

CARGO INLAND TRANSIT CLAUSES

(Ban hành theo Quyết định số 0627/2005-BM/BHHH ngày 22/03/2005
của Tổng Giám đốc Tổng Công ty Cổ phần Bảo Minh)

GENERAL PROVISIONS

1. These clauses shall apply to insurance on goods transported by land, by railways and by waterways within the territory of the Socialist Republic of Vietnam.
2. By specific agreement in the insurance contract these clauses shall also be used to apply to insurance on goods transported from Vietnam to neighboring countries and goods transported from overseas countries to neighboring countries with permission for their transit through Vietnam by the above methods of transport.

SCOPE OF INSURANCE

3. BaoMinh Insurance Corporation (hereafter call BAOMINH), except as provided in Clause 5 below, shall be liable for the loss of or damage to the goods insured proximately caused by:
 - 3.1. fire or explosion,
 - 3.2. earthquake, typhoon, inundation, cyclone catastrophic, tsunami and lightning,
 - 3.3. means of conveyance being sunk, overturned, capsized, fallen down or stranded, collision or contact of conveyance with any other external object or derailment,
 - 3.4. blowing down of tree, collapse of bridge or tunnel and other structures,
 - 3.5. means of conveyance of goods being missing,
 - 3.6. general average sacrifice.
4. In the event of loss or damage within the scope of cover under this insurance as started above, BAOMINH shall also be liable for the following expenses:
 - 4.1. Reasonable expenses and costs incurred by the Insured and his servants or agents in averting or minimizing loss of or damage to the insured goods.
 - 4.2. Charges for unloading, storing and forwarding the insured goods that were properly incurred at an refuge place of call as a result of the operation of a risk covered by this insurance.
 - 4.3. Reasonable expenses incurred for surveying and ascertaining loss or damage for which BAOMINH is to be liable.
 - 4.4. General average expenses and salvage charges.

EXCLUSIONS

5. Unless otherwise agreed, BAOMINH shall not be liable for loss damage or expense caused by:
 - 5.1. War, strikes, civil war, revolution, rebellion, insurrection, or civil strife, mines, torpedoes, bombs or other weapons of war,
 - 5.2. direct or indirect consequence of radiation or radiation contamination arising from the use of atomic energy or nuclear fission and/or fusion or like reaction or radioactive matter,
 - 5.3. willful misconduct or unlawful act of the Insured or his servants,
 - 5.4. inherent vice, or nature of goods insured,
 - 5.5. overload or inadequate stowage of goods,
 - 5.6. inadequate packing, unsuitability of packing , or loading of goods in damaged condition,
 - 5.7. ordinary leakage, ordinary loss in weight or volume of the goods insured in the course of transit,
 - 5.8. unfitness of conveyance for the safe carriage of traffic, and
 - 5.9. loss damage or expense proximately caused by delay, even though delay caused by a risk insured against.

PERIOD OF INSURANCE

6. This insurance attaches from the time the insured goods are loaded in the means of conveyance at the place of departure named in the contract of insurance for the commencement of transit, continues during the ordinary course of transit and terminates at the time the goods are discharged from such means of conveyance at the destination named in the contract of insurance.
7. In the above course of transit where there occurs any event stated in the Clause 3 that leads to an extraordinary transshipment or deviation of voyage, this insurance shall remain in force, provided that a prompt notice is given to BAOMINH and an additional premium shall be paid by the Insured, if required.

INSURANCE APPLICATION, INSURED VALUE AND AMOUNT INSURED

8. 8.1. To be covered, the applicant shall fill in an Application Form in which the following items to be declared:
 - 8.1.1. Name of the Insured,
 - 8.1.2. Description, nature and type of packing, marks of the goods to be insured,
 - 8.1.3. Weight, quantity and value of the goods to be insured,
 - 8.1.4. Voyage (place of dispatch – destination and transshipment, if any)
 - 8.1.5. Name of the carrier, kinds of conveyances and their registration numbers,
 - 8.1.6. Date of departure of the conveyance and estimated time of arrival.

