



**WAVELENGTH PORTS AND TERMINALS CONSORTIUM  
SECTION 3 - HANDLING EQUIPMENT 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 as set out in the Insurance Schedule, to indemnify the Assured in respect of:

- 2.1 Physical loss or physical damage to Insured Handling Equipment 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 Physical loss or physical damage to Insured Handling Equipment arising from strikes or riots, notwithstanding clause 6 of the General Policy Provisions and subject to clause 6 of this Section 3. Coverage under this clause may be terminated by Underwriters at any time by giving the Assured or the Assured's brokers 7 days notice by mail, facsimile or e-mail.
- 2.3 Daily lease charges for an item of Insured Handling Equipment, leased to the Assured and where such charges have been incurred by reason of an Accident insured under this Section, (subject to clause 7) and resulting in:
  - A. The prevention of the redelivery of the Insured Handling Equipment to the lessor by the originally intended date due to that item being an actual or constructive total loss;
  - B. Delay in redelivery of the Insured Handling Equipment to the lessor by reason of obligation to effect repairs to the item.

In the event of a claim under this Section 3, the indemnity payable by Underwriters under all sections for the same Insured Handling Equipment shall not exceed the insured value of that item as identified in the Insurance Schedule.

**3. FIRE FIGHTING EXPENSES**

This Section covers the Assured's loss of fire extinguishing materials and equipment if used to safeguard the Insured Handling Equipment from a peril covered under this Section. Furthermore, this Section is extended to cover reasonable fire brigade charges

for which the Assured is liable or other extinguishing expenses incurred by the Assured to safeguard the Insured Handling Equipment from a peril covered under this Section.

#### **4. EXCLUSIONS**

This Section does not cover loss or damage caused by:

- 4.1 wear, tear, marring, scratching or gradual deterioration, wet rot, dry rot mould, spoilage, decay or decomposition, settling, shrinkage or expansion, corrosion, rust, electrolyte action, discoloration, oxidation or erosion, leakage, subsidence, 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 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;
- 4.6 earthquake, tsunami, tidal wave, seaquake or volcanic eruption, unless agreed by Underwriters;
- 4.7 mechanical or electrical breakdown or derangement of any communication equipment or alarm system or computer external to an item of Insured Handling Equipment;
- 4.8 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;
- 4.9 the Safe Working Load of any Insured Handling Equipment being exceeded;
- 4.10 loss of market, loss of use, loss of income, interruption of business, or any other consequential loss or damage whatsoever ;
- 4.11 cessation, fluctuation or variation in, or insufficiency of water, gas or electricity supplies;
- 4.12 artificially generated electrical current to electrical appliances, fixtures or wiring;
- 4.13 processing, erecting , dismantling, renovating, repairing (which shall not include general maintenance), or working upon any Insured Handling Equipment;
- 4.14 error or fault in computer or machinery programming or from data processing media failure or breakdown;

- 4.15 mechanical or electrical breakdown or derangement; however, this exclusion shall not apply to physical loss or physical damage arising from or caused by such mechanical or electrical breakdown or derangement provided that such loss or damage is not otherwise excluded elsewhere in this Policy;
- 4.16 unexplained loss, mysterious disappearance, inventory shortage or loss due to book keeping, accounting or billing errors or omissions;
- 4.17 infidelity, dishonesty, theft, fraud or pilferage of the Assured or the Assured's employees or others to whom the Assured has entrusted responsibility;
- 4.18 the Assured or the Assured's employees voluntarily parting with title or possession of Insured Handling Equipment;
- 4.19 transit of Insured Handling Equipment unless within the Confines of the Port, Terminal or Insured Location.

## **5. EXCLUDED HANDLING EQUIPMENT**

This Section does not cover any aircraft, helicopter, watercraft, vessels, vehicles designed for highway use, locomotives or rolling stock designed for railroad use.

## **6. STRIKES / RIOTS**

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

## **7. DAILY CHARGES**

This Policy does not apply to daily lease charges where the item of handling equipment leased to the Assured is subject to a purchase option exercisable by the Assured or for the benefit of the Assured. Underwriters shall only be liable for a maximum amount of thirty days daily lease charges, from and including the original intended redelivery date, unless otherwise agreed by Underwriters.

## **8. PROTECTIVE MAINTENANCE**

It is a condition precedent of liability under this Policy that the Assured shall maintain in good order proper and adequate protection for the safety of the Insured Handling Equipment, 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 in whole or in part from the Assured's breach.

## **9. AUTOMATIC ACQUISITIONS**

This Section automatically holds covered handling equipment, similar to that already scheduled, acquired by the Assured after the inception date of the Policy period for a period of up to 30 days after acquisition, provided:

- 9.1 satisfactory advice and information regarding such handling equipment is given to Underwriters within 30 days of acquisition; and
- 9.2 the handling equipment value is not more than 5% of the overall limit of this Section set out in the Insurance Schedule.
- 9.3 the handling equipment is similar to that already Scheduled and is within the Confines of the Port, Terminal or Insured Location.

Underwriters reserve the right to charge additional premium and impose such terms, conditions and exclusions as they deem appropriate or to decide not to insure the handling equipment after the period of 30 days elapses.

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

If Insured Handling Equipment 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.

## **11. SETTLEMENT OF CLAIMS**

Settlement of claims under this Section will be calculated as follows subject to a maximum of the amount declared for the item of Insured Handling Equipment in the Insurance Schedule:

- 11.1 Where the equipment can be repaired at a cost less than the cost of replacement of the equipment, Underwriters will pay the costs necessarily incurred to restore the equipment to the same condition as the equipment was in prior to the physical loss or damage occurring. Due allowance will be made for depreciation in respect of parts replaced, and the value of any salvage will be taken into account.
- 11.2 Where (11.1) does not apply Underwriters will pay the limit declared in the Insurance Schedule.

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