

# Goods in Transit (Carriers) Policy Wording

This policy is issued by Richard Oliver Underwriting Managers Pty Ltd (ABN 66 006 649 341) on behalf of each of: QBE Insurance (Australia) Limited (ABN 78 003 191 035) (QBE) as to 70% and Allianz Australia Insurance Limited (ABN 15 000 122 850) as to 30% (together, the Insurers).

QBE and Allianz are liable under this policy for their respective share of liability only. References in this policy to "we", "us" or "our" are references to the Insurers in respect of their separate share of liability only.

## 1 The cover

1.1 The Insurer will at the request of the insured named in the schedule indemnify the owner of the goods or livestock specified in the schedule against loss of or damage to goods or death of livestock that

1.1.1 arises from an event insured against while in the custody of the insured or the insured's subcontractors and

1.1.2 occurs within the radius of transit and during the period of insurance, each as specified in the schedule, whether or not the insured is liable.

1.2 The insured may elect not to exercise the right it has regardless of its liability to have the insurer indemnify the owner of the goods or livestock. If this happens the policy coverage in 1.1 will remain in force and the insured can still elect at any time to have the insurer indemnify the owner of the goods for the loss damage or death. The insurer will in addition pay legal costs incurred with the consent of The Insurers.

1.3 If an event insured against occurs in the circumstances described in 1.1.1 and 1.1.2, the insurer will also pay

1.3.1 the cost of removal and disposal of damaged goods or dead livestock (this includes the cost of cleaning the accident site but not 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)

1.3.2 the reasonable cost of

1.3.2.1 salvaging and on forwarding goods whether or not they are damaged

1.3.2.2 mustering, agistment and on forwarding livestock

up to a limit of \$50,000 in total.

## 2 Events insured against

The insurance is for the events insured against under the Cover Option specified in the schedule.

## 3 Cover option 1 – comprehensive

The insurance is against

3.1 loss of or damage to goods (which includes shipping containers and flatracks) caused by accident or by the deliberate act of a third party

3.2 death of livestock caused by accident, natural causes or slaughter for humane reasons.

## 4 Limits on cover option 1

4.1 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

4.1.1 breakdown, malfunction or mismanagement of refrigerating machinery for a period of at least four consecutive hours but excluding deterioration resulting from failure to properly maintain refrigerating machinery. Each claim for mismanagement of refrigerating machinery is subject to deduction of an excess of 10% of the value of the claim.

4.1.2 fire, explosion, lightning or flood

4.1.3 collision, overturning, jackknifing or derailment of the conveyance.

4.2 Loss or damage to goods caused by or arising from goods either falling from or becoming unsecured within the conveyance is covered only if all reasonable steps are taken to properly secure the goods on or within the conveyance.

## 5 Cover option 2 – defined events

The insurance is against

- loss of or damage to goods (which includes shipping containers and flatracks)

- death (or slaughter for humane reasons following injury) of livestock caused by any of the following events:

5.1 fire, explosion, lightning or flood

5.2 collision, overturning, jackknifing or derailment of the conveyance carrying the goods or livestock

5.3 impact of goods or livestock while on the conveyance carrying them with something not on or part of that conveyance (other than water).

## 6 Optional events insured against under cover option 2

The insurance is also against the following events if specified in the schedule

### 6.1 TPNP

Theft, pilferage or non-delivery

### 6.2 Loading and unloading In relation to goods, accidental loss or damage caused during

- 6.2.1 loading by the insured from when each item of goods is first moved for the purpose of loading onto the conveyance until it is placed on the conveyance
- 6.2.2 unloading by the insured from when each item of goods is first moved for the purpose of unloading from the conveyance until it is last moved by the insured in being delivered at the destination. In relation to livestock, death of livestock caused during
- 6.2.3 loading, from when each animal enters the conveyance's loading ramp from the ground or loading dock until secured for transit on the conveyance
- 6.2.4 unloading, from when each animal commences movement toward the conveyance's unloading ramp until discharged onto the ground or loading dock.

### 6.3 BDM

Loss damage or deterioration of refrigerated goods arising from a variation in temperature outside of the required temperature range resulting from

- 6.3.1 breakdown, malfunction or mismanagement of refrigerating machinery for a period of at least four consecutive hours but excluding deterioration resulting from failure to properly maintain refrigerating machinery. Each claim for mismanagement of refrigerating machinery is subject to deduction of an excess of 10% of the value of the claim.
- 6.3.2 fire, explosion, lightning or flood
- 6.3.3 collision, overturning, jackknifing or derailment of the conveyance

**The following clauses apply to both cover options 1 and 2.**

### 7 Additional cover

- 7.1 The insurance covers loss of or damage to the insured's own equipment, not being part of or permanently attached to the conveying vehicle caused by any of the events insured under cover option 2, limited to \$5,000 any one loss.
- 7.2 The insurance covers irretrievable loss of livestock from wandering off following an insured event.