- 8.2. BAOMINH shall issue a “Certificate of Insurance” on the basis of the Application Form.
 - 8.3. The Insured shall pay the insurance premium to BAOMINH at the time of receipt of the Certificate of Insurance. This insurance shall not attach until the premium is paid properly, unless otherwise agreed.
 - 8.4. After issuing the Certificate of insurance if there occurs any change in the declaration made by the Insured in connection with the goods insured, the Insured shall be bound to give immediate notice to BAOMINH of such change or occurrence upon being aware thereof.

BAOMINH shall, upon receipt of such notice, issue an Endorsement and may demand for an additional premium.
9. In the event of an error or omission in making any declaration or concealment by the Insured of the items as specified in the Application Form or of the change or occurrence as notified to BAOMINH, BAOMINH shall not be liable for loss or damage should be covered under this insurance but has the right to receive the insurance premium.
 10. A Certificate of Insurance may be assigned to another party upon endorsement by the Insured or his legally authorised representative.
 11. The amount insured of the insured goods shall be the value declared by the Insured and agreed to by BAOMINH.

If the Insured fail to declare the amount insured, the insurable value shall be applicable and computed as follows: The insurable of the insured goods shall be the aggregate of the invoice value, freight and insurance premium of the goods hereby insured.

Unless otherwise agreed, an anticipated profit may be incorporated in the amount insured declared by the Insured. It shall, however, not exceed 10% (ten percent) of the insurable value.

OBLIGATION OF THE INSURED IN CASE OF LOSS

12. In case of loss or damage within the scope of this insurance as mentioned in Clause 3, the Insured, his servants or representatives shall
 - 12.1. inform immediately the local authorities of the occurrence in order to fulfil their formalities related to the case in accordance with the current legislation,
 - 12.2. notify BAOMINH or BAOMINH’s nearest representative immediately for survey arrangement,
 - 12.3. take all necessary measures to rescue and preserve the goods for the purpose of preventing and minimizing further loss or damage,
 - 12.4. execute necessary procedures to ensure that all rights against responsible carriers or other third parties are properly preserved and exercised.

If the Insured fail to fulfil the above obligations, BAOMINH shall have the rights to repudiate the claim entirely or partly.

13. The Insured shall, when filling a claim with BAOMINH in respect of loss or damage under this insurance, submit a complete set of following documents:

- 13.1. Original Certificate of Insurance,
- 13.2. Original of Contract of carriage, Bill of Lading or Waybill of Lading issued by the carrier,
- 13.3. Invoice together with specifications, weight/quantities notes,
- 13.4. Survey report showing the extents of the loss or damage,
- 13.5. Investigating report on casualty issued by the local authority,
- 13.6. Correspondence exchanged between the Insured and the carriers or other third parties regarding their liability for the loss or damage,
- 13.7. Claims Application.

TOTAL LOSS AND PARTIAL LOSS

14. 14.1. Total loss herein shall be deemed to include an actual total loss and a constructive total loss
 - 14.2. If, after having sustained loss or damage coverable under this insurance, insured goods are totally destroyed or so seriously damaged as to cease to be the thing of the original species or the Insured is irretrievably deprived of possession thereof, it shall be deemed to be an actual total loss.
 - 14.3. Where the loss of or damage to the insured goods is coverable under this insurance, and an actual total loss appears to be unavoidable or because the costs of recovering, reconditioning and forwarding the goods to the destination specified in the Certificate of Insurance may exceed the sum insured, it shall be deemed to be a constructive total loss.
 - 14.4. Any loss or damage which does not belong to the categories as provided in two above paragraphs should be deemed to be a partial loss.
15. Where the means of conveyance is missing, the insured goods shall be deemed to be an actual total loss.
- The means of conveyance shall be deemed to be missing where it fails to reach the destination named in the Certificate of insurance, and no news of it is received. The period of time required to constitute the missing of a conveyance shall not be less than three months counting from its estimated time of arrival at such destination.

