



A Company of **Allianz** 



# ANNUAL COMBINED CARGO INSURANCE

POLICY DOCUMENT  
AUSTRALIAN MARKET

# REST EASY. OUR KNOWLEDGE RUNS DEEP.

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## **AM&T is a specialist in marine and transit insurance.**

The team at AM&T specialise in the complex world of marine and transit insurance.

At AM&T, We provide specialist knowledge, superior service and support, all with the security of knowing Your Policy is backed by the global strength of Allianz.

The insurer is Allianz Australia Insurance Limited (Allianz)  
AFS Licence No. 234708, ABN 15 000 122 850  
GPO Box 9870 Melbourne VIC 3000.



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# Introduction and important notices

## Introduction

Welcome and thank You for choosing Our Annual Combined Cargo Insurance Policy.

This is an important document. You should read it carefully before making a decision to purchase this insurance. It will help You to:

- decide whether this insurance will meet Your needs; and
- compare it with other products You may be considering. Please note that any recommendation or opinion in this document is of a general nature only and does not take into account Your objectives, financial situation or needs.

You need to decide if this insurance is right for You and You should read all of the documents that make up the Policy to ensure You have the cover You need.

## About AM&T and Allianz

The insurer is Allianz Australia Insurance Limited AFS Licence No. 234708 ABN 15 000 122 850.

Allianz is one of Australia's largest general insurers. We utilise years of local expertise, combined with global experience to offer a wide range of products and services to Our customers. As a member of the worldwide Allianz Group, We are committed to continuous improvement of Our products and services and strive to achieve this through knowledge transfer within the Group, dedicated technical research units, sharing new product developments and a wide range of risk management services globally.

In the Policy document We refer to Allianz Australia Limited as "We", "Us", "Our" and "Allianz".

AM&T (Allianz Marine & Transit Underwriting Agency Pty Limited ABN 98 155 554 279, AFS Representative No. 423910) is an Australian organisation specialising in Cargo, Commercial Hull and Marine Liability insurance. AM&T have been given a "binding" authority by Allianz to issue, vary and dispose of this insurance and settle claims as agents of Allianz as if they were Allianz the insurer.

## Our contract with You

Where We agree to enter into a Policy with You it is a contract of insurance between Us and You (see the definition of "You" for details of who is covered by this term). We only cover those parties shown in the Schedule unless otherwise stated in the Policy as being a person or entity entitled to cover. If more than one person is insured under the Policy, a failure or wrongful action by one of those persons may adversely affect the rights of any other person insured under the Policy.

We cover You in accordance with the insurance as described in this Policy, for the Period of Insurance shown on the Schedule and for any subsequent period where renewal may be agreed. The maximum amount We will pay under the Policy will not exceed the Sum Insured shown on the Schedule unless otherwise specified herein.

You are required to comply with the terms and conditions of the Policy. Please remember that if You do not comply with any term or condition, We may (to the extent permitted by law) decline or reduce any claim payment to the extent We are prejudiced by Your noncompliance and/or cancel Your Policy.

The Policy consists of:

- this document which sets out the standard terms of Your cover and its limitations;
- Your current Schedule issued by Us. The Schedule is a separate document, which shows the insurance details relevant to You. It may include additional terms, conditions and exclusions relevant to You that amend the standard terms of this document; and
- any other change to the terms of the Policy otherwise advised by Us in writing (such as an Endorsement) before You enter into the Policy. These written changes may vary or modify the above documents where required or permitted by law.

These are all important documents and should be carefully read together and kept in a safe place for future reference. When You enter into the Policy You confirm and warrant that You have read or will read the Policy documents when provided to You. Any new or replacement Schedule We may send You, detailing changes to Your insurance or the Period Of Insurance, will become the current Schedule, which You should carefully read and retain.

We reserve the right to change the terms of this insurance where permitted to do so by law.

## Summary of the covers available

Please note that this is a limited summary only and not a full description of the covers. The Policy is made up of two sections. You need to read the cover sections and the Policy to properly understand the cover.

### • Section 1 – Transits within Australia

This section covers You for loss of or damage to the Goods described in the Schedule whilst in Transit within the Geographical Limits specified in the Schedule.

- **Section 2 – Imports to and exports from Australia**

This section covers You for loss of or damage to the Goods described in the Schedule imported to Australia or Exported from Australia or as otherwise agreed and specified in the Schedule.

Each of these sections provide for different voyages and Conditions of Cover as detailed in each section of the Policy. You need to read the cover sections and the Policy to properly understand the cover. As Sections 1 and 2 may be subject to different laws (e.g. the Insurance Contracts Act and the Marine Insurance Act), each section (comprising the information contained in the Schedule, in the Policy wording and in any Endorsement) must be read in conjunction with the general conditions and general exclusions and other documents setting out the terms of the Policy that have been issued by Us before You have entered into the Policy or when required or permitted by law, as though it were a separate policy.

You are not automatically insured under each section. You are only covered for the sections that are specified in the Schedule.

## Understanding Your Policy and its important terms and conditions

To properly understand the significant features, benefits and risks of this insurance You need to carefully read:

- about each of the available types of cover and benefits and exclusions in the relevant Sections One and Two (the standard cover provided under each section can be affected by the following);
- the rest of this “Introduction” section – this sets out how You apply for cover, the basis on which We insure You, the duty of disclosure You need to meet before We insure You, Our privacy information, Our dispute resolution procedures and other important information;
- the “Words with special meaning” section – this sets out what We mean by certain words used in the Policy. These words begin with a capital letter throughout this document;
- the “General Policy exclusions applicable to all sections” section – this sets out the general exclusions and limitations that apply to all covers and benefits;
- the “General Policy conditions applicable to all sections” and “Claims” sections – these set out certain general rights and obligations that You and We have and other cover restrictions;
- all of the documents that make up the Policy, including the Policy Schedule and any Endorsements or other written changes to the cover We issue You with – these contain specific details relevant to You and can affect the cover.

Headings are provided for reference only and do not form part of Your Policy for interpretation purposes.

## Applying for cover

When You apply by completing Our application process You need to provide the information We require to determine whether to issue a Policy and if so, on what terms, including (to the extent they are optional):

- the covers and benefits You want (including the Goods You wish to cover);
- the limits You want;
- the period of cover You want;
- whether You want any third parties to be noted as having an interest;
- the Excesses that You agree to contribute for certain claims;
- whether any standard terms need to be varied (this may be by way of an Endorsement).

Where We agree to issue a Policy, cover is provided on the basis:

- that You have paid or agreed to pay Us the Premium for the cover provided;
- of the verbal and/or written information provided by You which must have given in accordance with Your duty of disclosure either verbally or in writing.

Your duty of disclosure and the consequences of nondisclosure, are provided under the heading ‘Your Duty of Disclosure’.

## Renewal procedure

Before Your Policy expires, We will advise You whether We intend to offer renewal and if so on what terms. This Policy wording also applies for any other renewal We make, unless We tell You otherwise.

It is important that You check the terms of any renewal before renewing to satisfy Yourself that the details are correct. In particular check the Sum Insured amounts to ensure the levels of cover are appropriate for You and that the covers selected suit Your needs, allowing for any changes in Your business since the Policy was originally taken out.

Please note that You need to comply with Your Duty of Disclosure (see page 5) before each renewal. In particular, You must inform Us regarding any changes to the Goods being shipped, maximum limit any one Conveyance, Geographical Limits or Sendings/Turnover.

## Contact for assistance or confirmation of cover

If You need to confirm any Policy transaction or clarify any of the information contained in this Policy or, if You have any other queries, please contact Your intermediary.

## Your Duty of Disclosure

Before entering into a contract of general insurance with Us, You have a duty, under the Insurance Contracts Act 1984 and the Marine Insurance Act 1909 (as applicable) to disclose to Us every matter which:

- You know; or
- a reasonable person in the circumstances could be expected to know,

is relevant to Our 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 us before you renew, extend, vary or reinstate a contract of general insurance.

This duty of disclosure applies until the contract is entered into (or renewed, extended, varied or reinstated as applicable).

Your duty however does not require disclosure of any matter:

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

## Non-disclosure

### Where the Insurance Contracts Act applies

Where the Insurance Contracts Act 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 to the extent our interests are prejudiced by your failure to comply with the duty of disclosure, cancel the contract or both;
- Your non-disclosure is fraudulent, We may also have the option of avoiding the contract from its beginning.

### Where the Marine Insurance Act 1909 applies

Where the Marine Insurance Act 1909 applies, if You fail to comply with Your duty of disclosure, We may avoid the contract from its beginning.

## Who must tell Us?

Everyone who is insured under the Policy must answer the questions in this way.

## Alteration of risk

### Where the Insurance Contracts Act applies

If You become aware of any changes to the facts or circumstances which existed when this insurance commenced that You know or ought reasonably to have known is relevant to Our decision to insure You and the

terms on which We will insure You (for example, the nature of Your business operations, or other circumstances that affect the insured Goods carried) You must notify Us as soon as reasonably possible in writing. If You do not, We may reduce or refuse Your claim to the extent We are prejudiced by Your delay. If We agree to the change We will do so in writing and You must pay Us any additional Premium We require. We may cancel Your Policy if there is a change and We can't reach an agreement with You on altered terms and conditions or premium; or We are no longer prepared to insure You because there has been a material change to the risk.

