



CARGO PROTECT

GOODS IN TRANSIT (CARGO) INSURANCE GENERAL CONDITIONS

COLONNADE   
A FAIRFAX COMPANY

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## **Information notice**

1. Information on the conditions for compensation are contained in the following sections of the General Terms and Conditions:

- Article III Subject-matter insured
- Article IV Scope of insurance
- Article VI Conclusion of the contract of insurance: paragraphs 9 and 10
- Article VII Limit of indemnity
- Article IX Period of insurance
- Article XI Duties of the Insurance Taker and the Insured
- Article XII Assessment of the extent of loss
- Article XIII Assessment of the amount of compensation

2. Information concerning the limitations and exclusions of the insurer's liability which entitle the insurer to refuse or limit the compensation are contained in the following sections of the General Terms and Conditions:

- Article II Definitions: items 1) and 2)
- Article IV Scope of insurance: paragraph 4
- Article V Exclusions and limitations of liability
- Article VI Conclusion of the contract of insurance: paragraph 5
- Article VII Limit of indemnity: paragraphs 1 and 3
- Article X Expiry of the insurance cover: paragraphs 3, 7 and 8
- Article XI Duties of the Insurance Taker and the Insured: paragraphs 1 and 6
- Article XII Assessment of the extent of loss: paragraph 4
- Article XIII Assessment of the amount of compensation: paragraphs 2, 3 and 4
- Article XIV Payment of compensation: paragraph 3
- Article XV Fraudulent claims
- Article XVI Recourse claims: paragraph 3

## COLONNADE INSURANCE S.A. ODDZIAŁ W POLSCE

# CARGO PROTECT – GOODS IN TRANSIT (CARGO) INSURANCE GENERAL CONDITIONS

Approved by the Manager of the Branch of Colonnade Insurance S.A. Oddział w Polsce having its registered office in Warsaw on 1 July 2017 and effective as of 1 July 2017 and applicable to the contracts of insurance concluded after that date.

### ARTICLE I

#### General provisions

- On the basis of these General Conditions of Goods in Transit (Cargo) Insurance, hereinafter referred to as G.C.I., Colonnade Insurance Société Anonyme, having its registered office in Luxembourg, 1, rue Jean Piret, L-2350 Luxembourg, the Grand Duchy of Luxembourg, registered in the Luxembourg Register of Trade and Companies under number B 61605, acting in Poland through Colonnade Insurance S.A. Oddział w Polsce having its registered office in Warsaw (00-102) at ul. Marszałkowska 111, registered in the business register of the National Court Register kept by the District Court for the capital city of Warsaw, 12th Commercial Department of the National Court Register, under number KRS 0000678377, NIP 1070038451 hereinafter referred to as Colonnade, provides insurance cover in respect of goods in transit to individuals, corporations, or entities without corporate status, hereinafter referred to as Insurance Takers.
- The Insurance Taker may conclude the contract of insurance for his own benefit or for the benefit of a third party, hereinafter referred to as Insured. If the Insurance Taker concludes the contract of insurance for his own benefit, it is at the same time the Insured.

### ARTICLE II

#### Definitions

The terms used in these G.C.I. shall mean:

- franchise** – the Insured's share of the loss, as indicated in the policy or other document of insurance, expressed as a sum or a percentage of the amount of the loss, meaning that the insurance provided by Colonnade does not cover any loss amounting to less than the indicated franchise. If the loss exceeds the amount of the franchise, the latter is not deducted from the compensation;
- deductible** – the Insured's share of the loss, as indicated in the policy or other document of insurance, expressed as a sum or a percentage of the amount of the loss, meaning that the insurance provided by Colonnade does not cover any loss amounting to less than the indicated sum. If the loss exceeds the amount of the deductible, the compensation paid is reduced by the value indicated as the deductible;
- hail** – a precipitation consisting of ice particles which, in the nearest vicinity, cause damage of a wholesale nature, where the type and extent of damage bears clear evidence of the action of the hail;
- hurricane** – a wind of a speed of not less than 24.5 meters per second, which should be confirmed by a statement by the Institute of Meteorology and Water Resources. If it is not possible to obtain a confirmation, consideration is given to the facts of the case and such extent of damage at their location or in their vicinity as bears clear evidence of the action of the hurricane;
- theft as a result of an accident of the conveyance** – wilful taking of the goods by a third party, committed at the location of the loss or damage, from the conveyance damaged at the time of the accident;
- hijacking** – wilful taking of the goods by a third party with simultaneous seizure of the conveyance or its temporary appropriation;
- burglary** – wilful taking of the goods by any third party, for the purpose of their misappropriation after removing or permanently damaging an obstruction which constitutes a part of the structure of the conveyance or any special safety device obstructing the access to its inside;
- avalanche** – a violent sliding or rolling down of snow, ice, stones or rocks from mountain-sides;
- bill of lading (consignment note)** – a document the form and contents of which fulfils the criteria defined by law, confirming the conclusion of a contract of carriage of goods in accordance with applicable laws;
- book turnover** – the sum total of cost of purchase and sales income substantiated by purchase and sales invoices respectively in accordance with bookkeeping records;
- landslide** – a movement of earth on slopes, not caused by the activities of man;
- flood** – a flooding of grounds as a result of a rise of the water level in river-beds or in water reservoirs resulting from excessive precipitation, run-off waters from slopes or scarps in mountainous or undulating country, the melting of ice float or the formation of ice-jams;
- fire** – a fire which leaves a hearth or originates without a hearth and spreads spontaneously;
- robbery** – wilful taking of the carried goods for the purpose of their misappropriation while using, or under the threat of immediate use of, physical violence against a person or by making him (her) unconscious or defenceless;
- loss** – direct loss or shortage of or damage to the insured goods;
- concealed loss** – a loss or shortage of or damage to the insured goods which the consignee is unable to discover, in spite of exercising ordinary diligence, at the time of his taking delivery of the insured goods on completion of the transport;
- domestic transport** – carriage commencing and terminating in the territory of Poland;
- international transport** – carriage which is effected between at least two countries and commences or terminates in the territory of Poland;
- outside transport** – carriage of the insured goods entrusted to a professional carrier for carriage under a bill of lading (consignment note) or other document of carriage;
- own transport** – carriage of the insured goods by the Insurance Taker or his employees by means of:
  - conveyances owned by the Insured,
  - conveyances used by the Insurance Taker under any civil law contract, including a contract of hire and leasing,
  - conveyances owned by the employees of the Insured, hired under a contract of employment or some other contract provided for in the Labour Code;

- 21) **lightning stroke** – a direct action of an atmospheric discharge (lightning) on the conveyance or the goods carried;
- 22) **fall of aircraft** – a crash or forced landing of aircraft or any other flying object, as well as fall of parts thereof or cargo carried;
- 23) **explosion** – a violent change of the state of equilibrium of an assembly with simultaneous release of gases, dust or vapours. An explosion of a boiler, pipeline etc. or of pressure vessels takes place in the event of bursting of their walls to an extent causing a violent equalization of the pressures inside and outside the vessel. In the event of an explosion inside a vessel due to a chemical reaction the damage to such a vessel is recoverable if its walls do not burst. "Explosion" is deemed to include implosion (loss arising from negative pressure) consisting in damage to a vessel or vacuum equipment caused by outside pressure;
- 24) **accident of the conveyance** – a collision of the vehicle with any object, as well as its overturning or falling away from its route, and the collapse of a bridge or tunnel if causing loss or damage;
- 25) **subsidence** – a lowering of ground caused by the collapse of natural, empty, underground spaces.

### ARTICLE III

#### Subject-matter insured

1. The subject-matter insured includes new or used goods carried at the risk of the Insured, with the use of one or more conveyances.
2. The goods covered by the insurance are defined in the policy or other document of insurance.
3. The following may be covered by the insurance:
  - 1) goods owned by the Insured;
  - 2) goods under the control of the Insured, if in accordance with the terms of the contract concerning such goods he bears the risk of accidental loss or shortage of or damage to the goods while in transit.
4. The subject-matter insured may include goods carried by domestic as well as international transport by road, sea, air, railway and on inland waterways.
5. The insurance covers the complete route of carriage of the goods, as defined in the contract of insurance, including, if necessary in the event of outside transport, any indispensable transshipment operations and temporary storage of the goods during ordinary course of transport not exceeding 60 days.

### ARTICLE IV

#### Scope of insurance

1. The insurance covers losses concerning the insured goods, unless excluded from cover as specified in Article V, resulting from:
  - 1) fire, lightning stroke, explosion, hurricane, flood, hail, avalanche, subsidence, landslide, fall of aircraft, accident of the conveyance as well as theft as a result of an accident of the conveyance;
  - 2) burglary, robbery, and hijacking;
  - 3) any cause of a fortuitous nature other than those mentioned in items 1.1 and 1.2.
2. The insurance may comprise:
  - 1) a basic cover – as defined in item 1.1;
  - 2) an extended cover – as defined in items 1.1 and 1.2;
  - 3) a full cover – as defined in items 1.1–1.3.
3. Subject to Article VI paragraph 7 of these G.C.I. the insurance cover commences at the time of:
  - 1) completion of loading of the goods onto the conveyance – with regard to own transport;
  - 2) commencement of loading of the goods onto the conveyance or of taking over the goods by the carrier at the place of dispatch (shipment), whichever is linked with the commencement of the period during which the Insured is at risk within the scope of his liability – with regard to outside transport.

