

# ‘Floor to Floor’ Single Transit – Specific Events

Marine Insurance Policy



## 'FLOOR TO FLOOR' SINGLE TRANSIT – SPECIFIC EVENTS

### Insurer

The Policy is underwritten by QBE Insurance (Australia) Limited, ABN 78 003 191 035, AFS Licence No. 239545 of 82 Pitt Street, Sydney.

### About QBE Australia

QBE Insurance (Australia) Limited is a member of the QBE Insurance Group (ASX: QBE). QBE Insurance Group is Australia's largest international general insurance and reinsurance group, and one of the top 25 insurers and reinsurers worldwide. The company has been operating in Australia since 1886 and continues to provide industry-leading insurance solutions that are focused on the needs of intermediaries and their clients.

QBE is a household name in Australian insurance, backed by sizeable assets, and well known as a strong and financially secure organisation.

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## 'FLOOR TO FLOOR' SINGLE TRANSIT – SPECIFIC EVENTS

### Section 1 – Definitions

When used in this Policy, the following words have a special meaning assigned to them, as follows:

Word or term	Meaning
Excess	the amount you must contribute to each and every claim you make under this Policy. Any applicable excess will be shown in your Policy Schedule, or within this Policy booklet
Goods	the Interest Insured as specified in the Policy Schedule while in your care, custody or control.
Packaging	packing materials, shipping containers, crates, pallets, or similar receptacles belonging to you or for which you are responsible.
Policy Schedule	the most recent document we give you. We give you a Policy Schedule when you: <ul style="list-style-type: none"> <li>– first buy the Policy from us;</li> <li>– change any part of the Policy or any personal details relevant to it; or</li> <li>– renew the Policy with us.</li> </ul>
We/us or our	QBE Insurance (Australia) Limited, ABN 78 003 191 035
You or your	the insured specified in the Policy Schedule.

### Section 2 – This insurance contract

We agree to provide insurance as described in this Policy subject to the terms, limitations, exclusions and conditions contained in or endorsed on or otherwise expressed in the Policy.

This insurance is in consideration of the insured named in the Policy Schedule:

- having paid or agreed to pay the premium to the insurer,
- providing to the insurer a written application.

The Policy wording, Policy Schedule and endorsements (if any) are to be read together.

### Section 3 – The transit

#### Goods other than livestock and motor vehicles

During the period of insurance:

- cover commences from the time the goods are picked up inside the warehouse / premises or place of storage for loading onto the conveying vehicle;

- cover terminates when the goods are placed and/or positioned inside the receiver's or other designated warehouse or premises.

#### Livestock

During the period of insurance:

- cover commences when the animals proceed onto the loading ramp of the vehicle from the ground or loading dock adjacent to the conveying vehicle;
- cover terminates when the animals exit the loading ramp adjacent to the conveying vehicle at the receiver's or other designated warehouse or premises.

#### Motor vehicles

During the period of insurance:

- 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;
- cover ceases when the motor vehicle is parked on the ground or loading dock immediately adjacent to the conveying vehicle.

The cover granted under this transit clause is subject to:

- the conveying vehicle departing for destination within 48 hours of the commencement of loading. If this period is exceeded, cover ceases until the conveying vehicle actually departs for destination;
- the placement or positioning of the goods within the warehouse or premises being:
  - directly associated with the transit, and
  - completed within 48 hours of the conveying vehicle's arrival;
- the exclusion of the risks of dismantling, re-assembly and testing of goods.

### Section 4 – Specific events cover

Subject to the exclusions and general conditions listed in Sections 5 and 6, this Policy covers:

#### Goods / Livestock

This Policy covers loss of or damage to the goods and/or death of livestock whilst contained in the conveying vehicle or your premises caused by:

- fire, lightning, hail or explosion,
- flood,
- collision of the conveying vehicle except with the curb or uneven road surface,
- collision, crashing or forced landing of aircraft,
- jack-knifing, overturning and/or derailment of the conveying vehicle,
- impact of any object which is not on or part of the vehicle with the goods or livestock.

This cover excludes impact of the road surface and allied areas with the goods or livestock unless caused by an insured event specified above.

Where goods are being transported by sea, the insured events specified above are extended to include:

- stranding, sinking, burning, grounding or collision or contact of the vessel with any object other than water;
- any General Average and or Salvage contribution that you are required to pay;
- the risks of jettison, washing overboard and loss or damage caused by a General Average Sacrifice.

