

marine combined cartage

for transport operators
insurance policy



Insurer



*See inside front cover

* This policy is available through shareholders of Steadfast Group Limited. Steadfast Group Limited is an unlisted public company. Each shareholder is an insurance broker. Steadfast Group Limited does not issue, guarantee or underwrite this policy.

Marine Combined Cartage – for Transport Operators insurance policy

Your duty of disclosure

Before You enter into a contract of general insurance with an insurer, You have a duty, under both the Marine Insurance Act 1909 and the Insurance Contracts Act 1984, to disclose to Us every matter that You know or could reasonably be expected to know which is relevant to Our decision to accept the risk of the insurance and on what terms. You have the same duty of disclosure before You renew, vary, extend or reinstate a contract of general insurance.

Your duty does not require You to disclose a matter:

- ◆ that diminishes the risk to be accepted by Us;
- ◆ that is of common knowledge;
- ◆ that We know, or in the ordinary course of business, should know; and
- ◆ in relation to which compliance with Your duty is waived by the insurer.

If You fail to comply with Your duty of disclosure:

Where the Marine Insurance Act 1909 applies, We may avoid the contract from inception.

Where the Insurance Contracts Act 1984 applies, We may be entitled to reduce Our liability under the contract in respect of a claim, or, in certain circumstances, We may cancel the Policy or declare it never existed because it was not properly entered into. If Your non-disclosure was fraudulent, We may also have the option of avoiding the contract from the beginning.

Non-disclosure

If You fail to comply with Your duty of disclosure, the insurer may be entitled to reduce its liability under the contract in respect of a claim or may cancel the contract.

If Your non-disclosure is fraudulent, the insurer may also have the option of avoiding the contract from its beginning.

Our agreement

We agree to provide You with the insurance as described in this policy, for the Period of Insurance shown in the Schedule and for any subsequent period where renewal may be agreed, and in return You agree to pay Us the premium by the dates advised to You.

Should there be any **change in circumstances** or any **change in the nature of the risks** which are the basis of the contract, You must advise Us immediately and in writing. If You fail to advise Us, We may be entitled to reduce Our liability under the contract in respect of a claim.

The Policy wording, current Policy Schedule and endorsements are to be read together.

Definitions

In this Policy certain words have special meanings. They have the same meanings wherever they appear. These words are:

Accident	Means any unforeseen and unintended occurrence or event arising during transportation which results in loss or damage to the Goods and could not have been expected by a person with actual knowledge of the means of transportation of the Goods.
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Additional Benefits	Means the Additional Benefits section on pages 7 to 8.
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Approved Terms and Conditions	Means any written agreement (including consignment notes, conditions of contract or freight note) limiting Your legal responsibility for Goods in Your care, custody and control for transport and which has been declared to Us and agreed to by Us prior to commencement of transit.
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Claimant	Means the party claiming against You which may be the principal carrier, owner, sender or receiver of the Goods and.
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Conveying Vehicle	Means any ship, vessel, aircraft, postal service, rail and road transport whether owned by You or a subcontractor used to transport Goods.	Under no circumstances do We insure under this Policy:
Excess	<p>Means the sum shown in the Schedule, this Policy, or an endorsement to this Policy (if any) which any loss or claim must exceed before We will be liable under this policy and which We will not be liable to pay in respect of each loss. The amount of the excess will be deducted from each and every loss.</p> <p>Where an excess is expressed as:</p> <ol style="list-style-type: none"> 1. a specified sum – it means the amount specified; and/or 2. a percentage – it means the monetary equivalent of such percentage of each loss; <p>provided that,</p> <p>where a claim is made in respect of more than one occurrence, the excess will apply as though a claim was made for each individual occurrence.</p>	<ul style="list-style-type: none"> ◆ Bloodstock or exotic or stud or prize animals. ◆ Precious metals and stones, jewellery, money (which means any coin or banknote). ◆ Bullion, cheques, credit or other card sales vouchers, securities, shares. ◆ Bonds, deeds, bills of exchange, or any documents that represent money. ◆ Radioactive goods, explosive goods.
Goods	<p>Means general cargo and other property belonging to other parties as specified in the Policy Schedule and transported by You or Your subcontractor.</p> <p>The following are only insured where specifically listed in Your Policy Schedule, or agreed in writing by Us:</p> <ul style="list-style-type: none"> ◆ Your own goods including tools of trade, electrical and electronic equipment. ◆ Domestic furniture, household goods, personal effects. ◆ Temperature controlled or perishable goods. ◆ Livestock. ◆ Works of art or antiques. ◆ Cigarettes, tobacco and tobacco products and alcohol. ◆ Motor vehicles. ◆ Commercial bulk consignments (dangerous goods) as defined by a Government Authority. 	<p>Current Policy Means the latest schedule which We give to You, be it a renewal and/or a new business and/or an endorsement.</p> <p>Gross Freight Earnings Means the total gross income, less GST but without deduction of any other expenses, derived by You from the carrying of Goods whether as a principal carrier, by the use of subcontractors, or whilst You are acting as a subcontractor.</p> <p>Insured Transit Means the transits within the geographical limits specified in the Schedule and which occur during the Period of Insurance and fall within the description of Insured Transit set out below.</p> <p>Limit of Liability Means the limit of liability specified in the Schedule. Our liability is limited to the amount stated for any one loss or series of losses arising from the one event, plus any amount provided for under 'Additional benefits' in this policy.</p> <p>Policy Means this Policy wording, the current Schedule, and any endorsement, all of which are to be read together.</p> <p>Premium Means the premium specified in the current Schedule, any endorsement premium and any adjustment premium in accordance with the Premium Adjustment clause.</p>

