agrees to maintain control and monitoring of temperature conditions during the entire trip. The additional provisions in Annex 3 (attached to the insurance certificate) apply to the coverages granted for such goods.

1.4.7. Limit per Dispatch

This represents the maximum liability per dispatch, as stated in the insurance certificate.
A dispatch is defined as a shipment from a single sender, starting at the same place and using a single transport vehicle, bound for the same consignee, under one contract of carriage, represented by a single Bill of Lading, rail or air waybill, consignment, or similar document.

Should the shipment be unloaded mid-route and split among multiple vehicles, each vehicle's portion is considered a separate dispatch if the value and any potential losses for each vehicle are clearly determined. If not, the dispatch is considered the sum of all vehicles.

When multiple dispatches—each with different Bills of Lading (or air/land waybills)—are consolidated into one transport unit or storage area (ship, vessel, railcar, airplane, truck, or warehouse), the insurer's maximum liability applies separately to each Bill of Lading/waybill.

1.4.8. Sum Insured

The insurable sum generally consists of the value of the goods plus any freight, taxes, or packing costs, aligned with applicable INCOTERMS. The same basis is used for claim settlements. Depending on the shipment type:

1. Imports

- Foreign leg: Commercial invoice value, plus foreign freight and import expenses.
- Domestic leg: Add nationalization taxes and inland freight.
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2. Exports

- Domestic leg: Sales invoice value minus expected profit, plus inland freight.
- Foreign leg: Add external freight and export-related costs (including, if applicable, destination-country nationalization costs).

3. Domestic Shipments

- If the Insured is the buyer: Commercial purchase invoice + freight.
- If the Insured is the seller: Sales invoice value minus expected profit + freight.

4. Maquila Shipments

- Transportation costs, raw material costs, production expenses, and other expenses related to the insured goods' transit.

5. Shipments Between Subsidiaries

- Production/acquisition cost, plus freight and other relevant expenses.

6. Used Goods

- Actual value plus freight, customs, packing, or any other relevant transportation expenses.

Paragraph 1: In loss settlements, currency exchange rates used are those shown in the customs documents or, lacking that, the rate on the day of the loss. Premium payments use the rate on the payment date.

Paragraph 2: Although freight is insured, the Insured must provide documents supporting any additional freight-related expenses claimed.

Paragraph 3: VAT or other taxes are included in the value of the goods if they are not tax-deductible. Also, any discounts granted in invoices must be applied.

Paragraph 4: When necessary to establish the cost or production value of merchandise for indemnification, the Company may request purchase or production invoices—or a certification from an accountant or tax auditor—signed by the Insured's legal representative.

1.4.9. Underinsurance

If the sum insured is lower than the actual insurable value, the Company applies a proportional rule: the indemnity is proportional to the ratio of the sum insured to the actual insurable value.

1.4.10. Maximum Indemnity Limit

The Company's maximum liability is capped by the sum insured, subject to the dispatch limit and any proportional underinsurance. In partial loss scenarios, the maximum payable is proportionally calculated.

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."

Paragraph 1:
If the goods are, for any reason, shipped to a destination different from that stated in the certificate, coverage terminates unless the Company is notified immediately and agrees to extend coverage (with additional premium if required).
Coverage remains in force (subject to the above termination points) during delays not caused by the Insured, as well as during route changes, forced unloading, re-shipment, or transshipment arising from the carrier's execution of the carriage contract.

For cargoes carried under charter-party conditions (contract of chartering), coverage follows a similar timeline but may allow up to 60 days at the final port of destination, whichever occurs first.

1.4.12. Stay Clause

While in temporary storage in a customs or tax warehouse in the destination country for up to 90 days (to handle nationalization procedures), coverage extends to losses caused directly by fire, lightning, explosion, snow, strikes, riots, hurricanes, hail, aircraft, vehicles, smoke, or theft with violence.
Beyond 90 days, written agreement from the Company is required (with any additional premium).