4. The insurance cover terminates at the time of:
  - 1) commencement of discharge from the conveyance – with regard to own transport;
  - 2) completion of discharge from the conveyance at the destination defined in the bill of lading (consignment note) or of delivery of the goods to the consignee, whichever is linked with the termination of the period during which the Insurance Taker is at risk within the scope of his liability – with regard to outside transport.

### ARTICLE V

#### Exclusions and limitations of liability

1. The scope of insurance with regard to goods in transit does not cover the carriage of:
  - 1) monetary values, which are deemed to include national and foreign monetary tokens, cheques, bills of exchange and other securities;
  - 2) gold, silver and objects made of such metals, precious stones, pearls, platinum and any other metals of the platinum family;
  - 3) works of art, artistic and unique objects, collections of any kind;
  - 4) class I and VII dangerous goods the carriage of which is prohibited pursuant to the European agreement concerning the international carriage of dangerous goods by road (ADR);
  - 5) living animals;
  - 6) goods carried as hand luggage as well as immigration property;
  - 7) damaged or depleted goods.
2. The scope of insurance is limited by the exclusion of losses resulting from:
  - 1) natural loss in weight, measure and volume within the limits of obligatory or customary standards;
  - 2) improper placement or fixing of goods in a conveyance or in a container and exceeding the standards of load on a conveyance or trailer if these actions are performed by the Insured;
  - 3) the application of unsuitable packing or lack thereof, or insufficient, inaccurate or incompatible marking of the outer packing of the goods connected with the handling of an unit load during the whole of the transit process;
  - 4) inherent vice or nature of the insured goods;
  - 5) intentional fault or gross negligence of the Insured or any person for whom he is responsible;
  - 6) the carriage of goods within the same estate (on the premises);
  - 7) war, hostilities, martial law, state of emergency, sabotage, riots, strikes, lockout, acts endangering to the public good and public peace, or acts of terror and acts of politically motivated persons;
  - 8) confiscation, nationalization, seizure, requisition or destruction of the carried goods or the conveyance, or restrictions of the freedom of transit on the basis of a decision made by competent authorities;
  - 9) erroneous or insufficient instructions provided by the Insured to the carrier or forwarding agent concerning the manner of effecting the carriage, its routing, or the nature of the goods and the conditions of their carriage;
  - 10) the action of nuclear energy or radioactive contamination, disinfection, disinsectization, or the action of parasites;
  - 11) the dealing in goods manufactured or imported illegally as well as in stolen goods, or the illegal movement of persons, goods, or animals through the border of the customs area;
  - 12) wear and tear of the subject-matter insured with regard to used goods.
3. In respect of own transport the scope of insurance cover is limited by the exclusion of losses resulting from:
  - 1) a poor technical condition of the conveyance or its unfitness for the carriage of the kind of goods concerned;
  - 2) a state of insobriety or intoxication of the driver of the conveyance as well as any other person participating in the carriage of the insured goods;
  - 3) delay in delivery;

- 4) an unwarranted deviation from the route of carriage, if such route was originally agreed upon in the policy or other document of insurance;
- 5) normal changes in atmospheric moisture as well as normal rainfall, snowfall and normal fluctuation of temperature (frost, heat), unless the loss results from an accident of the conveyance;
- 6) the operation of a so-called mobile shop, understood as the selling of goods directly from the conveyance on the route of own transport.