This Policy includes the risks of death or humane killing of livestock that is necessary when caused by an insured event.

Where refrigerated goods are specified in the Policy Schedule, cover is extended to include deterioration of the goods following an insured event specified above.

## Section 5 – Additional benefits

The following additional benefits are payable subject to the exclusions and general conditions listed in Sections 5 and 6.

### Agistment expenses (livestock only)

We will pay all reasonable costs and expenses necessarily incurred in maintaining the animals at agistment when caused by an insured event.

Subject to a limit of \$500 per animal and \$50,000 in the aggregate for any one loss or series of losses caused by the one event.

### General average and salvage clause

If your goods are being transported by sea between Australian ports and a General Average is declared, this Policy extends to cover the full costs of the General Average and/or Salvage contribution irrespective of the amount insured being less than the contributory value.

### Mustering costs (livestock only)

We will pay all reasonable costs and expenses necessarily incurred for mustering of the animals at the scene of the accident when caused by an insured event.

Subject to a limit of \$500 per animal and \$50,000 in total for any one loss or series of losses caused by the one event.

### Packaging

We will cover you for accidental loss of or damage to packaging while carried in transit caused by an insured event. Subject to a limit of \$50,000 any one loss or series of losses caused by the one event, unless otherwise specified in the Policy Schedule and provided the costs are not recoverable under any other Policy of insurance.

### Overcarried clause

Should the goods be over-carried to a different destination, we will cover the goods until returned to the original destination.

## Removal of debris / clean-up costs

We will pay all reasonable costs and expenses incurred in unloading, removing and disposing of damaged goods and clean-up of the accident site after the occurrence of an insured event. Subject to a limit of \$50,000 any one loss or series of losses caused by the one event, unless otherwise specified in the Policy Schedule and provided the costs are not recoverable under any other Policy of insurance.

Where dangerous goods are specified in the Policy Schedule this removal of debris/clean-up costs benefit does NOT apply.

## Resecuring

We will pay 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 your control and you could not reasonably be expected to have knowledge of them in your 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.

## Transfer / onforwarding clause

Where, due to an event covered by this insurance, the transit is terminated short of the intended destination this insurance covers all reasonable costs incurred in transferring, storing and forwarding the goods to the original destination in Australia. This extension does not include costs incurred due to your insolvency or financial default.

## Wandering off clause (livestock only)

We will cover you for loss of animals due to 'wandering off' from the scene of an accident caused by an insured event.

Subject to a limit of \$50,000 any one loss or series of losses caused by the one event.

## Section 6 – Exclusions – applicable to all Sections

The exclusions set out in this section apply to all sections of this Policy.

This Policy does not cover any loss or damage:

1. To property other than the goods specified in the Policy Schedule;
2. To goods caused by your wilful act or the wilful act committed by someone with your knowledge or connivance;
3. To goods caused by delay, rejection, loss of market, loss of profits or any consequential loss (even though it may have been caused by an insured event);
4. Caused by a reduction in value of goods because of repairs;
5. Caused by ordinary leakage, ordinary loss in weight or volume or ordinary wear and tear of the goods;



6. Caused by inherent vice or nature of the goods (other than refrigerated goods due to variation in temperature as provided in Section 4);
7. To animals caused by inoculation and/or its after effects, infectious diseases, rejection, abortion, loss/death of foetus, loss of use or delay;
8. Caused by the failure of you or your employees to take all reasonable precautions to ensure that refrigerated goods are kept in refrigerated, or where appropriate, properly insulated and cooled space;
9. To goods caused by rust, oxidization and/or discolouration unless caused by an insured event;
10. To goods caused by electronic, electrical or mechanical failure unless caused by an insured event and there is visible external physical damage;
11. To goods caused directly or indirectly by war, acts of war (whether declared or not), rebellion, revolution, lawful seizure, confiscation, nationalization, requisition, destruction or damage by or by the order of any government, public or local authority;
12. To goods caused directly or indirectly by ionization, radiation, radioactive material, nuclear process or from nuclear weapons material;
13. Arising from the theft of goods when in your custody or control if the conveying vehicle or building and/or premises used for temporary storage during the normal course of transit are not securely locked when unattended;
14. To motor vehicles/machinery driven under their own power or whilst being towed other than during loading and unloading operations;
15. To personal effects or tools or other goods left in motor vehicles/machinery;
16. To motor vehicles/machinery caused by personal effects, tools or other goods being left in the motor vehicles/machinery;
17. To windows or windscreens of motor vehicles/machinery caused by stone chips;
18. Or expense arising out of the insolvency or financial default of the carrier unless these circumstances were outside your control and you could not reasonably be expected to have knowledge of it during the normal course of your business.