## Where the Marine Insurance Act applies

You must give Us notice in writing as soon as reasonably possible, if there is any material change in the circumstances or nature of the risks covered by this Policy that You know or ought reasonably to have known is relevant to Our decision to insure You and the terms on which We will insure You, or no claim arising after the change shall be payable unless We have agreed to the change in writing. If You do not, We may reduce or refuse Your claim to the extent We are prejudiced by Your delay. We may cancel Your Policy if there is a change and We can't reach an agreement with You on altered terms and conditions or premium; or We are no longer prepared to insure You because there has been a material change to the risk.

## Premium

Your Premium – the base Premium We charge is calculated based on a number of factors such as:

- type of Goods to be insured, where the Goods are to be transported to and from, the Sendings or Turnover, the cover and Sum Insured required, Your insurance history etc;
- Our obligation to pay relevant government taxes and charges. For example, GST payable in relation to the Policy.

Minimum Premiums may apply. When You apply for this insurance, You will be advised of the total Premium amount payable, when it needs to be paid and how it can be paid.

This amount will be set out in the Schedule, which will be sent to You after commencement of cover under the Policy. If You fail to pay the Premium We may reduce any claim payment by the amount of Premium owing and/or cancel the Policy in accordance with the process set out in the "Cancellation rights" section. Special rights and obligations apply to instalment Premium payments as set out below.

## Non payment of Premium by instalments – Right to refuse a claim and/or cancel Your Policy

Where You pay Your Premium by instalments, You must ensure that they are paid on time. We will notify You if an instalment has not been paid and we will try to deduct the overdue amount along with your next regular payment. If the next attempt to deduct the outstanding amount fails, we will cancel your policy for non-payment. We will send you a notice advising you of cancellation, and cancellation will be effective 14 days from the date on this notice.

### Instalment Premium service fee

In some cases a service fee will apply where You select to pay Your Premium by instalments. We tell You the total amount payable when You apply and when and how it can be paid. This is confirmed in the Schedule We issue to You.

## How to make a claim

If You need to make a claim under the Policy, please refer to the "Claims procedures" section on page 31.

## Cancellation

- a) You may cancel the Policy at any time by notifying Us in writing.
- b) We have the right to cancel the Policy where permitted by law.

## Where the Insurance Contracts Act 1984 applies

We can cancel the Policy:

- if You failed to comply with Your Duty of Disclosure; or
- where You have made a misrepresentation to Us during negotiations prior to the issue of the Policy; or
- where You have failed to comply with a provision of the Policy, including payment of Premium; or
- where You have made a fraudulent claim under Your Policy or under some other contract of insurance that provides cover during the same period of time that Our Policy covers You.

## Where the Marine Insurance Act 1909 applies

- a) We may cancel this Policy in the event of non- payment of the Premium or for any other reason available at law by giving notice as follows:

### Marine Risks

Subject to 30 days notice of cancellation.

### War Risks

Subject to 7 days notice of cancellation.

Strikes Riots and Civil Commotions Risks Subject to 7 days notice in writing, except for consignments to and/ or from the United States of America which is subject to 48 hours notice in writing.

- b) If We decide to cancel Your Policy We will give written notice to You personally or by post to Your last known address or, Your intermediary as may be appropriate. Such notice will be effective from the expiry of the stipulated period calculated from midnight of the day on which notice of the cancellation is issued by or to Us but shall not apply to any Goods which have commenced Transit in accordance with the conditions of this Policy before cancellation becomes effective.

A posted notice is deemed given to You at the time it would have been delivered in the normal course of the postal service.

- c) In the event that You or Us cancel the Policy, We may elect to apply the minimum Premium provision set out in the Declaration of Actual Turnover Clause or deduct a pro rata proportion of the Premium for time on risk and any government taxes or duties We cannot recover. In the event that You have made a claim under the Policy and We have agreed to pay the full Sum Insured, no return of Premium will be made.
- d) If the Premium has been funded by a Premium funding company which holds a legal right over the Policy by virtue of a notice of assignment and/or irrevocable power of attorney, a refund will be made to the Premium funding company in accordance with the provisions set out above.

## Privacy notice

At Allianz, We give priority to protecting the privacy of Your personal information. We do this by handling personal information in a responsible manner and in accordance with the *Privacy Act 1988 (Cth)*.

### How We collect Your personal information

We usually collect Your personal information from You or Your agents. We may also collect it from Our agents and service providers; other insurers and insurance reference bureaus; people who are involved in a claim or assist Us in investigating or processing claims, including third parties claiming under Your Policy, witnesses and medical practitioners; third parties who may be arranging insurance cover for a group that You are a part of; law enforcement, dispute resolution, statutory and regulatory bodies; marketing lists and industry databases; and publicly available sources.

### Why We collect Your personal information

We collect Your personal information to enable Us to provide Our products and services, including to process and settle claims; make offers of products and services provided by Us, Our related companies, brokers, intermediaries, business partners and others that We have an association with that may interest You; and conduct market or customer research to determine those products or services that may suit You. You can choose not to receive product



or service offerings from Us (including product or service offerings from Us on behalf of Our brokers, intermediaries and/or Our business partners) or Our related companies by calling the Allianz Direct Marketing Privacy Service Line on 1300 360 529, EST 8am-6pm Monday to Friday, or going to our website's Privacy section at [www.allianz.com.au](http://www.allianz.com.au).

If You do not provide Your personal information We require, We may not be able to provide You with Our services, including settlement of claims.

### **Who We disclose Your personal information to**

We may disclose Your personal information to others with whom We have business arrangements for the purposes listed in the paragraph above or to enable them to offer their products and services to You. These parties may include insurers, intermediaries, reinsurers, insurance reference bureaus, related companies, our advisers, persons involved in claims, external claims data collectors and verifiers, parties that We have an insurance scheme in place with under which you purchased your policy (such as a financier or motor vehicle manufacturer and/or dealer). Disclosure may also be made to government, law enforcement, dispute resolution, statutory or regulatory bodies, or as required by law.

### **Disclosure overseas**

Your personal information may be disclosed to other companies in the Allianz Group, business partners, reinsurers and service providers that may be located in Australia or overseas. The countries this information may be disclosed to will vary from time to time, but may include Canada, Germany, New Zealand, United Kingdom, United States of America and other countries where the Allianz Group has a presence or engages subcontractors. We regularly review the security of Our systems used for sending personal information overseas. Any information disclosed may only be used for the purposes of collection detailed above and system administration.

### **Access to Your personal information and complaints**

You may ask for access to the personal information We hold about You and seek correction by calling 1300 360 529 EST 8am-6pm, Monday to Friday. Our Privacy Policy contains details about how You may make a complaint about a breach of the privacy principles contained in the *Privacy Act 1988 (Cth)* and how We deal with complaints. Our Privacy Policy is available at [www.allianz.com.au](http://www.allianz.com.au).

### **Telephone call recording**

We may record incoming and/or outgoing telephone calls for training or verification purposes. Where We have recorded a telephone call, We can provide You with a copy at Your request, where it is reasonable to do so.

### **Your consent**

By providing Us with personal information You and any other person You provide personal information for, consent to these uses and disclosures until You tell Us otherwise. If You wish to withdraw Your consent, including for things such as receiving information on products and offers by Us or persons We have an association with, please contact Us.

### **General Insurance Code of Practice**

The General Insurance Code of Practice was developed by the Insurance Council of Australia to further raise standards of practice and service across the insurance industry.

The Code Governance Committee (CGC) is an independent body that monitors and enforces insurers' compliance with the Code.

You can obtain more information on the Code of Practice and how it assists You by contacting Us via Our website: [amandtaustralia.com.au](http://amandtaustralia.com.au)

For more information on the Code Governance Committee (CGC) go to <https://insurancecode.org.au/>

### **Dispute resolution process – helping You solve any problems**

If you are dissatisfied with our service in any way, please contact us and we will attempt to resolve the matter in accordance with our internal dispute resolution procedures.

### **Here is what to do if a complaint or dispute arises**

Regardless of whether the complaint or dispute involves Our staff, an agent, loss adjuster, assessor, investigator or the service We provide, simply contact Us on 13 2664 EST 8am-6pm, Monday to Friday, speak to one of Our operators and provide them with the details of the issue concerning You. They will attempt to resolve the complaint or dispute; if they are unable to do so they will log it and refer it to the appropriate business unit for resolution.

Within Our organisation We have established a complaints and disputes resolution process. This is a free service. It is a system designed to log, track, escalate and monitor complaints received from clients and customers about Our services and products. A staff member involved in the complaints and disputes resolution process will write to You within 15 working days advising the outcome of the review and reasons for their decision. We do not consider a complaint or dispute to be resolved until a proposed resolution or solution has been communicated to You and You have accepted the resolution or solution.

## If You are not satisfied with the outcome of this process

If we do not make a decision within the period that we tell you we will respond, we will tell you about your right to lodge a complaint with an external dispute resolution scheme.