1.4.13. Termination Clause of the Transportation Contract

If, for reasons beyond the Insured's control, the transportation contract ends at a port/place other than the insured destination, or the transit otherwise ends prematurely, coverage terminates unless the Company is promptly notified and agrees to continue coverage (with any additional premium). If agreed, coverage continues until:

1. The goods are sold and delivered at that port/place or until 60 consecutive days (for ocean transport) or 30 days (for other modes) have elapsed from the goods' arrival, whichever is first.
2. If within that 60- or 30-day period the goods are shipped to the original or another destination, coverage resumes under the same conditions.

1.4.14. Land Transportation Conditions

Preventive measures must be followed to minimize losses:

1. The Insured must use toll roads (where available), not exceed legal load/dimensions, and use closed metal trailers/containers or, if using open vehicles, ensure secure covers/tarpaulins in perfect condition.
2. (Mexico only): En-route stops are permitted only for refueling, driver's essential needs, or overnight, at well-lit places with police/private security, recognized truck stops, or within 200 meters of authorized toll booths or police detachments. Overnight stays cannot exceed 8 consecutive hours.
3. Secure seals and/or steel or naval padlocks must be used on containers/trailers.
4. Cargo mobilization must be contracted with a legally established transport company holding a valid carrier's Liability policy.
5. The transport company must regularly monitor the shipment by phone or another communication method.
6. For land shipments ≥ USD 25,000: use vehicles with functional satellite tracking (GPS), monitored continuously (ideally every 15 minutes). Any unplanned deviation or stop must be promptly reported to authorities.
7. For shipments ≥ USD 100,000: an escort or guard (in person or virtual) must accompany from start to destination. In Mexico, between USD 100,000 and USD 150,000, virtual escort is acceptable if the security provider holds a valid permit.
8. For cell phone cargo (Group 3) with a value ≥ USD 20,000, an escort is required.
9. Transport vehicles must be no older than 20 years.

1.4.15. Means of Transportation

Transport services may involve one or multiple authorized modes (sea, air, land, etc.) from public or duly permitted carriers.

- Vessels up to 25 years old (20 years for charter vessels) must be properly classified/registered.
- By default, cargoes must travel below deck on self-propelled, steel-hulled vessels.
- Closed containers may be carried on deck if permitted by maritime regulations.
- All vessels/container carriers must meet specified classification (e.g., Lloyd's Register, Bureau Veritas, etc.).
- Cargo carried on non-conforming vessels remains covered only if the Insured agrees to pay any extra

- premium required.

1.4.16. Special Coverage for Used Goods, Returns, or Goods Not Covered from Initial Origin (Continuation of Trip)

Coverage is limited to:
1. Total loss due to robbery with violence.
2. Total loss due to damage from:
- Fire, lightning, explosion of the transport means.
- (Maritime) Stranding, sinking, collision of the vessel, or total package loss overboard during maneuvers; and general or common average contributions.
- (Land/Air) Aircraft crash, self-ignition, collision, overturning/derailment, collapse of bridges/vessels essential to land transit.

If a **No Damage Certificate** is issued by a specialized, internationally recognized firm before shipment, coverage can be extended to all risks described in the certificate. (Inspection cost is borne by the Insured unless otherwise agreed.)

1.4.17. Modifications to the Risk Status

The Insured/Policyholder must maintain the initial risk conditions. Any aggravating changes must be reported to the Company in writing at least 10 working days in advance if such changes are within their control—or within 10 days after learning of such changes otherwise. The Company may then cancel the contract or adjust the premium. Failure to notify may terminate the contract.

1.4.18. Coexistence, Concurrence, or Plurality of Insurances

The Insured must disclose, in writing within 10 working days of issuance, all other insurance covering the same goods and risks. Failure to do so may terminate this contract. If there is more than one valid insurance, each insurer covers proportionally to its share, per applicable law.