Subcontractor	Means any person or company to whom You have entrusted the Goods for carriage. Where You are acting as a subcontractor to a principal carrier, this means You are carrying goods on behalf of the principal carrier.
You or Your	Means the person(s) or entity named in the Schedule as the Insured.
We or Our or Us	Means the insurance company named in the Schedule.

The Insured Transit

Cover under this Policy commences from whichever is the later of the time the Goods are entrusted to Your care or for:

- ◆ General Cargo, when each item of Goods is first moved by You for the specific purpose of loading onto the conveying vehicle for transit to a destination outside the premises.
- ◆ Livestock (where insured), when each animal proceeds onto the loading ramp of the vehicle from the ground or loading dock adjacent to the conveying vehicle for the commencement of transit.
- ◆ Motor vehicles (where insured), when the motor vehicle's wheels or tracks are driven by You onto the loading ramps of the conveying vehicle from the ground or loading dock adjacent to the conveying vehicle.

Cover continues during the ordinary course of transit and including any incidental storage and terminates when at the earlier happening of the Goods passing out of Your care to the designated receiver of the Goods or:

- ◆ For General Cargo, when each item of Goods is placed by You inside the intended destination or receivers' premises.
- ◆ For livestock (where insured), when each animal exits the loading ramp adjacent to the conveying vehicle at the intended destination or receivers' premises.
- ◆ For motor vehicles (where insured), when the motor vehicle is parked by You in the receivers' premises or on the loading dock within 100 metres of the conveying vehicle.

However, transit of the Goods will terminate prior to final destination on discharge from the conveying vehicle where the ordinary course of transit is interrupted and the Goods are placed in a warehouse or place of storage, whether prior to or at the destination, for the purposes of storage other than in the ordinary course of transit or for allocation or distribution.

Provided the Goods remain within the geographical limits specified in the Policy Schedule and in Your care or the care of Your subcontractor:

- ◆ the Goods are also covered where they are over-carried to an incorrect destination, until they are returned to the original destination;
- ◆ in the event of being shut out from a conveying vehicle at an intermediate place during the course of transit while waiting for an alternative conveyance, the Goods are covered providing they are stored in a secure area; and/or

- ◆ If the Goods are re-consigned or reshipped direct from the wharf or airport at the intended destination to another destination, cover under this policy will continue until the Goods arrive at the final destination within the geographical limits specified in the Policy Schedule.

Cover

We will indemnify You, the insured named in the Schedule and any subcontractors used by You but **no other party**:

- ◆ subject to the conditions contained in this Policy wording; and
- ◆ for any Insured Transit which commences during the Period of Insurance specified in the Schedule,
- ◆ for:
 - loss or damage to the Goods which are caused by the insured events listed in the cover option(s) shown on the Policy Schedule; or
 - all sums which You become legally liable to pay as compensation for loss or damage to the Goods depending on which cover option(s) are shown on the Policy Schedule.

Unless otherwise specified in the Policy Schedule, where Goods are entrusted to a subcontractor by You, Your coverage remains in place and this Policy will protect the subcontractor, subject to their legal liability under any written terms and conditions or subcontract agreement with You.

When Goods are entrusted to You as a subcontractor, this Policy will respond to claims made against You by the principal contractor, to the extent of Your legal liability.

The cover options are specified below and those which You have selected are shown on the Policy Schedule.

We do not automatically cover You under each section – You are only covered for those options You have selected and which are shown on Your Policy Schedule. You may only claim under one cover option of the Policy for any loss.

You may select more than one option to suit Your individual circumstances, in which case each will be listed in different sections of the Policy Schedule.

Option 1 – Defence Cover (Legal Liability for Goods)

This cover is only available where:

- ◆ You have entered into a written agreement with the principal carrier, owner, sender or receiver of the Goods (including consignment notes, contract or freight note) limiting Your legal responsibility for Goods in Your care, custody and control and which has been declared to and approved by Us prior to commencement of transit; or
- ◆ a party has inadvertently altered or failed to correctly issue the Approved Terms and Conditions provided:
 - a) You can demonstrate prior trading under the Approved Terms and Conditions; or
 - b) You can demonstrate that this was an error in the normal business procedure.

The indemnity under this Option 1 are not available for Contracts in which You have agreed to arrange insurance for the benefit of another party. No indemnity will be provided under this Policy where You have agreed to arrange or provide insurance.

Where You have intentionally varied, waived or altered the Approved Terms and Conditions and We have not been informed or agreed to You doing so, We will only provide cover under this section to the extent of the liability which would have been incurred had You used the Approved Terms and Conditions originally disclosed to Us.

