

Marine open cargo & marine delay in start up (consequential loss) insurance

Critical items survey procedures

These Procedures aim to provide guidance and information. In the event of any conflict between these Procedures and the Policy, the terms and conditions of the Policy shall prevail.

1.0 Introduction

- 1.1 The purpose of these Critical Items Survey Procedures is to facilitate prompt and proper communication between all parties to ensure efficient co-ordination and timely performance of surveys, including proper follow-up in case of non-compliance to recommendations. This will result in minimising the risk of loss, damage or delay in delivery of the Critical Items.
- 1.2 All interested parties should be provided with a copy of these Procedures and, whilst it does not purport to cover every situation, it should provide sufficient information upon which to act. If there is doubt concerning any matter then the reader should not hesitate to contact Liberty (see Directory of Contacts below).

2.0 Definition of critical items

- 2.1 For the purpose of this insurance:

A Critical Item is either named below or is defined as any item which, in the event of a loss under the Marine Policy, cannot be re-manufactured/repaired, re-shipped, installed, tested and commissioned while still leaving a two-month window prior to the scheduled start-up date and/or is deemed unique as agreed with Liberty Specialty Markets (Liberty).

A list of Critical Items is to be provided by the Insured. Liberty will update the definitions accordingly.

3.0 Survey warranty

- 3.1 The Marine Policy contains the following SURVEY WARRANTY CLAUSE regarding the shipment of Critical Items:

It is warranted that:-

- (A) All Critical Items are to be shipped under deck unless such items are shipped in totally enclosed steel containers aboard purpose built cellular container vessels or as agreed or deemed necessary by Insurers' appointed risk managers/surveyors.
- (B) In respect of Critical Items Insurers will be advised at least 10 (ten) working days prior to the shipment/movement of such items to enable the Leading Insurer's Risk Management and/or their appointed representatives, where deemed necessary by Insurers, to:
 - (i) Approve vessel(s), tug(s), barge(s) and/or any other carrying conveyance(s) and all lifting equipment including cranes, tackle etc. required for loading/transshipment/unloading operations.
 - (ii) Approve and/or attend all packing, loading, stowage, securing, transportation, discharge and unloading arrangements and operations throughout the entire transportation chain.
- (C) All recommendations made by the Leading Insurer's Risk Management and/or their appointed representatives in respect of Critical Items are to be strictly complied with.
- (D) Heavy lift vessels utilized for the carriage of any cargo for the Project not to exceed 20 years of age without prior agreement of the Insurers.

It is understood and agreed that in the event of a breach of this survey/shipping warranty coverage afforded under this insurance in respect of the items that are the subject of the breach will not cease but shall be limited to cover afforded by the Institute Cargo Clauses "C" and the relevant Institute War and Strikes Clauses in respect of the Insuring Conditions for Section I.

Where, subsequent to a breach of the survey/shipping warranty, the Insured is able to comply with the terms and conditions of the warranty in respect of subsequent shipments/movements, as evidenced by the issuance of an inspection certificate or a survey report by the agreed Risk Management personnel, full Policy terms and conditions shall apply to such subsequent shipments/movements.

In the event that Insurers elect not to appoint the Leading Insurer's Risk Management and/or their appointed representatives to undertake surveys, attendances and/or approvals as detailed in Sections (A) and (B) of the survey/shipping warranty and/or the Leading Insurer's Risk Management and/or their appointed representatives do not undertake surveys, attendances and/or approvals as detailed above, the rights of the Insured under this Policy shall not be prejudiced provided always that the Insured has given the required 10 days prior notice.

