

Marine Annual Cargo

Local Transit Insurance Policy



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Marine Annual Cargo Local Transit Insurance Policy

Your duty of disclosure

Before You enter into a contract of general insurance with an insurer, You have a duty, under the Insurance Contracts Act 1984, to disclose to the insurer every matter that You know, or could reasonably be expected to know, is relevant to the insurer's decision whether to accept the risk of the insurance and, if so, on what terms.

You have the same duty to disclose those matters to the insurer before You renew, extend, vary or reinstate a contract of general insurance.

Your duty however does not require disclosure of a matter:

- that diminishes the risk to be undertaken by the insurer
- that is of common knowledge
- that Your insurer knows or, in the ordinary course of its business, ought to know
- as to which compliance with Your duty is waived by the insurer.

Non-disclosure

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 may cancel the contract.

If Your non-disclosure is fraudulent, We 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:

Accidental

Means any unforeseen and unintended occurrence or event arising during transportation which results in loss or damage to the Goods and which could not have been expected by a person with actual knowledge of the means of transportation of the Goods.

Conveyances

Means any ship, vessel, aircraft, postal service, rail and road transport used to transport the Insured Goods.

Excess

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.

Where an excess is expressed as:

- a specified sum – it means the amount specified; **and**
- a percentage – it means the monetary equivalent of such percentage of each loss

provided that, 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.

Subject Matter Insured/Goods or Insured Goods

Means the type of Goods detailed in the Policy Schedule. Unless specifically listed in Your Policy Schedule, or agreed in writing by Us, We do not insure:

- domestic furniture, household goods, personal effects
- frozen and/or chilled meat, seafood or foodstuffs
- works of art or antiques
- 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
- plant, machinery and computers (which are not the primary Insured Goods) where the value on any one Conveyance or at any one location exceeds \$25,000
- tools of trade, electrical and electronic equipment.

Insured Transit

Means the transits specified in the Schedule and within the geographical limits specified in the Schedule and which occur during the Period of Insurance.

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.

Policy

Means this Policy wording, the current Schedule, and any endorsement, all of which are to be read together.

Premium

Means the Premium specified in the current Schedule, any endorsement Premium and any adjustment Premium in accordance with the Premium Adjustment clause.

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

For transits specified in the Schedule and happening within the Period of Insurance shown in the Schedule.

Commencement of cover

Transit commences for:

- general Goods – when each item of Goods is first moved for the specific purpose of loading on to the conveying vehicle for transit to a destination outside the premises
- livestock – 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 – 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.

Termination of cover

Cover terminates for:

- general Goods – when each item of Goods is placed inside the intended destination/receivers premises
- livestock – when each animal exits the loading ramp adjacent to the conveying vehicle at the intended destination/receivers premises
- motor vehicles – when the motor vehicle is parked on the loading dock adjacent to the conveying vehicle.

However, transit of the Goods, livestock or motor vehicle will terminate prior to final destination on discharge from the Conveyance, where the ordinary course of transit is interrupted by You to place the Goods, livestock or motor vehicle in any other warehouse or place of storage, whether prior to or at the destination named herein, for the purposes of storage other than in the ordinary course of transit or for allocation or distribution.

Continuation of cover

The Goods are also covered, where applicable:

- from the time of leaving the suppliers' warehouse en route to the packers' warehouse and whilst there for a period not exceeding 1 month prior to shipment
- where the Goods are over-carried to an incorrect destination, this Policy extends to cover them 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 providing they are stored in a secure area

- 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 arrival at the final destination within the geographical limits specified in the schedule

However, in no case shall transit extend beyond 72 hours after unloading of the Goods, livestock or motor vehicles from the final conveying vehicle.

We will indemnify You against loss or damage to the Goods:

- which are caused by the insured events listed in the cover option(s) agreed
- subject to the conditions contained in this Policy; **and**
- which occurs during any transit which commences during the Period of Insurance specified in the Schedule.

The cover options are specified below and the one(s) which You have selected is shown on the Policy Schedule.

Cover A Accidental damage

Accidental damage to Goods 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 or employed carrier resulting in variation in temperature for more than 4 hours, unless a different period is specified in the Policy Schedule.
- loss of or damage to the Goods during an Insured Transit (or any incidental storage period) caused by terrorism.