Where this option is selected, We will indemnify You, up to the amount shown in the schedule for:

- ◆ amounts You become legally liable to pay as compensation for physical loss or damage to the Goods in Your care that occurred during an Insured Transit; and
- ◆ any interest or legal expenses awarded against You arising therefrom.

We will also pay legal costs associated with the handling of such claims that are incurred with Our consent.

In some cases, We may elect to negotiate a settlement with the party claiming against You for the above amounts.

If the transit is by sea, this policy further covers Your legal liability to pay any General Average and/or Salvage contribution that You are or the claimant is required to pay under any Bill of Lading or similar transport documents continue with for which You have assumed responsibility under the specified contract(s) and have been caused by an insured event.

Option 2 – Accidental Damage (Specified Transport Contracts)

This option is available only for:

- ◆ Specified transport contracts – a list of which must be provided to Us prior to commencement of cover and agreed to by Us and included in the Schedule.
- ◆ Contracts in which You have agreed with the owner of the Goods to accept full responsibility for the Goods.

The covers under this Option 2 are not available for Contracts in which You have agreed to arrange insurance for the benefit of another party. No indemnity will be provided under this Policy where You have agreed to arrange or provide insurance.

Where this option is selected, We will indemnify You for:

- ◆ loss or damage to the Goods; and
- ◆ all law costs and legal expenses;

for which You have assumed responsibility under the specified contract(s) and which have been incurred by You with Our consent and have been caused by an insured event. In some cases, We may elect to negotiate a settlement with the party claiming against You for the above amounts.

Insured Events

Cover provided is for accidental loss of or damage to Goods that occurred during an Insured Transit, including:

- ◆ Deterioration of refrigerated Goods due to variation in temperature as a result of:
 - an accident;
 - malfunction of refrigerating machinery resulting in its failure to perform its normal refrigerating cycle for more than 4 hours, unless a different period is specified in the Policy Schedule; and
 - mismanagement of the refrigerating machinery by You or Your subcontractors resulting in variation in temperature for more than 4 hours, unless a different period is specified in the Policy Schedule.
- ◆ Damage caused by strikers, locked-out workers or persons taking part in labour disturbances, riots or civil commotions.
- ◆ The wilful act of a third party which was committed without the knowledge or connivance of Yourself or the owner of the Goods.
- ◆ General Average and/or Salvage contribution that You are required to pay under any Bill of Lading or similar transport document, in full, even if the amount insured is less than the contributory value, without applying the Policy excess.

For livestock (if specified in the Policy Schedule), the insurance covers death in transit of animals caused by an accident, natural causes or slaughter for humane reasons, provided that the animals are in a good state of health and fit for the journey prior to loading.

The policy also covers 'wandering off' of animals from the scene of an accident as a result of an insured event, where You are unable to muster or recover the animals.

Option 3 – Basic Cover (Unspecified Contracts)

This option is available for all Goods You transport, without the need to specify a contract but is not available for contracts in which You have agreed to arrange insurance for the benefit of another party. No indemnity will be provided under this Policy where You have agreed to arrange or provide insurance.

Where this Policy option is selected, We will indemnify You for loss or damage to the Goods for which You have assumed responsibility, including all legal fees and expenses incurred by You with Our consent or recoverable from You caused by an insured event.

Insured Events

Cover provided is for loss or damage to the Goods and/or death of livestock that occurred during an Insured Transit, caused by the following events:

- ◆ Fire, hail, explosion, lightning, or flood.
- ◆ Collision of the conveying vehicle with any external object other than the road, gutter, or similar surrounding surfaces.
- ◆ Overturning, jack-knifing or derailment of the land conveyance.
- ◆ Collision, crashing or forced landing of the conveying aircraft.
- ◆ Impact of the Goods with something that is not on or part of the conveying vehicle (but not impact with the road or surrounding areas caused by the Goods dropping or falling from the conveying vehicle, unless caused by one of the above events).
- ◆ Damage caused by strikers, locked-out workers or persons taking part in labour disturbances, riots or civil commotions.
- ◆ The wilful act of a third party which was committed without the knowledge or connivance of Yourself or the owner of the Goods.
- ◆ If the insured transit is by sea, this policy further covers where applicable:

- General Average and/or Salvage contribution that You are required to pay under any Bill of Lading or similar transport document, in full, even if the amount insured is less than the contributory value, without applying the policy excess.
- Washing overboard, jettison, collision, grounding, sinking, capsizing of the vessel or General Average Sacrifice.
- Discharge at a port of distress.

Where temperature controlled and/or perishable goods are specified in the Policy Schedule, cover includes deterioration of the Goods following an insured event listed above.

Where livestock are specified in the Policy Schedule, cover includes humane killing of livestock necessary as a result of an Insured Event above and 'wandering off' of animals from the scene of an accident as a result of an insured event, where You are unable to muster or recover the animals.

The following optional extensions are available where You select Option 3 Basic Cover (Unspecified Contracts)

Only where shown on the Policy Schedule, the cover under this section of the Policy is extended to include the following additional cover(s), during the Insured Transit: **None of these covers are available for the cartage of household contents in contents (domestic removals).**

◆ **Accidental physical loss or damage to the Goods during loading and unloading:**

- **General Cargo**
 - Loading cover commences when the Goods are being loaded by You onto the conveying vehicle from the ground or loading dock adjacent to the conveying vehicle and terminates when the Goods have been placed on the conveying vehicle.
 - Unloading cover commences when the Goods are being unloaded by You from the conveying vehicle and terminates when the Goods are placed on the ground or loading dock adjacent to the conveying vehicle.

