



Kef International, Giladi 2a, Talpiot, Jerusalem 93385  
[kef@kefintl.com](mailto:kef@kefintl.com) US 1-866-425-5224, Israel 02-673-5043, **08/09/14**

## MARINE INSURANCE

Shipping insurance is sold as a percentage of insured value; rates vary depending on the deductible. 2.5% means \$25 for each \$1,000 of insurance. **You are responsible for the accuracy, completeness, and submission of your valued inventory before pickup.**

All-risk with \$150 deductible (\$0 deductible for appliances purchased through Kef.)	2.5%
All-risk with \$500 deductible, \$0 deductible for appliances purchased through Kef.	2.0%
All-risk with \$1000 deductible, \$0 deductible for appliances purchased through Kef.	1.8%
For storage after 2 months in origin/destination warehouse	0.0027/month + \$15 per extension
Final insurance lists and supporting documents received by Kef after pickup	\$75. Until the list and documents are received, goods are not insured. This may also slow down the clearing process and add additional charges.
Total loss pays all, but only for total loss. If valued inventory is not submitted before pickup, at Kef discretion.	1.2% of value based on \$6 per lb
For storage after 2 months in origin/destination warehouse	0.0027/month + \$15 per extension
Insuring without a valued inventory has a minimum of \$8/lb. Items above \$1000 must be listed separately and individually.	

### Instructions:

1. **Prior damage.** Take pictures and make sure the packer records scratches or other damage on the packing list.
2. **Valued inventory.** Before goods are picked up, Kef needs a detailed list of all your goods with replacement values at destination. Israel values are often 3.25 x USA value for electrical goods, 2.25 for household goods, and 1.5 for collectibles. If you insure for less than full value you will be underpaid for any claim, proportionally. The purpose of insurance is to cover you against loss or damage to your goods, so if you do not insure goods on time, or do not insure them accurately as to description or value, or do not submit your insurance claim correctly, you are self-insured and Kef has no responsibility for damage or loss to your shipment. Your goods are insured once you present a detailed valued inventory to Kef. Until that time, your goods are uninsured and damage/loss is your responsibility.



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3. **Previously packed goods.** If goods were recently packed by professionals, present to Kef, before pickup, the invoice of packing. Otherwise unseal the boxes and make sure the packers inspect and repack as necessary. There are extra charges associated with unpacking in order to repack.
4. **Extensions.** You are covered without extra charge for up to 60 days at the shipper's warehouse in North America and up to 60 days at qualified warehouses in Israel. To extend in either case, you must give notice and pay for the extension before the expiry date. The cost of extension is \$2.70 per \$1,000/month, plus \$15 per extension. Neither the insurance company nor KEF has responsibility to extend without your timely request and payment.
5. **Storage.** Make separate lists if part of your goods are to be stored. If you are using self-storage, your marine insurance ends when goods are delivered there. In self-storage, you get a key and access. In commercial storage, you have no key or access unless a warehouse person records goods going in and out.
6. **Signing the release.** Check the pieces arriving against the packing list and record the results on the inventory (bingo) sheet and the delivery receipt. It is difficult to claim loss if the shipment arrives intact and you make no mention of shortage. If the container seal is broken or any box or crate are open when you first see them, or if there is any sign of damage, write it on the delivery receipt. Be as detailed as possible. In any case, write, "Contents uninspected."
7. **Claims.** If goods are damaged or missing, save the evidence--both the packing materials and the broken items. You have 45 days to notify the insurance company and another 90 days to submit supporting documents. Notify your insurer in writing by fax and email and fill in their on-line claim forms. There is no survey for damages under \$5,000; you must supply local repair/replacement estimates. Add the cost of the estimate to your claim. If likely damage exceeds \$5,000, the insurance company will hire a surveyor.

**Following is a SAMPLE Marine Insurance Policy. You can get your actual policy by applying directly to your insurance company. Where there are differences between the two, the actual policy is binding.**

#### TERMS AND CONDITIONS

CAUTION: BE SURE YOU READ AND UNDERSTAND IT AND COMPLY WITH ALL TERMS AND CONDITIONS. FAILURE TO COMPLY WITH ANY OF THE TERMS OR CONDITIONS MAY RESULT IN A REDUCTION OF THE



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RECOVERABLE AMOUNT OR COULD INVALIDATE THE POLICY ENTIRELY.

**INTEREST INSURED:** Household goods and personal effects, private car, mobile home or motorcycle – used for the private purpose of the Insured only, as per declaration/inventory submitted by the Insured, forming the basis of insurance under this Policy.

**SCOPE OF COVER:** Always subject to the due premium having been paid and the funds collected and subject to all terms and conditions of this Policy – new and/or used household goods and personal effects, under deck, are insured against ALL RISKS of direct physical loss or damage from any external cause, irrespective of percentage (Current American Institute Cargo Clauses, including "War Risk" Insurance and S.R. & C.C. Endorsement, Warehouse to Warehouse Transit Clauses and Marine Extension clauses), including General Average and Salvage Charges, and transshipment, if involved. War Risk Insurance shall be subject only to current London Institute Radioactive Contamination Clause and not the related U.S.A. Endorsement attached thereto. Shipments on deck of ocean vessel subject to an "On Deck" Bill of Lading are warranted free of particular average unless caused by the stranding, sinking, burning or collision of the vessel; but to pay the insured value of any merchandise and goods jettisoned or washed overboard, irrespective of percentage. Containerized shipments on deck are insured per above "All Risk" clauses.