In no case shall this insurance cover loss, damage, liability or expense directly or indirectly caused by or contributed to by or arising from:

- ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel
- the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof
- any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter

- the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter. The exclusion in this sub-clause 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
- any actual or alleged liability whatsoever for any claim or claims in respect of loss or losses directly or indirectly arising out of, resulting from or in consequence of asbestos
- any chemical, biological, bio-chemical, or electromagnetic weapon.

In addition, the following clause shall be paramount and shall override anything else contained in this insurance:

Notwithstanding any provision to the contrary contained in this Policy or the clauses referred to within this Policy, it is agreed that in so far as this Policy covers loss of or damage to the goods insured caused by terrorism or any terrorist or any person acting from a political motive, such cover is conditional upon the goods insured being in the ordinary course of transit and, in any event, shall terminate either:

- A. as per Section 3 – The transit, or
- B. on delivery to any other warehouse or place of storage, whether prior to or at the destination, which you elect to use either for storage other than in the ordinary course of transit or for allocation or distribution, whichever shall first occur.

For the purpose 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/or
- 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 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.

## Section 7 – General conditions – applicable to all Sections

The cover provided by this Policy is subject to the following conditions:

### Alteration of risk

If there is any change in the circumstances or nature of the risks covered by this insurance, you must give us immediate notice or we may be entitled to reduce their liability under the contract to the extent they are prejudiced (which may reduce a claim to nil) unless we have agreed to the change in writing.

## Benefit of insurance

The carrier or any other bailee cannot claim any benefit under this Policy. Your rights under this Policy are not prejudiced by any agreement exempting the carrier from liability.

## Law and practice

This insurance is subject to Australian federal law and practice.

## Third party interests

You must inform us of the interests of all third parties (eg. financiers or lessors) to be covered by this insurance. We protect the interests of third parties only if you have informed them and the interest(s) are noted in the Policy Schedule.

## Other insurance

This insurance does not cover any loss or damage which, at the time of the accident:

- is insured by, or
- would, but for the existence of this Policy, have been insured by any other existing Policy or policies except to the extent that the amount claimed exceeds the amount that would have been payable under the other Policy or policies had this insurance not been effected.

## Warranties

Any warranties specified in the Policy Schedule are to be regarded as conditions of the contract of insurance.

## Duty of Disclosure

### Your duty of disclosure

Before you enter into a contract of general insurance with us, you have a duty, under both the Insurance Contracts Act 1984 and the Marine Insurance Act 1909, to disclose to us every matter that you know, or could reasonably be expected to know, that is relevant to our decision on whether to insure you and, if so, on what terms.

You have the same duty of disclosure to us when you renew, extend, vary or reinstate a contract of general insurance.

Your duty however does not require disclosure of matters:

- that diminishes the risk;
- that is of common knowledge;
- that we know or should know in the ordinary course of our business as an insurer;
- which we indicate we do not want to know.

### Non-disclosure

#### Where the Marine Insurance Act 1909 applies:

If you fail to comply with your duty of disclosure, we may avoid the contract of insurance from its beginning.

#### Where the Insurance Contracts Act 1984 applies:

If you fail to comply with your duty of disclosure we may be entitled to reduce our liability under the contract in respect of a claim or, in certain circumstances, we may cancel the contract. If your non-disclosure is fraudulent, we may also have the option of avoiding the contract from its beginning.

### Underinsurance

We require you to insure for the full value or maximum potential risk. If you do not do so, and you are underinsured, we may pay you less in the event of a claim, calculated in accordance with either the policy wording or the Marine Insurance Act 1909 where applicable, which takes into account the degree of underinsurance

### Insurer

This Policy is issued by QBE Insurance (Australia) Limited ABN 78 003 191 035, AFS Licence No. 239545 of 82 Pitt Street Sydney.

