ZURICH

Goods in Transit (Carriers) Insurance

Policy Wording



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Welcome to Zurich

About Zurich

The insurer of this product is Zurich Australian Insurance Limited (ZAIL), ABN 13 000 296 640, AFS Licence Number 232507. In this document, ZAIL may also be expressed as 'Zurich', 'we', 'us' or 'our'.

ZAIL is part of the Zurich Insurance Group, a leading multi-line insurance provider with a global network of subsidiaries and offices. With about 55,000 employees, the Zurich Insurance Group delivers a wide range of general insurance and life insurance products and services for individuals, small businesses, and mid-sized and large companies, including multinational corporations, in more than 170 countries.

Duty of Disclosure

Before you enter into an insurance contract, you have a duty to tell us anything that you know, or could reasonably be expected to know, may affect our decision to insure you and on what terms.

You have this duty until we agree to insure you.

You have the same duty before you renew, extend, vary or reinstate an insurance contract.

You do not need to tell us anything that:

- reduces the risk we insure you for; or
- is common knowledge; or
- we know or should know as an insurer; or
- we waive your duty to tell us about.

If you do not tell us something

If you do not tell us anything you are required to, we may cancel your contract or reduce the amount we will pay you if you make a claim, or both.

If your failure to tell us is fraudulent, we may refuse to pay a claim and treat the contract as if it never existed.

Our contract with you

This policy is a contract of insurance between the *insured* and Zurich and contains all the details of the cover that we provide.

This policy is made up of:

- the policy wording. It states what is covered, sets out the claims procedure, exclusions and other terms and conditions of cover;
- the proposal, which is the information you provide to us when applying for insurance cover;
- the most current policy *schedule* issued by us. The *schedule* is a separate document unique to the *insured*. It includes any changes, exclusions, terms and conditions made to suit the individual circumstances and may amend the policy; and
- any other written change otherwise advised by us in writing (such as an endorsement). These written changes vary or modify the above documents.

Please note, only covers shown in the *schedule* are insured. This document is used for any offer of renewal we may make, unless we tell you otherwise. Please keep your policy in a safe place. We reserve the right to change the terms of this product where permitted to do so by law.

Goods in Transit (Carriers) Insurance Policy Wording

Subject to the prior payment of, or *your* agreement to pay, the premium set out in the *schedule*, we agree to provide insurance as set out in this policy.

In issuing this policy, we have relied on the information contained in the proposal form and/or any other information given by *you* or on *your* behalf.

1. The cover

We insure *you* for loss of or damage to *goods,* or *death* of livestock on conditions as set out in the *schedule.*

When the cover applies

The insurance only applies to transits that commence during the *period of insurance* specified in the *schedule*, or during any subsequent period that we have accepted payment for.

1.1 At *your* request we will indemnify the owner of the *goods* against loss of or damage to *goods* or *death* of livestock:

1.1.1 arising from an event insured against while *goods* are in *your* custody or the custody of *your* subcontractors for the purpose of transit; and

1.1.2 occurring within the radius of transit and during the *period of insurance*, as specified in the *schedule,*

whether or not *you* are liable.

1.2 *You* may elect not to exercise *your* right to have us, regardless of *your* liability, indemnify the owner of the *goods* or livestock. If this happens the policy coverage described in 1.1 will remain in force and *you* can elect at any time to have us indemnify the owner of the *goods* for the loss, damage or *death*.

1.3 Cover option 1 – Comprehensive

If Cover option 1 – Comprehensive, is shown in the *schedule* the insurance is against:

1.3.1 loss of or damage to *goods* caused by accident or by the deliberate act of a third party; and

1.3.2 *death* of livestock caused by accident or natural causes.

1.4 Cover option 2 – Defined events

If Cover option 2 – Defined events, is shown in the *schedule* the insurance is against loss of or damage to *goods* or *death* of livestock following injury caused by any of the following events:

1.4.1 fire, explosion, lightning or flood;

1.4.2 collision, overturning, jackknifing or derailment of the conveying vehicle; and

1.4.3 impact of *goods* while on the conveying vehicle with something not on or part of that vehicle (other than water).

2. Conditions of cover

2.1 Conditions of insurance

The conditions of insurance are as specified in this policy wording, the *schedule* and attachments and any clauses referred to in the *schedule*, all of which are to be read together.