## ARTICLE VI

### Conclusion of the contract of insurance

1. An enquiry directed to Colonnade in an insurance questionnaire form or in any other written form prior to the conclusion of the contract of insurance should contain the following data:
  - 1) the name and address of the Insurance Taker and of the Insured;
  - 2) the type of business conducted;
  - 3) the subject matter insured;
  - 4) the period of insurance;
  - 5) the type of transport (own or outside);
  - 6) the kind of transport;
  - 7) the scope of insurance;
  - 8) the manner of carriage and type of packing of the goods in transit;
  - 9) the route of carriage or territorial limits;
  - 10) the type of policy (according to paragraph 9);
  - 11) the maximum value of the goods in transit per conveyance;
  - 12) the manner of estimating the basis of premium calculation;
  - 13) the estimated value of the goods in transit or of the book turnover in the period of insurance;
  - 14) the causes, number and amount of losses concerning goods in transit sustained by the Insured in the last 24 months.
2. Colonnade may request from the Insurance Taker additional information essential to an evaluation of the risk to be insured.
3. In order to obtain an insurance proposal, the Insurance Taker is obliged to notify Colonnade of all the circumstances known to it, which Colonnade enquired about in writing. If the Insurance Taker concluded a contract of insurance through the intermediary of an attorney, the duty defined in paragraph 3 is also incumbent on that attorney and includes any circumstances known to the attorney. If the Insurer concludes a contract of insurance in spite of the Insurance Taker's failure to answer any particular question, the disregarded circumstances are considered immaterial. Colonnade sends the general conditions of insurance to the Insurance Taker along with the insurance proposal.
4. If a request for proposal addressed to Colonnade in an insurance questionnaire or any other written form before the conclusion of an insurance contract has been made defectively, does not contain all the particulars specified in paragraph 1 or if the particulars provided by the Insurance Taker or the attorney acting on its behalf have been found to be insufficient for Colonnade to appraise an insurance risk, then the Insurance Taker should complete it accordingly or draw up a new request for proposal within 14 days after receiving a respective call from Colonnade.
5. If the Insurance Taker has provided in the request for proposal or in any other written form untrue information or concealed the circumstances or information Colonnade asked about in an insurance questionnaire or in any other written form before the conclusion of a contract of insurance, Colonnade is released from any liability for the consequences of the circumstances which have not been disclosed for the above-mentioned reasons. In such a situation the Insurer is entitled to recalculate the premium for the period of the granted insurance cover.
6. If the Insurance Taker or the attorney acting on its behalf has accepted Colonnade's proposal, it will send Colonnade an acceptance of the proposal in writing and Colonnade will make out a policy and send it to the Insurance Taker.
7. A contract of insurance is concluded upon the delivery by the Insurance Taker to Colonnade and the unconditional acceptance of the proposal. A policy or other document of insurance is the evidence confirming the conclusion of the contract of insurance.
8. In the event of concluding a contract of insurance on account of a third party, the duties defined in paragraphs 3–7 rest both with the Insurance Taker and the Insured, unless the Insured has known about the conclusion of the contract on its account.
9. The Insurance Taker may insure the goods under:
  - 1) a single policy – the insurance covers a single shipment (consignment);
  - 2) a blanket policy – the insurance covers all shipments (consignments) of the insured goods effected by the Insured in the period of insurance;
  - 3) an open cover – the insurance covers all shipments (consignments) advised by the Insurance Taker or the Insured in declarations to Colonnade during the period of validity of the policy as stated therein; the Insurance Taker or the Insured has to send, each time before the commencement of carriage, a declaration with the information concerning the transport insured; the information the Insurance Taker or the Insured has to provide in the declaration is specified in the open cover;
  - 4) a lump-sum policy – the insurance covers all shipments (consignments) of the insured goods effected by the Insurance Taker or the Insured in the period of insurance and carried out by conveyances specified in the policy or other document of insurance, irrespective of the frequency of shipments (consignments).
10. The contract of insurance is considered to be concluded on delivery to Colonnade of a written and unconditional acceptance of the proposal by the Insurance Taker or an attorney acting on his behalf.
11. Unless otherwise agreed, the liability of Colonnade commences with regard to:
  - 1) a single policy – on the day following the conclusion of the contract of insurance, not earlier, however, than on the day following the payment of premium;
  - 2) a blanket policy – on the day following the conclusion of the contract of insurance;
  - 3) an open cover – on the day following the delivery of the declaration to Colonnade;
  - 4) a lump-sum policy – on the day following the conclusion of the contract of insurance.

## ARTICLE VII

### Limit of indemnity

1. The upper limit of liability of Colonnade in the event of loss occurring in one conveyance is the maximum value of goods in transit per conveyance as stated in the policy or other document of insurance, hereinafter referred to as the limit of indemnity.
2. The limit of indemnity is established and presented to Colonnade by the Insurance Taker on the basis of the value of the insured goods specified in the invoice of the supplier or in an internal document substituting an invoice, or in the absence of such evidence – on the basis of the costs of manufacture or market value.
3. If the limit of indemnity stated by the Insurance Taker in the enquiry for proposal regarding insurance and specified in the policy or other document of insurance is:
  - 1) higher than the actual value of the carried goods – Colonnade is liable up to the actual value of the carried goods on the day of the loss occurrence;
  - 2) lower than the actual value of the carried goods – Colonnade is liable in such proportion to the amount of loss as the limit of indemnity bears to the actual value of the carried goods on the day of occurrence of the loss.
4. The limit of indemnity established in the manner defined in paragraph 2 may be increased on payment of an additional premium by adding the costs of carriage to the place of destination, customs duty or other costs (e.g. the so-called loss of profit amounting to not more than 10% of the value of the insured goods increased by the

above-mentioned costs), if the invoice of the supplier does not include such costs or if the Insured as supplier is obliged to cover such costs.

5. If the Insurance Taker envisages – subject to the payment of an additional premium – the insurance of storage of the goods other than in the ordinary course of transit, but resulting from a decision of the Insured, he should specify, in the insurance questionnaire or other written communication prior to the conclusion of the contract of insurance, a limit of indemnity for the storage, the period of storage and the manner of protecting the goods during storage.