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 any person acting from a political, ideological or religious motive
 - 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
 - any act of terrorism, being an act of any person acting on behalf of or, which carries out activities directed towards the overthrowing or influencing by force or violence, any government whether or not legally constituted
 - acting from a political, ideological or religious motive.
- 'Terrorism' shall also include steps taken to prevent, suppress, control or reduce the consequences of any actual, attempted, anticipated, threatened, suspected or perceived terrorism.
 - 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 Your knowledge or connivance

- insufficiency or unsuitability of packing or preparation of the subject matter insured to withstand the ordinary incidents of the insured transit where such packing or preparation is carried out by You or Your employees or prior to the attachment of this insurance (for the purposes of this insurance, “packing” shall be deemed to include stowage in a container and “employees” shall not include independent contractors)
- General Average and/or Salvage contribution that You are required to pay under any Bill of Lading or similar 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 subject to the exclusions and general conditions below, provided that the animals are in a good state of health and fit for the Insured Transit 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.

Cover B Specified events

Loss or damage to the Goods and/or death of livestock that occurred during an Insured Transit, subject to the exclusions and conditions below, 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, jackknifing 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.
- wilful acts of a third party committed without Your knowledge or connivance
- 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 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 refrigerated Goods are specified in the Policy Schedule, this Cover B includes deterioration of the Goods following one of the insured events above
- where livestock are specified in the Policy Schedule, cover includes humane killing of livestock necessary as a result of one of the insured events 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.

Optional extensions

Where noted in the Policy Schedule, the Policy, subject to the existing cover terms and conditions is extended to cover the following:

Either Cover A or B

Traveller’s samples

Where noted in the Policy Schedule, We will cover You for loss or damage to the Goods caused by an insured event while temporarily removed for a period of not more than 72 hours from the conveying vehicle and kept in any hotel or private dwelling provided this loss or damage is not recoverable under any other policy of insurance.

Subject to a limit of \$10,000 for any one loss or series of losses arising from the one event provided that:

- the Goods are stored within a securely locked building; **and**
- the Goods remain in Your, or Your employee’s custody and control.

Tools of trade

Where noted in the Policy Schedule, We will cover You for loss or damage to tools of trade up to the limit per conveying vehicle specified in the Policy Schedule caused by:

- any of the events listed under Cover B above; **or**
- theft or pilferage of the tools following forcible entry into a securely locked vehicle or fixed carrying compartment (i.e. toolbox or enclosed tool trailer):
 - during customary business hours; **or**
 - whilst parked or garaged at Your premises or within the boundary of Your employee’s (or authorised custodian’s) private residence.

Provided that:

- the vehicle and/or fixed carrying compartment is of a fully enclosed design capable of being securely locked at all time; **and**
- windows, doors and openings of the vehicle or carrying compartment are securely locked when unattended and any alarms fitted to the vehicle are activated.

Exhibition and or demonstration clause

This Policy, subject to the existing cover terms and conditions, is extended to cover the Goods whilst at any exhibition or premises for a period not exceeding 21 days. However, damage caused by the Goods being in use for the purposes of demonstration or otherwise is excluded.

Subject to a limit of \$25,000 for any one loss or series of losses arising from the one event, provided these costs are not recoverable under any other policy of insurance.

Cover B only

Theft, pilferage and non-delivery

Where noted in the Policy Schedule, We will also cover You for theft, pilferage or non-delivery of the Goods.

Accidental dropping during loading or unloading

Where noted in the Policy Schedule, We will also cover You for loss or damage to the Goods caused by accidental dropping of the load during the process of loading or unloading.

Additional benefits

Whether cover A or B is selected, the following additional benefits are automatically included.

Accumulation clause

In the event that during transit or transshipment or after the arrival of the Conveyance at the destination in the event of any other accumulation of interests beyond the Policy limits due to interruption of transit and/or other circumstances beyond Your control, the Policy limits shown in the Policy Schedule will not apply provided that the accumulation of Your 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 limit of liability expressed in the Policy Schedule.

Brands and labels clause

Any damaged Goods bearing identifying brands or labels or other permanent markings or where an exclusive or secret formula may be involved, may be retained by You to dispose of as You see fit, provided a reasonable allowance is agreed for the value of the Goods and this allowance is deducted from the claim settlement.

Where only the labels or packaging are affected, We will pay You only the reasonable cost of reconditioning and/or replacing those labels or packaging.