1.4.19. Subrogation

By paying an indemnity, the Company is subrogated to the Insured's rights against whoever caused the loss, up to the amount indemnified.

1.4.20. Loss of the Right to Indemnification

The Insured or beneficiary loses the right to indemnity if:
1. There was bad faith in the claim or in verifying the right to indemnity.
2. Upon reporting a loss, the Insured intentionally fails to mention coexisting insurance.
3. The Insured waives rights against liable parties without the Company's consent or does not cooperate in the Company's subrogation efforts.

1.4.21. Obligations of the Insured in the Event of Loss

1. Immediately notify JAH INSURANCE BROKERS CORP Claims Dept. at claimsdepartment@ahinsurance.com, via www.jahinsurance.com, or through the "JAH INSURANCE" mobile app (Android/iOS), within 5 business days of discovering loss or damage. Late notices may result in denial of the claim.
2. Prevent further damage and salvage the insured goods. Do not abandon them without the insurer's express authorization.
3. Submit written notice to the Company within 5 working days of learning of the event or upon the goods' arrival in the destination country.
4. Declare in writing any coexisting insurance policies.
5. File a timely written claim against those responsible for the loss or damage, adhering to the law and relevant international conventions. Failure to file such a claim may reduce indemnity by the amount that could have been recovered from the responsible party.
6. Cooperate with the Company's subrogation.
7. Comply with any other legal obligations.

1.4.22. Documents Required for Indemnity Payment

At the Insured's expense, the following must be provided:

1. Written claim to the Company/JAH Insurance Brokers explaining the event, the claimed amount, and potential liable parties.
2. Commercial invoice (purchase or sale). For sales invoices, subtract the expected profit.
3. Packing list.
4. Certified copy of the Bill of Lading, air waybill, land waybill, consignment, or similar.
5. Import/export declarations, customs manifests, or equivalent documents.
6. Paid freight invoice.
7. Letter of claim submitted to the responsible carrier.
8. Captain's protest (for maritime accidents) or official authority's report (for land accidents).
9. Police report (for robbery with violence).
10. Technical report (manufacturer/repair center) stating the cause of loss and repair feasibility.
11. Repair or replacement estimates for damaged equipment/machinery. For total loss, a valuation or replacement cost is required.
12. Certificate of receipt/delivery from the carrier, warehouse, port, or customs.
13. Major Damage Declaration (if any), details of the event, and assigned adjuster(s).
14. In case of international container shipments, the EIR at origin and destination ports.
15. Paid invoices substantiating any additional expenses.
16. Any other documents the Company requests for clarification.

1.4.23. Deductible

A fixed amount or percentage is deducted from any indemnifiable loss; this portion remains at the Insured's expense. The deductible is stated in the insurance certificate. If the Insured attempts to cover this deductible with another policy without notifying the Company, such coverage will be deemed coexisting insurance.

1.4.24. Revocation

1. By the Company: Notice in writing to the Policyholder or Insured at least 10 working days (or 7 days for international war coverage) before revocation is effective. However, any dispatch already insured prior to revocation remains covered under the agreed terms (except in cases of international war, where the 7-day term is peremptory).

2. By the Policyholder/Insured: At any time, by written notice to the Company, provided no shipment is in transit under this policy.

1.4.25. Payment of Premium and Termination of the Contract

If the premium is not paid upon delivery of the insurance certificate (or subsequent annexes), or within the agreed deadline, the insurance contract terminates automatically, and the Company's obligations cease.

1.4.26. Inspection Rights

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

1.4.27. Salvage Rights

After indemnification, the Company may choose whether to take ownership of salvaged/recovered goods. If it declines, ownership (and related storage/holding costs) remains with the Insured. Any salvage proceeds are shared proportionally with the Insured, accounting for any deductible or underinsurance.