**METHOD OF TRANSIT:** Per approved vessel and/or lorry and/or steamer and/or air carrier and/or held covered and/or conveyances. Date of dispatch to be declared as soon as practicable to Insurer or its representative with the following details: name of vessel, voyage number, date of sailing and/or date of arrival.

**WAR RISK EXCLUSION CLAUSE:** This Policy does not cover loss or damage, if any act or event, out of or in the course of which such loss or damage arises, constitutes or is a part of or is committed or happens whether directly or indirectly by reasons of, or in connection with war, invasion, act of foreign enemy, hostilities or warlike operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power, martial law, or the act of any lawfully constituted Authority, and in any claim, and in any action, suit or other proceedings to enforce a claim for loss or damage under this Policy, the burden of proving that the loss or damage does not fall within this clause shall be upon the Insured.

**R.A.C.E. CLAUSE:** This Insurance is subject also to the Current London Institute Radioactive Contamination Exclusion Clause and related U.S.A. Endorsement.

#### **TERRITORIAL CONDITIONS:**

1. Coverage is to apply from such time as packing shall commence at origin residence and be continuous during normal course of transit until unpacking is completed at destination residence provided that all other Terms and Conditions of this Policy are met.



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2. Coverage at warehouse of country of origin is provided for up to 60 days, and for up to 60 days after arrival at warehouse of final destination, warranted that the property is stored in enclosed protected warehouses.
3. Storage coverage extensions may be granted subject to prior notice and payment of additional premiums to PAC GLOBAL, as per the attached Storage Extension Request Form, forming part of this Policy. Extension is subject to approval of and validation by PAC GLOBAL.

#### **CONDITIONS AND EXCLUSIONS:**

1. **100% Co-Insurance Clause:** The Insured shall at all times maintain insurance on 100% value of his shipment to the extent of the actual cash value at destination (replacement cost less normal depreciation) or to the extent of the replacement cost at destination (replacement value at today's replacement cost), at the time of loss or damage and failure to do so, the Insured shall to the extent of such deficit, bear his or their proportion of any loss or damage including labor charges.
2. **Valuation Clause:** The personal and household effects insured hereunder must be valued either: At the replacement cost at destination as supported by a complete valued inventory or at a minimum of \$8 times the net weight of the shipment in pounds. Coverage requires that High Value Items be specifically declared and valued. The settlement based on full replacement value insurance will be the lesser of repair costs replacement value or as stated on the valued inventory. This company reserves the right to replace the damaged or missing items with items of like kind and quality.
3. **Agreed Value Clause:** Notwithstanding anything to the contrary herein, it is hereby declared and agreed that in case of a claim arising in respect of all or any item or items appearing on the Declaration/Inventory list, the value reflected against such item or items shall not be regarded as an agreed value between the Insurer and the Insured, notwithstanding that a Certificate of Insurance has been issued in respect of the total amount or amounts of such Declaration/Inventory. The actual value and amount recoverable in respect of each and every item lost or damaged will have to be proved by the Insured to the Insurer—the maximum amount recoverable being the sum insured or the replacement value at destination, whichever is the lower.
4. **High Value Items Clause:** High Value item and/or items not normally shipped in a household goods shipment and valued at over \$1500.00 per item or set must be specifically declared and valued prior to issuance of the Certificate. Failure to comply with the requirements will limit recovery to a maximum of \$1500.00 per item or set. High Value Items are defined as, but not limited to the following: Antiques, objects of art, valuable carpets, furs, china, crystals, silver and gold items, firearms, collection of records, tapes, pictures, paintings and other like goods.



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5. **Pairs and Sets Clause:** Where any insured item consists of articles in a pair or set this Policy is not to pay more than the value of any particular part or parts, which may be lost or damaged, without reference to any special value which such article or articles may have as part of such pair or set, nor more than a proportionate part of such pair or set.
6. **Percentage Of Glass, etc.:** Warranted that maximum percentage of Glass, China, Marble, Earthenware and the like does not exceed 15% of the total sum insured, or H/C. The foregoing does not apply if loss or damage is caused directly from, stranding, sinking, or collision of the Vessel or collision or overturn of transporting land conveyance. The foregoing does not apply if such articles were professionally packed.
7. **Repair and Replacement Clause:** The insurer shall be entitled at its sole option to replace, with like kind and quality, or repair any article damaged (whether wholly or in part), or to pay cash, in any event not exceeding the insured value thereof. Always provided that in the event of replacement or cash payment for actual or constructive total damage, the item is surrendered to and becomes the property of the Insurer.
8. **Depreciation:** Underwriters liability is restricted to the reasonable cost of repair and no claim is to attach hereto for depreciation consequent thereon.
9. **General Average and Salvage Charges:** General Average and Salvage Charges payable as provided in the contract of airfreightment. For the purpose of claims for general average contribution and salvage charges recoverable hereunder the subject matter insured shall be deemed to be insured for its full contributory value.  
General Average deposits payable on production of General Average deposits receipts.
10. **Other Insurance:** This insurance does not cover to the extent of any other insurance, whether prior to subsequent hereto in date and by whomsoever effected directly or indirectly covering the same property, and the Underwriters shall be liable for loss or damage only for the excess value beyond the amount due from such other insurance.
11. **EXCLUSIONS:** The following claims are excluded:
  - A. Marring, scratching, chipping and denting of used electrical appliances and used furniture.  
\*This exclusion will be deleted if a "Statement of Condition" is reflected on the packing list or assured's inventory list signed by both the mover's agent and the insured.
  - B. Loss or damage due to mechanical, electrical or electronic derangement unless insured item is otherwise damaged, and/or mechanical defects otherwise covered by a manufacturer's warranty.