## ARTICLE VIII

### Premium

1. The premium is computed by applying the rate agreed by the parties when concluding the contract of insurance, to the basis of premium computation.
2. The amount of premium or the rate of premium is specified in the policy or other document of insurance.
3. The basis of premium computation depends on the type of policy. With regard to:
  - 1) a single policy – the basis of premium computation is the maximum value of the carried goods per conveyance declared by the Insurance Taker;
  - 2) a blanket policy – the basis of premium computation is the value of the carried goods or the value of book turnover; estimated by the Insurance Taker for the next period of insurance or realized in the last accounting period;
  - 3) an open cover – the basis of premium computation is the sum total of the values of carried goods declared by the Insurance Taker in the individual declarations;
  - 4) a lump-sum policy – the basis of premium computation is the maximum value of carried goods per conveyance declared by the Insurance Taker separately for each conveyance reported for the carriage of the insured goods.
4. Unless otherwise agreed, the Insurance Taker is obliged to pay the premium within 14 days of the date of issuing the policy or other document of insurance, and in the event of a single policy the Insurance Taker shall pay the premium not later than on the day preceding the commencement of the carriage.
5. In the event of a single policy the date of payment of premium is assumed to be the date of the Insurance Taker's remittance or payment into the account of Colonnade.
6. The Insurance Taker and Colonnade may agree on the payment of premium in instalments. The due dates and amounts of the instalments are specified in the invoice, the policy or other document of insurance.
7. With regard to a blanket policy:
  - 1) a minimum and deposit premium, which is a percentage of the estimated premium, is payable at the commencement of the period of insurance;
  - 2) the Insurance Taker is obliged to inform Colonnade of the actual value of the carried goods or the actual value of the book turnover for the accounting period stated in the policy or other document of insurance – within 14 days of the expiry of that period;
  - 3) unless otherwise agreed, an adjustment of premium is effected within 30 days of the termination of the accounting period, but not earlier than within 14 days of the time of supplying the information referred to in item 7.2;
  - 4) the actual premium is computed on the basis of the actual value of the carried goods or the actual value of the book turnover in the accounting period, at the rate of premium specified in the policy or other document of insurance;
  - 5) if the actual premium is higher than the minimum and deposit premium for the accounting period concerned, the Insurance Taker is obliged to pay the difference (referred to as the additional premium);
  - 6) the computation of the actual value of the carried goods or the actual value of the book turnover declared in a foreign currency

is effected at the average rate of exchange of the Narodowy Bank Polski on the day of commencement of the period of insurance.

## ARTICLE IX

### Period of insurance

1. The period of insurance is specified in the policy or other document of insurance, subject to the conditions indicated in these G.C.I.
2. The insurance cover is valid from 0.00 hours of the Polish time on the first day of the insurance period to 23.59 hours of the Polish time on the last day of the insurance period.
3. The beginning of the insurance period is the commencement of insurance cover. The insurance cover comprises all carriages of cargo insured commenced during the insurance period but does not comprise the carriages started before the insurance period.
4. Unless agreed otherwise, the insurance cover begins as of the day immediately following the date of conclusion of the contract of insurance.

## ARTICLE X

### Expiry of the insurance cover

1. If the contract of insurance is concluded for a period exceeding 6 months, the Insurance Taker is entitled to withdraw from the contract within 7 days of the day of its conclusion; a withdrawal from the contract does not release the Insurance Taker from the obligation to pay the premium for the period in which Colonnade provided insurance cover.
2. In the event of the withdrawal mentioned in paragraph 1 above, the Insurance Taker is obliged to return the policy to Colonnade for the purpose of its cancellation. If the policy is not returned within 14 days of its delivery, the Insurance Taker will be charged with the costs of the cancellation of the policy.
3. Colonnade may terminate a contract of insurance concluded for a definite time for the following valid reasons:
  - 1) Gross negligence on the part of the Insured in the running of its business if Colonnade demanded in advance that such negligence be removed;
  - 2) The situation where the Insured fulfils the conditions for it being declared bankrupt, including the situation where the Insured does not pay its dues;
  - 3) The Insured ceases to carry on its business;
  - 4) The situation where the Insurance Taker provided untrue information or concealed the circumstances or information enquired about by Colonnade in the insurance questionnaire or other written form before the conclusion of a contract of insurance.
4. The amount of returnable premium is ascertained in proportion to the unused period of insurance.
5. A withdrawal from the contract is effected by a written declaration of the Insurance Taker.
6. In the event of disclosure of any circumstance whereby the probability of a claim significantly changes, each party may demand that the premium be changed accordingly, starting from the time such circumstance arose, but not earlier than from the commencement of the current period of insurance. If such demand is made, the other party may terminate the contract within 14 days, with immediate effect.
7. If Colonnade bears liability even before the premium or the first instalment of the premium is paid and the premium or the first instalment has not been paid on the due date, Colonnade may terminate the contract of insurance with immediate effect and demand that the premium be paid for the period in which Colonnade bore liability. If the contract of insurance has not been terminated, such contract expires as of the end of the period in respect of which the unpaid premium was due.
8. In the event the premium is payable in instalments, the failure to pay a subsequent instalment of the premium on the due date will result in the termination of Colonnade's liability, if the Insurance Taker does