1.4.28. Special Conditions for Critical Equipment

"Critical" items/equipment are those with any of the following characteristics:

- Unit value ≥ USD $500,000
- Not repairable at the destination
- Requires non-standard means of transport (dimensions exceed standard 40-foot container)
- Gross weight (including packaging) > 30 metric tons
- Displaced center of gravity
- Requires special handling or fastening

- Transport on deck (except enclosed standard containers on container vessels)
- Transport by barge

Guarantees for such shipments:

1. Each item must display gross weight and center-of-gravity indications, plus anchoring points.
2. Loading/unloading/handling equipment must be in good condition and operated by qualified companies.
3. Such equipment must be properly maintained and certified on the operation date.
4. Equipment load capacities (SWL) must exceed the item's gross weight and angles.
5. Land vehicles must be from reputable transport firms, no older than 10 years, and well-maintained.
6. Land transits must occur in daylight; night travel in poor visibility is prohibited.
7. Ordinary stops are covered if the vehicle is always in a safe place under supervision.

For items > USD $1,000,000:

- An independent surveyor must oversee loading, stowage, packing, securing, and unloading. All surveyor recommendations must be followed. (Cost borne by the Insured.)
- An impact detector must be affixed to each item; its serial number recorded.

Failure to comply with these guarantees' voids coverage.

1.4.29. Address

Notwithstanding any procedural considerations (issuance location, transport route, or claim occurrence), the parties agree to set their domicile in Miami, Florida (USA) for all matters related to this contract (pre-contractual, contractual, or post-contractual).

1.4.30. Information Security and Data Protection Policy

The Insured authorizes the Company to collect and process data from the insurance documents and contract execution—exclusively to assess risks and manage claims. The Company will handle such data in accordance with applicable data protection laws.

1.4.31. Definitions

- General Average: Any loss or expense purposely incurred by a ship's captain to prevent serious total/partial loss of the vessel and/or goods, shared proportionally among all benefiting interests.
- York and Antwerp Rules: A customary set of rules (not an international convention) widely adopted for general average matters.

- Additional Expenses in the Insured Amount: A percentage for proven extra costs (foreign trade/customs forms, financial expenses, letter of credit, port/airport fees, storage, etc.) that is added to the commercial invoice, freight, and taxes.
- Dispatch: A single shipment from one sender, at one origin, with one vehicle, for one consignee, under one carriage contract. If split mid-route into multiple vehicles, each portion is a separate dispatch if

- independently valued.
- Packing Unit: The outer container or wrapping (e.g., crate, box). A container/stowage is considered transport means if the cargo is independently packaged; otherwise, it is part of the packaging.
- Actual Value: Replacement cost minus depreciation or use at the time of dispatch.
- Limit per Dispatch: The maximum liability of the Company for each dispatch as noted in the certificate.
- FCP (Full Cover Plus), FC (Full Cover), TL (Total Loss): Abbreviations used in the policy.
- **Total Loss:**
  - Damage: When repair/replacement cost ≥ the insured or actual value.
  - Theft: Non-delivery of the entire shipment (not partial items).
- Depreciation by Use: Value reduction from normal wear/tear; up to 70% total.
- Application for Used Machinery or Goods: 10% per year of use, up to 70%. Otherwise, use book value certified by an accountant and the legal representative.

CHAPTER II. COVERAGES AND EXCLUSIONS – LIABILITY ERRORS AND OMISSIONS

2.1. COVERAGES IN THE LIABILITY ERRORS AND OMISSIONS SECTION

Coverage for economic losses arising from the Insured's errors or omissions in performing professional activities (during the policy period and not excluded below):

1. Contractual Liability for Errors or Omissions

- Basic Coverage: Liability for economic losses suffered and proven by the Insured's clients due to negligent errors or omissions in the Insured's professional duties.
- Delay: Liability for economic losses proven by the client caused by delays stemming from the Insured's error or omission.
- Incorrect Completion of Transport Documents: Liability for economic losses caused or increased by inaccuracies in B/L, AWB, inland waybill, or other carriage documentation.