- **Motor Vehicles**

Where a tilt tray vehicle is used to convey the Goods, the following wording will apply:

- Loading cover commences when the motor vehicle's wheels/tracks are driven onto the loading ramps of the conveying vehicle from the ground or loading dock adjacent to the conveying vehicle and terminates when the motor vehicle has been positioned on the conveying vehicle.

- Unloading cover commences when the motor vehicle starts to drive off the loading ramps and terminates when the vehicle is parked by You in the receiver's premises or on the loading dock within 100 metres of the conveying vehicle.

- **Livestock**

- Loading cover commences when each animal proceeds onto the loading ramp of the vehicle from the ground or loading dock adjacent to the conveying vehicle for the commencement of transit and terminates when positioned on the conveying vehicle.
- Unloading cover commences when each animal exits the loading ramp adjacent to the conveying vehicle at the intended destination or receivers' premises and terminates when positioned on the ground or loading dock adjacent to the conveying vehicle.

◆ **Theft, pilferage, or non-delivery, provided that:**

- all doors, windows and other areas of the vehicle capable of being locked are securely locked when unattended and alarms, if any, are activated; and
- any building or place of storage used for incidental storage in the normal course of transit is securely locked when unoccupied.

◆ **Mismanagement or malfunction of refrigerating machinery**

- Deterioration of refrigerated Goods due to variation in temperature as a result of:
 - malfunction of refrigerating machinery resulting in its failure to perform its normal refrigerating cycle for more than 4 hours, unless a different period is specified in the Policy Schedule; and
 - mismanagement of the refrigerating machinery by You or Your subcontractors resulting in variation in temperature for more than 4 hours, unless a different period is specified in the Policy Schedule.

◆ **Shedding of load**

Accidental loss of or damage to Goods caused by the Goods falling from the conveying vehicle due to breakage of restraining chains or cables during the normal course of transit provided that:

- the vehicle used for the transit is suitable for the size, weight and volume of the Goods being transported; and
- you take all reasonable steps to ensure that the Goods are securely and adequately packed on the vehicle.

Additional benefits

Whichever cover is selected, the following additional benefits are automatically included.

Accumulation Clause

In the event of accumulation of Goods during transport or transshipment beyond the Policy Limits of Liability due to interruption of transit and or other circumstances beyond Your control, the Policy Limits of Liability shown in the Schedule will not apply, provided that the accumulation of the Goods beyond such limits is outside Your control and You give Us immediate notice as soon as the circumstances are known to You.

The maximum amount claimable under this clause is limited to double the amounts of Liability shown in the Schedule for each and every loss or occurrence or series of losses or occurrences arising out of the same event.

Acquired Companies Clause

The Insured named in the Schedule of this Policy includes any company, subsidiary company or firm, formed, purchased or otherwise acquired by You during the Period of Insurance, provided that You:

- ◆ hold a controlling interest in the company or firm or have agreed to accept responsibility for insurance;
- ◆ advise Us of Your interest in the company or firm within sixty (60) days from the date of signing the purchase contract or date of formation; and
- ◆ declare to Us the Gross Freight Earnings, type of Goods to be insured, past losses, any nominated contracts to be insured and then agree to any additional conditions and pay any additional premium required by Us.

Where the Defence Cover (Option 1) is selected, we must approve the terms and conditions of cartage of such companies within the said 60 days of formation or purchase for this Acquired Companies Clause.

Claimant's Additional Expenses

This insurance is extended to indemnify You for amounts You become legally liable to pay as compensation for:

- ◆ loss of profits, loss of hire, increased costs of working, claim preparation costs, or additional expenditure;
- ◆ necessarily and reasonably incurred;
- ◆ for the sole purpose of avoiding or diminishing these costs; and
- ◆ which are the direct result of physical loss or damage to the Goods in Your care and occurred during an Insured Transit; and

- ◆ interest or legal expenses awarded against You arising therefrom.

Subject to a limit of liability of \$100,000 any one loss or series of losses as a result of the one event in addition to the limits of liability shown in the Schedule (unless otherwise specified), we will also pay defence costs associated with the handling of such claims that are incurred with Our consent.

In some cases, We may elect to negotiate a settlement with the party claiming against You for the above amounts.

Carriers Equipment and Packaging Clause

Where We pay a claim under this Policy for loss or damage to the Goods being carried by You, We will also pay for any loss or damage also caused to:

- ◆ tarpaulins, ropes, chains, webbing straps, dogs, gates, trolleys and containers;
- ◆ packing materials, crates, pallets, shipping containers or similar receptacles;

belonging to You or for which You are responsible.

Subject to a limit of liability of \$50,000 for any one loss or series of losses caused by the one event, unless otherwise specified in the Policy Schedule and provided these are not recoverable under any other policy of insurance.