Debris removal clause

If We pay a claim under this Policy for loss/damage to the Goods, We will also pay 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 \$25,000 for any one loss or series of losses arising from one event, and provided these costs are not recoverable under any other policy of insurance.

Delayed unpacking clause

Where packages are not opened on arrival, any concealed loss or damage caused by an insured event which becomes evident when the Goods are unpacked is recoverable under this Policy, as long as:

- the Goods are opened and inspected within a period of 90 days from the time the Goods enter the warehouse or place of storage at the destination named in the Policy; **and**
- the packages show no outward sign of loss or damage at the time of entry into the warehouse or place of storage.

However, We shall not pay for loss of, damage to or expense from such Goods which occurs after arrival at the warehouse or place of storage or destination.

Fumigation and Decontamination Expenses Clause

Subject to existing cover conditions We will cover the reasonable costs, charges and/or expenses necessarily incurred should the Goods on arrival at the port of destination be ordered by the appropriate authorities to be fumigated,

decontaminated and/or quarantined because of infestation or suspected infestation, including:

- Cost of actual fumigation, decontamination or quarantine and related charges; and
- Additional freight costs incurred to or from fumigation, decontamination or quarantine.

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

Subject to a limit of \$25,000 for any one loss or series of losses arising from the one insured event, provided these costs are not recoverable under any other policy of insurance.

Fumigation and Decontamination Damage Clause

This insurance covers loss or damage to the interest insured proximately, caused by any process of fumigation or decontamination including fire resulting from the application of heat during these processes.

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 \$200 per animal, with a maximum of \$20,000 for any one event in addition to the sum insured shown in the schedule
- 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 the livestock, up to a limit of \$200 per animal with a maximum of \$20,000 in total, in addition to the sum insured shown in the schedule.

Loss of media/data/information clause

We will pay for all claims for loss of information, data or media provided there is visible external evidence of damage from an insured event. The amount We will pay under this clause is the reasonable cost of rewriting the information or data.

Subject to a maximum limit of \$25,000 for any one loss or series of losses arising from one event and providing these costs are not recoverable under any other Policy of insurance.

Onforwarding costs

Where the Insured Transit is interrupted or terminated due to an insured peril or the insolvency or financial default of the carrier (provided this was outside Your control and You were unaware of it in the ordinary course of Your business), We will pay the extra costs of freight to forward the Goods to their intended destination, or to return same to the place from which they were dispatched, up to a maximum of 10% of the sum insured, as shown in the Policy Schedule, in addition to the sum insured shown in the Schedule

Own repairs clause

In respect of damage claims recoverable hereunder, where You are appointed to effect repairs, it is agreed that such repair costs shall be based on Your normal commercial rate for such repairs including Your normal element of profit.

The duration of the Insured Transit is extended where applicable from the time of leaving the supplier's warehouse en route to the packer's warehouse, including storage whilst in the ordinary course of transit and while there for a period not exceeding one month prior to shipment, but excluding any loss or damage caused by delay.

Packaging & containers clause

We will pay for loss of or damage to packaging (including packaging materials, shipping containers, crates, pallets or the like) while carried in Insured Transit caused by an insured event.

Subject to a maximum limit of \$25,000 for any one loss or series of losses arising from one event and providing these costs are not recoverable under any other policy of insurance.

Repacking Costs Clause

We will pay for loss of or damage to packaging in the event of the original shipping packages arriving at the final destination in a visibly damaged condition arising from an insured event, where it is an established custom of the insured's and or consignee's trade to deliver the Goods to the final customer's premises in the original shipping packages.

Sealed container clause

In respect of shipments in FCL containers, the fact that the container's seal is intact at unloading point shall not invalidate claims for theft, pilferage, shortage and non-delivery, provided that:

- documentary evidence is produced to substantiate the quantity loaded into a container
- documentary evidence is provided to substantiate sealing of the container
- You will assist Us to pursue every reasonable course of recovery from the suppliers and or the packers or other responsible parties
- all rights of recovery against the seller, packers or other responsible parties, where liability may attach are subrogated to Us.

Shutout clause

The duration of an Insured Transit is extended whilst waiting for an alternative Conveyance where Goods are shut out from the Conveyance at an intermediate place during the course of an Insured Transit.

Sorting charges clause

We will pay the reasonable costs incurred in the event of You and/or the consignee complying with surveyors instructions to separate shipping packages to ascertain possible loss arising from an insured event, even though a claim may not subsequently result hereunder.

