

# WAREHOUSE INSURANCE TOTAL LOSS

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The coverage offered by this product refers to the events that could happen to the cargo during the period of the policy, originated by the following events:

## Coverage

✓ **Total loss** by theft with violence.

✓ **Total loss** for damages originated by the following events:



Fire and/or lightning, explosion or the action of extinguishing the fire caused by such causes.



VMM (Vandalism and Malicious Mischief) Including war acts and terrorism.



Assault, riot, civil or popular commotion and strike, according to their legal definitions.



Acts of nature such as earthquakes, landslides, floods and the like.



Water damages caused by the interior or exterior of the building that contains the insured goods.



Loading, unloading and placement operations inside the warehouse.



Fire and/or lightning, explosion or action to extinguish the fire originated by such causes.

## Insured goods

Merchandise in general: in-process products, raw materials, machinery, equipment and spare parts, as well as other goods related and inherent to the activity of the insured.

## Excluded goods

Materials of explosive and/or corrosive nature, firearms, financial documents, precious stones, artworks of any kind, money, narcotic substances, motor vehicles, machinery and aircraft under the impulse of their own means, bulk goods, tools and machinery used by the insured for storage purposes.

## Exclusions

This policy does not cover events originated by:

- Any transformation to the insured goods at the beginning and/or at any moment of their storage.
- Any loading and unloading activity from the vehicles.
- Storage of merchandise, such as falls from shelves due to hits from forklifts, cranes and winches.



*The right insurance - Su seguro correcto*

- Partial losses due to theft or damage, according to the concept for total losses established below.
- Damages to the warehouse structure, equipment and machinery owned by the warehouse.
- Inherent vice.
- Factory guarantee.
- Decomposition of the goods due to changes in temperature or inappropriate methods of conservation during the time of permanence.
- Contractual and non-contractual civil liability that arises from damages to third parties caused by the merchandise in custody or handling. Any labor and/or professional liability will also be excluded.
- Loss of accessories in automobile storage, machinery or any kind of equipment that is equipped with these, understanding that they are complementary parts and not needed for their normal performance.
- Coverage may be provided if these are declared on the title page of the policy, and are duly valued and part of the insured amount.
- Damages caused by the storage of the insured goods with other merchandises that may jeopardize the integrity of the product.
- Losses caused by nuclear reaction, nuclear radioactivity or nuclear contamination.
- Losses caused by shrinkage, spills, cracks, breakage, scratches, dents, evaporation, spontaneous combustion, normal loss of weight or volume, wrinkles, stains and/or discoloration, bending, cracking, scraping and/or scratching.
- Damage to goods caused by improper packing or packaging. Pre-existing damages, seizure and/or apprehension by state authorities.
- Theft without violence, simple theft, mysterious disappearances.
- Auto-theft, fraud, willful misconduct, negligence, breach of trust acting alone or in collusion with others.
- Damages to the cargo arising from inspection processes or samples kept by customs authorities from any country.
- Abandonment of the merchandise by the insured or by whom is acting on their behalf unless such abandonment has been authorized by the insurer.
- Temperature variation, humidity or condensation inside the package.
- Damage to insured goods caused by the lack of maintenance of the property such as: roofs, downspouts, building/warehouse storing, deterioration over time, windows, doors and walls in bad condition and humidity, as well as damages due to carelessness in the operation, such as: leaving doors, windows, skylights or similar open, also leaving faucets, gas and any others open and uncontrolled.
- Damages to the cargo due to falling racks for any motive (for example: domino effect)
- Any violation or breach of law / regulations in enforcement issued by national, international or local authority, whether such violation or misconduct may give rise to a claim.
- Theft or loss of the insured goods caused by unforeseen events such as: fire, civil or popular commotion malicious acts of third parties.