Carriers Own Goods Clause

This insurance is extended to cover loss of or damage to your own goods caused by an insured event whilst carried in your vehicle.

Subject to a limit of 20% of the Limit of Liability stated in the Policy Schedule for any one loss or series of losses caused by the one event.

Debris Removal Clause

If We pay a claim under this Policy, the cover is extended to include the cost of removal and disposal of damaged, deteriorated or contaminated Goods and the cost of cleaning up the premises, location or conveyance.

Subject to a limit of liability of \$50,000 for any one loss or series of losses caused by the one event in addition to the limits of Liability Shown in the Schedule.

Employees Property Clause

Except for losses resulting from theft or non-delivery, where We will also indemnify You for loss or damage to the Goods being carried by You, We will also pay for the loss or damage to any personal property of Your employees which were carried in Your vehicle at the time of the incident, subject to a limit of \$1500 for any one

loss or series of losses caused by the one event in addition to the Limits of Liability shown in the Schedule.

Excluding watches, mobile phones, PDAs and laptop computers, mobile GPRS units, precious metals and stones, money (which means any coin or banknote), bullion, cheques, credit or other card sales vouchers, securities, shares, bonds, deeds, bills of exchange, or any documents that represent money.

Fumigation Expenses Clause

We will cover the reasonable costs, charges and or expenses where You are responsible and these are necessarily incurred by You, should the Goods on arrival at the destination be ordered by the appropriate authorities to be fumigated and/or quarantined because of infestation or suspected infestation, including:

- ◆ cost of actual fumigation or quarantine and related charges; and
- ◆ additional freight costs incurred to or from quarantine or fumigation.

Cover under this clause excludes customary or mandatory fumigation or quarantine costs or expenses (per Government Quarantine Regulations or similar statutory requirements).

Subject to a limit of \$50,000 for any one loss or series of losses caused by the one event in addition to the Limits of Liability shown in the Schedule.

Livestock Additional Costs Clause

In the case of injury to insured livestock, We will pay:

- ◆ the reasonable cost of agisting the livestock necessary as a result of an insured peril whilst awaiting an alternative conveyance, up to \$250 per animal;
- ◆ at Our option:
 - the reasonable cost of agisting the livestock to bring them back to their condition prior to the loss; or
 - the agreed depreciation in value if they are sold as injured livestock; and
- ◆ the cost of mustering animals, up to a limit of \$250 per animal.

Subject to a limit of \$50,000 for any one loss or series of losses caused by the one event in addition to the Limits of Liability shown in the Schedule.

Onforwarding Costs

Where the Insured Transit is interrupted or terminated due to an insured event, We will pay the extra costs of unloading, storing and forwarding the Goods to their

intended destination, or to return same to the place from which they were dispatched.

Subject to a limit of \$10,000 for any one loss or series of losses caused by the one event in addition to the Limits of Liability shown in the Schedule.

Resecuring

This policy covers all reasonable costs and expenses incurred in resecuring the goods where there has been movement of the goods in transit, which makes resecuring necessary, even though there may be no claim resulting from the incident, provided these circumstances were outside the your control and you could not be reasonably be expected to have knowledge of them in the normal course of your business.

Subject to a limit of \$5,000 any one incident, unless otherwise specified in the Policy Schedule and provided these costs are not recoverable under any other policy of insurance.

Rainwater Damage

This insurance covers accidental loss of or damage to goods being wetted by rainwater during transit, provided that :

- ◆ This insurance does not cover the Goods during any period of incidental storage in any warehouse or other building.
- ◆ The vehicle and equipment used for the transit is suitable for the safe carriage of the Goods.
- ◆ You take all reasonable steps to ensure that the Goods are securely and adequately packed on the conveying vehicle.

Terrorism Clause

This Policy covers loss of or damage to the Goods insured caused by terrorism during an Insured Transit (or any incidental storage period).

For the purposes of this insurance, 'terrorism' means any act(s) of any person(s) or organisation(s) involving:

- ◆ the causing, occasioning or threatening of harm of whatever nature and by whatever means; and
- ◆ putting the public or any section of the public in fear, in circumstances in which it is reasonable to conclude that the purpose(s) of the person(s) or organisation(s) concerned are wholly or partly of a political, religious, ideological or similar nature.

'Terrorism' shall also include steps taken to prevent, suppress, control or reduce the consequences of any actual, attempted, anticipated, threatened, suspected or perceived terrorism.

Exclusion and other cover limitations applicable to all sections of this policy

Notwithstanding anything to the contrary elsewhere in this Policy, this Policy does not cover loss, damage, liability, destruction, cost or expense of any nature directly or indirectly caused by or contributed to by or arising from any of the following:

- ◆ Delay, loss of market, or consequential loss of any description other than cover provided within this policy.
 - ◆ Rejection.
 - ◆ Ordinary leakage, loss in weight or volume, wear and tear.
 - ◆ Rust, oxidation or discoloration, unless caused by an insured event.
 - ◆ Inherent vice (except for refrigerated Goods due to variation in temperature as provided in the optional extensions for Option 3 section above).
 - ◆ Mould, moths, insects, rats or other vermin.
 - ◆ Loss of data from any computer hardware or software or electrical, mechanical or electronic breakdown or malfunction including failure to recognise, interpret or process any data or to function correctly as a result of such failure, unless there is visible external evidence of physical damage to the item resulting from an insured event.
 - ◆ Insufficiency or unsuitability of the packaging or preparation of the Goods, which includes:
 - Stowage or restraint of the Goods on Your vehicle.
 - For Goods requiring temperature control, the failure of You or Your servants to take all reasonable precautions to keep the Goods in a refrigerated, properly insulated or cooled space.
 - ◆ The absence, shortage or withholding of power or fuel.
 - ◆ Cartage in an unsafe or unroadworthy vehicle or where the vehicle was carrying a load in excess of the design capacity, unless the condition of the vehicle or overloading did not contribute to the loss and/or the condition was not reasonably detectable or known by You.
 - ◆ Cartage by an unlicensed driver or one whose faculties were impaired by drugs or alcohol in excess of that permitted by law, unless You did not know, or could not reasonably have known about the circumstances or condition of the driver. This exclusion will not apply to the extent that there are any statutory provisions to the contrary.
 - ◆ Vehicles or machines that You have been contracted to move whilst driven under their own power or whilst being towed, other than during loading and unloading operations, provided they are registered for public roads.
 - ◆ Personal injury or damage to property caused by vehicles or machines being driven under their own power or whilst being towed.
 - ◆ Other cargo left in a vehicle or machine.
 - ◆ Damage caused by Your misconduct or intentionally caused by You or any person acting with Your expressed or implied consent.
 - ◆ Reduction in the value of Goods because of repairs.
 - ◆ To livestock caused by inoculation and or its after effects, infectious diseases, abortion or loss or death of foetus.
 - ◆ Legal seizure, confiscation, nationalisation or requisition of the Goods, any fines, penalties, aggravated, exemplary or punitive damages.
 - ◆ War or warlike activities, which means invasion, act of foreign enemy, hostilities (whether war is declared or not), civil war, rebellion, revolution, insurrection or civil strife following any of these.
 - ◆ The absence, shortage or withholding of labour of any description resulting from strike, lockout, labour disturbance, riot or civil commotion.
 - ◆ Damage which has not occurred during the transit, for example, pre-existing damage or damage occurring after the Goods have been unpacked at destination.
 - ◆ The use or operation, as a means for inflicting harm, of any computer, computer system, computer software programme, computer virus or process or any other electronic system.
- Additionally, the following exclusions apply, regardless of any other cause or event contributing concurrently or in any other sequence to the loss:
- a) Ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel.
 - b) The radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof.
 - c) Any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.
 - d) The radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter, but this exclusion does not extend to radioactive isotopes, other than nuclear fuel, when such isotopes are being prepared, carried, stored, or

used for commercial, agricultural, medical, scientific or other similar peaceful purposes.

- e) Any actual or alleged liability whatsoever for any claim or claim in respect of loss or losses directly or indirectly arising out of, resulting from or in consequence of asbestos.
- f) Any chemical, biological, bio-chemical or electromagnetic weapon.

This policy also excludes any loss, damage, destruction, cost or expense of any nature directly or indirectly caused by, contributed to by, resulting from or arising out of or in conjunction with any action taken in controlling, preventing, suppressing, retaliating against, responding to or in any way relating to the above a) to f) additional exclusions.

Terrorism Exclusion Clause

This Policy covers loss of or damage to the Goods insured caused by terrorism during an Insured Transit (or any incidental storage period).

For the purposes of this insurance, 'terrorism' means any act(s) of any person(s) or organisations(s) involving:

- ◆ the causing, occasioning or threatening of harm of whatever nature and by whatever means; and
- ◆ putting the public or any section of the public in fear, in circumstances in which it is reasonable to conclude that the purpose(s) of the person(s) or organisation(s) concerned are wholly or partly of a political, religious, ideological or similar nature.

'Terrorism' shall also include steps taken to prevent, suppress, control or reduce the consequences of any actual, attempted, anticipated, threatened, suspected or perceived terrorism.

Other cover limitations

Deck Shipments Clause

For shipments by sea, where You have selected Option 2 – Accidental Damage, the Goods carried in containers are covered in a similar manner to under-deck cargo, but unless otherwise agreed, all other deck cargo shall be subject to the perils listed in Option 3 – Basic Cover.

Due Care Clause

At all times, You must take appropriate care in:

- ◆ the handling, storing and moving of Goods in Your care custody and control;
- ◆ issuing and obtaining agreement to the Approved Terms and Conditions declared to Us (Option 1 – Defence Cover); and
- ◆ informing Us of any changes to the Approved Terms and Conditions declared to Us (Option 1 – Defence Cover).

How much we will pay

Limit of Liability

The insurer's liability is limited to the amount stated in the Policy Schedule for any one loss or series of losses arising from the one insured event.

We will not be liable for any one loss or series of losses arising from the same event under more than one optional section of this Policy if You are covered under more than one section of this Policy.