Strikes diversion expenses

We will pay any reasonable additional expenditure incurred by You where carriers, shipowners, charterers or managers exercise a liberty granted to them by the contract of affreightment solely as a result of strikes, riots, civil commotions, lockouts or labour disturbances:

- the Goods are over carried to or discharged at a port other than the scheduled port of discharge under the contract of affreightment; **and**

- additional expenditure is necessarily incurred in unloading, storing and forwarding the Goods to their final destination.

The additional expenditure is payable irrespective of any other loss whether totally or partially recoverable under the terms of any other insurance.

In no case shall We be liable for any claims unless the liberty referred to in this clause is exercised prior to the expiry of 15 days from midnight on the day on which the strikes, riots, civil commotions, lockouts or labour disturbances cease to be in active operation.

Subject to a limit of \$25,000 for any one loss or series of losses arising from the one event and providing these costs are not recoverable under any other policy of insurance.

Exclusions and Other Cover Limitations

Despite anything to the contrary elsewhere in this Policy, this Policy does not cover:

- **Goods**, other than those listed in the Policy Schedule
- **events**, other than those listed in the cover option(s) listed in the Policy Schedule
- **transits**, other than that shown on the Policy Schedule
- **loss, damage, destruction, cost or expense of any nature directly or indirectly caused by or contributed to by or arising from any of the following:**
 - **delay, rejection, loss of market or consequential loss** of any description
 - **ordinary leakage, loss in weight or volume, wear and tear**
 - **inherent vice** (except for refrigerated Goods due to variation in temperature as provided in the 'Cover' section earlier)
 - **mould, moths, insects, rats or other vermin**
 - **electrical, mechanical or electronic breakdown** or malfunction including failure to recognise, interpret or process any date 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
 - **rust, oxidation or discolouration**, unless caused by an insured event
 - **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**
 - **in relation to livestock, inoculation and/or its after-effects, infectious diseases, abortion or loss/death of foetus**
 - **legal seizure, confiscation, nationalization or requisition** of the Goods
 - **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
 - **insolvency or financial default of the owners, managers, charterers or operators** of the conveying vehicle where, at the time of loading of the Goods, You are aware, or in the ordinary course of business should be aware, that such insolvency or financial default will prevent the transit being completed. This exclusion will not apply where the insurance has been assigned to the party claiming who has bought or agreed to buy the Goods in good faith under a binding contract
 - **theft of Goods when in Your care, custody or control** if the conveying vehicle, premises or building is not securely locked when unattended and alarms, if any, are not activated
 - **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 Insured Transit**, for example, pre-existing damage or damage occurring after the Goods have been unpacked at destination
- **arising from 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, biochemical 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.

Other Cover Limitations

Benefit of insurance and waivers of rights

The carrier or any other bailee cannot claim any benefit under this Policy.

Your rights are not prejudiced by any agreement exempting the carrier from liability but where any other person(s) is liable to compensate You for any loss or damage which is covered by this Policy but where You have agreed not to seek recovery of any moneys from that person(s), then We will not provide cover under this Policy for such loss or damage or may reduce Our liability under the Policy contract as permitted by law.

Coinsurance clause

If, at the time of any loss or damage to the Goods, there is any other current insurance, whether effected by You or any other person or persons, covering the same Goods, We will not be liable (where legally entitled) for more than the rateable proportion of the loss, damage or expense.

Deck shipments clause

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 Cover B.

Third party interests

You must let Us know the names and interests of any other party (e.g. financiers, owners or lessors) who You require to be covered by this insurance. We will protect their interests only if You have informed Us about them and they are noted on Your Policy Schedule.

How Much We Will Pay

As a result of an Insured event and subject to the terms, conditions, limitations and the maximum limit of liability shown in the Policy Schedule, plus the additional benefits, at Our option, We will pay You, or other parties agreed with You, the lesser of:

- the net invoice value covering the Goods whilst in transit (including freight if separately invoiced to the receiver); **or**
- 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, plus freight costs.

The following exceptions apply

Other provisions, works of art or antiques

The amount We will pay in the event of a loss will be:

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

New machinery

In the event of a claim for loss or damage to the Goods as a result of an insured event caused by a peril covered by the Policy, the amount recoverable under this Policy shall not exceed the cost of replacement or repair of the part or parts and additional charges for forwarding and refitting.