2.2 Basis of valuation

The agreed value of the *goods* is their invoice cost or value, plus any costs incidental to the insured transit that are not covered by the invoice. If there is no invoice value, their agreed value is their market value or the cost, at the time of the commencement of the insured transit, of replacing the *goods* with similar *goods* of the same age and condition. If the owner of insured *goods* is liable to pay Goods and Services Tax (GST) but is, or will be, entitled to an input tax credit under A New Tax System (Goods and Services Tax) Act 1999, the value of the insured *goods* is agreed to exclude GST to the extent of the input tax entitlement.

2.3 Limits on cover

2.3.1 The insurance is limited to the sum insured stated in the *schedule* for any one loss or series of losses arising from the same event.

2.3.2 If an excess is specified in the policy or *schedule, you* must bear that amount first in respect of a claim or series of claims resulting from an event insured against. Unless stated otherwise in the *schedule,* an excess does not apply to events insured under clause 1.4, whichever cover option applies.

2.4 Limits on Cover 1 – Comprehensive

2.4.1 Breakdown of refrigerating machinery

The insurance covers loss, damage or deterioration of refrigerated *goods* arising from a variation in temperature outside of the required temperature range, only if the variation results from:

(a) breakdown, malfunction or mismanagement of refrigerating machinery for a period of at least four consecutive hours. Each claim for mismanagement of refrigerating machinery is subject to an excess of 10 per cent of the value of the claim;

(b) fire, explosion, lightning or flood; or

(c) collision, overturning, jackknifing or derailment of the conveying vehicle.

2.4.2 Goods falling from the vehicle

The insurance covers loss or damage to *goods* caused by, or arising from, *goods* either falling from or becoming unsecured within the conveying vehicle but, cover only applies when *you* can satisfy us that all reasonable steps were taken to properly secure the *goods* on or within the conveying vehicle.

3. Extensions of cover

3.1 Legal costs

If an event insured against in either 1.3 or 1.4 occurs, in addition to the sum insured we will pay legal costs incurred with our written consent.

3.2 Insured's own equipment

If an event insured against in either 1.3 or 1.4 occurs, in addition to the sum insured we will pay for loss of or damage to *your* own equipment, not being part of or permanently attached to the conveying vehicle, up to a limit of $5,000 any one loss.

3.3 Removal of debris

If an event insured against in either 1.3 or 1.4 occurs, in addition to the sum insured we will pay for *removal of debris* including the reasonable cost of:

3.3.1 salvaging and onforwarding *goods* whether or not they are damaged;

3.3.2 mustering, agistment and onforwarding of livestock; and

3.3.3 irretrievable loss caused by livestock wandering off,

up to a limit of $50,000.

4. Optional extensions of cover

4.1 Additional expenses

If shown as included in the *schedule* and notwithstanding exclusion 6.2.2, this insurance is extended to indemnify *you* where *you* are legally liable to pay:

(a) compensation for consequential loss, including delay and loss of market, arising from loss of or damage to *goods* or *death* of livestock covered under either Cover option 1 or Cover option 2 (as selected); and

(b) interest and legal expenses awarded against *you* arising therefrom,

up to a limit of $100,000 any one loss or series of losses arising from the same event, but not exceeding $200,000 in the aggregate during the *period of insurance*, in addition to the sum insured stated in the *schedule*.

We will also pay, in addition to the above limit, legal costs incurred with our written consent, in the defence or settlement of any claim for compensation covered by this Optional extension of cover, provided that we may at any time pay such limit (after deduction of sum or sums already paid), or any lesser sums for which any claim or claims can be settled, and shall then be under no further liability in respect thereof, except for the payment of such legal costs incurred prior to such payment.

4.2 Optional events insured against

If Cover option 2 is selected and in each case if shown as selected in the *schedule* under 'Optional events insured against', the insurance is also against:

4.2.1 Theft, pilferage or non-delivery of goods

theft, pilferage or non-delivery of *goods*.

4.2.2 Loading and unloading of goods

accidental loss or damage to *goods* or *death* of livestock:

(a) occurring during *loading* by *you* onto the conveying vehicle; or

(b) occurring during *unloading* by *you* from the conveying vehicle.

4.2.3 Breakdown of refrigerating machinery

loss, damage or deterioration of refrigerated *goods* arising from a variation in temperature outside of the required temperature range resulting from:

(a) breakdown, malfunction or mismanagement of refrigerating machinery for a period of at least four consecutive hours. Each claim for mismanagement of refrigerating machinery is subject to deduction of an excess of 10 per cent of the value of the claim;

(b) fire, explosion, lightning or flood; and

(c) collision, overturning, jackknifing or derailment of the conveying vehicle.