Option 1 – Defence Cover (Legal Liability for Goods)

Where this option is selected, We will indemnify You (at Our option) for:

- ◆ all sums which You become legally liable to pay as compensation for physical loss or damage to the Goods in Your care that occurred during an Insured Transit;
- ◆ compensation up to the amounts allowed within this insurance which You become legally liable to pay for loss of profits, loss of hire, increased costs of working or claim preparation costs or additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing these costs directly caused by physical loss or damage to Goods in Your care that occurred during an Insured Transit; and
- ◆ any interest or legal expenses awarded against You arising therefrom;

OR

- ◆ the amount(s) We negotiate on Your behalf, subject to the maximum Limit of Liability shown in the Schedule.

We will also pay in addition to the above:

- ◆ legal costs incurred with Our consent; and
- ◆ the additional benefits shown in Additional Benefits where applicable.

Option 2 – Accidental Damage (Specified Contracts) or Option 3 – Named Perils (Unspecified Contracts)

Subject to this Policy, the terms, conditions, limitations and the maximum Limit of Liability shown in the Schedule, plus the Additional Benefits, at Our option We will pay the lesser of:

- ◆ the invoice value covering the Goods whilst in Insured Transit;

- ◆ the actual value of the Goods if there is no invoice value;
- ◆ the cost of repairing or replacing the Goods with similar items of the same age and condition or as near as possible to that age and condition; or
- ◆ the amount(s) We negotiate on Your behalf.

We will also pay in addition to the above:

- ◆ legal costs incurred with Our consent;
- ◆ the additional benefits shown in 'Additional benefits' where applicable; and
- ◆ compensation up to the amounts allowed within this insurance which You are required to pay for proved loss of profits, loss of hire, increased costs of working, claim preparation costs or additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing these costs.

The following exceptions to what We will pay under Options 2 and 3 shall apply:

◆ Works of Art or Antiques

At Our option, the amount We will pay in the event of a loss will be:

- the reasonable cost of replacement or repair excluding any depreciation; or
- the market value of the Goods as established by an independent and qualified valuer.

◆ New Machinery

Where there is loss or damage to any part or parts of a machine, We will pay:

- the cost of replacement or repair of the part or parts; and
- additional charges for forwarding and refitting.

◆ Labels Clause

In the event of accidental damage to Goods affecting labels only, the loss recoverable is to be limited to an amount sufficient to pay the cost of reconditioning, cost of new labels and relabelling of the Goods.

◆ Pairs and Sets Clause

Where any item is part of a pair or set, We will only pay for the part of the pair or set which is lost or destroyed, even if it cannot be replaced with a matching item. The value of the Goods will be regarded as spread over the whole of the pair or set, divided in the proportions that it would cost to replace each of the items making up the pair or set.

◆ Used Machinery

The amount We will pay will not exceed the cost of repairing or reinstating same to a condition equal to but no better or more extensive than its condition immediately prior to such loss or damage.

In no case shall Our liability exceed:

- in the case of a purchase or sale, the purchase or sale price; or
- in the case of movement of the Goods other than for the reason of purchase or sale, the written down book value or the current market value (whichever is the higher).

◆ Excess

All claims We pay under this policy will have any excess deducted prior to settlement.

◆ Goods and Services Tax

Where We make a payment under this policy for the acquisition of goods, services or other supply, We will reduce the amount of the payment by the amount of any input tax credit that You are, or will be, or would have been entitled to under A New Tax System (Goods and Services Tax) Act 1999, in relation to that acquisition, whether or not that acquisition is actually made.

Where We make a payment under this policy as compensation instead of payment for the acquisition of goods, services or other supply, We will reduce the amount of the payment by the amount of any input tax credit that You would have been entitled to under A New Tax System (Goods and Services Tax) Act 1999 had the payment been applied to acquire such goods, services or other supply.

Premium adjustment

The premium payable under each section of this Policy is based on the estimated Gross Freight Earnings provided by You for the Period of Insurance for the contractual circumstances applicable to that section. Unless otherwise agreed, You must advise Us within 3 months from the expiry of each Period of Insurance the actual amounts for the period for each section which should represent Your actual Gross Freight Earnings i.e. the total gross income derived by You during the Period of Insurance out of the cartage of the Goods, whether as principal, subcontractor, or through subcontractors.

For this reason, You are required to keep accurate records of such Gross Freight Earnings and to provide Us with an audited copy of these records if required by Us. If We request an audited copy and this is not available, then We may appoint an auditor. We shall pay for the cost of the audit in such circumstances unless the audit reveals a substantial difference to those originally supplied by You, in which case this cost will be borne by You.

The premium for each period will be calculated by Us on receipt of the advice of the actual Gross Freight Earnings and in accordance with the rating factors set out in the Policy Schedule or as otherwise agreed. The additional amount payable by You or due to You will be calculated on the difference between the premium for the actual figures at the end of the period and the deposit premium paid, but subject to a minimum premium of 75% of the estimated annual premium on which the deposit premium was based being retained by Us.

The following exceptions to this adjustment calculation are agreed:

- ◆ If the deposit premium is \$1,000 or less, the deposit premium shall be regarded as the minimum premium for the Period of Insurance shown in the current Schedule, and no adjustment or declaration of actual Gross Freight Earnings will be required unless the premium calculated on the actual Gross Freight Earnings exceeds \$1,000.
- ◆ If the deposit premium is more than \$1,000 but less than \$25,000, and the actual Gross Freight Earnings vary from the estimated Gross Freight Earnings by no more than 10%, then no adjustment or declaration of actual figures will be required.