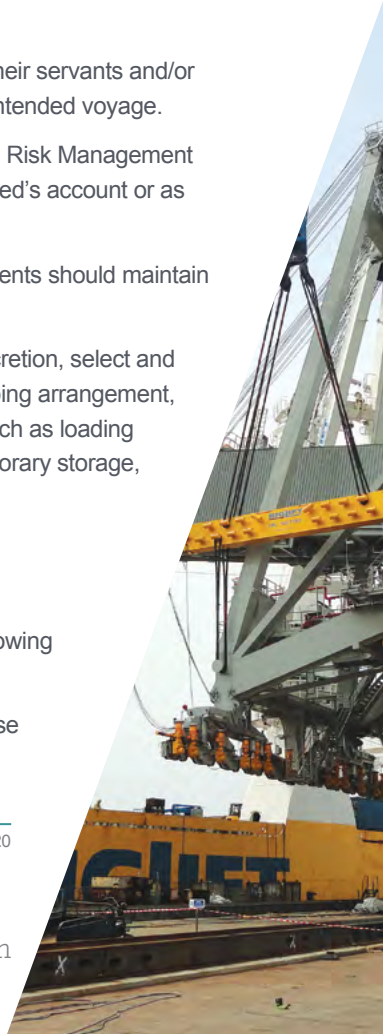
However, notwithstanding anything contained herein to the contrary, it is the duty of the Insured and/or their servants and/or their agents to ensure that all items are properly and adequately packed to withstand the rigours of the intended voyage.

Insurers shall be entitled to receive any advices, reports or recommendations from the Leading Insurer's Risk Management and/or their appointed representatives. It is further agreed that any survey fees shall be for the Insured's account or as may be agreed by Insurers.

- 3.2 In view of above survey warranty, it is therefore vital that the parties involved with the shipments should maintain contact with Liberty for Critical Items requiring surveys.
- 3.3 Based on the information supplied as per above, the Liberty Risk Managers will at their discretion, select and appoint surveyors to inspect suitability of packaging, lifting and lashing arrangements, shipping arrangement, conveyance suitability, stowage and securing matters etc. at all points of cargo handling, such as loading on conveyance at manufacturers site, inland port, ocean port, point of transshipment/s, temporary storage, destination etc. (See scope of work below for guidance)

4.0 Critical item survey procedure

- 4.1 To assist you comply with the policy warranty in a practical manner, we recommend the following actions:
- 4.2 A Critical Item list to be issued and kept updated and shared with Liberty. This list to comprise following details for planning but not limit to:



- ▶ Supplier name and contact details
 - ▶ Shipment name / description of goods
 - ▶ Estimated shipment date from origin
 - ▶ Invoice value of shipment
 - ▶ Principal dimensions
 - ▶ Gross / net weight
 - ▶ Method of packaging
 - ▶ Place / country of origin
 - ▶ Shipment method
 - ▶ Lead replacement time of the cargo (including delivery to Site)
- 4.3 The suppliers of Critical Items shall be advised by you in writing that the attendance of a Warranty Surveyor will be required at all stages of transport and that the Surveyor/Risk Manager will be charged with vetting and approving the packing and shipping arrangements.
- 4.4 In case of shipment by barge or vessel, the respective carriers/operators to be advised by their Principals (Contractor, Forwarder, Supplier as the case may be) that Surveyors attendance on board will be required and all recommendations to be complied with.
- 4.5 In case of shipment by barge or vessel, the respective carriers/operators to be advised by their Principals that they are required to inform Liberty of any deviation of voyage, transshipments, loading/unloading, shifting of cargo etc., in order to arrange supervision upon cargo-handling.
- 4.6 At least 10 working days in advance of shipment of any Critical Item, a detailed schedule (as per Annexure A) is to be submitted to Liberty by your broker.
- 4.7 Upon receipt of information, Liberty will contact the relevant parties, and make an assessment of the transportation risk. If deemed necessary Liberty will appoint a Surveyor to supervise the cargo-handling and may give recommendations.
- 4.8 Critical Items may or may not be subject to a survey to be decided at the discretion of Liberty, after having collated and considered the relevant information. If no survey is required, Liberty will notify all parties concerned.

5.0 Liberty scope of work

To provide you with an idea of the scope of a survey, the following work may be involved but it is not limited to:

- 5.1 At manufacturer/supplier's facility:-
- 5.1.1 Condition survey of goods;
 - 5.1.2 Packing survey/supervision;
 - 5.1.3 Inspection of all lifting gears; or
 - 5.1.4 Load-out survey/supervision.
- 5.2 At load port:-
- 5.2.1 Survey of port's facilities/infrastructure to receive goods;
 - 5.2.2 Inspection of all lifting gears;
 - 5.2.3 Pre-loading survey;
 - 5.2.4 Suitability of nominated vessel/carrier; or
 - 5.2.5 Handling, load, stow and lashing on board vessel/carrier.