Any covered loss follows the legal framework for that claim, considering transportation mode and liability limits.

2. Contractual Liability for Customs Fines

- Covers penalties imposed on the Insured by customs authorities due to improper handling of customs procedures or declarations, provided the Insured acted on behalf of a client who is not to blame for the penalty.

2.2. GENERAL EXCLUSIONS – LIABILITY ERRORS AND OMISSIONS

No indemnity is provided for claims arising directly or indirectly from:

1. Excess Contractual Liability: Any assumed contractual liability beyond what would apply legally in the absence of that agreement; also excludes extra-contractual or corporate liability.

2. Personal Injury or Property Damage: Errors/omissions resulting in bodily harm, death, or destruction/loss of use of tangible property.
3. Employer's Liability: Breaches of obligation owed by the Insured to an employee (current or former) or job applicant.
4. Suppliers' Errors/Omissions: (Carriers, warehousing, port operators, etc.) in the logistics chain.
5. Delays caused by events other than the Insured's error/omission (e.g., weather, port closures, strikes, Acts of God, accidents).
6. Malicious Acts: Fraudulent or illegal acts by the Insured, proven by final court/arbitral decision or admission.
7. Indirect Damages: Loss of market, lost profits, delays, or other commercial difficulties.
8. Known Circumstances: Existing or reasonably foreseeable conditions before the policy started.
9. Unusual Contracts: Arrangements outside normal freight-forwarder industry practices (e.g., contractual penalties, performance guarantees).
10. Claims from Unreasonable Customer Promises: E.g., guaranteeing deadlines that were clearly unrealistic.
11. Legal Defense in Special Criminal Cases, fines, punitive damages, administrative sanctions, or sureties.
12. Transportation or Storage of Precious Metals, Stones, Money, or Art.
13. Economic Losses Related to a Storage Contract (unless specifically covered).
14. Pollution and Radiation: Filtration or release of pollutants, nuclear/radioactive contamination.
15. War and Terrorism: War, invasions, civil war, rebellion, revolution, and related government actions.
16. Illegal Transport: Violations of legal provisions requiring official consent/permits.
17. Defective Products or Services offered directly by the Insured.
18. Bodily Harm, Illness, or Death and Property Damage to physical assets.
19. Financial Risks, Fraud, Theft, or Fidelity by employees.
20. Violation of Secrets, Forgery, Defamation, Swindle, Theft, Breach of Trust, or any other criminal act.
21. Any Liability for Failing to Procure Insurance or for procurement errors, including but not limited to missing coverage, non-payment of premiums, or misunderstanding policy terms.

2.3. GENERAL CONDITIONS – LIABILITY ERRORS AND OMISSIONS SECTION

2.3.1. Parties of the Insurance

1 Policyholder: The entity that buys the insurance certificate and pays the premium—logistics operator, customs agent, or carrier with a direct relationship to JAH Insurance Brokers.
2. Insured: Same as above, bearing professional liability.
3. Beneficiary: The cargo owner or party contractually harmed by the Insured's error/omission who suffers a financial loss and initiates a claim.

2.3.2. Non-Insurable Goods, Mobilization of High-Risk Goods, Dangerous Goods, Goods Controlled by Antinarcotics, and Frozen Goods

To receive coverage for errors/omissions (in addition to cargo coverage), the Insured must strictly comply with the cargo mobilization terms in Section I. Failure to meet these terms is not considered a mere "error/omission" but a breach, thus excluded.

2.3.3. Insured Limits

As shown in the insurance certificate, these limits represent the Company's maximum liability per coverage. They cannot be combined or added together.

2.3.4. Validity of Coverages

The Errors and Omissions coverage term is tied to the cargo mobilization term under Section I. The triggering error/omission may occur before the physical journey but must relate to the official steps to mobilize the cargo. Once the goods are received by the Insured or a representative without objection, coverage ceases for subsequent errors.