If you are not happy with our response, you can refer your complaint to AFCA subject to its terms of reference. AFCA provides a free and independent dispute resolution service for consumers who have general insurance disputes falling within its terms.

AFCA's contact details are:

The Australian Financial Complaints Authority

Online: [www.afca.org.au](http://www.afca.org.au)

Phone: 1800 931 678

Email: [info@afca.org.au](mailto:info@afca.org.au)

Mail: GPO Box 3 Melbourne VIC 3001

For more information on how we handle complaints you can request a copy of our procedures via our website [amandtaustralia.com.au](http://amandtaustralia.com.au).

## If this insurance has been issued through an insurance intermediary

If Your Policy has been issued through Our agent, or a broker who is acting under an agency arrangement such as a binder with Us, then they are acting as Our agent and not as Your agent.

If Your Policy has been issued by a broker, other than a broker acting under such an agency arrangement with Us, then the broker is acting as Your agent.

Where this Policy has been arranged through an intermediary a commission is payable by Us to them for arranging the insurance.

## Financial Claims Scheme

In the unlikely event Allianz Australia Insurance Limited were to become insolvent and could not meet its obligations under the policy, a person entitled to claim may be entitled to payment under the Financial Claims Scheme. Access to the Scheme is subject to eligibility criteria. More information can be obtained from <http://www.fcs.gov.au>.

# Words with special meaning

**Accident or Accidental** means an event or occurrence which results in loss or damage to the Goods that You did not intend or expect to happen or could not reasonably have been expected by a person with actual knowledge of the Goods and method of transport.

**Average or Coinsurance** means, if the value of the Goods insured under this Policy shall at the time of loss or damage be of greater value than the Sum Insured specified in the Schedule, We shall only pay You the proportional amount that the total value of the loss bears to the Sum Insured specified in the Schedule.

**Basis of Valuation** means the agreed formula that We will use to calculate how much We will pay You in the event of loss or damage. This is as stated in this Policy on page 22, unless otherwise agreed and specified in the Schedule.

**Certificate of Insurance** means the document bearing details of the Policy either issued by You or by Us certifying that insurance covers a particular shipment of Goods.

CIF is Cost, Insurance and Freight.

CFR is Cost and Freight.

**Conditions of Cover** means the cover that We are providing under this Policy as specified in the Schedule.

**Constructive Total Loss** means either:

- a) the actual total loss of the Goods appears to be unavoidable; or
- b) to prevent the Goods from being a total loss would cost more than their value when preserved.

**Conveying Vehicle, Conveyance** means any ship, vessel, aircraft, rail and road transport used to transport the insured Goods, including Your own vehicles where applicable.

**Deliberate Third Party Act** This includes:

- deliberate damage by Federal, State or Local authorities exercising their rights under current legislation in order to prevent or minimise an environmental hazard/pollution resulting from an Insured Event and provided this has not resulted from Your lack of due diligence;
- the deliberate act of any party other than You which was committed without Your knowledge or connivance.

**Due Care** means the exercising by You of appropriate levels of prudence and caution in:

- the selection of, and provision of handling instructions to, third party transport service providers;
- the selection of packaging appropriate to protect the Goods;

- the handling, storage and movement of Goods by You including:
  - (i) security measures to protect the Goods against theft where appropriate based on the nature of the Goods whilst either in Your vehicle or whilst temporarily removed from the Conveying Vehicle;
  - (ii) the maintenance of Your Conveying Vehicles (including refrigeration machinery and security devices) in proper repair and sound working condition;
  - (iii) the employment of competent drivers and other employees involved in transport or handling of Goods; and
  - (iv) the compliance with all statutory obligations, by-laws, regulations and standards imposed by public authorities.

**Endorsement** means documentary evidence of an alteration to this Policy or the Schedule which forms part of the Policy.

**Excess** means the amount payable by You for each and every loss recoverable under the Policy as specified in the Schedule, this document or any Endorsement to the Policy. Where an Excess is expressed as a specified sum it means the amount specified. Where the Excess is expressed as a percentage it means the monetary equivalent of such percentage of each loss. Where a claim is made in respect of more than one occurrence, the Excess will apply as though a claim was made for each separate occurrence.

**Flood** means the inundation of normally dry land by water overflowing from the normal confines of any natural watercourse or lake, whether or not altered or modified, or of any reservoir, canal or dam.

**FOB** is Free On Board.

**General Average** The maritime legal principle by which, should the shipowner, one or more cargo owners, or other parties with an interest in property on board a sea going vessel, make an extraordinary sacrifice or expenditure for the purposes of preserving all property at risk at a time of peril, all parties with property that has been preserved by such sacrifice or expenditure can be called upon to contribute a proportion of loss incurred.

**Geographical Limit(s)** means the geographical area of operation specified in the Schedule. For cover under Section 1 this is limited to transits starting and terminating within Australia including, where applicable, sea voyages within Australian Territorial waters between Australian ports or places.

**Institute Clauses** means the standard wordings as prepared by the Lloyd's Market Association and International Underwriting Association of London. Any Institute Clauses referred to in the Policy or the Schedule or any other document are deemed to be those most current at the time of attachment of the risk and are amended to be subject to Australian law and practice. In the event of any of these clauses being altered or added to, new clauses shall automatically form part of this Policy, unless the alteration or addition reduces Your cover in which case You shall be advised in writing.

If We give You written notice of a revision of these clause, then the revised clauses will apply to risks attaching from midnight 30 days after Our notice has been given to You. A posted notice is deemed given to You at the time it would have been delivered in the normal course of the postal service.

**Insurable Interest** means that You have a legal or equitable interest in the Insured Goods in consequence of which You may benefit by their safety and be prejudiced by their loss.

**Insured, You or Your** means any party specified in the Policy Schedule.

Where the Insured is comprised of more than one entity, the term "You" will be considered as applying to each entity in the same manner as though a separate Policy had been issued to each entity, however, Our limit of liability shall not exceed the Sum Insured specified in the Schedule and Our liability to make supplementary payments will apply as though there were not separate policies issued to each entity.

**Insured Events** means an event shown in the individual section under the heading "Insured Events" applicable to the section, and for which cover is available under that section only.

**Insured Goods or Goods** means the Goods specified in the Schedule which You own or which You have contractually accepted responsibility to insure and includes:

- all retail and sales packaging;
- shipping containers owned by You or in Your care, custody or control, to the extent that You are legally liable to pay for any physical loss of or damage to the container(s) and subject to any sublimits expressed in this Policy or the Schedule;
- Your stock transfers;
- any return Goods, inwards or outwards, where You have the responsibility to insure the Goods in Transit, or have assumed that responsibility prior to any loss or damage to the Goods being reported to You;
- shipping containers;
- Travellers Samples and Tools of Trade (subject to any limits expressed for these categories of Goods in this Policy or the Schedule).

The following are not covered unless You have declared them to Us and they are shown on the Schedule:

- frozen, chilled products or perishable products;
- Livestock. Where declared, We are able to cover inland movements under Section 1 of this Policy wording, but not imports/exports under Section 2;
- bloodstock, prize animals or stud animals;
- live plants and trees;
- works of art or antiques;
- cigarettes, tobacco/tobacco products;
- dangerous Goods as defined by the current Australian Dangerous Goods Code or any government agency or authority which by their nature require special licencing of the driver or vehicle and/or are defined as a "Placard Load". This exclusion does not apply to small consignments, limited quantities or retail distribution loads of dangerous Goods where concession is provided under the current Australian Dangerous Goods Code;
- precious metals and stones, jewellery or money (which means any coin or banknote); bullion, cheques, credit or other card sales vouchers, securities or shares; bonds, deeds, bills of exchange or any document that represents or is exchangeable for money;
- household Goods and personal effects;
- plant and machinery transfer;
- radioactive Goods or explosive Goods.

**Livestock** means sheep, cattle, goats and pigs and/or other herd animals as identified in the Policy. Livestock does not include horses, birds or other animals.

Livestock can be insured for inland movements only under this Policy. No cover is available under Section 2.

**Period of Insurance** means the period commencing on the effective date and ending at 4pm in the State or Territory of Australia in which the Policy is issued on the expiry date as shown in the Schedule.

**Personal Property** means bedding, CB/UHF and scanner radios, food and drink and its containers (including thermos-flasks, eskies and mobile fridge), clothing and personal accessories and hygiene items, footwear and personal entertainment equipment (e.g. DVD/CD players, iPods or MP3 players).

Personal Property excludes money or any negotiable documents/documents that represent money, credit cards, watches and jewellery, mobile phones, pagers, laptop computers or PDAs/tablets, mobile GPRS units, precious metals or stones.

**Policy** means this document and any Endorsement, specification, attachment or memoranda affixed to it, the Schedule and the Proposal specified before entry into the contract or issued where required or permitted by law.

**Premium** means the Premium specified in the current Schedule, any Endorsement Premium and any adjustment in accordance with the General Condition – Declaration Of Actual Turnover or Sendings plus any applicable Government charges.

**Proposal** means the application form completed by You or the quotation slip submitted on Your behalf in which You provided the information upon which We relied to enter into the Policy.

**Salvage** has two meanings subject to context, being either:

- what is left of the Goods or Personal Property after it has suffered loss or Damage; or
- the physical act of recovering Goods or Property which has been lost or Damaged, but which has residual commercial value.

