

"These clauses are purely illustrative. Different policy conditions may be agreed. The specimen clauses are available to any interested person upon request. In particular:  
(a) in relation to any clause which excludes losses from the cover, insurers may agree a separate insurance policy covering such losses or may extend the clause to cover such events;  
(b) in relation to clauses making cover of certain risks subject to specific conditions each insurer may alter the said conditions".



02/05/05

## INSTITUTE METALS STORAGE CLAUSES (B)

(For storage of Metals not held under London Metal Exchange (LME) or  
Commodity Exchange Inc. (Comex) warrants)

### RISKS COVERED

- 1 This insurance covers risks of physical loss of or damage to the subject-matter insured caused by fire, explosion, earthquake, volcanic eruption, lightning, flood and theft, but only where the theft is by forcible and violent entry to and/or exit from the premises or place of storage as defined in Clause 6. This cover is subject to the exclusions set out in Clauses 2, 3, 4 and 5 below.

### EXCLUSIONS

- 2 In no case shall this insurance cover
- 2.1 Loss damage or expense caused by theft of the subject-matter insured by the Buyer, or any warehousekeeper or bailee employed by the Buyer (the Buyer includes any person or entity to whom the property in the subject-matter insured is transferred, or is intended to be transferred, by a contract of sale, agreement to sell, or similar contract whether or not property is transferred on sale)
  - 2.2 loss damage or expense attributable to wilful misconduct of the Assured
  - 2.3 ordinary leakage, ordinary loss in weight or volume, or ordinary wear and tear of the subject-matter insured
  - 2.4 loss damage or expense caused by inherent vice or nature of the subject-matter insured
  - 2.5 loss damage or expense proximately caused by delay.
- 3 In no case shall this insurance cover loss damage or expense caused by
- 3.1 war civil war revolution rebellion insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power
  - 3.2 capture seizure arrest restraint or detainment and the consequences thereof or any attempt thereat
  - 3.3 derelict bombs or other derelict weapons of war.
- 4 In no case shall this insurance cover loss damage or expense
- 4.1 caused by strikers, locked-out workmen, or persons taking part in labour disturbances, riots or civil commotions
  - 4.2 resulting from strikes, lock-outs, labour disturbances, riots or civil commotions.
- 5 **This Clause 5 shall be paramount and shall override anything contained in this insurance inconsistent therewith.**  
In no case shall this insurance cover loss damage or expense directly or indirectly caused by or contributed to by or arising from any act of terrorism or any politically motivated act.

### DURATION

- 6 This insurance attaches from the time the subject-matter insured enters the warehouse, or other place of storage, continues throughout the storage, and terminates when the subject-matter insured leaves that warehouse or place of storage. Where the subject-matter insured is in storage at the inception of the period of this insurance, cover shall attach at the time of inception: where the subject-matter insured is in store at the end of the period of this insurance, the cover shall cease when that period expires.

### CLAIMS

- 7 In order to recover under this insurance the Assured must have an insurable interest in the subject-matter insured at the time of the loss.

### BENEFIT OF INSURANCE

- 8 This insurance shall not inure to the benefit of any bailee.

### MINIMISING LOSSES

- 9 It is the duty of the Assured and their servants and agents in respect of loss recoverable hereunder
- 9.1 to take such measures as may be reasonable for the purpose of averting or minimising such loss, and
  - 9.2 to ensure that all rights against bailees or other third parties are properly preserved and exercised and the Underwriters will, in addition to any loss recoverable hereunder, reimburse the Assured for any charges properly and reasonably incurred in pursuance of these duties.
- 10 Measures taken by the Assured or the Underwriters with the object of saving, protecting or recovering the subject-matter insured shall not be considered as a waiver or acceptance of abandonment or otherwise prejudice the rights of either party.

### DUE DILIGENCE

- 11 The Assured must take all reasonable care and measures to avoid any loss of or damage to the subject-matter insured.

### REASONABLE DESPATCH

- 12 It is a condition of this insurance that the Assured shall act with reasonable despatch in all circumstances within their control.

### LAW AND PRACTICE

- 13 This insurance is subject to English law and practice and the Marine Insurance Act, 1906 which is incorporated herein. This insurance protects the Assured against land risks which are expressly to be considered as incidental to a marine voyage or adventure for the purposes of that Act.