2.3.5. Termination of Errors and Omissions Coverage Clause

This coverage ends automatically if, for any reason, the cargo transportation coverage in Section I ends under its terms.

2.3.6. Preventive Measures

1. The Insured must be a duly incorporated company with legal permits to operate.
2. The Insured must have clear procedure manuals for each position involved in the covered activities, properly trained and disseminated.
3. Hiring procedures must ensure qualified personnel.
4. Activities must be supervised or monitored, preferably via properly parameterized digital platforms with password controls.

2.3.7. Modifications to Risk Status

Same as Cargo Section 1.4.17.

2.3.8. Insurance Coexistence

Same as Cargo Section 1.4.18.

2.3.9. Loss of Entitlement to Indemnity

Same as Cargo Section 1.4.20.

2.3.10. Obligations of the Insured in the Event of Loss

Same as Cargo Section 1.4.21, plus:

1. Unless under oath, the Insured must not acknowledge liability to third parties without the Company's express approval.
2. The Insured must conduct an internal investigation to pinpoint the error or omission and propose

improvements to prevent future recurrences.

2.3.11. Documents Required for the Payment of Compensation

1. Written indemnity request stating the event, the claimed amount, and involved personnel.
2. Commercial invoice (purchase/sale).
3. Packing list.
4. Bill of Lading, air waybill, or land waybill (if an inland complement exists).
5. Customs documents (import/export declarations, etc.).
6. Paid freight invoice.
7. Claim documents submitted by the beneficiary.
8. Proof of payments made and detailed settlement.
9. Internal or external technical audit/report on the cause and corrective measures.

2.3.12. Deductible

Same as Cargo Section 1.4.23.

2.3.13. Revocation

Same as Cargo Section 1.4.24.

2.3.14. Payment of Premium and Termination of the Contract

Same as Cargo Section 1.4.25.

2.3.15. Address

Same as Cargo Section 1.4.29 (Miami, Florida, USA).

2.3.16. Information Security and Data Protection Policy

Same as Cargo Section 1.4.30.

2.3.17. Definitions

- **Error or Omission:** Contractual liability related to the Insured's carriage agreement, causing financial loss to a client due to professional malpractice.
- **Erroneous Act:** Any actual or alleged negligent act or omission by the Insured or its employees/officers. Does not include errors by subcontractors such as carriers or port operators.

CHAPTER III. COVERAGES AND EXCLUSIONS – CONTAINER

3.1. CONTAINER SECTION

Coverage extends to one container as a cargo unit for total losses only, if the container is explicitly identified in the insurance certificate:

1. Total Loss from Robbery with Violence
2. Total Loss from Damage caused by:

- Loading and unloading operations
- Accident involving the transporting vehicle
- VMM (Vandalism and Malicious Mischief, including war acts and terrorism)
- Assault, riot, civil/popular commotion, and strike
- Fire, lightning, explosion, or attempts to extinguish fire originating from such causes
- Acts of God (earthquakes, landslides, floods, etc.)

3.2. GENERAL EXCLUSIONS – CONTAINER SECTION

In addition to Cargo Section 1.2, the following apply:

1. Partial losses (the economic loss is less than the container's insured value).
2. Damage to the cargo where repair/replacement cost remains partial; only total losses are covered.
3. Container's own defects (rust, corrosion).
4. Pre-existing damage or normal wear/tear.
5. Minor cracks, scratches, dents, humidity, mildew, or discoloration.
6. Collision with objects due to oversize cargo and/or vehicle structure.
7. Damage or loss of refrigeration equipment.
8. No coverage for damage/loss to the cargo inside the container (Cargo is covered separately in Section I).
9. No coverage once the time limit for container delivery to the Insured has expired.

3.3. COUNTRIES IN CONFLICT WHERE COVERAGE DOES NOT OPERATE

Same as Cargo Section 1.3.