**Schedule** means the most recently dated Schedule We have provided to You which specifies important information such as the Policy number, Geographical Limits, those Sections that are in force, the details of the Insured Goods, the Sums Insured and any Excess payable.

**Sendings** means the gross value of insured Goods received, consigned, transferred or otherwise moved during the Period of Insurance.

**Subject Matter Insured** as appearing in the Institute Clauses has the same meaning as Insured Goods or Goods.

**Sum Insured** the amounts to which Our liability is limited being the amounts stated in this Policy or the Schedule for any one loss or series of losses arising out of the same event.

**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;
- putting the public or any section of the public in fear, in circumstances in which it is reasonable to conclude that the purpose(s) of the person(s) or organisation(s) concerned are wholly or partly of a political, religious, ideological or similar nature.

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

**Tools of Trade** Tools which enable You or Your employees to carry out Your normal business operation, but excluding mobile phones, pagers, laptops/notebooks/handheld or other personal computers, Personal Property, cash and credit cards.

**Transit** means the voyages specified in Sections 1 or 2. The insured Transits are those specified in the Geographical Limits and set out in the Schedule subject to any voyage trading restrictions applicable to exports.

**Traveller's Samples** Portions, pieces or samples of Your Goods carried by Your sales employees for the purpose of demonstration to prospective customers.

**Turnover** means the gross revenue of Your business during the Period of Insurance.

**We, Us or Our, Insurer or the Underwriter** means Allianz Australia Insurance Limited AFS Licence No. 234708 A.B.N. 15 000 122 850 (Allianz) (the Insurer of Your Policy), through its agent AM&T (Allianz Marine and Transit Underwriting Agency Pty Limited).

**War, 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.

**Warranty(ies)** means You will undertake that some particular thing shall or shall not be done or that some conditions shall be fulfilled or that You affirm or negative the existence of a particular state of facts. The Warranty may be express or implied.

## Section 1 – Transits within Australia

We will indemnify You for loss of or damage to the Goods described in the Schedule whilst in Transit within the Geographical Limits specified in the Schedule caused by an Insured Event occurring during Transit and during the Period of Insurance.

### The Transit

#### General Goods/Temperature controlled Goods

Each insured Transit commences when the insured Goods are first moved inside the warehouse/premises or place of storage for the specific purpose of loading onto the

Conveying Vehicle for transport to a destination outside the premises at which loading takes place, continues during the ordinary course of transit and terminates when:

- the insured Goods are last moved when being delivered to the intended destination or such other place as You may instruct; or
- the normal course of transport is interrupted at Your (or the seller/purchaser's) election for the purposes of storage, allocation or distribution.

The insured Transit includes any Transit to or from and while the insured Goods are at any premises for the purpose of packing or preparation for shipment for a period of up to one month prior to shipment.

The insured Transit excludes any period of dismantling, erection, commissioning or installation prior to or post Transit as defined above, unless otherwise agreed by Us and specified in the Policy Schedule.

#### Livestock

The insured Transit commences for each animal when it enters the Conveying Vehicle or its loading ramp, continues during the ordinary course of Transit and terminates for each animal when it exits the Conveyance or its loading ramp at the intended destination or such other place as You may instruct.

#### Motor vehicles

The insured Transit commences when the wheels or tracks of each motor vehicle(s) being transported as Goods first move for the purposes of being driven onto the loading ramps of the Conveying Vehicle from the ground or loading dock adjacent to the Conveying Vehicle or from the point where the vehicle is currently parked provided that the distance driven to the Conveying Vehicle does not exceed 200 metres. Cover terminates when the wheels or tracks of each motor vehicle(s) being transported as Goods are driven off the Conveyance and are on the road or loading

dock immediately adjacent to the Conveyance, or are parked in the premises or in the loading dock, provided this is within 200 metres of Your Conveying Vehicle and the vehicle is driven from the Conveying Vehicle into the loading dock or premises immediately as part of the unloading process.

### Additional Transit provisions (all Goods)

The following provisions apply to all types of Goods provided that the Goods remain within the Geographical Limits expressed in the Policy Schedule:

- **Incidental Storage:** Transit continues during storage incidental to transit which has not been requested by You or the purchaser/seller of the Goods, but is necessary solely for the purposes of normal transshipment, handling, agistment (of Livestock) or load consolidation/deconsolidation. In the case of Livestock during long haul movements, Transit continues for up to 7 days during necessary temporary resting/spelling.
- **Reconsigned/Reshipped Goods:** Transit is deemed to continue where the Goods are reconsigned or reshipped direct from a wharf or airport at the intended destination to another destination within the Geographical Limits specified in the Policy Schedule, until arrival at the final destination.
- **Shut Out Clause:** The Transit is deemed to include periods when the insured Goods are “shut out” awaiting transfer to another Conveyance after Transit has commenced where this is outside Your control.
- **Overcarried Clause:** The Transit continues in the event that Goods are “overcarried” until their delivery to the intended destination.

### Insured Events

Subject to the Conditions Of Cover specified in the Schedule and exclusions of this Policy, this insurance covers up to the Sum Insured loss of or damage to the Goods whilst in Transit during the Period of Insurance caused by either Option A or Option B as selected by You and as specified in the Schedule.

#### Option A – Accidental Damage

##### General Goods

Loss of or damage to the insured Goods caused by:

- any Accident;
- insufficiency of packaging or preparation of the Insured Goods (where applicable) which:
  - (i) was carried out by a party other than You and occurred entirely without Your privity or knowledge; or

- (ii) where carried out by You but You can demonstrate that there was no lack of Due Care on Your part and You were unaware that the packaging was insufficient in nature;

- Deliberate Third Party Acts.

Where the Goods are transported by sea, We will also cover (up to the Sum Insured specified in the Schedule):

- any General Average and/or Salvage contribution You are required to pay;
- the risks of jettison, washing overboard and loss or damage caused by a General Average sacrifice.

##### Refrigerated, temperature controlled, chilled, or perishable Goods

Loss of or damage to the Insured Goods caused by:

- any Accident;
- insufficiency of packaging or preparation of the Insured Goods which:
  - (i) was carried out by a party other than You and occurred entirely without Your privity or knowledge; or
  - (ii) was carried out by You but You can demonstrate that there was no lack of Due Care on Your part and You were unaware that the packaging was insufficient in nature;
- Deliberate Third Party Acts;

but excluding deterioration of Goods due to variation in temperature, except where this results from variation in temperature below or above the documented required range for transportation of the Goods for a period in excess of 4 hours or otherwise stated in the Schedule, caused by:

- accidental failure, breakdown, stoppage or malfunction of the refrigerating machinery which results in:
  - (i) its failure to deliver air at the preset temperature; or
  - (ii) it being unable to perform its normal refrigeration cycle;
- mismanagement of the refrigerating machinery by the transport operator/carrier, including selection of incorrect temperature or failure to turn on power; or
- disruption of the airflow within the carrying vehicles or container caused by mismanagement of the interior bulkheads by the transport operator/carrier.

Where the refrigerated Goods are transported by sea, We will also cover (up to the Sum Insured specified in the Schedule):

- any General Average and/or Salvage contribution You are required to pay;

- the risks of jettison, washing overboard and loss or damage caused by a General Average sacrifice.

In the event that You transport Your own temperature controlled Goods, We will not cover You where the loss is caused by Your error/omission or where You do not properly maintain Your refrigeration machinery. If required by Us You will need to provide evidence that the refrigeration machinery has been properly maintained.

#### **Livestock**

If the Insured Goods are Livestock, We will cover You for Accidental loss, or Deliberate Third Party Act which results in:

- injury, death or destruction; or
- wandering off of the Livestock where the Livestock are unable to be mustered or recovered.

Where the Livestock are transported by sea, We will also cover (up to the Sum Insured specified in the Schedule):

- any General Average and/or Salvage contribution You are required to pay;
- discharge at a port of distress;
- the risks of jettison, washing overboard and loss or damage caused by a General Average sacrifice.

Cover includes slaughter for humane reasons where necessary due to an Insured Event.

#### **All Goods**

Subject to the Conditions of Cover specified in the Schedule and exclusions of this Policy, in addition this insurance covers loss of or damage to the Goods during Transit caused by:

- strikers, locked-out workers or persons taking part in labour disturbances, riots or civil commotions;
- any terrorist or any person acting from a political motive in accordance with the Transit and Terrorism Clause forming part of this Policy (page 28).

If the Transit is by sea or air, this Policy further covers loss or damage to the Goods, caused by War or Warlike Activities whilst the Goods are on board the Conveyance.

#### **Option B – Specified Perils**

Loss of or damage to the Insured Goods caused by:

- fire, Flood, lightning, hail, windstorm, tornado or cyclone, or explosion;
- collision of the Conveying Vehicle with any external object other than the road, gutter, curb or uneven road surface;
- collapse of bridges or culverts;
- impact of the Insured Goods with something not on or part of the Conveying Vehicle other than the road or ground;

- jack-knifing, overturning or derailment of the Conveying Vehicle;
- sinking, capsizing or stranding of any vessel carrying the Insured Goods;
- crashing or forced landing of any aircraft (including an aircraft used to transport the Goods);
- theft of Insured Goods from the Conveying Vehicle following forcible and violent entry, pilferage or non-delivery;
- Deliberate Third Party Act;
- strikers, locked out workers or persons taking part in labour disturbances, riots or civil commotions;
- any terrorist or any person acting from a political motive in accordance with the Transit And Terrorism Clause forming part of this Policy (page 28).

