



**WAVELENGTH PORTS AND TERMINALS CONSORTIUM  
SECTION 2 - PROPERTY DAMAGE WORDING**

**1. LOSS, IF ANY, PAYABLE** to Assured or Loss Payee, as set out in the Insurance Schedule.

**2. INSURING CLAUSES**

In consideration of the payment of the premium, Underwriters hereby agree, subject to the provisions of this Policy and the limits of this Section 2 as set out in the Insurance Schedule to indemnify the Assured in respect of:

2.1. Physical loss or physical damage to Insured Property as set out in the Insurance Schedule, within the Confines of the Port, Terminal or Insured Location, arising from an Accident occurring during the Policy period.

2.2. Costs or expenses incurred in the removal of wreckage or debris of Insured Property following loss or damage recoverable elsewhere under this Policy, but subject to a sub-limit of twenty-five percent of the insured value of the Insured Property, unless Underwriters agree otherwise.

In the event of a claim under 2.1 and 2.2 for the same Insured Property, the indemnity payable by Underwriters under both these clauses shall not exceed the insured value of that Insured Property or Section 2 limit as set out in the Insurance Schedule.

2.3. Physical loss or physical damage to Insured Property arising from strikes or riots, notwithstanding clause 6 of the General Policy Provisions and subject to clause 6 of this Section 2. Coverage under this clause may be terminated by Underwriters at any time giving the Assured or Assured's brokers 7 days notice by mail, facsimile or e-mail.

**3. FIRE FIGHTING EXPENSES**

This Section covers the Assured's loss of fire extinguishing materials or equipment if used to safeguard the Insured Property from a peril covered under this Section, and reasonable fire brigade charges for which the Assured is liable, and other extinguishing expenses incurred by the Assured to safeguard the Insured Property from a peril covered under this Section.

#### 4. EXCLUSIONS

This Section does not cover loss or damage caused by or to:

- 4.1 wear, tear, marring, scratching, gradual deterioration, wet rot, dry rot, mould, spoilage, decay, decomposition, settling, shrinkage, expansion in building structures or foundations, subsidence, corrosion, rust, discoloration, electrolyte action, oxidation, erosion, leakage, evaporation, loss of weight, breakage of glass or other fragile articles;
- 4.2 vermin; moths, termites or other insects;
- 4.3 atmospheric dampness or dryness, condensation, smog, fog, extremes or changes in atmospheric temperature;
- 4.4 seepage of any substance whatsoever, backing up of sewers or drains, pollution or contamination;
- 4.5 earthquake, tsunami, tidal wave, seaquake or volcanic eruption unless agreed by Underwriters;
- 4.6 inherent vice, latent defect, error in design, fault or error in workmanship, manufacture or use of unsuitable materials. Costs of remedying or repairing inherent vice, latent defect, defects in design or manufacture;
- 4.7 confiscation, requisition, detention, occupation, embargo, quarantine, or arising from any order of public or government authority or arising from acts of contraband or illegal transportation or illegal trade;
- 4.8 the Safe Working Load being exceeded;
- 4.9 mechanical or electrical breakdown or derangement of any communication equipment or alarm system or computer system;
- 4.10 error or fault in computer or machinery programming or from data processing, media failure or breakdown;
- 4.11 boilers, steam pipes, steam turbines, steam engines, pressure or vacuum vessels, caused by explosion, implosion, rupture or bursting where such are owned or operated by the Assured;
- 4.12 cessation, fluctuation or variation in, or insufficiency of water, gas or electricity supplies;
- 4.13 loss of market, loss of use, loss of income, interruption of business, or any other consequential loss or damage whatsoever;
- 4.14 unexplained loss or mysterious disappearance, inventory shortage or loss due to book keeping, accounting or billing errors or omissions;
- 4.15 infidelity, dishonesty, theft, fraud or pilferage of the Assured or the Assured's employees or others to whom the Assured has entrusted responsibility;

- 4.16 the Assured and/ or the Assured's employees voluntarily parting with title or possession of property;
- 4.17 processing, renovating, repairing, or working upon any Insured Property.

## **5. EXCLUDED PROPERTY**

This Section does not cover the following:

- 5.1 Land or land values, air, water or other naturally occurring substance(s);
- 5.2 Roads, driveways, pavements, curbing, culverts or sidewalks;
- 5.3 Buildings or structures in the process of construction including materials or supplies for such construction;
- 5.4 Stock, whether owned by the Assured, or in the care, custody or control of the Assured;
- 5.5 Property in transit, unless within the Confines of the Port, Terminal or Insured Location;
- 5.6 Accounts, bills, currency, money, notes, securities, deeds, evidence of debt and valuable papers;
- 5.7 Jewellery, precious stones, precious metals and alloys, fine arts, furs, garments, animals or plants;
- 5.8 Aircraft or any other aerial device, watercraft, vehicles designed for highway use or locomotives or rolling stock designed for railroad use, or cargo handling equipment

## **6. STRIKES / RIOTS**

Strikes or riots shall not include any of the other acts excluded in clause 6 of the General Policy Provisions.

## **7. PROTECTIVE MAINTENANCE**

The Assured shall maintain in good order, proper and adequate protection for the safety of the Insured Property, including any additional measures required by Underwriters, throughout the period of this Policy. Such protection shall not be withdrawn or reduced unless prior agreement has been obtained from Underwriters. If the Assured fails to comply with this clause, Underwriters will not be liable for any claims arising partly or solely from the Assured's breach of this clause.

## **8. AUTOMATIC ACQUISITIONS**

This Section automatically holds covered property acquired by the Assured after the inception date of the Policy period for a period of up to 30 days after acquisition, provided:

- 8.1 Satisfactory advice and information regarding such property is given to Underwriters within 30 days of acquisition; and
- 8.2 The property value is not more than 5% of the overall limit for this Section as set out in the Insurance Schedule, and
- 8.3 The property is similar to that already scheduled and is within the Confines of the Port, Terminal or Insured Location, and

Underwriters reserve the right to charge additional premium and impose such terms, conditions and exclusions as they deem appropriate, or to decide not to continue to insure the property after the 30 days have elapsed.

## **9. VALUES DECLARED AND INCORRECT DECLARATION PENALTY**

If property values declared to the Insurance Schedule are less than the actual market values, then any recovery hereunder shall be reduced by the same proportion that the scheduled value bears to the actual value for that particular item.

## **10. SETTLEMENT OF CLAIMS**

Settlement of claims under this Section shall be calculated on the basis of the cost of repairing, replacing or reinstating (whichever is the least) the Insured Property with material of like kind and quality, subject to the following provisions:

The repair, replacement or reinstatement is carried out with due diligence and dispatch;

Underwriter's liability is limited to the actual amount necessarily spent by the Assured in repairing, replacing or reinstatement of the Insured Property, and will not in any event exceed the limits declared in the Insurance Schedule and overall limits for this Section 2.

**THIS SECTION IS TO BE READ IN CONJUNCTION WITH THE GENERAL POLICY PROVISIONS, AND THE INSURANCE SCHEDULE AND THE QUESTIONNAIRE ALL OF WHICH FORM PART OF THE POLICY**