- Damage or loss caused by the breach of the obligations of the owner, owners, managers, charterers or operators of the service involved in the operation.
- Indirect damages such as: loss of market, loss of benefits, delay or any other damage.
- Any fines, sanctions, demand, confiscation, acts of police, customs, military authority or similar, to the insured and that affects the insured merchandise or its subsequent confiscation, detection or destruction.
- Messaging goods and/or household items and in general used goods or merchandise.
- Damage to the cargo caused by contamination of the insured goods for any motive.
- Damage and/or loss to the insured property caused by pests, vermin, insects, rodents or any type of living organism.
- Any loss of the physical, chemical, biological and/or biochemical properties of the insured goods.
- Live cattle, as well as any species of live animal.

### Total Loss definition

For this insurance, Total Loss applies when the repossession or repair cost of the insured goods is equal or superior to the real value, or exceeds the insured value in the insurance certificate. Total loss for theft events applies only when the entire merchandise has been stolen. It does not apply for independent articles, it is a concept that applies to the entire shipment.

### Coverage for used machinery

For used machinery, in the event of a loss covered by the policy, a demerit will be applied for use of 10% per year up to a maximum amount of 70% of the replacement value of the insured good. If the replacement value or the time of use of the damaged equipment is unknown, the loss value must be the one that appears in the accounting books certified by the Statutory Auditor and Legal Representative of the Insured.

### Warranties and conditions

The whole time of storage, the insured agrees to report in monthly basis since it is the basis for the calculation of the premium to be paid.

The policy warranties establish that:

- ✓ The storing company must be duly constituted for such purpose with the legal permits that allow them to operate in the country or city where the insured goods are located.
- ✓ Keep accounting updated, registered and updated according to the legal standards of the country.
- ✓ Make the valued reports of the existence of merchandise periodically, as agreed in the policy.
- ✓ Fire detection and extinguishers must be available.
- ✓ Anti-theft system and private security must be available.
- ✓ Keep the goods over pallets at a distance of no less than 10 centimeters.
- ✓ Must comply with the recommendations after the inspection ordered by the insurance company at the time of the subscription and policy issuance.

In case of failing to comply with these conditions, the sanctions contemplated by law will be used according to the legislation of each country.

### Policy operational conditions

- The insured limit must be established, which will be the maximum responsibility of the insurer.
- The periodicity for merchandise reports must be established (monthly, bi-monthly or quarterly).
- At the beginning of the validity of the insurance certificate, the amount corresponding to the first period of the policy will be charged as a first payment, calculated by the insured limit stated in the application.
- The insured compromises to send a report to JAH INSURANCE BROKERS CORP within the first 10 days of the following month, said report will be the basis for calculating the premium for the agreed period. In case of failing to send the report, the premium calculated on the policy limit will be charged.
- In the last period of the policy, the same process will carry out for calculating the premium to be paid for the last period, and the down payment charged at the beginning of the policy will be credited for such premium and any balance must be paid.
- Any delay in the payments will be sanctioned according to the legislation of each country.

### Important: What to do in case of an accident?

1. Give promptly notice to Claims Dept. of JAH BROKERS CORP by e-mail to: [claimsdepartment@jahinsurance.com](mailto:claimsdepartment@jahinsurance.com) within a maximum period of five (5) business days, after knowing the evidence of damage or loss. You can place a claim through our website: [www.jahinsurance.com](http://www.jahinsurance.com) or in our app for Android or IOS System "JAH INSURANCE". Failure to comply with this condition will give the insurance company the right to deny to process the claim due to extemporaneity.
2. Avoid the loss extension and keep in safe place the salvage of the insured goods.
3. The non-abandonment of the insured goods without authorization from the insurance company.
4. Send the formal written claim for losses and damages caused to the insured goods against those responsible for the accident, within the period prescribed in the contract of carriage or in the law.
5. Present all the supporting documentation indispensable for the processing of the claim.

*\*The terms of this clause are set out as special conditions. In case of controversy, the general conditions apply, which you will find on the website. [www.jahinsurance.com](http://www.jahinsurance.com).*