If the Transit is by sea or air, this Policy further covers loss or damage to the Goods, caused by War or Warlike Activities whilst the Goods are on board the Conveyance.

If transported by sea, We will also cover (up to the Sum Insured specified in the Schedule):

- stranding, sinking, burning, grounding or collision of the vessel with any object other than water;
- discharge at a port of distress;
- any General Average and/or Salvage contribution You are required to pay;
- risks of jettison, washing overboard and loss or damage caused by a General Average sacrifice.

For temperature controlled, chilled, perishable or refrigerated Goods, cover includes deterioration of such Goods following an Insured Event.

For Livestock, cover includes death or destruction caused by an Insured Event. We will also pay for slaughter of Livestock for humane reasons where necessary due to an Insured Event.

## **Additional benefits applicable only to Section 1**

### **Exhibition/Demonstration**

This Policy will also cover Your Insured Goods while in Transit to or from any exhibition or display (other than at Your own premises) within the Geographical Limits specified in the Schedule and further extends to include while the Insured Goods are at the exhibition or display to a limit of \$100,000 for a period of up to 21 days any one exhibition or display, or as otherwise specified in the Policy Schedule.

The definition of Goods is extended to include Your stands, fixtures, fittings and exhibition equipment where applicable.

In the event that You or Your employees are obliged to stay overnight at a hotel/motel in connection with the Exhibition or Demonstration, the Goods remain covered provided that the vehicle in which the Goods are stored is locked and parked within the hotel/motel complex and not on the street.

### **Livestock – Agistment**

This Policy covers all reasonable costs and expenses necessarily incurred in maintaining the Livestock at agistment when caused by an Insured Event. The maximum amount We will pay is limited to \$1000 per animal and \$25,000 in the aggregate for any one loss or series of losses caused by the one Insured Event, or as otherwise specified in the Schedule, in addition to the Sum Insured.

### **Livestock – Mustering costs**

This Policy covers all reasonable costs and expenses necessarily incurred for mustering of the Livestock at the scene of the accident when caused by an Insured Event. The maximum amount We will pay is limited to \$1000 per animal and \$25,000 in the aggregate for any one loss or series of losses caused by the one event, or as specified in the Policy Schedule, where different, in addition to the Sum Insured.

### **Livestock – “Wandering off”**

This Policy covers loss of Livestock due to wandering from the scene of the accident caused by an Insured Event. The maximum amount We will pay is limited to \$1000 per animal and \$25,000 in the aggregate for any one loss or series of losses caused by the one event, or as specified in the Policy Schedule, where different, in addition to the Sum Insured.

### **On-forwarding**

If We pay a claim under this Policy for loss or damage to the Insured Goods We will, in addition to the Sum Insured, pay any extra costs reasonably incurred to deliver the Insured Goods to their intended destination, or place from which they were dispatched, but in no case will Our liability be more than the Sum Insured of the Insured Goods.

### **Traveller’s Samples**

This Policy covers Traveller’s Samples owned by You on the basis of the cover selected by You for the primary Insured Goods under this Policy, up to a limit of \$10,000 any one claim or series of claims arising from one Insured Event or as specified in the Policy Schedule, where different.

In respect of theft or malicious damage:

- the vehicle and/or fixed carrying compartment is of a fully enclosed design capable of being securely locked at all times; 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.

In the event of the Insured being obliged to stay overnight at a hotel/motel, the Goods remain covered provided the vehicle in which the Travellers Samples are stored is locked and parked within the hotel/motel complex and not on the street.

### **Tools of Trade**

This Policy covers Tools of Trade owned by You or Your employees against loss of or damage caused by:

- fire, Flood, collision and/or overturning of the Conveying Vehicle;
- theft or pilferage of the tools and/or travellers samples following forcible entry into a securely locked vehicle or fixed carrying compartment or, following theft of the vehicle;

occurring within the Geographical Limits for Section 1 cover and up to a limit of \$10,000 any one claim or series of claims arising from one Insured Event or as specified in the Policy Schedule, where different.

Provided that:

- the vehicle and/or fixed carrying compartment is of a fully enclosed design capable of being securely locked at all times; 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.

### **Your Employee’s Personal Property**

This Policy is extended to cover loss or damage to Personal Property whilst in Transit which is owned by Your employee drivers or travelling salespersons, for which You are legally responsible, but excluding third party transport operators, caused by one of the Insured Events listed in Option B. This benefit is payable in addition to the Sum Insured, but limited to \$2,000 for any one loss or series of losses arising out of the one event, or as specified in the Policy Schedule, where different.

### **Section 1 exclusions**

This Section does not cover any loss, damage, liability, destruction, cost or expense of any nature whatsoever that is directly or indirectly caused by or contributed to by or arising from any of the following.



## Insolvency

1. Insolvency or financial default of any agent or transport services provider, where You were aware, or should have been aware in the course of normal business activities, of the circumstances.

## Failure to take Due Care and/or deliberate damage

Where the Goods are being transported in Your own vehicle, loss or damage to Goods caused by:

2. Theft of Insured Goods if the Conveying Vehicle, premises or building is not securely locked when left unattended and any alarms are not activated.
3. Transportation:
  - in an unsafe or unroadworthy vehicle;
  - in quantities in excess of the weight, mass or dimensions permitted for the Conveying Vehicle design or License or where greater than permitted by law, regulation, permit or advisory sign;
  - by an employee driver where unlicensed or where the employee driver's faculties were impaired by drugs or alcohol in excess of that permitted by law;

unless the circumstances did not contribute to the loss and/or You were unaware of them and would in the ordinary course of business they could not be reasonably known, detected and prevented by You.

4. Transportation of dangerous Goods which are not carried in accordance with the provisions of the current Australian Dangerous Goods Code, regardless of package size or quantity, and whether or not Dangerous Goods have been specified in the Schedule.
5. Shifting of the Goods or improper stowage and/or restraint of the Goods unless You can demonstrate that You complied with all statutory requirements in respect of the load.
6. Other cargo left inside a vehicle or machine which has not been suitably secured to prevent movement.

## Normal losses etc

Loss or damage to Goods due to:

7. Inherent vice (except for refrigerated, temperature controlled or perishable Goods due to variation in temperature as provided in Cover A (where taken)).
8. Moths, insects, rats or other vermin, ordinary leakage, loss in weight or volume or wear and tear of the Goods or mould and mildew unless the mould and/or mildew is the direct result of an event covered by this Policy.

## Livestock

Loss or damage to Livestock:

9. Caused by inoculation or its after effects, infectious diseases, abortion or loss or death of foetus.
10. Which are not in good health and fit for travel prior to loading.

The General Exclusions applicable to both Sections on page 27 also apply to claims under this section.

# Section 2 – Imports to and exports from Australia

We will indemnify You for loss of or damage to the Goods as described in the Schedule whilst in Transit within the Geographical Limits specified in the Schedule caused by an Insured Event occurring during Transit and during the Period of Insurance.

Cover is not available for Livestock movements under this Section 2.

## The Transit

This section covers Transits within the Geographic Limits and in accordance with the Transit Clause specified in the applicable Institute Clauses as specified in the table on pages 17-20 or as listed in the Schedule, amended as follows:

### General Goods/temperature controlled Goods

Each Insured Transit commences when the Insured Goods are first moved inside the warehouse/premises or place of storage for the specific purpose of loading onto the Conveying Vehicle for transport to a destination outside the premises at which loading takes place continues during the ordinary course of Transit as defined in the applicable Institute Clauses and terminates when:

- the Insured Goods are last moved when being delivered to the intended destination or such other place as You may instruct; or
- the normal course of transport is interrupted at Your (or the seller/purchaser's) election for the purposes of storage, allocation or distribution.

The insured Transit includes any transit to or from and while the Insured Goods are at any premises for the purpose of packing or preparation for shipment for a period of up to one month prior to shipment.

The insured Transit excludes any period of dismantling, erection, commissioning or installation prior to or post Transit as defined above, unless otherwise agreed by Us and specified in the Policy Schedule.

## Motor vehicles

The insured Transit commences when the wheels or tracks of each motor vehicle(s) being transported as Goods first move for the purposes of being driven onto the loading ramps of the Conveying Vehicle from the ground or loading dock adjacent to the Conveying Vehicle or from the point where the vehicle is currently parked provided that the distance driven to the Conveying vehicle does not exceed 200 metres. Cover continues during the ordinary course

of Transit as defined in the applicable Institute Clauses. Cover terminates when the wheels or tracks of each motor vehicle(s) being transported as Goods are driven off the Conveyance and are on the road or loading dock immediately adjacent to the Conveyance, or are parked in the premises or in the loading dock, provided this is within 200 metres of Your Conveying Vehicle and the vehicle is driven from the Conveying Vehicle into the loading dock or premises immediately as part of the unloading process.

