

The original Swedish wording, of which this is a translation, shall be decisive in case of dispute.

8-4-98

**GENERAL CONDITIONS FOR INSURANCE OF FREIGHT
FORWARDER'S LIABILITY IN CONNECTION WITH THE GENERAL
CONDITIONS OF THE NORDIC ASSOCIATION OF FREIGHT
FORWARDERS, EFFECTIVE AS FROM JUNE 1, 1998**

These conditions are approved by the Swedish Association of Marine Underwriters and are only intended as a guidance. Nothing shall prevent the Insurer and the Insured from agreeing on other conditions.

1. Extent of cover

1.1 This insurance covers, subject to the exclusions contained in art. 3 below, the Assured's liability to his principal, in connection with the General Conditions of the Nordic Association of Freight Forwarders of 1.6.98, NSAB 2000. (Hereinafter referred to as "NSAB")

1.2 The insurance covers liability that results from act or omission during the period the insurance is in force.

1.3 In case the Assured, without being specifically instructed thereto, keeps the goods in his custody and care beyond the time limit provided for in NSAB § 15, the insurance covers his liability as if he had undertaken to store the goods in accordance with NSAB § 27 A or B.

1.4 Furthermore, in case of claims for damages that might be covered by this insurance and exceeding the agreed deductible, the Insurer undertakes to

a) reimburse freight, customs and other charges as the Assured may be imposed to refund as per NSAB.

b) investigate alleged liability in case of claim for damages and, on behalf of the Assured, negotiate with the claimant and

c) represent the Assured in legal proceedings, in accordance with art. 6.6, and bear the costs for such proceedings.

d) compensate the Assured for increased and unforeseen costs for measures taken on account of the goods having been erroneously dispatched notwithstanding that no physical damage has occurred. Indemnity shall be subject to limits set in such rules on compensation for delay as govern the contracted mode of transport in question.

2. Maximum compensation

For each event, resulting in a payable claim, the Insurer's liability to pay compensation, including costs for legal proceedings stated in art. 1.4

The original Swedish wording, of which this is a translation, shall be decisive in case of dispute.

above is limited to the amount insured for each type of assignment in question as specified in the insurance contract.

3. Exclusions

The exclusions marked with an asterisk may be additionally insured.

3.1 General exclusions

- 3.11 The insurance does not cover liability resulting from wilful misconduct or gross negligence by the Assured or members of his management.
- 3.12 The insurance does not cover liability, directly or indirectly caused by or attributable to earthquake, volcanic eruption, dam penetration, nuclear reaction, radioactivity, war, invasion, warlike operations whether there be a declaration of war or not, civil war, mutiny, revolution, civil commotions, riots, strikes or lockouts or acts by person or persons having illegally taken power.
- 3.13 The insurance does not cover liability resulting from the Assured having carried or stored goods in contravention of local legislation or regulation that he was aware of or should have been aware of.
- 3.14* The insurance does not cover – unless otherwise agreed – indemnity for specific purchase taxes, or similar charges, on alcohol and tobacco.
- 3.15* The insurance does not cover - unless otherwise agreed - liability regarding
- a) cash, securities and valuables such as bonds, IOUs or other valuable documents, worked or raw precious metals, precious stones, pearls, jewellery, arts or objects having a collector's value,
 - b) plants and live animals,
 - c) personal effects and furniture removals,
 - d) sendings by post.
- 3.16 * The insurance does not cover - unless otherwise agreed - liability resulting from the Assureds omittance to acquire cargo insurance on behalf of his principal. Indemnity for such an omission shall only be payable upon proof that the agreement was concluded prior to transport.
- 3.2 *Special exclusions applicable for contracts with liability as carrier as per NSAB § 2 A.*

The original Swedish wording, of which this is a translation, shall be decisive in case of dispute.

- 3.21 The insurance does not cover liability resulting from cases where the agreed time for a time-guaranteed transport has been exceeded under NSAB §§ 20 and 6, 2nd paragraph.
- 3.22 The insurance does not cover liability resulting from damage to temperature-sensitive goods, if such damage is the consequence of the carriage having been effected by conveyance or cargo-carrying unit not properly constructed and equipped for carriage of such goods. Should the goods be subject to transshipment or temporary storage, the requirements above shall also apply to the place of storage.
- 3.23* The insurance does not cover - unless otherwise agreed - liability for costs in excess of art. 1.3 above in respect of goods received for carriage in accordance with the special provisions in art. 23:6 of the CMR Convention or corresponding provisions in other applicable convention or statute.
- 3.24* The insurance does not cover - unless otherwise agreed - liability to the principal based on obligations as a carrier in accordance with NSAB § 23 except when such obligations are enforced through valid convention or national statute.
- 3.25* The insurance does not cover - unless otherwise agreed - liability for loss, damage or cost attributable to precipitation unless the goods have been protected in a professional manner.
- 3.3 *Special exclusions applicable to contracts without liability as carrier as per NSAB § 2 B) and D)*
- 3.31 This insurance does not cover any storage insurance in accordance with NSAB § 27 C, item 3.
- 3.32 The insurance does not cover liability arising out of the Assured's omission to acquire storage insurance as per NSAB § 27 C, item 3.