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- C. Loss or damage due to mold, vermin, moth, wear and tear and gradual deterioration, termites, rodents, inherent vice, rust, or seizure or confiscation by authorities, consequential loss or damage.
- D. Climatic Condition Clause—loss or damage by climatic conditions or extremes of temperature.
- E. Owner Packed Effects—breakages, scratching, denting, marring, chapping, staining and tearing of owner packed effects, including trunks, suitcases and the like. Also excluding claims for missing items unless a valued list of contents is supplied by owner prior to commencement of transit.
- F. Loss of or damage to furs, cash, notes, stamps, coins, deeds, tickets, traveler's cheques, jewelry, watches, photographs, trinkets or similar valuable articles.
- 12. Loss, damage or expense caused by insufficiency or unsuitability of packaging or preparation of the goods for shipment (for purposes of this Clause "packing" shall be deemed to include storage in a shipping container or lift van.)
- 13. **SUIT TIME AGAINST THE UNDERWRITER:** No suit or action against the Underwriters for recovery of any claim by virtue of this insurance shall be sustained in any Court of Law, Equity or Arbitration unless commenced within one year from the time the loss occurred, if such limitation is not valid by the law of the place where the policy is issued, within the shortest contractual period of limitation provided by such law. All such suits when timely filed shall be resolved in mandatory arbitration pursuant to rules of the American Arbitration Association, if in the U.S.; or rules of the International Chamber of Commerce, if elsewhere.

#### **AUTOMOBILES, MOTORCYCLES OR MOBILE HOMES**

Coverage is to apply from the time the vehicle is given into the custody of the freight forwarder or steamship company, for up to 60 days whilst stored at warehouse of origin, and continues until the vehicle is delivered to the point of final destination, and whilst stored for up to 30 days only at warehouse of destination, always provided that it is not operated under its own power for the whole period defined above, UNLESS:

Operation under own power occurs whilst on premises of loading or unloading port, and subject to the following **exclusions/conditions:**

- A. Vehicle to be loaded on board vessel in strict compliance with all safety measures of carriage.
- B. Excluding all third party risks whilst being driven under own power and this insurance does not cover any damages, injury or liability to third party under any law requiring vehicles to be insured against third party risks or liability.
- C. Scratching, denting or marring of automobile or motorcycle or mobile home unless the freight forwarder and the owner of the automobile or motorcycle or mobile home both agree and sign a "Certificate of Condition", or a similar document, stating the condition of the automobile or motorcycle or mobile



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home at the time same entered the custody of the freight forwarder or steamship company, noting all defects, if any.

- D. Coverage in respect non-factory installed accessories or removable items on automobile or motorcycle or mobile home unless specified.
- E. Any coverage whilst on deck specifically excluded.

Apart of the specific conditions mentioned above, coverage in respect to automobiles, motorcycles or mobile homes is subject to the general terms and conditions of the Policy, where they do not conflict with the specific conditions.

**INSURANCE CHARGES CLAUSE:**

Where the named insured herein has not paid insurance charges directly to PAC GLOBAL, any party receiving insurance charges from the herein named insured is construed as the insured's agent for payment of said insurance charges to PAC GLOBAL, and failure of PAC GLOBAL to receive such insurance charges will void the coverage under this Policy. Insurance charges are payable in U.S. currency, unless otherwise agreed upon.

**PROCEDURE OF CLAIM:**

There are definite time limitations for submission of a claim. See Claim Form attached to this Policy, forming part of this Policy, for details and instructions. In the event of loss, damage, or non-delivery which may give rise to a claim under this Policy, immediate notice must be given in writing to PAC GLOBAL, at the address shown on the face of this Policy. Failure to give notice within 45 days after delivery of the shipment will void coverage under this Policy. Further it is understood and warranted that presentation of claim after notice will be in a timely fashion not to exceed 90 days from the time of such notice.

**Note:** The Insured or his Agents are recommended to make themselves familiar with the regulations of the Port Authorities at the port of discharge.

Any claim under this insurance should be submitted without delay, accompanied by all correspondence with Carriers and other parties regarding their liability.

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