In all other respects the termination provisions contained in the Institute Clauses shall apply.

## Additional Transit provisions (All Goods)

The following provisions apply to all types of Goods provided that the Goods remain within the Geographical Limits expressed in the Policy Schedule:

- **Incidental Storage:** Transit continues during storage incidental to Transit which has not been requested by You or the purchaser/seller of the Goods, but is necessary solely for the purposes of normal transshipment, handling, or load consolidation/deconsolidation.
- **Reconsigned/Reshipped Goods:** Transit is deemed to continue where the Goods are reconsigned or reshipped direct from a wharf or airport at the intended destination to another destination within the Geographical Limits specified in the Policy Schedule, until arrival at the final destination.
- **Shut Out Clause:** The Transit is deemed to include periods when the Insured Goods are "shut out" awaiting transfer to another Conveyance after Transit has commenced where this is outside Your control.
- **Overcarried Clause:** The Transit continues in the event that Goods are "overcarried" until their delivery to the intended destination.

## Insured Events

Subject to the Conditions Of Cover specified in the Schedule and exclusions of this Policy, this insurance covers loss of or damage to the Goods during Transit as per the standard/default Institute Conditions based on commodity category, as per the following table, unless otherwise specified in the Schedule.

Cargo Type	Conditions
<p>General non-hazardous, non perishable, dry containerised cargo (unless more specific cargo type applies as listed below)</p>	<p>Institute Cargo Clauses (A) 1/1/09 (CL382)  Institute Cargo Clauses (Air) 1/1/09 (CL387)  Institute Strikes Clauses (Cargo) 1/1/09 (CL386)  Institute Strikes Clauses (Air Cargo) 1/1/09 (CL389)  Institute War Clauses (Cargo) 1/1/09 (CL385)  Institute War Clauses (Air Cargo) 1/1/09 (CL388)  Institute War (Sendings by Post ) 01/03/09 (CL390)  Institute War Cancellation Clause 1/12/82 (CL271)  Institute Replacement Clause 1/12/08 (CL372)  Termination of Transit Clause (Terrorism) 1/1/09 (CLJC 2009/056)  Institute Radioactive Contamination, Chemical, Biological, Bio-Chemical and Electromagnetic Weapons Exclusion Clause 10/11/03 (CL370)  Institute Cyber Attack Exclusion Clause 10/11/03 (CL380)  Institute Classification Clause 1/1/01 (CL354-2001)</p>
<p>Hides and Skins</p>	<p>Institute Commodity Trades (A) 05/09/83 (CL275)  Institute Cargo Clauses (Air) 1/1/09 (CL387)  Institute Strikes (Commodity Trades) 05/09/83 (CL279)  Institute Strikes Clauses (Air Cargo) 1/1/09 (CL389)  Institute War (Commodity Trades) 5/9/83 (CL278)  Institute War (Air Cargo) (excluding sending by post) 01/01/82 (CL258)  Institute War (Sendings by Post) 01/03/09 (CL390)  Institute War Cancellation Clause 1/12/82 (CL271)  Termination of Transit Clause (Terrorism) 1/1/09 (CLJC 2009/056)  Institute Radioactive Contamination, Chemical, Biological, Bio-Chemical and Electromagnetic Weapons Exclusion Clause 10/11/03 (CL370)  Institute Cyber Attack Exclusion Clause 10/11/03 (CL380)  Institute Classification Clause 1/1/01 (CL354-2001)</p> <p>Excluding:</p> <ul style="list-style-type: none"> <li>• mould or mildew, unless directly attributable to the ingress of sea, lake, river or rain water into a Closed Container or the closed cargo hold of the carrying vessel, or the fully structurally enclosed cargo/load space of the carrying vehicle or other conveyance</li> <li>• natural or normal heating and/or sweating and/or condensation</li> <li>• disease or infestation</li> </ul>

Cargo Type	Conditions
Timber (uncontainerised)	<p>Institute Timber Trade Federation Clauses 1/4/86 (CL335)</p> <p>Institute Strikes (Timber Trade Federation) 1/1/84 (CL336)</p> <p>Institute War (Cargo) 1/1/82 (CL255)</p> <p>Institute War Cancellation Clause 1/12/82 (CL271)</p> <p>Termination of Transit Clause (Terrorism) 1/1/09 (CLJC 2009/056)</p> <p>Institute Radioactive Contamination, Chemical, Biological, Bio-Chemical and Electromagnetic Weapons Exclusion Clause 10/11/03 (CL370)</p> <p>Institute Cyber Attack Exclusion Clause 10/11/03 (CL380)</p> <p>Institute Classification Clause 1/1/01 (CL354-2001)</p>
Oils, seeds and fats	<p>Institute FOSFA Trades (A) 01/07/85 (CL313)</p> <p>Institute FOSFA Supplementary (4) Grade Clause (For use in conjunction with Institute FOSFA Trades Clauses) 01/07/85 (CL321)</p> <p>Institute Strikes (FOSFA Trades) 01/07/85 (CL317)</p> <p>Institute War (FOSFA Trades) 01/07/85 (CL316)</p> <p>Institute War Cancellation Clause 1/12/82 (CL271)</p> <p>Termination of Transit Clause (Terrorism) 1/1/09 (CLJC 2009/056)</p> <p>Institute Radioactive Contamination, Chemical, Biological, Bio-Chemical and Electromagnetic Weapons Exclusion Clause 10/11/03 (CL370)</p> <p>Institute Cyber Attack Exclusion Clause 10/11/03 (CL380)</p> <p>Institute Classification Clause 1/1/01 (CL354-2001)</p>
Temperature Controlled Food	<p>Frozen/Chilled Food Clauses A – 24 hour Breakdown 1/3/17 CL426 – amended for Australian Law and Practice</p> <p>Institute Strikes (Frozen/Chilled Food) 1/3/17 CL424 – amended for Australian Law and Practice</p> <p>Institute Cargo Clauses (Air) 1/1/09 (CL387)</p> <p>Institute Strikes Clauses (Air Cargo) 1/1/09 (CL389)</p> <p>Institute War (Air Cargo) (excluding sending by post) 01.01.82 (CL258)</p> <p>Institute War (Sendings by Post) 01/03/09 (CL390)</p> <p>Institute War Cancellation Clause 1/12/82 (CL271)</p> <p>Termination of Transit Clause (Terrorism) 1/1/09 (CLJC 2009/056)</p> <p>Institute Radioactive Contamination, Chemical, Biological, Bio-Chemical and Electromagnetic Weapons Exclusion Clause 10/11/03 (CL370)</p> <p>Institute Cyber Attack Exclusion Clause 10/11/03 (CL380)</p> <p>Institute Classification Clause 1/1/01 (CL354-2001)</p>

Cargo Type	Conditions
Temperature Controlled Meat or Fish	<p>Frozen/Chilled Meat A – 24 hour breakdown (CL426) 1/3/17 with clauses 8.1.1 and 8.1.3 deleted – amended for Australian Law and Practice</p> <p>Institute Strikes (Frozen/Chilled Meat) 1/3/17 CL428 – amended for Australian Law and Practice</p> <p>Institute War Cancellation Clause 1/12/82 (CL271)</p> <p>Termination of Transit Clause (Terrorism) 1/1/09 (CLJC 2009/056)</p> <p>Institute Radioactive Contamination, Chemical, Biological, Bio-Chemical and Electromagnetic Weapons Exclusion Clause 10/11/03 (CL370)</p> <p>Institute Cyber Attack Exclusion Clause 10/11/03 (CL380)</p> <p>Institute Classification Clause 1/1/01 (CL354-2001)</p>
Motor Vehicles	<p>Institute Cargo Clauses (A) 1/1/09 (CL382)</p> <p>Institute Strikes Clauses (Cargo) 1/1/09 (CL386)</p> <p>Institute War Clauses (Cargo) 1/1/09 (CL385)</p> <p>Institute War Cancellation Clause 1/12/82 (CL271)</p> <p>Institute Replacement Clause 1/12/08 (CL372)</p> <p>Termination of Transit Clause (Terrorism) 1/1/09 (CLJC 2009/056)</p> <p>Institute Radioactive Contamination, Chemical, Biological, Bio-Chemical and Electromagnetic Weapons Exclusion Clause 10/11/03 (CL370)</p> <p>Institute Cyber Attack Exclusion Clause 10/11/03 (CL380)</p> <p>Institute Classification Clause 1/1/01 (CL354-2001)</p> <p>Including breakage, bending &amp; denting, theft, pilferage &amp; non-delivery</p> <p>Excluding hail damage to vehicles stored in the open air during the course of transit, unless protected by hail nets</p> <p>Excluding any claim for scratching, dents, chips, windscreen cracks and similar external damage to motor vehicles unless caused by the conveyance being stranded, sunk, burnt, in collision, derailed, crashed or overturned</p> <p>Excluding damage to interiors of motor vehicles resulting from items being carried within the vehicle which are not suitably secured</p>

Cargo Type	Conditions
Other non Temperature Controlled, non hazardous commodities	Institute Commodity Trades (A) 05/09/83 (CL275) Institute Cargo Clauses (Air) 1/1/09 (CL387) Institute Strikes (Commodity Trades) 05.09.83 (CL279) Institute Strikes Clauses (Air Cargo) 1/1/09 (CL389) Institute War (Commodity Trades) 5/9/83 (CI 278) Institute War (Air Cargo) (excluding sending by post) 01.01.82 CL258 Institute War (Sendings by Post) 01/03/09 (CL390) Institute War Cancellation Clause 1/12/82 (CL271) Termination of Transit Clause (Terrorism) 1/1/09 (CLIC 2009/056) Institute Radioactive Contamination, Chemical, Biological, Bio-Chemical and Electromagnetic Weapons Exclusion Clause 10/11/03 (CL370) Institute Cyber Attack Exclusion Clause 10/11/03 (CL380) Institute Classification Clause 1/1/01 (CL354-2001)

## Section 2 exclusions

Exclusions specific to Section 2 cover are listed in the applicable standard/default Institute Clauses as listed above, or as noted in the Schedule where different.

