PARAMETRIC CARGO DELAY INSURANCE (MARITIME)

Ocean Freight | Transit Delay | Parametric Cover | Business Interruption

Terms & Conditions

Insurance Underwriters and Intermediaries

- Underwriters: PatriaRe, ScorRe
- Technology Platform: Otonomi, Inc.
- Intermediary: Otonomi Insurance Services LLC

Limits and Risk Parameters

- Per shipment limit: Up to USD $500,000
- Parametric Delay Insurance
- Business Interruption

1. Preamble

This maritime cargo policy offers the policyholder liability protection against maritime freight delays and interruptions, from port to port, on a per limit of insurance and an aggregate basis. Payment under the policy is contingent upon the occurrence of an Event Trigger (defined below) as determined by the insurer in accordance with the terms of this policy. A premium rate of [·]% of the Limit of insurance (as defined below) will be paid by policyholder per cargo trip. Depending on the size of the quantity and limit of insurance and other underwriting considerations, the policyholder may be required to verify that the amount of the loss is equal to or greater than the limit of insurance payment made under the policy. The insurer reserves the right to audit a policyholder's loss after a payment is made, and if the amount paid exceeds the loss to recover the excess. Except as expressly provided herein or in an endorsement hereto, no coverage shall be provided unless the policyholder has input all information required by the Platform Provider and received a confirmation of coverage. Coverage will not be provided for any shipment having departed more than 48 hours from the time that a request for coverage is input into the Platform Provider's platform.

2. General

• Policyholder:	[·]
• Name Insured:	Beneficiary under this Policy
• Insurer:	[·]
• Reinsurer:	[·]
• Platform Provider:	Otonomi, Inc.
• Pricing Agent:	Otonomi, Inc.
• Claim Handler:	Otonomi Insurance Services LLC; contact: insuranceservices@otonomi.ai
• Broker Producer:	[·]

3. Economics

• Premium Rate:	[·]% (as determined by the Platform Provider)
• Cost of Cover (including service fee):	An amount in USD, equal to the Insurance Limit multiplied by the Premium Rate (the Premium Amount).
• Tax amount:	[·] (applicable local VAT taxes for insurance services)
• Insurance Limit:	The limit of coverage as selected by the client, up to USD 250,000 (per cargo) representing the total financial exposure covered by the Policy for one cargo
• Currency:	USD

4. Main Terms & Conditions

• Expiry Date:	[·]
• Early Termination:	Upon the occurrence of an event causing the Policy to end before the Expiry Date (a Termination Event), the Policyholder will be repaid an Early Termination Amount on the Early Termination Repayment Date.
• Early Termination Amount:	Upon Early Termination, the Policyholder will receive 80% of the Premium Amount paid.
• Early Termination Repayment Date:	Upon an Early Termination, the Policyholder will receive the Early Termination Amount within 72-hour after the Termination Event.

4. Main Terms & Conditions (continued)

- Exclusions:
  1. Cyber Risk
  2. War & Terrorism
  3. Sanctions
  4. Communicable Disease
  5. Strike
  6. Insured misconduct, dishonesty or misrepresentation
  7. Improper Shipment Information
  8. Illegal or hazardous cargo
- Other Conditions:
  1. Force Majeure
  2. Reservation of Rights
  3. Subrogation
  4. Maintenance of Records
  5. Termination
  6. Third Party Rights
  7. Assignment
  8. Other insurance
- Audit Clause: Depending on the size of the Insurance Limit and other underwriting considerations, the Policyholder may be required to prove that the loss suffered is equal to or greater than the payment made under this Policy. The Insurer reserves the right to audit a Policyholder's loss, after a payment is made, if the amount paid exceeds the loss, in order to recover any excess.

5. Event Trigger

- Trigger: A Trigger shall be determined as: 6, 8, 10 or 14 days (as selected by the Policyholder), and defined seaport-to-seaport (actual departure manifested, "Ropes on dock" or "At berth" at arrival seaport).
- Event Trigger: If the Actual Time of Arrival (ATA) is greater than the Insurable Estimated Time of Arrival (Insurable ETA), plus the Trigger then an Event Trigger becomes valid.
  Insurable ETA is determined as the Estimated Time of Arrival (ETA) frozen 48 hours after Actual Time of Departure (ATD).
- Trigger Date: The date defined as the day when the Trigger is reached and calculated as the Insurable ETA plus the Trigger. *(E.g.: For a cargo with an Insurable ETA of November 15, and a Trigger of 10 days, the Trigger Date will be November 25)*
- Event Notification: When an Event Trigger becomes valid, a notification will be automatically sent to the Policyholder. Such notification will provide information on the Claim Amount the Policyholder is eligible, and require an acknowledgement of having i) a valid insurable interest; and ii) having suffered a loss greater or equal to the amount of the Claim Amount.
- Event API: Vizion Container Tracking API
- Rerouting Event: We allow for one rerouting per voyage, as long as the rerouting is due: i) To unforeseen circumstances, ii) And independent from the customer's decision.
  Upon rerouting, the policy will increment the trigger threshold by 5 days, as follows:
  - Old threshold = 6 days => New threshold = 11 days.
  - Old threshold = 8 days => New threshold = 13 days.
  - Old threshold = 10 days => New threshold = 15 days.
  - Old threshold = 14 days => New threshold = 19 days.
- Multiple Stopover Shipments: For shipments with more than 4 stopovers, trigger will default to 10 days automatically. This shall happen before or after booking. In the case of additional stopovers (port calls, transshipments, airports layovers) are updated after departures.

6. Payment

• Method:	ACH, Credit Card, or monthly invoicing.
• Payment Processor:	Stripe.
• Authentication:	Stripe.
• Settlement timeline:	Premium collection is typically processed within 24 hours when paid by credit card or ACH, and at the end of the month when invoiced.
• Update of settlement information:	Payments will be wired to the latest settlement account in file. If settlement information has changed, the policyholder is required to keep the information up-to-date in the payment on boarding information and inform OTONOMI no later than 48 hours prior to the maritime freight shipment.

7. Contacts

• IT Contact:	support@otonomi.ai
• Claims Contact:	claims@otonomi.ai

8. Glossary

• Termination Event:	A termination event is an occurrence that will cause all the agreement to be ended early.
• Quantity:	Represents the number of unit of policies purchased by the policyholder. E.g. if the client purchases 4 quantity of the unit policy, the financial exposure covered by the policy equates 4 x $10,000 = $40,000
• Unitary limit:	Represents the financial exposure covered by one unit of policies purchased by the policyholder. The unit policy limit of insurance is typically $10,000.
• Limit of Insurance	Represents the total financial exposure covered by the policy for one vessel (one route end-to-end) respectively to the client purchasing the insurance policy. Limits of insurance will vary with: the maritime freight route, vessel and client risk profiles.