Nor does the insurance cover, in cases where storage insurance has been contracted pursuant to NSAB § 27 C, item 3, liability for loss, reduction in value, damage or expense due to fire, water or burglary.

The original Swedish wording, of which this is a translation, shall be decisive in case of dispute.

3.33* The insurance does not cover - unless otherwise agreed - other liability for loss, damage or cost as per art. 3.32 attributable to fire and/or outflow of liquids from fixed installations or piping.

3.34* The insurance does not cover - unless otherwise agreed- liability for loss, damage or cost attributable to

the fact that the Assured, according to contract of storage, has undertaken to carry out special services such as processing, installation, sorting, picking, redistributing, price labelling and invoicing, and the liability has arisen in connection with such an undertaking.

that inventory or other tallying loss has occurred and the actual cause of the loss cannot be established. If the insurance has been extended to cover inventory or other tallying losses, indemnity is only payable if the Assured has taken inventories or made other tallies as stipulated in the insurance contract.

4. Safety regulations

4.1 The Assured shall abide by laws and other regulations, regulations promulgated by public authorities and other rules intended to prevent or limit losses.

Furthermore, the Insurer is entitled, before or during the period of insurance, to introduce safety regulations as conditions of insurance. Such safety regulations shall be incorporated into the documents of insurance or be confirmed by a written notice from the Insurer.

4.2 Should the Assured fail to comply with such safety regulations, the Insurer shall only be obliged to indemnify if it can be assumed that the loss would have occurred even if the regulation had been complied with. If the circumstances indicate that the failure to comply was not the fault of the party whose obligation it was to ensure compliance, then such failure shall not affect the Insurer's duty to indemnify.

5. Deductible

5.1 With exception of art. 5.2 and art. 5.3 below, a regular deductible is applied for each claim. The amount to be agreed between the parties and stated in the insurance contract. Only one deductible to be applied for all claims due to the same cause and event.

5.2 Should any of the exclusions listed below be included by agreement, an increased deductible is to be applied for that included risk. The amount to be agreed between the parties and stated in the insurance contract.

Thus, an increased deductible is applied for loss, damage or cost caused by

The original Swedish wording, of which this is a translation, shall be decisive in case of dispute.

- omission by the Assured's to acquire cargo insurance on behalf of the principal; see art. 3.16
- liability exceeding the limitations according to art. 1.3; see art. 3.23
- the Assured having assumed an extended liability as carrier; see art.3.24
- the goods not having been properly protected; see art. 3.25
- the fact that the Assured has undertaken to carry out special services; see art. 3.34.
- inventory or other tallying losses; see art. 3.34.

5.3 In case of theft from a vehicle or of a loaded vehicle an increased deductible shall apply. The agreed regular deductible in accordance with art. 5.1 above, shall apply if the Assured can prove that the following requirements have been complied with:

- that the vehicle when parked for other reasons than loading and unloading -unless parked in a guarded area- has been locked and kept under surveillance by the driver or his substitute, or
- that the vehicle's loading space consists of a locked compartment, and
- that in addition, considering the circumstances, due diligence has been exercised and reasonable measures for the prevention of theft of the vehicle and/or the cargo have been taken.

6. Measures to be taken in case of damage

- 6.1 The Assured shall take all reasonable measures in order to avert and/or minimize the damage. Reasonable costs are compensated under the insurance subject to the limitation in art. 2.
- 6.2 Feared or ascertained damage shall immediately be reported to the Insurer. Burglary, theft and other criminal offence, fire and traffic accident shall furthermore be reported to the police authorities. A copy of this report shall be sent to the Insurer.
- 6.3 The Assured shall promptly and free of charge provide the Insurer with documents and other information which could be of significance in the investigation of the claim
The reimbursement will ordinarily be forfeited if the Assured fraudulently states or fails to disclose facts material to an assessment of such claim.
- 6.4 Where a third party is liable or is assumed to be liable the Assured shall take all necessary measures for the preservation of the Insurer's rights of recovery. If the Assured fails to fulfill these obligations under circumstances entailing loss for the Insurer, the amount of indemnity may be reduced to a corresponding degree.