3.4. GENERAL CONDITIONS – CONTAINER SECTION

3.4.1. Parties of the Insurance

1. Policyholder: Person or company contracting the certificate and paying the premium (logistics operator, customs agent, transporter with a direct relationship to JAH).
2. Insured: Person/company owning or bearing contractual responsibility for the container.
3. Beneficiary: If different from the Insured, must specify interest (ownership, credit, lease, etc.).

3.4.2. Non-Insurable Goods

Only the container itself is covered here; no other interest is included under this section.

3.4.3. Limit per Dispatch

Like Cargo Section 1.4.7, but specifically for the container's insured value.

3.4.4. Sum Insured

Based on the actual value of the insured container—i.e., book value minus depreciation—stated in the insurance certificate. This same basis is used for claims.

3.4.5. Underinsurance

Same as Cargo Section 1.4.9.

3.4.6. Maximum Limit of Indemnity

Since coverage is for total losses only, see definitions in Section I (Total Loss, Depreciation for Use, etc.).

3.4.7. Validity of Coverages

Follows Cargo Section 1.4.11. Additionally, the covered container is insured for one extra trip—either before loading (when it is first transported to pick up the cargo) or after unloading (moved to the place directed by the owner/lessee).

3.4.8. Termination Clause of the Contract of Carriage

Same as Cargo Section 1.4.13.

3.4.9. Preventive Measures

Same as Cargo Section 1.4.14.

3.4.10. Means of Transportation

Same as Cargo Section 1.4.15.

3.4.11. Modifications to the Risk Status

Same as Cargo Section 1.4.17.

3.4.12. Coexistence, Concurrence, or Plurality of Insurances

Same as Cargo Section 1.4.18.

3.4.13. Subrogation

Same as Cargo Section 1.4.19.

3.4.14. Loss of the Right to Indemnification

Same as Cargo Section 1.4.20.

3.4.15. Obligations of the Insured in the Event of Loss

Same as Cargo Section 1.4.21.

3.4.16. Documents Required for Payment of Compensation

1. Letter of claim to the Company/JAH Insurance Brokers detailing the event and possible liable parties.
2. Commercial invoice or valuation (deducting depreciation).
3. Bill of Lading, air waybill, land waybill, etc., if relevant.
4. Carrier claim letter.
5. Captain's protest (if maritime) or official authority's report (if land accident).
6. Police report (robbery with violence).
7. Technical/repair shop report indicating the cause of loss and feasibility of repairs.
8. Estimate for repair or container replacement.
9. Receipt/delivery certificate from the carrier, port, or customs authority.
10. General Average declaration (if any).
11. EIR (Equipment Interchange Receipt) at origin and destination.
12. Other documents as requested by the Company.

3.4.17. Deductible

Same as Cargo Section 1.4.23.

3.4.18. Salvage Rights

Same as Cargo Section 1.4.27.

3.4.19. Revocation

Same as Cargo Section 1.4.24.

3.4.20. Payment of Premium and Termination of the Contract

If the premium is not paid by the agreed due date, coverage automatically terminates.

3.4.21. Inspection Rights

Same as Cargo Section 1.4.26.

3.4.22. Address

Same as Cargo Section 1.4.29 (Miami, Florida, USA).

3.4.23. Information Security and Data Protection Policy

Same as Cargo Section 1.4.30.

3.4.24. Definitions (Expanded Information on Container Types)

Below is the principal container types recognized in international trade, alongside their standard dimensions and uses:

1. STANDARD 20" CONTAINERS

- Also called "standard" or "dry van," this is one of the most widely used containers for general cargo.
- **Dimensions**
  - Anglo-Saxon system (approx.): 20 ft (length) x 8 ft (width) x 8 ft 6 in (height).
  - International system (approx.): 6.10 m (length) x 2.44 m (width) x 2.59 m (height).
- **Tare and Load Capacity**
  - The empty (tare) weight is roughly 2,300 kg.
  - It can accommodate a load of around 28 metric tons (28,000 kg).
- **Typical Use**
  - Suitable for most general dry cargo (e.g., boxes, pallets, drums).
  - The interior is fully enclosed, protecting goods from weather and external contaminants.