### 8 Limits on cover

- 8.1 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.
- 8.2 If an excess is specified in the policy or schedule the insured 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 5 whichever cover option applies. Page 6 of 8

### 9 Exclusions from cover

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

- 9.1 occurs
  - 9.1.1 during storage at the election of or on the instruction of the owner of goods or livestock
  - 9.1.2 if the conveyance carrying the goods or livestock 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 the insured did not know or could not reasonably have known of the driver's impaired condition.
- 9.2 arises from any of the following
  - 9.2.1 wear and tear, ordinary leakage, ordinary loss in weight or volume or inherent vice of the goods
  - 9.2.2 delay, loss of market or consequential loss of any description
  - 9.2.3 mechanical, electrical or electronic breakdown or malfunction of goods where there is no external evidence that an event insured against has occurred
  - 9.2.4 intentional damage by the insured or the insured's subcontractors
  - 9.2.5 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
  - 9.2.6 expropriation which means the lawful seizure, confiscation, nationalisation or requisition of goods or livestock
  - 9.2.7 anything nuclear or radioactive, meaning 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. However this exclusion does not apply to radioactive isotopes carried for agricultural, commercial, medical or scientific purposes
  - 9.2.8 any chemical, biological, bio-chemical or electromagnetic weapon
  - 9.2.9 terrorism, which means any act which may, or may not, involve the use of, or threat of, force or violence where the purpose of the act is to further a political, religious, ideological or similar aim or to intimidate or influence a government (whether lawfully constituted or not) or any section of the public. However this exclusion shall not apply to loss of or

damage to goods or death of livestock or any related expense caused by any terrorist or person acting from a political motive provided that such loss, damage, death or expense would have been covered by the events insured against but for this exclusion.

9.2.10 fines, penalties or punitive damages.

## **10 Valuing the goods or livestock**

The agreed value of the goods or livestock 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 or livestock with similar goods or livestock 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.

## **11 Premium and its adjustment**

The insured must pay the insurer the deposit premium stated in the schedule.

11.1 When the premium is based on estimated gross freight earnings for the period of insurance provided by the insured, the insured must keep accurate records of the equivalent actual gross freight earnings. A statement of these actual gross freight earnings (audited if requested) must be given to The Insurers within one month after the end of the period of insurance.

The Insurers will adjust the premium proportionally at the end of that period on the basis of the insured's actual gross freight earnings. If the adjusted premium is

11.1.1 higher than the deposit premium stated in the schedule the insured must pay the insurer 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% in which case no difference in premium is payable.

11.1.2 lower than the deposit premium stated in the schedule the insurer must pay the difference to the insured. However, the insurer is entitled to retain a minimum of 75% of the estimated annual premium on which the deposit premium was based.

11.2 When the premium is based on the number of vehicles operated by the insured, the insured must declare the number of vehicles and their registration numbers at the commencement of the policy period. If any vehicle is disposed of, replaced or added during the period of insurance, the insured must advise The Insurers within 14 days. If adjustment to the premium is required following disposal, replacement or addition, this will be calculated proportionally per vehicle to the expiry date. If the adjusted premium is higher than the premium stated in the schedule, the insured must pay the insurer the difference. If it is lower, the insurer must pay the difference to the insured.

## **12 Notification of material change**

The insured must notify The Insurers as soon as possible of any material change in the risk covered by this policy.

## **13 Reasonable care**

The insured must take reasonable care to prevent loss, damage or death covered by this policy.

## **14 Duties in relation to an event which may give rise to a claim**

When an event happens which may give rise to a claim under this policy the following rules apply.

14.1 The insured must do everything reasonable to prevent anything else happening which may give rise to or increase the amount of the claim.

14.2 The insured must do everything reasonable to make sure that any rights against anyone else in respect to the event are maintained.

14.3 If the event involves theft, and theft is an insured event, or an accident has occurred involving a vehicle owned or operated by the insured or its subcontractors and another vehicle, the insured must notify the police as soon as possible and, if The Insurers requires it, obtain a written police report.

14.4 The insured must notify The Insurers immediately of what has happened and send it full details of what has happened and of any other insurance over the goods or livestock, within 30 days.

14.5 The insured must not authorise any repairs to the goods without the consent of The Insurers. The insurer will reimburse the insured for charges reasonably incurred to prevent or minimise an insured loss or to protect rights in relation to the event.

## **15 Settlement of claims**

The insurer has the option of settling a claim by payment, repair, reinstatement or replacement.

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

15.1.1 where the insurer makes a payment under this policy for the acquisition of goods, services or other supply the insurer will reduce the amount of 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

15.1.2 where the insurer makes a payment under this policy as compensation for the acquisition of goods, services or other supply the insurer will reduce the amount of 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.

## **16 Third parties**

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

## **17 Conduct of claims**

The insurer is entitled to

- 17.1 conduct on the insured's behalf any legal proceedings or negotiations relating to claims made against the insured or
- 17.2 authorise the insured to itself defend any legal proceedings brought against it on the understanding that the insurer will be kept fully informed and will be consulted and will participate in decision-making regarding liability or any negotiations with other parties and
- 17.3 exercise any rights the insured may have against anyone else in relation to goods or livestock for which the insurer has paid any amount under this policy. The insured and anyone else entitled to claim under this policy must cooperate fully with The Insurers in exercising these rights and must give The Insurers any information or assistance it may require.