The original Swedish wording, of which this is a translation, shall be decisive in case of dispute.

- 6.5 The Insurer is released from liability with regard to claims that the Assured, without the consent of the Insurer, admits or pays compensation for, unless such a duty to compensate applies under these provisions.

The Assured shall, if so required by the Insurer, agree to a negotiated settlement with the claimant.

In the event that the Insurer has expressed willingness to cover the cost of a settlement within insured limits, the Insurer is thereby released from any further commitments owing to the claim.

- 6.6 If the Assured receives notice of suit or if suit is filed against him, then the Insurer shall be immediately notified thereof. The Insurer shall appoint legal counsel and provide the latter with necessary guidelines and instructions. The Assured shall free of charge assist in the proceedings by providing, personally or through his staff, testimony and expert evidence.

Should the Assured fail to comply with the aforementioned duty, the judgement may not be cited to establish the Insurer's duty of indemnity. In such a case, the Insurer is released from any duty to pay the cost of proceedings.

7. **Time-bar**

A party possessing a claim based on the insurance forfeits his right unless his claim is presented to the Insurer within six months from such time as the former received knowledge of his claim.

A party possessing a claim shall also, in order not to forfeit his right, file suit based on the claim against the Insurer no later than three years from such time as the former received knowledge of his claim, and in any case no later than ten years from the earliest possible time that the claim could have been raised. If, however, timely notification of the claim has been made under the preceding paragraph, then suit can in all events be filed within six months from the time that the Insurer has communicated its final position regarding the claim.

The Insurer, after taking a final position on the insurance claim, can in writing require the party possessing the claim to file suit within six months against the Insurer in respect of the decision. Should the party possessing the claim fail to file suit within the aforementioned period, or if he does not proceed to the stage of suit in which judgement is rendered, he forfeits his right to receive a change of the decision.

8. **Stipulations regarding compensation**

- 8.1 Compensation will be paid no later than one month from the day relevant documentation has been submitted to the Insurer, provided the

The original Swedish wording, of which this is a translation, shall be decisive in case of dispute.

Insurer is not prevented to effect payment for reasons beyond his control.

8.2 Upon payment of compensation by the Insurer, all rights and remedies available to the Assured in order to claim indemnity from other party are subrogated to the Insurer.

9. Double insurance

In case an interest covered by this insurance should also be covered by any other insurance and does such other insurance contain reservation for double insurance, such reservation will apply to both insurances. Liability between the insurances is to be divided in accordance with FAL (Insurance Contracts Act) § 43. Otherwise FAL §§ 41 and 42 will apply.

10. Premium and duration

When the duration of the contract of insurance is not less than one year and notice of cancellation is not given by either party no later than one month prior to the end of the agreed period the contract is extended on an annual basis.

The Insurer is entitled during the term of contract on three months notice to alter the terms of premiums and conditions. If the Assured does not approve of the increase in premium or the change of conditions, he shall communicate this to the Insurer within five working days. The insurance shall in such case terminate three months after the Assured received notice of the change.

If the total amount of paid or estimated compensation for the present contract period is more than twice the highest insurance amount under art. 2, the Insurer is entitled, after observing a period of notice of five working days, to renegotiate existing conditions and premiums.

11. Dispute

Dispute between the Assured and the Insurer shall, unless the Assured requests that the case shall be referred to Arbitration, be decided by the courts.

12. General Swedish Marine Insurance Plan

The insurance is in all other matters subject to provisions as laid down the General Swedish Marine Insurance Plan of 1 January 2006.

13. Outbreak of war clause

Should, after the outbreak of war likely to essentially affect Swedish commerce and shipping, Sweden's normal trade connections with other countries be interrupted, an institution established by all Swedish marine insurance companies, named the Swedish Transport Insurance

The original Swedish wording, of which this is a translation, shall be decisive in case of dispute.

Pool, will enter into operation on a date to be fixed by the Swedish War Risk Insurance Board.

Should this occur during the currency of this contract, the contract shall temporarily be suspended and insurances falling under the contract and in force at the date in question shall automatically be transferred to the Swedish Transport Insurance Pool.

Insurance attaching subsequent to the Swedish Transport Insurance Pool having entered into operation shall be reported to the Pool either directly or through the undersigned Insurer. Such insurances will only become effective if they are reported to the Pool and the premium fixed by the Pool is paid prior to the commencement of risk.

When the state of emergency has ceased and the normal operations of the Insurer has recommenced, this contract shall again come into force.