

CLAUSES COVERING DUTY AND/OR INTERNAL REVENUE TAX

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Endorsement to be attached to and made part of Policy No. of
..... Insurance Company.

This insurance also covers, subject to policy terms of average, the risk of partial loss by reason of perils insured against on the duties and/or internal revenue taxes (except taxes paid prior to arrival at the port of destination in the United States), imposed on goods imported into the United States and insured hereunder, it being understood and agreed, however, that when the risk upon the goods continues beyond the time of landing from the overseas vessel, the increased value, consequent upon the payment of such duties and/or taxes, shall attach as an additional insurance upon the goods from the time such duty and/or tax is paid or becomes due, to the extent of the amounts thereof actually paid or payable.

Any limit of liability expressed in this policy shall be applied separately to such increased value.

The Assured warrants that on all risks insured hereunder a separate amount shall be reported sufficient to cover the said duty and/or tax, upon which the rate of premium shall be an agreed percentage of the merchandise rate.

The Assured will, in all cases, use reasonable efforts to obtain abatement or refund of duties and/or taxes paid or claimed in respect of goods lost, damaged or destroyed. It is further agreed that the Assured shall, when the Assurer so elects, surrender the merchandise to the customs authorities and recover duties and/or taxes thereon as provided by law, in which event the claim under this policy shall be only for a total loss of the merchandise so surrendered and expenses.

This insurance on duty, tax and/or increased value shall terminate at the end of the import movement covered under this policy (including the Warehouse to Warehouse and/or Marine Extension Clauses if incorporated therein), but nothing contained in these clauses shall alter or affect any coverage granted elsewhere in the policy during the storage or transit subsequent thereto.

Notwithstanding anything contained therein, this policy does not cover any loss of internal revenue taxes or of increased value resulting therefrom which, in the absence of this insurance, would be refunded by or would not be payable to the Commissioner of Internal Revenue.

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Dated 19