not pay it within 7 days of the receipt of Colonnade's demand to do so (containing a threat that the failure to pay within 7 days of the receipt of the demand will result in the termination of liability).

9. In the absence of any objective causes beyond the control of the Insurance Taker or Colonnade, the parties do not admit the possibility of cancellation of the contract of insurance during the period of insurance, subject to the circumstances mentioned in paragraphs 1, 3, 6, 7 and 8.

## ARTICLE XI

### Duties of the Insurance Taker and the Insured

1. During the validity period of the contract of insurance the Insurance Taker and the Insured are obliged to notify Colonnade immediately of any change in any circumstances asked about by Colonnade in the insurance questionnaire or any other written communications addressed to the Insurance Taker prior to the conclusion of the contract of insurance. Colonnade is released from liability for the consequences of any circumstances that have not been disclosed to it as a result of the breach of the foregoing duty by the Insurance Taker and the Insured.
2. The Insured is obliged to comply with any regulations in force aiming at loss prevention and to take any available measures for the purpose of protecting the carried goods from theft and robbery.
3. In the event of loss or damage the Insured is obliged:
  - 1) to take any available measures for the purpose of rescuing the subject of insurance, and preventing or mitigating a loss, even if such measures might be ineffective;
  - 2) to preserve the evidence of loss or damage;
  - 3) to notify Colonnade or the average agent of the loss, immediately after the loss occurred or after becoming aware of the loss, but not later than within 3 working days of the day of its occurrence, by telephone, using the numbers stated in the policy;
  - 4) to immediately notify (if the carrier or forwarding agent has not done it before):
    - a) the fire brigade – in case of fire,
    - b) the police, if there is a ground for suspicion that the loss resulted from theft, robbery or accident of the conveyance;
  - 5) to abstain from making any changes in the place of the loss occurrence without obtaining the consent of a representative of Colonnade, unless the change is necessary for the purpose of protecting the goods remaining after the loss, minimising the loss or for other good reasons; Colonnade shall not invoke that interdiction if it does not commence the loss adjustment procedure within 5 working days of the receipt of the notification of loss;
  - 6) to enable Colonnade to participate in the activities necessary for the purpose of ascertaining the circumstances of the loss occurrence, the grounds and amount of the claim and to render assistance to Colonnade and supply explanations and in particular to make available a full documentation of the insured goods;
  - 7) to request the carrier or forwarding agent to draw up a loss report taking account of all circumstances and causes of the loss occurrence or, in the event of own transport, to draw up a collective loss report with the participation of at least one person without any legal relationship with the Insurance Taker or Colonnade;
  - 8) the Insurance Taker is obliged to deliver to Colonnade within three days of receipt by the Insurance Taker, a copy of any valid decision of a court of law or other adjudicating agency or any decision on discontinuance of criminal proceedings or petty offence proceedings which are issued in connection with an occurrence covered by the insurance.
4. The Insurance Taker is obliged to report to Colonnade any fact of the occurrence in a given case of the cumulation of rights under two or more insurance policies with regard to the same occurrence.
5. The Insurance Taker is obliged to deliver to Colonnade the following documents, essential to ascertaining the circumstances of the loss occurrence and assessing the compensation:
  - 1) a calculation of the amount of the claim;