- 5.3 At transshipment/discharge port:-
 - 5.3.1 Pre-discharge survey on board vessel/carrier;
 - 5.3.2 Inspection of all lifting gears;
 - 5.3.3 Discharge survey/supervision;
 - 5.3.4 Inland transit survey/supervision; including handling, lashing and securing onto inland vehicles;
 - 5.3.5 All of para. 5.2 above, if transshipment
- 5.4 At project site:-
 - 5.4.1 Inspection of all lifting gears; or
 - 5.4.2 Unloading survey/supervision.

6.0 Roles of responsibilities

- 6.1 This section sets out the roles and responsibilities of the insured and Liberty. In order to comply with the Survey Warranty Clause, the Insured shall:
 - 6.1.1 Notify in writing to the main EPC and its appointed logistics providers of Liberty's involvement;
 - 6.1.2 Ensure the EPC contractor officially informs all their vendors, logistics providers, carriers and subcontractors as to Liberty's involvement. In the case of attending on board operation, EPC contractor to inform the carrier and obtain permission to allow Liberty's surveyor and Liberty to go on board;
 - 6.1.3 Ensure the EPC contractor provides an update list of Critical Items, where required;
 - 6.1.4 Ensure the EPC Contractor and its logistics contractors provide 10 days pre-shipment advice to Liberty.
- 6.2 Liberty shall:
 - 6.2.1 Closely liaise with the broker and its appointed vendors, logistics providers and subcontractors where contacts have been earlier given, to ensure efficient coordination and timely performance of the survey;
 - 6.2.2 Appoint surveyors to conduct survey for the Critical Items;
 - 6.2.3 Where necessary, provide contacts of appointed surveyors;
 - 6.2.4 Where no survey is needed, notify that in writing to appropriate parties.



Notification of shipment of critical items

To: Hanghei D'Aversa – Liberty	Email: hanghei.daversa@libertyglobalgroup.com
CC: Robert Cairoli – Liberty	Email: robert.cairoli@libertyglobalgroup.com
Date:	Pages:
Subject:	

Critical item description
Name of vessel/flight/trailer no.
Load port
Discharge port
Transshipment port (if any)
Estimated date of packing
Estimated date of loading
Estimated date of discharge
Estimated date of transshipment (if any)
Eta site
Number of packages
Type of packing (skid/crate/saddles/frame/container)
Gross weight of heaviest piece
Dimensions
Lead time (replacement time)
Estimated value
B/b shipment or containerized shipment
Supplier details and contact person
Supplier's tel/fax/email contacts
Contractor details and contact person
Contractor's tel, fax and email contacts
Freight forwarder details and contact person
Freight forwarder tel, fax, and email contacts
Remarks (if any)

Please attach supporting documentation where necessary, comprising:

- Packing lists
- Handling/lifting diagrams
- Transportation method statements



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Liberty's contact information relevant to your location is set out below.

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Liberty Australia's head office contact details are:

Address: Locked Bag 18, Royal Exchange NSW 1225

Phone: +61 2 8298 5800

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Hong Kong

Liberty Hong Kong's contact details are:

Address: Suites 2401-04 24/F Cityplaza One,
1111 King's Road Tai Koo Shing, Hong Kong

Phone: +852 3655 2600

Liberty is bound by the Personal Data (Privacy) Ordinance (Cap. 486) and its associated Data Protection Principles when it collects and handles your personal data.

Singapore

Liberty Singapore's contact details are:

Address: One Raffles Quay, #37-02 North Tower, Singapore 048583

Phone: +65 6622 9160

Liberty is bound by the Personal Data Protection Act 2012 when it collects and handles your personal data.

Malaysia

Liberty Labuan's contact details are:

Address: 9-7, Wisma UOA Damansara II, No. 6, Jalan Changkat
Semantan, Damansara Heights 50490 Kuala Lumpur,
Malaysia

Phone: +60 3 2082 4000

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Kuala Lumpur, Malaysia

Telefon: +60 3 2082 4000

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