CLAIMS SETTLEMENT AND PAYMENT

16. Where there is a partial loss, the claim amount is calculated by multiplying the extent of loss by the amount insured. The extent of loss is ascertained by comparing the difference between the gross sound and remained values at the place of arrival bears to the gross sound value.
17. The liability of BAOMINH shall be limited to the amount insured.
 - 17.1. Where the amount insured of the insured goods is lower than the insurable value, the indemnity to be paid by BAOMINH for loss, damage and expenses as specified in Clause 3 and 4 above shall be of such proportion as the amount insured bears to the insurable value.

- 17.2. Where the amount insured of the goods is in excess of the insurable value, the part by which the amount insured exceeds the insurable value shall be void.
18. BAOMINH shall have the right to be discharged from all liabilities under this insurance by waiving the interest in the insured goods and the right of recovery from the third party and paying the amount insured in full.
19. In case of compliance of BAOMINH's instruction by the Insured for the purpose of averting or minimizing loss or damage, BAOMINH shall be liable to reimburse the Insured for necessary and reasonable expenses incurred by him for that purpose even though the aggregate amount of expenses together with the indemnity for the loss may exceed the amount insured.
20. 20.1. After consideration and confirmation for the validity and legality of the claim documents submitted by the Insured, BAOMINH shall effect payment of the claim within thirty (30) days of receipt of such claim documents.
- 20.1.1. Where the claim documents are found unsuitable or required further verification or the loss or damage if proved to be out of the cover, BAOMINH shall notify the Insured in writing of such cases within fifteen (15) days of receipt of the claim documents.
- 20.1.2. Where no comment is given in writing by the Insured within thirty (30) days of receipt of notice of claim payment or notice of claim refusal, such claim shall be deemed to be terminated.
- 20.2. Upon payment of the claim, BAOMINH may deduct from the claim amount thereof such credit items as the proceeds realized from a sale of the saved goods and the amount recovered from the third party by the Insured.
- 20.3. Where the conveyance was missing and the insured goods were deemed to be an actual total loss, or the goods were lost, and after the payment of the claim amount those goods are found out not to have perished, such finding goods shall be possessed by BAOMINH.

SUBROGATION AND ABANDONMENT

21. 21.1. Upon the payment of the claim amount all the claims and rights against third party of the Insured is to be subrogated to BAOMINH, to the extent of the claim amount paid, together with the whole set of necessary documents relating to such claims and rights.
- 21.2. If the Insured renounces such rights or if to realize the recourse would become impossible through his fault (lapse of term for presenting the claim against party liable for the loss etc...), BAOMINH is discharged to the appropriate extent from obligation to pay the claim amount and in the event of this claim has already been paid under this insurance, the Insured is obliged to refund to BAOMINH a part or full claim amount received according to the specific circumstance.
22. Where paying for a total loss (either of the whole or a part of the insured goods), BAOMINH thereupon becomes entitled to take over the interest of the Insured from the remained goods so paid for in accordance with the current legislation.

23. 23.1. Where the Insured elects to claim for a constructive total loss of the insured goods he must give notice of abandonment to BAOMINH. If he fails to do that, the loss can only be treated as a partial loss.
- 23.2. Notice of abandonment must be give in writing and in any case which must indicate the intention of the Insured to abandon his interest in the insured goods unconditionally to BAOMINH.
- 23.3. Where the notice of abandonment is properly given, the rights of claim of the Insured are not prejudiced by the fact that BAOMINH refuses to accept the abandonment is accepted the abandonment is irrevocable.

TIME BAR AND SETTLEMENT OF DISPUTE

24. The Insured's right of claim shall cease to operate after the lapse of one year from the date on which such right arises.
25. Any dispute in connection with this insurance which cannot be settled by negotiation between the Insured and BAOMINH shall be heard by the Court of Justice in accordance with the Law of the Socialist Republic of Vietnam.