

1994-10-01

**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 JANUARY 1, 1985**

These conditions are recommended by the Swedish Association of Marine Underwriters and the Swedish Association of Freight Forwarders. Nothing shall prevent the Insurer and the Insured from reaching agreement on other conditions.

**1. Extent of cover**

- 1.1 This insurance covers, subject to the exclusions contained in 3 below, the Assured's liability to his principal, in connection with the General Conditions of the Nordic Association of Freight Forwarders of 1985-01-01 (NSAB 1985).
- 1.2 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 § 26.
- 1.3 Furthermore, the Insurer undertakes to
  - a) reimburse freight, duties and other charges as the Assured may be imposed to refund as per NSAB §§ 17 and 22,
  - b) investigate alleged liability in case of claim for damages and, on behalf of the Assured, negotiate with the claimant,
  - c) represent the Assured in legal proceedings, in accordance with 5.7, and bear the costs for such proceedings.

**2. Maximum compensation**

- 2.1 For each event, resulting in a payable claim, the Insurer's liability to pay compensation is limited to the amount insured for each type of assignment in question as specified in the insurance contract. In addition the Insurer compensates costs for legal proceedings stated in 1.3 above.
- 2.2 The Insurer's liability to pay compensation is in all circumstances limited to the amounts insured as specified in the insurance certificate.

**3. Exclusions**

The exclusions below are either general or special. The general exclusions are absolute and may not be included. The special exclusions may be included by agreement by the Insured and the Assured. The

latter exclusions are marked with an asterisk. They are listed in a separate application form which has to be filled in when applying for insurance.

### 3.1 General exclusions

3.11 The insurance does not cover liability resulting from wilful misconduct or gross negligence on the part of 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, 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 the 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 - liability regarding

a) cash, securities and valuables such as bonds, IOUs or other valuable documents, worked or raw precious metals, precious stones, pearls, jewellery and objects of high artistic value or of value to collectors,

b) plants and live animals,

c) personal effects,

d) sendings by post.

3.15\* The insurance does not cover - unless otherwise agreed - liability resulting from the Assured's omission to acquire cargo insurance on behalf of his principal.

3.2 Special exclusions applicable to contracts with liability as carrier as per NSAB § 2 A)

3.21 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.

3.22\* The insurance does not cover - unless otherwise agreed - liability for costs in excess of 1.3 above in respect of goods received for carriage in accordance with the special provisions in article 23:6 of the CMR Convention or corresponding provisions in other applicable convention or statute.

3.23\* The insurance does not cover - unless otherwise agreed - liability to the principal based on obligations as a carrier in accordance with NSAB § 22 except when such obligations are enforced through valid convention or national statute. Neither does the insurance cover carrier's liability in excess of what is provided for in FIATA B/L or ICC Rules.

3.24\* 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 C)

3.31\* The insurance does not cover - unless otherwise agreed - liability for loss, damage or cost attributable to fire and/or outflow of liquids from fixed installations or piping.

3.32\* 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.

#### **4 Deductible**

4.1 With exception of 4.2 below, a **regular** deductible is applied for each claim. The amount to be agreed between the parties and stated in the insurance certificate. One deductible to be applied for all claims due to the same cause and event.

4.2 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 and stated in the insurance certificate.

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

- omission by the Assured's to acquire cargo insurance on behalf of the principal; see 3.15
- liability exceeding the limitations according to 1.3; see 3.22
- the Assured having assumed an extended liability as carrier; see 3.23
- the goods not having been properly protected; see 3.24
- the fact that the Assured has undertaken to carry out special services; see 3.32.

4.3 In case of theft from a loaded vehicle or of a vehicle an increased deductible, in accordance with 4.2 above, shall apply, unless the Assured can prove that the requirements below have been complied with. If so, the agreed regular deductible shall apply:

- that the vehicle when parked for other reasons than loading/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.

## **5 Measures to be taken in case of damage**

- 5.1 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 at the place where the damage occurred. Upon request by the Insurer the Assured shall present evidence of such a report.
- 5.2 The Assured shall, if the Insurer so requests, take active part in negotiations with the claimant in order to reach an amicable settlement.
- 5.3 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 2.1.

Even though no physical damage has occurred but the Assured has incurred increased and unexpected costs for measures taken in connection with erroneous dispatch, compensation is paid under the insurance in accordance with applicable provisions for liability for delay.

- 5.4 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.
- 5.5 The Assured must not, without the Insurer's permission, admit liability or accept claimed amount. Should he nevertheless do so the Insurer is bound only insofar as he is liable under these conditions.
- 5.6 Unless the Assured presents a claim for compensation within six months from the date he received the claim from his principal, the Insurer is free from liability.
- 5.7 Should the damage be subject to arbitration or court proceedings it is the duty of the Assured to inform the Insurer without delay and, if so required by the Insurer, leave the handling of the legal proceedings in the hands of the Insurer to counsel appointed by him. Should the Insurer refrain from taking over the handling of the legal proceedings, the Assured shall, nevertheless, be obliged to comply with instructions that may have been given by the Insurer. When judgement has been passed and the Assured has received the records of the case, these must immediately be submitted to the Insurer in order for him to decide whether to appeal or not.
- 5.8 Should the Assured not comply with the stipulations above the judgement cannot be referred to in order to establish the Insurer's liability. In such case legal costs will not be compensated under the insurance.

## **6 Stipulations regarding compensation**

- 6.1 Compensation will be paid no later than one month from the day relevant documentation has been submitted to the Insurer, provided the Insurer is not prevented to effect payment for reasons beyond his control.
- 6.2 When the Assured has reported feared or ascertained damage to the Insurer, the Insurer or by proxy is entitled to request that all relevant documents in the Assured's possession are made available.
- 6.3 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.

## **7. Double insurance**

In case an interest covered by this insurance should also be covered by an 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 § 43. Otherwise FAL §§ 41 and 42 will apply.

**8 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.

It is the privilege of the Insurer to alter premiums and conditions during the running policy year after having given three months notice to the Assured. Should the Assured not accept an increase in premium or alteration of conditions he shall inform the Insurer without delay. In such case the insurance expires one month after the day the Assured received notice of the alteration.

**9 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.

**10 Insurance Contracts Act (FAL)**

The insurance is in all other matters subject to rules as laid down by FAL given 8th April 1927.

**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 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.