

# MARINE CARGO INSURANCE

## Product Disclosure Sheet

*(Read this Product Disclosure Sheet before you decide to take out the Marine Cargo Insurance. Be sure to also read the general terms and conditions.)*

### 1. What is this product about?

The Marine Cargo policy protects goods in transit by sea, air or land against loss of or damage caused by a wide range of perils.

### 2. What are the covers / benefits provided?

This policy covers cargo whilst in transit and including storage in the ordinary course of transit. They are subject to the terms of the Institute Cargo Clauses. The most commonly used clauses are:-

#### **Institute Cargo Clauses (A) or Institute Cargo Clauses (Air)**

- Covers all risks of loss of or damage to the cargo.

#### **Institute Cargo Clauses (B)**

- Covers loss of or damage caused by the following perils :-
  - a. fire or explosion
  - b. vessel or craft being stranded, grounded, sunk or capsized
  - c. overturning or derailment of land conveyance
  - d. collision or contact of vessel, craft or conveyance with any external object other than water
  - e. discharge of cargo at a port of distress
  - f. earthquake, volcanic eruption and lightning
  - g. general average sacrifice
  - h. jettison or washing overboard
  - i. entry of sea, lake or river water into the vessel craft conveyance container or place of storage
  - j. total loss of any package overboard or dropped whilst loading on to, or unloading from vessel or craft.

#### **Institute Cargo Clauses (C)**

- Covers the following named perils :-
  - a. fire or explosion
  - b. vessel or craft being stranded, grounded, sunk or capsized
  - c. overturning or derailment of land conveyance
  - d. collision or contact of vessel craft or conveyance with any external object other than water
  - e. discharge of cargo at a port of distress
  - f. general average sacrifice
  - g. jettison

#### **Exclusions**

The following exclusions are common to all the Institute Cargo Clauses

- a. wilful misconduct of the Assured
- b. ordinary leakage, ordinary loss in weight or volume, or ordinary wear and tear of the goods insured
- c. insufficiency or unsuitability of packing or preparation of the goods insured.  
-This exclusion will only apply if the goods were packing or preparation was done by the Assured or their employees or was carried out prior to the attachment of the risk.
- d. inherent vice or nature of the goods insured

- e. delay, even though the delay be caused by a risk insured against
- f. insolvency or financial default of the owners/ managers/ charterers/ operators of the vessel  
-This will apply only if the Assured was aware of the financial circumstances that could prevent the voyage
- g. directly or indirectly caused by or arising from the use of any weapon or device employing atomic or nuclear fission/fusion or other like reaction or radioactive force or action
- h. unseaworthiness of vessel or craft only if the Assured is aware at the time of loading of the goods
- i. war or civil war
- j. capture, seizure or arrest
- k. derelict mines torpedoes bombs or other derelict weapons of war
- l. strikes
- m. terrorism

*Note: This list is non-exhaustive. Please refer to the Policy Contract for the terms and conditions under this Policy.*

### 3. What is the duration of cover?

Cover commences when the goods are first moved in the warehouse or at the place of storage for the purpose of the immediate loading into or onto the carrying vehicle or other conveyance for the commencement of transit, continues during the ordinary course of transit and terminates on completion of unloading from the carrying vehicle or other conveyance in or at the final warehouse or place of storage at the destination named in the contract of insurance.

A standard cargo policy allows a maximum of 60 days or 30 days if by air to reach the final destination if there is a second leg voyage from the port/airport of discharge.

#### Extensions/Special Clauses

##### Institute War Clauses (Cargo)/ (Air Cargo)

Cover loss or damage resulting from war perils whilst the cargo is at sea or in the air. The exclusions are the same as for the Cargo Clauses with the additional exclusion of frustration of the voyage (i.e. no claim is payable if cargo cannot be delivered or shipped because of a war).

##### Institute Strikes Clauses (Cargo)/ (Air Cargo)

Cover loss or damage caused by strikers, rioters, terrorists or person acting from a political motive. Exclusions are the same as for the War Clauses but there is an additional exclusion regarding the shortage or withholding of labour. The duration of cover is the same as the Cargo Clauses.

### 4. How much premium do I have to pay?

The premium that you have to pay may vary depending on the description of the goods, method of packing, vessel used, claim experience, destination, amount insured. The premium rate is applied to the insured value.

### 5. What are the fees and charges that I have to pay?

- Commissions paid to the insurance adviser (if any), maximum allowed is 15% of the gross premium.
- Stamp Duty of RM10/- per policy.

#### Tax Clause

You are obligated to pay any applicable taxes (which include but not limited to service tax and stamp duty) imposed by the Malaysian tax authorities in relation to this Policy.

## 6. What are some of the key terms and conditions that I should be aware of?

- Duty of Disclosure: It is the duty of the Proposer to disclose to MSIG Insurance (Malaysia) Bhd (“Company”) a matter that (a) he/she knows to be relevant to the decision of the Company on whether to accept the risk or not and the rates and terms to be applied; or (b) a reasonable person in the circumstances could be expected to know to be relevant. This duty of disclosure by the Proposer shall continue until the time the contract of insurance is entered into, varied or renewed.
- You must ensure that the cargo is insured as per the Invoice Value plus 10% for import and export and Invoice Value only for domestic transit.
- Please advise if the goods insured are used/ second-hand. Otherwise, it is understood that the goods insured are brand new.
- You must inform insurer if the goods are shipped on deck and not in a container. Otherwise, it is understood that the goods are shipped under deck.

## 7. Can I cancel my policy?

You may cancel your policy by giving written notice to be substantiated with evidence that the shipment has been cancelled by buyer/supplier to the insurance company. Upon cancellation, you are entitled to a refund of premium.

## 8. What do I need to do if there are changes to the shipment date, vessel name, and invoice value?

It is important that you inform us of any changes in order for us to amend your policy by way of endorsement. An additional premium may be charged should there be an increase in sum insured, likewise, a refund will also be allowed should the sum insured be reduced.

## 9. Where can I get further information?

Should you require additional information about Marine Cargo Insurance, please log on to our website [www.msig.com.my](http://www.msig.com.my) or you may contact our Head Office, any of our branches or your insurance adviser.

MSIG Insurance (Malaysia) Bhd (46983-W)  
Customer Service Centre:  
Level 15, Menara Hap Seng 2, Plaza Hap Seng  
No. 1, Jalan P. Ramlee  
50250 Kuala Lumpur  
Tel: (603) 2050 8228  
Fax: (603) 2026 8086  
Customer Service Hotline: 1800-88-MSIG (6744)  
E-mail: [myMSIG@my.msig-asia.com](mailto:myMSIG@my.msig-asia.com)

**IMPORTANT NOTE:**  
**YOU SHOULD READ AND UNDERSTAND THE INSURANCE POLICY AND DISCUSS WITH YOUR INSURANCE ADVISER OR CONTACT THE INSURANCE COMPANY DIRECTLY FOR MORE INFORMATION.**

The information provided in this Product Disclosure Sheet is valid as at 01 January 2019.