2. STANDARD 40" CONTAINERS

- Similar in functionality to the 2
- 0" standard container but with roughly double the length.
- **Dimensions**
  - Anglo-Saxon system (approx.): 40 ft (length) x 8 ft (width) x 8 ft 6 in (height).
  - International system (approx.): 12.19 m (length) x 2.44 m (width) x 2.59 m (height).
- **Tare and Load Capacity**
  - The empty (tare) weight is roughly 3,750 kg.
  - Typically, can hold a cargo of about 29 metric tons (29,000 kg).
  - Maximum gross weight (including the container and cargo) is generally near 32.5 metric tons.

- **Typical Use**
    - For higher-volume general cargo where length is a crucial factor.

3. HIGH CUBE 40" CONTAINERS

- These containers are similar in length and width to standard 40" units but are taller.
- **Dimensions**
    - The height is 9 ft 6 in (2.90 m approx.), i.e., about 1 ft taller than a standard container.
    - External dimensions often quoted as: 12.19 m x 2.44 m x 2.89 m.
- **Tare and Load Capacity**
    - Tare weight is generally close to 4,020 kg.
    - The internal capacity increases due to extra height, offering around 76 m³ of volume.
- **Typical Use**
    - Ideal for lighter, bulkier cargo needing more height (e.g., furniture, large equipment).

4. REEFER CONTAINERS (20" AND 40")

- Refrigerated (or "reefer") containers come in 20" or 40" lengths (including 40" High Cube).
- Equipped with an integrated refrigeration system to maintain a controlled temperature range.
- **Temperature Monitoring**
    - They often include a data logger or temperature-control disk that records internal conditions continuously from origin to destination.
- **Typical Use**
    - Transport of perishable or sensitive items requiring a specific temperature range (e.g., food, pharmaceuticals, flowers).

5. OPEN TOP CONTAINERS

- Have a removable tarpaulin (canvas) or roof bows instead of a fixed metal roof.
- **Structure**
    - Typically, the ends and sidewalls are solid, but the roof is left open or covered by a removable sheet.
- **Typical Use**
    - Designed for heavy or over-height cargo that must be loaded by crane from above, such as machinery or large equipment.
    - Cargo that cannot fit through a standard container door due to height or handling constraints.

6. ISO TANK CONTAINERS

- Specially designed to transport bulk liquids, including food-grade liquids and hazardous chemicals.
- **Construction**
    - Built to ISO standards, consisting of a stainless-steel tank frame fitted into a standard 20" container dimension.
- **Safety**
    - Allows direct transport without intermediate transfers, reducing spillage and contamination risks.
- **Typical Use**
    - Suitable for chemicals, oils, wines, juices, or any liquid that requires safe, sealed handling during transit.

7. FLAT CONTAINERS (FLAT RACK)

- Feature reinforced floors, while sidewalls and roof are absent or collapsible.
- **Design**
  - Often have end walls that can be either fixed or collapsible, but no permanent side walls.
  - Facilitate top or side loading by forklift or crane.
- **Typical Use**
  - Ideal for over-dimensional and heavy cargo (e.g., industrial equipment, vehicles, construction materials).
  - Not stackable in the same manner as standard containers, so they may be carried on deck or in specific holds.

8. OPEN SIDE CONTAINERS

- Constructed with doors that allow the entire side of the container to open for loading/unloading.

- **Variations**
  - Some models have both side walls fully openable; others may have standard doors on one end and a full side opening on one length.

- **Typical Use**
  - Particularly useful for cargo that is wide or awkward, where loading through the side is more efficient (e.g., large crates or roll-on items).

- **Additional Uses**
  - Frequently modified for on-site retail sales or display spaces at events.

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