5. Definitions

When used in this policy, *schedule* or endorsements the following definitions will apply:

5.1 Death

death means the expiration of livestock or their slaughter for humane reasons following injury.

5.2 Expropriation

expropriation means the lawful seizure, confiscation, nationalization or requisition of the *goods*.

5.3 Goods

goods means the subject matter insured, belonging to a third party, including livestock, shipping containers, flatracks and packaging.

5.4 Insured, You, Your

insured, you, your means the insured as named in the *schedule* or as otherwise defined in the policy.

5.5 Load/loading

load/loading means when livestock enters the conveying vehicle's loading ramp from the ground or loading dock until secured for transit in the conveying vehicle. For all other *goods load/loading* means when *goods* are first moved for the purpose of loading onto the conveying vehicle until placed on the conveying vehicle.

5.6 Nuclear or radioactive

nuclear or radioactive means the ionising radiations from or the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter or nuclear waste, weapon, device, fuel, installation, reactor or any component of these.

5.7 Period of insurance

period of insurance means the period of insurance stated in the *schedule*.

5.8 Removal of debris

removal of debris means if an insured event occurs we will pay the cost of removal and disposal of damaged *goods* or dead livestock, including the cost of cleaning the accident site, but does not mean any expense or liability of any kind incurred as a result of the actual or potential discharge, emission, spillage or leakage of any liquid or gas pollutant of any kind or nature beyond the road surface and the road verge at the accident site.

5.9 Schedule

schedule means the schedule attaching to and forming part of the policy, including any *schedule* substituted for the original *schedule*.

5.10 Storage

storage means the period of time *goods* are retained at *your* warehouse or other premises on the instruction or at the election of the owner of the *goods. Storage* does not include any period of time the insured *goods* are awaiting trans-shipment or on carriage or the livestock are being rested.

5.11 Terrorism

terrorism means any act(s) of any person(s) or organisation(s) involving:

5.11.1 the causing, occasioning or threatening of harm of whatever nature and by whatever means; or

5.11.2 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.

5.12 Unload/unloading

unload/unloading means when livestock commences movement towards the conveying vehicle's unloading ramp until discharged onto the ground or unloading dock. For all other *goods unload/unloading* means when *goods* are first moved for the purpose of unloading from the conveying vehicle until last moved by *you* in being delivered at the destination.

5.13 War or warlike activities

war or warlike activities 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.

6. Exclusions

The insurance does not cover loss of or damage to *goods* or *death* of livestock or any related expense that:

6.1 occurs:

6.1.1 during *storage*;

6.1.2 because the conveying vehicle is driven by a person impaired by drugs or alcohol or whose blood alcohol concentration exceeds the legal limit or who refuses an appropriate test unless *you* did not know or could not reasonably have known of the driver's impaired condition;

6.1.3 to *goods* that are owned, operated, hired or leased by *you*;

6.1.4 to *goods* while undergoing installation by *you*; or

6.2 arises from:

6.2.1 wear and tear, ordinary leakage, ordinary loss in weight or volume or inherent vice of the *goods*;

6.2.2 delay, loss of market or consequential loss of any description, except where and to the extent that Optional extension of cover 4.1 'Additional expenses' applies;

6.2.3 mechanical, electrical or electronic breakdown or malfunction of *goods* where there is no external evidence that an event insured against has occurred;

6.2.4 the deterioration of goods resulting from failure to maintain refrigerating machinery properly, notwithstanding anything under clauses 1.3 or 4.3;

6.2.5 intentional loss or damage by *you* or *your* subcontractors;

6.2.6 *war or warlike activities*;

6.2.7 *expropriation*;

6.2.8 anything *nuclear or radioactive*;

6.2.9 any chemical, biological, bio-chemical or electromagnetic weapon;

6.2.10 *terrorism*; *or*

6.2.11 fines, penalties or punitive damages.

7. Claims conditions

7.1 Claims procedure

When loss or damage happens which may give rise to a claim under this policy, *you* should take all reasonable measures to avert or minimise the loss and ensure that all rights against any third parties are properly preserved and exercised.

If the event involves theft, and theft is an insured event, or an accident has occurred involving a vehicle owned or operated by *you* or *your* subcontractors and another vehicle, *you* must notify the police as soon as possible and, if we require it, obtain a written police report.

You must notify us of what has happened and send us full details within 30 days, including details of any other insurance over the *goods*.

You must not authorise any repairs to the *goods* without our consent.