- 2) the policy or other document of insurance of the carried goods;
  - 3) the invoice (the original thereof for sighting) or other documents substantiating the extent of loss in accordance with the provisions of Article XII paragraphs 1 and 2;
  - 4) a detailed list of goods lost, destroyed or damaged as a result of the loss occurrence;
  - 5) in the event of outside transport the original of the bill of lading (consignment note) or other document as evidence of taking over the goods for carriage;
  - 6) the original or an original copy of the loss report drawn up according to the provisions of Article XI item 3.7;
  - 7) a transfer of the rights of the Insured to Colonnade against any third party responsible for the loss concerning the insured goods;
  - 8) any other documents necessary in the course of loss adjustment which Colonnade requires in connection with the loss occurrence.
6. The Insured is obliged to deliver to Colonnade the documents referred to in paragraph 5 above within 30 days of the date of notification of the loss. Unless there exist objective reasons beyond the control of the Insured and Colonnade, the failure to deliver on time the documents specified in Article V, paragraphs 1–6, results in the absence of any obligation of Colonnade to pay compensation.
  7. The Insured is obliged to render to Colonnade any assistance in pursuing recourse claims, including the preservation of rights of recourse (lodging a complaint with the party responsible for the loss), supply the required documents and necessary information.
  8. After receiving a notice of the fortuitous occurrence comprised by the insurance cover, Colonnade informs the Insurance Taker or the Insured thereof within 7 days of the receipt of such notice, provided they are not the persons giving the notice, and starts the procedure to establish the factual state of the occurrence, the justifiability of the claims made, and the amount of the performance, and informs the claiming party in writing or in any other way to which the claiming party agreed about the documents that are required in order to establish the liability of the insurance company or the amount of the performance if this is necessary for the further conduct of the proceedings.

## ARTICLE XII

### Assessment of the extent of loss

1. The extent of loss concerning the insured goods is assessed:
  - 1) in the event of loss or shortage of or such damage to the goods that in view of their nature the goods are not repairable:
    - a) according to the value of the goods stated in the invoice or, if the carriage was performed between the Insured's own organizational units, in an internal document, subject to Article V paragraph 2.6,
    - b) with regard to the manufacturer of the property as the Insurance Taker/the Insured who does not declare the method of valuating the limit of liability according to the invoiced value of sales – according to the costs of manufacture,
    - c) in the absence of an invoice – according to the market value verified by Colonnade on the basis of a survey and cost estimate made by an expert appointed by Colonnade;
  - 2) in the event of damage which is repairable – according to the actual cost of repair;
  - 3) in the event of damage to the goods in such a degree that they are fit for resale at reduced prices – according to the difference between the value of such goods before the loss occurrence and the value ascertained by way of re-assessment; the Insured is obliged to notify Colonnade of each re-assessment not later than 3 days before carrying it out and deliver documents evidencing such re-assessment made. Colonnade is entitled to participate in the carrying out of the re-assessment.
2. The extent of loss concerning the insured goods is assessed at the time of loss occurrence, according to the values defining the manner of estimating the basis of premium computation declared by the In-

- urance Taker in his enquiry or any other written communications prior to the conclusion of the contract of insurance and defined in the policy or other document of insurance.
3. In the absence of information concerning the basis of estimation required by Colonnade in the insurance questionnaire or any other written communications prior to the conclusion of the contract of insurance, the extent of loss is assessed on the basis of the net purchase value (without VAT) or net costs of manufacture (without VAT).
  4. The amount of costs of repair shall not exceed the actual value of the goods on the day of the loss occurrence which corresponds to the invoice value, and with regard to used goods is reduced by the actual degree of depreciation of the goods.

## ARTICLE XIII

### Assessment of the amount of compensation

1. The compensation is assessed in the amount corresponding to the extent of loss, within the limit of indemnity, including the following costs:
  - 1) The substantiated costs resulting from the measures taken and mentioned in Article XI paragraph 3.1 for the purpose of minimising the loss and protecting from loss or damage such goods as were immediately endangered, if such measures were adequate, even though they proved to be ineffective;
  - 2) The costs of clearance of debris up to 20% of the amount of loss;
  - 3) The costs of transport to the place of destination as well as customs duty, provided that they are included in the limit of indemnity specified in the policy or other document of insurance;
  - 4) The costs of expert survey, provided that the expert was appointed by the Insured with the previous consent of Colonnade.
2. The compensation is reduced by:
  - 1) The amount of the deductible, if specified in the policy or other document of insurance;
  - 2) The value of the remainder of partially destroyed or damaged goods which may be destined for further use, alteration or sale;
  - 3) The value of natural decrease/shortage specified by trade standards or in a contract.
3. Colonnade is not liable for losses not exceeding the equivalent of 50 USD, which also constitutes the franchise. The amount of the franchise will be converted into PLN at the average rate of exchange of the Narodowy Bank Polski on the day of the loss occurrence.
4. In assessing the amount of compensation any scientific, collector's or memento value is disregarded.
5. The amount of claim stated in any currency other than PLN will be converted into PLN at the average rate of exchange of the Narodowy Bank Polski on the day of issuing the decision. The payment of compensation is made in PLN.

## ARTICLE XIV

### Payment of compensation

1. Colonnade will pay compensation within 30 days of the date of receipt of the notification of loss. If it is impossible within the time-limit stated in this paragraph 1 to clarify the circumstances essential to the establishing of liability of Colonnade or the amount of compensation, Colonnade will pay compensation within 14 days of the day on which, in exercising due diligence, it was possible to clarify such circumstances. But the indisputable part of compensation will be paid within 30 days of the date of receipt of the notification of loss.
2. If Colonnade does not pay compensation within the time-limits defined in the contract of insurance or legal regulations, it will notify the claimant in writing of the reasons for the inability to settle his claims in full or in part.