Duty incurred in the provision of replacement or repaired part(s) shall also be recoverable provided that full duty payable on the insured machine is included in the amount insured.

In no case shall the liability of the Underwriter exceed the insured value of the Goods.

Pairs and sets

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 insured 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

In the event of a claim for loss or damage to the Goods as a result of an insured event caused by a peril covered by the Policy, the amount we will pay will not exceed the cost of repairing or reinstating the 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 the insured value of the Goods. Where there is no specified insured value, nor an agreed basis of valuation to establish the same, the insured value shall be:

- in the case of a purchase or sale, the purchase or sale price plus the cost of packing and transport; **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 highest).

Duty incurred in the provision of replacement or repaired part(s) shall also be recoverable provided that full duty payable on the insured machine is included in the amount insured. In no case shall the liability of the Underwriter exceed the insured value of the Goods.

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 this Policy is based on the estimated amount of shipments or sales provided by You for the Period of Insurance. Unless otherwise agreed, You must advise Us within 3 months from the expiry of each Period of Insurance the actual amounts for the period which should include the actual value of all Goods for which We were at risk during the Period of Insurance.

For this reason, You are required to keep accurate records of such amounts 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 amounts 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 amounts 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 sendings will be required unless the Premium calculated on the actual sendings exceeds \$1,000.
- If the deposit Premium is more than \$1,000 but less than \$25,000, and the actual sendings vary to the estimated sendings by no more than 10%, then no adjustment or declaration of actual sendings will be required.

Cancellation

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
- failed to notify Us of any specific act or omission or such a notification as is required under the terms of this 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.

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.

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 Policy Schedule will be automatically reinstated without additional Premium.

Claims procedure

Where there is 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.
- Submit as soon as possible all written particulars, supporting documentation and correspondence regarding the event including invoices, statements or other documents evidencing the amount being claimed.
- Take reasonable measures to avoid or minimize any loss, damage or expense. We will pay the costs of such measures provided they are both reasonable and necessary.
- Properly preserve and exercise all rights against carriers, bailees or other third parties, specifically:
 - Do not release those parties from liability.
 - Deliver to the parties responsible a notice of intention to claim within 3 days of delivery.
 - Do not give clean receipts where the Goods are in doubtful condition except under written protest.
 - Where the delivery is made by container, ensure that the seals are examined immediately by a responsible official.
 - If a container is delivered damaged or with seals broken or missing or with seals other than as stated in the shipping documents, note the delivery docket accordingly and retain the seals for subsequent identification.
 - If the loss or damage is 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.
- Inform the police as soon as possible after a theft has occurred.
- 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. As soon as possible after the death of physical injury of livestock which may give rise to a claim against Us, You or Your legal representative must:
 - Advise Us as soon as possible all of the details known to You including the time and location of the death or physical injury of the livestock and any circumstances that will assist Us to investigate that death or physical injury. This information should be provided to Us in writing, including all supporting documentation such as invoices, consignment notes or letters that You have received from Your customer.
 - Take all reasonable steps to minimise the loss and avoid or minimise any further death or injury to the livestock. The reasonable cost of doing this will be reimbursed by Us under the 'Livestock Additional Costs Clause' in the 'Additional Benefits' section of this Policy. Any measures You or We take to save, protect or recover the livestock shall not be considered as a waiver or acceptance of abandonment or otherwise prejudice the rights of either party.
 - Not dispose of any livestock without giving Us the opportunity to examine same. However, notwithstanding that, if any livestock are required to be removed or disposed of from an accident site on the order of responsible officials, death of the animal is to be certified by a veterinarian or the official responsible.

Subrogation clause

When We settle a claim, We may pursue recovery rights against the carrier or any other third party who caused loss or damage to the Goods. You agree that:

- We may act in Your name in such recovery action; **and**
- You will give Us reasonable assistance with 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 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.

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.

Waiver of rights clause

Where another person(s) is liable to compensate You for any loss or damage which is covered by this Policy but You have previously agreed not to seek recovery from that person(s), then We will reduce Our liability under the Policy contract as permitted by law.

Notes

Contact details

CGU Insurance Limited

ABN 27 004 478 371

License No. 238291

GPO Box 9902
in Your capital city

Enquiries tel: 131 532

cgu.com.au



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A Division of CGU
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