7.2 Claims settlement

In the event of a claim, we have the option of settling the loss by payment, repair, reinstatement or replacement.

7.2.1 Goods and Services Tax

In respect of any *goods,* services or other supply which are the subject of a claim under this policy we will pay the claimant for that GST liability. However:

(a) where we make a payment under this policy for the acquisition of *goods*, services or other supply, we will reduce the payment by the amount of any input tax credit the claimant is, 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 the acquisition is actually made; or

(b) where we make a payment under this policy as compensation for the acquisition of *goods*, services or other supply, we will reduce the payment by the amount of any input tax credit the claimant 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 supply.

7.2.2 Foreign currency invoice

If the amount of a claim is to be calculated based on an invoice in a currency other than Australian dollars, the claim will be paid in Australian dollars at the rate of exchange current at the date the loss or damage occurred.

7.3 Excess

In the event of a claim *you* must bear first the amount of any excess specified in the *schedule* or elsewhere in the policy wording.

7.4 Other insurance

When making a claim on this policy *you* must also supply us with written details of all policies that may pay or partially pay that claim.

7.5 Rights of subrogation

We are entitled to exercise any rights *you* may have against anyone else in relation to the *goods* for which we have settled a claim under this policy. *You* must cooperate fully with us in exercising those rights and must give us any information or assistance we may require.

8. General conditions

8.1 Applicable legislation

To the extent that this policy covers risks governed by Insurance Contracts Act 1984 (Cth).

8.2 Australian law and jurisdiction

This policy is subject to Australian law and jurisdiction.

8.3 Cancellation

You may cancel this policy at any time by notifying us in writing.

We may cancel this policy by giving *you* 30 days notice in writing. However, we may only do so in the circumstances set out in section 60 of the Insurance Contracts Act 1984 (Cth).

Within 30 days of the effective date of cancellation *you* must advise us of the actual figures for the period the policy has been in force to enable us to calculate the premium due for this period. The difference between this premium and the deposit premium will either be paid by or allowed to *you* but subject to retention by us of 75 per cent of the proportionate part of the original estimated annual premium regardless of the period the policy has been in force.

8.4 Conduct of claims

We are entitled to:

8.4.1 conduct on *your* behalf any legal proceedings or negotiations relating to claims made against *you*;

8.4.2 authorise *you* to defend any legal proceedings brought against *you* on the understanding that we will be kept fully informed and will be consulted and will participate in decision-making regarding liability or any negotiations with other parties; and

8.4.3 exercise any rights *you* may have against anyone else in relation to *goods* for which we have paid any amount under this policy.

You, and anyone else entitled to claim under this policy, must cooperate fully with us in exercising these rights and must give us any information or assistance we may require.

8.5 Notification of material change

You must notify us as soon as possible of any material change in the risk covered by this policy.

8.6 Plurals and titles

The proposal, this policy, the *schedule* and any endorsements are one contract in which, unless the context otherwise requires:

8.6.1 headings are descriptive only, not an aid to interpretation;

8.6.2 singular includes the plural, and vice versa; and

8.6.3 the male includes the female and neuter.

8.7 Premium and adjustments

You must pay us the deposit premium stated in the *schedule*. This is based on estimated figures for the *period of insurance* provided by *you* and *you* must keep accurate records of the equivalent actual figures. A statement of these actual figures (audited if requested) must be given to us within one month after the end of the *period of insurance.*

We will adjust the premium proportionally at the end of that period on the basis of *your* actual figures.

8.7.1 If the adjusted premium is higher than the deposit premium stated in the *schedule you* must pay us the difference unless the deposit premium is less than $25,000 and the variation between estimated and actual figures for the period is less than 10 per cent when no difference in premium is payable.

8.7.2 If the adjusted premium is lower than the premium stated in the *schedule* we must pay the difference to *you*. However, we are entitled to retain 75 per cent of the estimated annual premium the deposit premium was based on.

8.8 Reasonable care

You must take reasonable care to prevent loss, destruction, damage or *death* covered by this policy.

8.9 Sanctions regulation

Notwithstanding any other terms or conditions under this policy, Zurich shall not be deemed to provide coverage and will not make any payments nor provide any service or benefit to any *insured* or any other party to the extent that such cover, payment, service, benefit and/or any business or activity of the *insured* would violate any applicable trade or economic sanctions, law or regulation.

8.10 Third parties

If anyone else is entitled to make a claim under this policy, that person and/or entity must also comply with its terms.

8.11 Transfer

You may only transfer a right under this policy with our written consent.

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