3. Colonnade may refuse payment of compensation in full or in part in the event the Insured is guilty of gross negligence and did not fulfil the duties defined in Article XI paragraph 3, and the non-fulfilment thereof contributed to the occurrence of a loss or to the increasing of its size.
4. In the event of payment of compensation for damaged goods in the full amount claimed by the Insured, Colonnade is entitled to demand the handing over of such goods or make the payment of compensation conditional upon their handing over to Colonnade.
5. In the event of recovery of the goods for which the Insurance Taker received compensation from Colonnade the Insured is obliged to take over such goods and return the compensation to Colonnade within the limits of the value of the recovered goods, after deducting the costs connected with such recovery, within 14 days of the date of taking over the recovered goods by the Insured. Colonnade may consent to take over the recovered property by way of the Insured's waiving its rights to such goods for the benefit of Colonnade.

## ARTICLE XV

### Fraudulent claims

The Insured forfeits its right to compensation if it itself or any person authorized to act on its behalf intentionally brought about the occurrence which was basis of the payment of compensation.

## ARTICLE XVI

### Recourse claims

1. On the day of payment of compensation Colonnade is subrogated, by virtue of law, up to the amount of compensation paid, to any claim which the Insured may have against any third party responsible for the loss.
2. The claim referred to in paragraph 1, above does not pass to Colonnade, if the loss is caused by any person employed by the Insured a contract of service or any other contract provided by the Labour Code.
3. If the Insured waives or limits, without the consent of Colonnade its claim against the third party responsible for the loss, Colonnade may refuse to pay compensation in full or in part. If the waiver or limitation has been disclosed after compensation has been paid, Colonnade may demand from the Insured reimbursement of the whole or part of compensation paid.

## ARTICLE XVII

### Jurisdiction

An action for claims resulting from contracts of insurance may be instituted either according to the regulations on general jurisdiction or before the competent court for the place of residence or seat of the Insurance Taker, the Insured or the Person Entitled under the contract of insurance or of the heir of the Insured or the Person Entitled under the contract of insurance.

## ARTICLE XVIII

### Final provisions

1. The contract of insurance may be concluded on the basis of contractual clauses containing additional or different provisions, agreed upon by the parties, deviating from the provisions of these G.C.I. A contract of insurance relating to foreign trade may with the consent of the parties include foreign conditions of insurance.
2. Any amendments of these G.C.I. resulting from special agreements between Colonnade and the Insurance Taker must be made in writing, under pain of nullity, and have priority over the rules of these G.C.I.
3. Colonnade reserves the right to sight, upon prior agreement with the Insured, the contracts, books of account, correspondence, and any other documents relating to the insurance of goods in transit, subject to trade and insurance secrecy to be kept by Colonnade.

4. Colonnade makes every effort to ensure that the services offered by it, including the decisions on processed claims, be of highest quality, in accordance with the concluded contracts of insurance and the law in force.
5. In the event you do not agree with any decision made by Colonnade, please contact us to enable us to address your doubts related to the decision and to amicably settle any disputes that may arise from the contract of insurance.
6. If the natural persons: the Insurance Taker/the Insured or other person entitled to receive a performance under the contract of insurance would like to make an complaint to the Insurer, they should do it:
  - 1) In writing, to the address of Colonnade Insurance S.A. Oddział w Polsce at ul. Marszałkowska 111, 00-102 Warsaw, or
  - 2) By telephone at the number 22 528 51 00 or orally during a visit to the registered office of the Insurer, or
  - 3) By electronic mail at the e-mail address: reklamacje@Colonnade.com.
7. The Insurer sends a written reply to the complaint within 30 days of the receipt of the complaint and in very complex cases – within 60 days of the receipt thereof. A reply to the complaint may be sent by electronic mail if the complainant requested it and provided its e-mail address.
8. Also, complaints may be lodged to:
  - 1) The Financial Attorney;
  - 2) Financial Supervision Authority that supervises the business activity of the Insurer in Poland;
  - 3) Municipal and District Attorneys for Consumers.
9. Notwithstanding the provisions of this article the Insurance Taker/ the Insured or other person entitled to receive the performance has a right to take action in court in order to pursue its claims.

Colonnade Insurance Société Anonyme  
Branch in Poland  
ul. Marszałkowska 111  
00-102 Warszawa  
Polska

tel. +48 22 528 51 00  
fax +48 22 528 52 52

e-mail: [info@colonnade.pl](mailto:info@colonnade.pl)  
[www.colonnade.pl](http://www.colonnade.pl)