## Privacy

Privacy legislation regulates the way private sector organisations can collect, use, keep secure and disclose personal information. We are bound by the Privacy Act 1988 (Cth.), when collecting and handling your personal information. QBE has developed a privacy policy which explains what sort of personal information we hold about you and what we do with it.

We will only collect personal information from or about you for the purpose of assessing your application for insurance and administering your insurance policy, including any claims you make or claims made against you. We will only use and disclose your personal information for a purpose you would reasonably expect.

We may need to disclose personal information to our reinsurers (who may be located overseas), insurance intermediaries, insurance reference bureaux, credit reference agencies, our advisers and those involved in the claims handling process (including assessors, investigators and other insurers), for the purposes of assisting us and them in providing relevant services and products, or for the purposes of recovery or litigation. We may disclose personal information to people listed as co-insured on your policy and to family members or agents authorised by you. Computer systems and support services may be provided to us by related companies within the QBE Group that may be located overseas. We may also disclose information to organisations which conduct customer service surveys on our behalf. We will request your consent to any other purpose.

By providing your personal information to us, you consent to us making these disclosures. Without your personal information we may not be able to issue insurance cover to you or process your claim.

You also have the opportunity to find out what personal information we hold about you and, when necessary, correct any errors in this information. Generally we will do this without restriction or charge. For further information about our Privacy Policy or to access or correct your personal information, please contact The Compliance Manager, QBE Insurance (Australia) Limited, GPO Box 82 Sydney NSW 2001. Telephone: (02) 9375-4656 or email: [compliance.manager@qbe.com](mailto:compliance.manager@qbe.com)

## The General Insurance Code of Practice

QBE Insurance (Australia) Limited is a signatory to the General Insurance Code of Practice. The Code aims to:

- promote more informed relations between insurers and their customers;
- improve consumer confidence in the general insurance industry;
- provide better mechanisms for the resolution of complaints and disputes between insurers and their customers; and
- commit insurers and the professionals they rely upon to higher standards of customer service..

## Dispute resolution

We will do everything possible to provide a quality service to you. However, we recognise that occasionally there may be some aspect of our service or a decision we have made that you wish to query or draw to our attention.

We have a Complaints and Dispute Resolution Procedure which undertakes to provide an answer to your complaint within 15 working days.

If you would like to make a complaint or access our internal dispute resolution service please contact your nearest QBE office and ask to speak to a dispute resolution specialist.

If you are not happy with our answer, or we have taken more than 15 working days to respond, you may take your complaint to the Financial Ombudsman Service (FOS), an ASIC approved external dispute resolution body.

FOS resolves certain insurance disputes between consumers and insurers and will provide an independent review at no cost to you. QBE is bound by the determination of FOS but the determination is not binding on you.

We will provide the contact telephone number and address of the FOS office upon request.

## Section 8 – Claims

### How much we pay

The amount payable, at our option, will be either:

- the cost of repairing or replacing lost or damaged goods including freight costs; or
- the actual value of the lost or damaged goods at the time of loss (ie. unless the goods were new an amount for depreciation and wear and tear will be deducted from the claim) including freight costs.

This amount will be subject to the limit of liability stated in the Policy Schedule.

### Brands / labels clause

In the event of loss of or damage to goods bearing embossed or indented brands or labels or other permanent markings identifying you as the manufacturer or supplier, or exclusive and/or secret formula that may be involved, the goods may be retained by you to dispose of as you see fit provided a reasonable allowance is agreed for the value of the goods.

Where only the labels of the goods are affected by an insured event, the amount payable by us is limited to the cost of reconditioning and the costs of relabelling.

### Excess

The amount stated in the Policy Schedule as the excess will be deducted from each and every claim.

### Limit of liability

Our liability is limited to the amount stated in the Policy Schedule any one accident or series of accidents caused by the one event.

### New machinery replacement clause

Where loss or damage to any part or parts of an insured machine is caused by an insured event, the amount the insurers pay will be:

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

Subject to our liability not exceeding the value of the complete machine.

### Pairs and sets clause

Where any item is part of a pair or set, this Policy will only cover 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 shall be regarded as spread over the whole of the pair or set, divided in the proportions that it would cost to replace all the items making up the pair or set.

### Secondhand replacement clause

Where the loss of or damage to the goods is caused by an insured event and new parts are used in replacement or repair, the amount we pay will be:

- the proportion of the cost of replacement parts lost or damaged as the amount insured bears to the value of an equivalent new unit, plus
- additional charges for forwarding and refitting the new part or parts if incurred.