The General exclusions applicable to both Sections on page 27 also apply.

## Additional benefits applicable only to this Section

### Buyers Contingency (Difference in Conditions) Clause

Where:

- the Insured Goods are purchased on CIF or similar terms;
- the insurance provided by the supplier is more restricted than that provided under this Policy;
- the difference in conditions has resulted from fault or neglect of the seller rather than as a result of Your instructions; and
- this additional benefit has not been disclosed to the seller or any third party.

We agree to pay those losses not recoverable under such other insurance coverage arranged by the supplier, subject to:

- the terms and conditions of this Policy;
- consignments coming within the terms of this extension will be valued and declared in accordance with the Policy conditions;

- You having taken all reasonable steps towards protecting and/or pursuing all legally enforceable means of recovery of the loss including those against Your supplier and their insurers.

In all such cases We will be subrogated to all Your rights and remedies under the insurance arranged by the supplier and You agree to take reasonable steps to cooperate in all aspects of the recovery.

### Certificates of Insurance/Letter of Credit Clause

Where Goods are sold by You, You are authorised to issue and sign Certificates of Insurance in a format agreed to or provided by Us, to comply with letter of credit requirements strictly in conformity with the terms, conditions and limits of this Policy.

If the letter of credit requires insurance terms different to the coverage under Your Policy, subject to You not issuing Certificates of Insurance with greater cover than provided in the Policy, You are authorised by Us to comply with the letter of credit requirement and show the insurance terms expressed in the Letter of Credit on Your Certificate of Insurance.

You agree to indemnify Us for any claim which We are obligated to pay because a Certificate of Insurance has been issued that did not conform to the terms, conditions and limits of this Policy.

Copies of Certificates of Insurance (when issued) are to be forwarded to Us as soon as possible after departure of the export shipment.

## Duty Clause

Where noted in the Basis Of Valuation in the Schedule, this Policy is extended to include the amount of any import duty and/or taxes paid or payable by You in respect of Insured Goods You have imported into Australia.

No claim is recoverable under this clause arising from:

- total loss of the Goods or total loss of part thereof prior to the arrival at destination;
- General Average;
- in respect of duty waived by Customs Authorities at destination on shipments arriving damaged by an Insured Event;
- in case where no duty or landing charges are paid.

Nothing in this clause shall increase the Sum Insured specified in the Schedule.

## FOB/CFR Pre-Shipment Clause

Notwithstanding the legal ownership under Your purchase contract in the case of shipments on FOB, CFR or similar terms of sale, it is agreed that where:

- We are unable to establish the point during the Transit at which the loss event took place; or
- where You are unable to obtain compensation from the seller or other parties.

We will indemnify You for loss or damage to the Goods as if We had insured the Goods on the same terms and conditions as this Policy from the time of departure from the seller's warehouse or premises, provided that:

- You use all reasonable measures to attempt to recover the loss from the seller;
- in the event of a claim being paid, We are subrogated to or assigned any right of recovery there may be under any other Policy covering the Goods prior to shipment; and
- You do not disclose the existence of this clause to the seller or any other interested party.

## Insufficiency of Packing Clause

Unless You have selected a restricted perils cover, for example Institute Cargo Clauses (B) or Institute Cargo Clauses (C), where this additional benefit will not apply, the insufficiency or unsuitability of packing or preparation exclusion clause where appearing in the Institute Clauses forming part of this Policy will not apply where the packing or preparation was carried out by a party other than You and the insufficiency or unsuitability arose entirely without Your privity or knowledge.

Benefit under this clause is subject to You agreeing to take reasonable steps to provide Us with assistance in all respects to pursue rights of recovery against sellers and/or other responsible third parties.

## Sellers Interest Clause

Where, under a contract of sale, You do not have responsibility to arrange insurance, We will insure the Goods in respect of Your contingent interest:

- where title to the Goods reverts to You because the buyer defaults on payment for the Goods or rejects the Goods;
- where You exercise a right or lien to interrupt the Transit and/or suspend the contract of sale to protect Your interests;

but excluding:

- losses recoverable from credit insurers; and
- losses or circumstances arising from government action and/or regulations preventing transfer of currency;

subject to the same conditions and restrictions for any other Goods insured by this Policy.

Cover will continue until:

- the buyer accepts the Goods;
- the Goods are sold to an alternative buyer;
- the Goods are returned to You; or
- the expiry of sixty (60) days from arrival of the overseas vessel at the port of discharge;

whichever first occurs.

Cover under this clause is subject to You:

- providing Us with notice of the circumstances as soon as reasonably possible, where applicable. If You do not, We may reduce or refuse Your claim to the extent We are prejudiced by Your delay;
- not revealing the existence of this cover to Your customer, their insurers, or to any other party interested in the shipment;
- not assigning this Policy or of any interest or claim hereunder without our permission to do so. Such consent is not to be unreasonably withheld;
- take reasonable steps towards protecting and/or pursuing all legally enforceable means of enforcing the contract of sale and/or recovery of the loss including rights You have against Your buyer and their insurers.

In all such cases We will be subrogated to all Your rights and remedies against the buyer and their insurers and You agree to take reasonable steps to cooperate in all aspects of the recovery.

We will only provide cover to the extent that Your buyer fails to pay for such lost or damaged Goods.

## Unseaworthiness and Unfitness Exclusion Modification Clause

The unseaworthiness and unfitness exclusion clause where appearing under 'Exclusions' in the Institute Clauses forming part of this Policy is deleted and replaced by the following:

In no case shall this Policy cover loss, damage or expense caused by the following:

- unseaworthiness of vessel or craft or unfitness of vessel, craft or aircraft for the safe carriage of the Goods, where You are aware of the unseaworthiness or unfitness at the time the Goods are loaded;
- unfitness of container or Conveyance for the safe carriage of the Goods where loading is carried out by You or Your employees.

However, the first exclusion above will not apply where the cover provided by this Policy has been assigned to the party claiming under it who has brought or agreed to buy the Goods in good faith under a binding contract. We waive any breach of the implied Warranties of seaworthiness of the vessel and fitness of the vessel or aircraft to carry the Goods to destination.

# Conditions common to Sections 1 and 2

## How much We will pay

Claims under Section 1 and 2 are subject to the application of Average or Coinsurance unless specifically noted otherwise.

In order to be sure that You are covered under this policy You should always contact Us for approval before You incur costs You wish to claim. If You do not, We will pay for expenses incurred up to the amount We would have authorised had You asked Us first.

At Our option (acting reasonably) We will pay You, repairers or other parties:

- the invoice value covering the Goods; or
- if there is no invoice value, at Our option either:
  - (i) the cost of replacing the Insured Goods with similar Goods of the same age and condition or as near as possible to that age and condition; or
  - (ii) the actual market value of the Goods.
- for damaged Goods: the cost of repairing or reinstating the Insured Goods to a condition equal to but no better or more extensive than its condition immediately prior to the loss or damage (including the reasonable cost of any necessary overtime). However, under no circumstances do We cover You for any reduction in the value of Goods because of repairs.

In the event of claim under the Policy where You are authorised by Us to carry out repairs to the Insured Goods, it is agreed that such repair costs shall be based on Your normal commercial rate which includes Your normal element of profit. Please contact us to confirm approval for these costs.

The following exceptions apply to the above provisions:

- **Livestock:** the invoice value covering the Livestock whilst in Transit, or, if there is no invoice value, the cost of replacing the Livestock with similar Livestock of the same age, breed and condition or as close as possible to the age, breed and condition of the original Livestock, not exceeding the Sum Insured expressed in the Schedule.
- Where the Goods carried are **artwork, paintings, pictures, statues or antiques**, the reasonable cost of repairs up to the Sum Insured of the particular item excluding any depreciation or reduced market value consequent on the repairs. The market value of the Goods will be assessed with reference to an independent and qualified valuer.
- For **new machinery**, the cost of replacement or repair of the part or parts plus any additional charges for forwarding and refitting.



