

# Marine Cargo Open / Annual Turnover Policy (Retail) Prospectus

## MARINE CARGO INSURANCE

Marine Cargo Policy covers goods (machinery, raw materials, finished goods etc.) during transit under a contract of affreightment.

### What does this Policy cover?

This Policy covers physical loss or damage to insured goods during transits by (a) Sea (b) Post or parcels (c) Rail/Road/Air. The scope of cover shall be determined by the Institute Clauses attached to the Policy.

All Overseas Transits are subject to Institute Cargo Clauses A, B & C given by Institute of London Underwriters. The brief coverage is as under:

| Risk<br><br>(Proximate Cause)   | Institute Cargo Clauses |                    |                    |
|---|-------------------------|--------------------|--------------------|
|   | A<br>(All risk Cover)   | B<br>(Wider Cover) | C<br>(Basic Cover) |
| Stranding , Grounding, Sinking or Capsizing   | Yes                     | Yes                | Yes                |
| Overturning or Derailment of LandConveyance   | Yes                     | Yes                | Yes                |
| Collision of Ship or Craft with another Ship orCraft  | Yes                     | Yes                | Yes                |
| Contact of Ship, Craft or Conveyance withanything other than Ship or Craft (excludes Water but not Ice) | Yes                     | Yes                | Yes                |
| Discharge of Cargo at Port of Distress  | Yes                     | Yes                | Yes                |
| Loss overboard during Loading/Discharge(total loss only).   | Yes                     | Yes                | No                 |
| Fire or Explosion   | Yes                     | Yes                | Yes                |
| Malicious Damage  | Yes                     | No*                | No*                |
| Theft/ Pilferage  | Yes                     | No                 | No                 |
| General Average Sacrifice   | Yes                     | Yes                | Yes                |
| Jettison  | Yes                     | Yes                | Yes                |
| Washing Overboard (deck cargo)  | Yes                     | Yes                | No                 |
| War Risks   | No*                     | No*                | No*                |
| Seawater entering Ship, Craft, Hold, Conveyance Container Lift Van or Place ofStorage                   | Yes                     | Yes                | No                 |
| River or Lake Water entering same   | Yes                     | Yes                | No                 |
| * Can be bought back  |                         |                    |                    |

Goods (merchandise) dispatched by rail or road from any place in India to any place in India (not in conjunction with an overseas voyage) are subject to Inland Transit (Rail/Road) Clause A & B . The brief coverage is as under:

- (a) Inland Transit (Rail or Road) Clause – A (All Risks): Covers All Risks of loss or damage subject to exclusions.
- (b) Inland Transit (Rail or Road) Clause – B (Basic Cover): Covers Physical loss or damage caused by:
- (a) Fire, Lightning, Breakage of Bridges
  - (b) Collision with or by the carrying vehicle, derailment or accidents of the like nature to the carrying railway wagon/vehicle.
- (c) Inland Transit (Rail or Road) Clause – C: Covers Physical loss or damage caused by  
(i) fire (ii) Lightning.

**Optional Extensions:**

- (a) For Inland Transit: Strike, Riot and Civil Commotion
- (b) For Oversea Transit:
  - War, Strike, Riot and Civil Commotion
  - Duty and Increased Value Insurance (for Imports only)
  - Seller's Interest Insurance (for Exports with C&F or FOB terms only).

**Other Salient Features:**

- The policy is assignable
- The Sum is fixed on 'Agreed Value' basis. Normally with a margin of 10% on invoice price for incidental expenses
- The premium rates depend on factors like nature of cargo, scope of cover, packing, mode of conveyance, distance and past claims experience
- Policies can be issued for (a) Specific Transit. (b) Marine Open policy with monthly declarations and (c) Sales Turn Over Policy with quarterly statements.

**Basis of Settlement:**

Agreed Value Basis

**Salvage:**

Salvage is the amount that is assessed which the damaged asset will fetch in the open market. This amount is deducted from the claim amount.

**The Policy does not cover the following:**

- Willful misconduct
- Ordinary leakage/loss in weight or volume, wear and tear
- Improper packing
- Inherent vice
- Delay
- Insolvency/financial default of carriers
- War, Strike, Riot and Civil Commotion

**Documents required for settlement of claims:**

- 1) Original Invoice
- 2) Original Goods Receipt
- 3) Bill of Lading/AWB/LR/RR/CN as applicable
- 4) Notice on Carrier
- 5) Acknowledgement receipt by carrier
- 6) Reply of transporter
- 7) Damage Certificate
- 8) Letter of Subrogation
- 9) Claim Bill
- 10) Claim form
- 11) Police First Information Report in case of hijack/Theft or Non-Delivery claims
- 12) Police final Report is required for hijack/Theft or Non-Delivery claims.
- 13) Any other document relevant to particular claim.

**Cancellation:**

"This policy may be terminated by You at any time by giving Us notice in writing. If You cancel the policy, we will:

- a) Refund the proportionate premium for unexpired policy period, if the term of the policy is up to one year and there is no claim(s) made during the policy period.
- b) Refund the premium for the unexpired policy period, if the term of the policy is more than one year and the risk coverage for such policy years has not commenced.

We can cancel this policy during the policy period by giving notice of minimum 7 days to You only on the grounds of established fraud committed by You."

**Grievance Redressal:**

Magma General Insurance Limited shall abide by Insurance Regulatory and Development Authority (Protection of Policyholder's Interests) Regulations 2002. Under this regulation and with an objective to provide a forum to personal lines policyholders for resolution of claims related complaints, Insurance ombudsman has been constituted under the aegis of Governing Body of the Insurance Council.

The details furnished above constitute only the major terms and conditions. For Complete details please refer to our Policy document.