Subject to our liability not exceeding the value of the goods.

### What you must do

Following an event that is likely to give rise to a claim under this Policy, you must take the following steps:

1. Immediate action
  - Take all reasonable measures to avoid or minimise any loss, damage or expense (the reasonable and necessary cost of doing this will be payable by us).
  - Inform the police as soon as possible after a theft is discovered.
2. Notification
  - Inform us of the event as soon as possible.
  - Submit to us full written particulars as soon as possible.

- Send to us all correspondence and documents relating to the event.
  - Provide, or arrange for us to be provided with invoices, statements and other documents evidencing the amount of the loss.
3. When other parties may be liable
- When another party may be liable to you for the loss, damage or liability you must:
- not agree to release those parties from liability,
  - hold that party liable by delivering a notice of intention to claim,
  - in no circumstances, except under written protest, give clean receipts where the goods are in doubtful condition.
4. When delivery is made by container ensure that the container and seals are examined immediately by the responsible official. If the container is delivered damaged or with the seals broken or damaged or with seals other than stated in the shipping documents, note the delivery docket accordingly and retain all defective or irregular seals for subsequent identification.
5. If the loss or damage was not immediately apparent at the time of delivery, apply immediately for surveys by the carriers or other bailees to be conducted within 3 days of delivery.
6. Inform us of the circumstances and let us have a copy of all relevant documents.

We may exercise all your legal rights relating to the loss or damage. We may prosecute or defend any legal proceedings in your name and have full discretion in the exercise of your legal rights.

Measures taken by you or us with the object of saving, protecting or recovering the goods insured shall not be considered as a waiver or acceptance of abandonment or otherwise prejudice the rights of either party.

### Claims documentation

To enable claims to be dealt with promptly, you are advised to submit all available supporting documents without delay, including where applicable:

1. Original contract of carriage, consignment note or other contract of carriage.
2. Original or a copy of any shipping invoices, shipping specifications, weight notes, packing lists, sales invoices or other documents evidencing value.
3. Survey report or other documentary evidence to show the extent of the loss or damage.
4. Delivery docket and weight notes at final destination.
5. Correspondence exchanged with carriers and other parties regarding their liability for the loss or damage.

Please note that failure to comply with any of the conditions regarding claims procedures and documentation in this Policy may prejudice any claim you make.

## Other important details

### General average

In the event of a General Average contribution arising under this Policy, contact us before signing any General Average Bond.

### Fraudulent claims

If any claim is fraudulent or false in any respect we may refuse to pay all or part of the claim, to the extent permitted by law.

We may also be entitled to cancel this Policy.

## How the Goods and Services Tax affects any payments we make

The amount of premium payable by you for this Policy includes an amount on account of the GST on the premium.

When we pay a claim, your GST status will determine the amount we pay.

When you are:

- (a) not registered for GST, the amount we pay is the sum insured/limit of indemnity or the other limits of insurance cover including GST.
- (b) registered for GST, we will pay the sum insured/limit of indemnity or the other limits of insurance and where you are liable to pay an amount for GST in respect of an acquisition relevant to your claim (such as services to repair a Damaged item insured under the Policy) we will pay for the GST amount.

We will reduce the GST amount we pay for by the amount of any input tax credits to which you are or would be entitled if you made a relevant acquisition. In these circumstances, the Input Tax Credit may be claimable through your Business Activity Statement (BAS).

You must advise us of your correct Australian Business Number & Taxable Percentage.

Any GST liability arising from your incorrect advice is payable by you.

Where the settlement of your claim is less than the sum insured/limit of indemnity or the other limits of insurance cover, we will only pay an amount for GST (less your entitlement for Input Tax Credit) applicable to the settlement. This means that if these amounts are not sufficient to cover your loss, we will only pay the GST relating to our settlement of the claim.

We will (where relevant) pay you on your claim by reference to the GST exclusive amount of any supply made by any business of yours which is relevant to your claim.

GST, Input Tax Credit (ITC), Business Activity Statement (BAS) and Acquisition have the same meaning as given to those expressions in A New Tax System (Goods and Services Tax) Act 1999 and related legislation as amended from time to time.

Taxable Percentage is your entitlement to an Input Tax Credit on your premium as a percentage of the total GST on that premium.