## **18 Transfer**

The insured may only transfer a right under this policy with the written consent of The Insurers.

## **19 Cancellation**

The insured may cancel this policy at any time by giving The Insurers notice in writing. The Insurers may cancel it for the insurer by giving the insured 30 days notice in writing. However, it may only do so in the circumstances set out in section 60 of the Insurance Contracts Act 1984.

## **20 What to do if you have a complaint**

If you have a concern about this insurance product, a decision on your claim, the service provided by The Insurers or its agents, loss adjusters or investigators, please contact your nearest local The Insurers office and they will help you in any way they can. If they or their manager are unable to resolve the matter, please ask to be referred to a Dispute Resolution Officer. The Dispute Resolution Officer will investigate and try to reach a satisfactory outcome. Our Dispute Resolution process is a free service to you by The Insurers.

# IMPORTANT PROCEDURES

**The Information set out below is relevant to any new business, renewal, variation, extension or reinstatement of any existing insurance.**

If your policy insures you against marine risks and/or risks incidental to marine risks, your policy is probably governed by the Marine Insurance Act, 1909. However, it is possible in some circumstances that your policy may not be governed by the Marine Insurance Act, and if that is the case it will be governed by the Insurance Contracts Act 1984. The rights and obligations between you and the insurer are dependant upon which Act applies. Under the Insurance Contracts Act insurers have to provide you with certain information. This information is set out below. They do not have to provide you with this information if the Marine Insurance Act applies to your policy. Nevertheless, we have set out your duty of disclosure under the Marine Insurance Act so you can see where it differs from your duty of disclosure under the Insurance Contract Act. If you need any further guidance or assistance in relation to the matters set out below you should contact your professional adviser or contact us.

Since there is no standard policy wording for the type of insurance to which this contract relates it is most important that you understand the risks that are covered or are to be covered by your policy and that these are the risks against which you requested cover when entering into the insurance contract or any variation thereto.

It is important that you carefully read your policy and any variation thereto, understand all of its provisions and exclusions and agree to them. All insurance documents are important and should be retained by you as should any documentation that supports the value of what you are insuring.

## INSURANCE SUBJECT TO THE INSURANCE CONTRACTS ACT 1984

**DUTY OF DISCLOSURE** – Before you enter into a contract of general insurance with Insurers, you have a duty, under the Insurance Contract Act (1984) to disclose to Insurers every matter that you 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 does not require disclosure of matter: that diminishes the risk to be undertaken by the Insurers; that is common knowledge; that the Insurers know, or in the ordinary cause of their business, ought to know; as to which compliance with your duty is waived by the Insurers.

**NON DISCLOSURE** – If you fail to comply with your duty of disclosure, the Insurers may be entitled to reduce their liability under the contract in respect of a claim or may cancel the contract. If your non-disclosure is fraudulent the Insurers may also have the opinion of avoiding the contract from the beginning.

**AVERAGE (ALSO KNOWN AS CO-INSURANCE)** – This insurance or proposed insurance may be subject to the conditions of "average". This will be shown in the proposal form, the information supplied therewith or in your policy documentation. If "average" applies, this means that you will only recover the proportion of your loss which the insured value bears to the full value of the Interest insured. For example, if the Interest insured is valued at \$15,000 but only insured for \$10,000 and damage of \$900 occurs, the insurers will pay

$$[\$10,000 / \$15,000] \times \$900 = \$600$$

**EXCESS** – If this insurance or proposed insurance shows an "Excess" in the schedule or policy wording this is the sum of money the insurers will not pay in respect of a claim for loss or damage and/or liability.

## INSURANCE SUBJECT TO THE MARINE INSURANCE ACT 1909

You are reminded of your duty to disclose, before the contract is concluded, every material circumstance known to you or which ought to be known by you, in respect of the risk proposed or insured. A circumstance is material if it would influence the judgement of a prudent insurer in fixing the premium or deciding whether he will take the risk. You have the same duty to disclose those matters to the insurers before you renew or alter your contract if it is governed by the Marine Insurance Act. The duty does not require disclosure of circumstances: that diminish the risk to be undertaken by the insurers; that the insurers know, or in the ordinary course of their business, ought to know; as to which information is waived by the insurers.

## GENERAL INSURANCE CODES OF PRACTICE

The Insurers proudly support the General Insurance Code of Practice. The purpose of the Code is to raise the standards of the practice and service in the General Insurance Industry. The Code does not apply to all contracts of insurance. Generally it will not apply to Contracts of insurance governed by the Marine Insurance Act except for contracts insuring pleasure craft and the transit of domestic and household goods. The Code aims to improve:

- the quality, comprehension and accuracy of policy documents and other information provided to consumers
- employee and agent training
- claims handling.

The Code also provides for both internal and external dispute resolution processes. For information on both these free services contact The Insurers in your state.

**SHOULD YOU HAVE ANY QUERIES PLEASE DO NOT HESITATE TO CONTACT YOUR BROKER, THE AGENT OR THE INSURERS, WHO WOULD BE PLEASSED TO ASSIST.**