After cancellation, We will refund the premium for the time remaining on the Policy, less any non-refundable duties, unless You have made a fraudulent claim.

Cancellation

Where the Marine Insurance Act 1909 applies

We may cancel this Policy by giving 30-days' notice in the event of any non-payment of premium, or for any other reason available at law.

Where the Insurance Contracts Act 1984 applies

Under Section 60 of the Insurance Contracts Act 1984, We may cancel this Policy or any section at any time, by giving notice in writing to You of the date from which cancellation is to take effect, where You have:

- ◆ failed to comply with Your duty of utmost good faith;
- ◆ failed to comply with Your duty of disclosure at the time when this Policy or any Section of the Policy was entered into, varied, altered, or renewed;
- ◆ made a misrepresentation to Us during the negotiations for this Policy, but before We agreed to issue this Policy;
- ◆ failed to comply with a provision of the Policy;
- ◆ failed to pay the premium for this Policy;
- ◆ made a fraudulent claim under this Policy, or any other contract of insurance (whether with Us or another insurer) that provided cover during any part of the Period of Insurance of this Policy;
- ◆ failed to comply with a requirement in this Policy that You notify Us of an act or omission which occurred after this Policy was entered into; or
- ◆ failed to notify Us of any specific act or omission or such a notification as is required under the terms of this insurance Policy.

We may deliver such notice to You personally or by post at Your address last notified to Us.

Under Section 60 of the Insurance Contracts Act 1984, We may cancel this Policy at any time where:

- ◆ it is in force by virtue of Section 58 of the Insurance Contracts Act 1984; or
- ◆ it is an interim contract of general insurance.

You may cancel this Policy at any time by notifying Us in writing.

Claims

Authorisation

We may give to and obtain from any other insurers, insurance reference bureaus and credit reporting agencies, any information relating to Your credit or insurance history as well as insurance claims information.

Automatic Reinstatement Clause

When We pay a claim under this Policy, the Limit of Liability stated in the Schedule will be automatically reinstated without additional premium.

Claims Procedure

If there is any loss or damage which may result in a claim under this Policy, You must take the following steps:

- ◆ Inform Us about the event as soon as possible.
- ◆ Where You do not have a contractual responsibility, reject any claim made against You and deny liability in writing.
- ◆ Take all reasonable measures to avoid or minimise any loss, damage or expense. We will pay the costs associated with such measures in addition to the sum insured provided they are both reasonable and necessary.
- ◆ Do not repair, replace or dispose of the Goods without Our approval.
- ◆ Inform the police as soon as possible after a theft has occurred.
- ◆ Submit as soon as possible all documentation and correspondence regarding the event including invoices, statements or other documents evidencing the amount being claimed.
- ◆ In the event of a general average contribution arising under this Policy, consult Us or Our nominated settling agent before signing any general average bond.

When other parties may be liable:

- ◆ do not release those parties from liability;
- ◆ deliver to the parties responsible a notice of intention to claim;
- ◆ inform Us of the circumstances and provide Us with all documentation.

Subrogation Clause

When We settle a claim, We may endeavour to pursue recovery rights against recovery rights any other third party who caused loss or damage to the Goods. You authorise Us to act in Your name in such recovery action, and undertake to give Us reasonable assistance in such actions.

Claims Documentation

You are required, in the interests of prompt settlement of any claim and to avoid prejudicing Your claim under the Policy, to submit all available supporting documentation without delay, including:

- ◆ Contracts of carriage including consignment note(s) or airway bills or bills of lading.
- ◆ Copies of invoices, shipping specifications, weight notes or other documents indicating quantity and value.
- ◆ Any survey reports or other documentation showing the extent of the loss including delivery notes/weight notes at destination.
- ◆ Correspondence exchanged with the owner, subcontractor or any third party regarding their liability for the loss or damage.

Fraudulent Claims

If any claim is fraudulent or false in any respect, We may refuse to pay the whole or part of the claim to the extent permitted by law, and may also be entitled to cancel the Policy.

Payees

Amounts indemnifiable under this insurance will be either paid to You or to the claimant on Your behalf and such payment will discharge Our liability under the Policy for the loss.

Claims Co-operation Clause

You are required to co-operate with Us in the defence of claims or suits and upon Our request shall attend hearings and trials, and shall assist in effecting settlements securing and giving evidence, obtaining the attendance of witnesses, and in the conduct of suits. You shall not, except at Your own cost, voluntarily make any payment, assume any obligation, or incur any expense.

Preventing Insurers Right Of Recovery

Where another person is liable to compensate You for loss, damage or liability which is to be covered by Your Policy but You have agreed not to seek recovery of any moneys from that person, We will not cover You under this Policy for that loss, damage or liability.

Waiver Clause

Measures taken by You or Us with the object of saving, protecting or recovering the Goods shall not be considered as a waiver or acceptance of abandonment or otherwise prejudice the rights of either party.

contact details

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Preparation date:

10/03/2004

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*See inside front cover



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