- For **used machinery**: in the event of a Total or Constructive Total Loss:
  - (i) for sales/purchases – the purchase or sale price (invoice price) plus freight and incidental transport charges;
  - (ii) for stock transfers and other movements not involving a sale/purchase to evidence the value of the machine:
    - where a second hand market for the goods exists – market value at the time of the loss plus freight and incidental transport charges
    - for specialised machinery where there is no second hand market – the written down asset value as evidenced by the claimant’s accounting records, or the new replacement value based on the closest available equivalent machine of similar technical specifications less agreed depreciation based on the age and condition of the insured machinery at the time of the loss, plus freight and incidental transport charges.

The amount payable in the event of a partial loss will not exceed the cost of repairing and reinstating the item to a condition equal to but not better or more extensive than its pre-loss condition, and in any event not exceeding the above.

- **Packaging/shipping containers**: the cost of repair or replacement (as required by the hand over agreement or similar document) but not exceeding the insured sub-limit expressed in this Policy or the Schedule where different.
- In the event of loss affecting **labels** only, the amount recoverable is limited to the cost of new labels, reconditioning and relabelling the Goods.
- **Pairs and Sets Clause**: In the event of loss of or damage to an article forming part of a pair or set no regard shall be made to the value such article(s) may have to the pair or set and the amount recoverable under this Policy shall be calculated as a proportionate part of the insured value of the pair or set.
- **General Average/Salvage Charges**: We will pay General Average and Salvage charges in full irrespective of the amount insured being less than the contributory value, provided, however, that all Insured Goods shall be insured for not less than amounts calculated on the respective Basis of Valuation as nominated in the Schedule.

## Additional benefits

The following additional benefits apply to both Section 1 and 2.

In order to be sure that You are covered under this policy You should always contact Us for approval before You incur costs You wish to claim. If You do not, We will pay for costs incurred up to the amount We would have authorised had You asked Us first.

### Accumulation Clause

In the event of the accumulation of Goods in excess of the Sum Insured arising from circumstances beyond Your control, and providing You give Us notice as soon as reasonably possible once the circumstances become known to You, We will provide cover for the accumulated Goods up to double the Sum Insured specified in the Schedule each and every loss or occurrence or series of losses or occurrences arising out of the same event. If You do not, We may reduce or refuse Your claim to the extent We are prejudiced by Your delay.

### Acquired Companies Clause

We will provide cover under this Policy for any company, subsidiary company or firm that is formed, purchased or otherwise acquired by You during the Period of Insurance, provided always that You:

- hold a controlling interest in the company, subsidiary company or firm or have agreed to accept responsibility for insurance of such company, subsidiary company or firm; and
- advise Us of Your interest in the company, subsidiary company or firm as soon as reasonably possible after the date of signing of the instrument by which You acquired such company, subsidiary company or firm, or from the date of formation of such company, subsidiary company or firm, whichever the case may be; and
- declare to Us the Sendings or Turnover, type of Goods to be insured, past losses and then agree to any additional conditions required by Us and pay any additional Premiums required by Us to be paid.

### Assignment

For shipments involving imports and/or exports (Section 2), You or any assignee are permitted to transfer the insurance to another person and/or entity as part of the sale and in accordance with customary trade practices.

For Transits commencing and terminating within Australia (Section 1), You may only transfer a right under this Policy with Our written consent. We will not unreasonably withhold our permission.

## Automatic Reinstatement Clause

When We pay a claim under this Policy, the Sum Insured will be automatically reinstated without an additional Premium being payable.

## Brands Clause

We will not sell or dispose of Salvaged Goods which:

- bear permanent markings identifying You as the manufacturer; or
- have been manufactured using exclusive and/or secret formulas;

without Your consent.

Where You do not give Your consent, You may retain the Goods provided that a reasonable allowance for Salvage is agreed and deducted from the claim settlement.

If a mutual allowance cannot be agreed on, the value of the Goods damaged shall be established by allowing the Goods to be sold at a public auction where You have the right to accept or refuse the highest bid offered.

## Cargo ISM forwarding charges

Subject to all other terms conditions and exclusions contained in the Policy, We will pay You up to the limit of the Sum Insured for the Transit, for any extra charges properly and reasonably incurred in unloading, sorting and forwarding the Goods to the insured destination following release from a vessel arrested, or detained at, or diverted to any port or place other than the intended port of destination where the Transit is terminated due either to:

- the vessel not being certified in accordance with the International Safety Management (ISM) code; or
- a current ISM Code Document of Compliance not being held by her owners or operators;

as required under the Safety of Life at Sea (SOLAS) Convention 1974 as amended.

This clause does not apply to General Average or Salvage or Salvage charges.

## Container demurrage charges

We will cover demurrage charges and/or late penalties assessed against You up to a maximum of \$50,000 in addition to the Sum Insured where these are incurred due to the container(s) being retained by You on Our instruction for the purposes of inspection following a claim. The demurrage period for which We will be liable begins at the time We instruct You to retain the containers and finishes at the time Our surveyor instructs You to return the containers.

## Debris removal/Clean up costs

Where We have accepted liability for loss or damage to Goods, We will also pay up to \$100,000 any one loss or series of losses caused by the one event in addition to the Sum Insured shown in the Schedule or as specified in the Schedule, where different, for:

- the cost of removal and/or disposal of the damaged, deteriorated or contaminated Goods; plus
- the cost of cleaning up the accident site, premises, location or Conveyance;

provided:

- these costs relate to the Insured Goods; and
- You are legally or contractually obliged to pay those costs; and
- such costs are not recoverable under any other Policy of insurance.

## Delayed Unpacking Clause

We will accept claims for concealed loss or damage resulting from an Insured Event discovered on opening packages or cases as having occurred in Transit, unless proof to the contrary can be established provided:

- any delay in opening the packages following delivery does not exceed ninety (90) days;
- packaging showing external signs of damage, wetting and/or staining must be opened as soon as reasonably possible and all reasonable possible steps have been taken to minimise damage.

## Expediting expenses

We will pay up to \$50,000 any one loss or series of losses caused by the one event in addition to the Sum Insured shown in the Schedule or as specified in the Policy Schedule, where different, for the necessary incurred cost of air freighting replacement parts from suppliers following insured loss or damage to Goods, even if the original Transit was not by air freight, where:

- necessary to prevent interruption of Your business, and
- repair or replacement to original shipped condition cannot be effected locally.

## Fumigation and Decontamination Clause

We will cover the reasonable costs, charges and expenses of fumigation, decontamination or quarantine (including additional freight charges incurred) on arrival at destination or intermediate port or place where the Goods are:

- suspected of being infested, or actually infested; and
- ordered by the appropriate authorities to be fumigated or decontaminated; and
- You are legally responsible for such costs;

up to a limit of \$50,000 any one loss or series of losses caused by the one event in addition to the Sum Insured shown in the Schedule or as specified in the Policy Schedule, where different.

We will also cover any loss or damage to the Insured Goods proximately caused by the process of decontamination or fumigation including fire resulting from the application of heat during these processes.

Under no circumstances will We be liable under this additional benefit clause for the costs of customary or mandatory fumigation, decontamination or quarantine costs and expenses (per Government Quarantine Regulations or similar statutory requirements).

## Insolvency of carriers

For cover under Section 2, The Insolvency Exclusion Clause where appearing in the Institute Clauses forming part of this Policy is deleted and replaced by the following:

In no case shall this Policy cover loss, damage or expense caused by insolvency or financial default of the owners, managers, charterers or operators of the vessel or aircraft where You are unable to show, prior to loading of the Goods on board the vessel or aircraft, that all reasonable practicable and prudent measures were taken by You, Your servants and agents, to establish the financial reliability of the party in default.

This clause shall not apply where this insurance has been assigned to the party claiming hereunder who has bought or agreed to buy the Goods in good faith under a binding contract.

For both Section 1 and 2, if the Transit is interrupted or terminated due to the insolvency or financial default of the owners, managers, charterers or operators of the Conveyance, whether or not the Goods have been lost or damaged, We will pay You the extra costs of freight and/or storage to forward the Goods to their intended destination or to return the Goods to the place from which they were despatched up to a maximum of 10% of the Sum Insured of the Goods.

## Interests of other parties

Where You are comprised of more than one entity, the term "You" will apply to each entity in the same manner as though a separate Policy had been issued to each entity, however, Our limit of liability shall not exceed the Sum Insured specified in the Schedule and Our liability to make supplementary payments will apply as though there were not separate policies issued to each entity.

The interests of any party other than You (e.g. financiers, other owners and/or lessors) who You require to be covered by this Insured are protected under this Policy provided You have informed Us about them and We have agreed to include them and noted them on the Schedule.

Where the protection provided by the Policy covers the interest of more than one party, any act or omission of an individual party will not prejudice the rights of the remaining parties, provided:

- the loss, damage, liability, cost or expense are not directly or indirectly caused by or contributed to by or arise from any of the remaining parties' misconduct or intentionally caused by one of the remaining parties or any person acting with their express or implied consent; and
- provided the remaining parties must, as soon as reasonably possible after becoming aware of any act or omission that increases the risk of loss or damage, give notice in writing to Us and on demand pay any reasonable extra premium which We may require in order to maintain cover for the increased risk as a result of the act or omission, that We may agree to provide. If You do not, We may reduce or refuse Your claim to the extent We are prejudiced by Your delay. We will let You know if any additional premium is payable in order to maintain cover for the increased risk as a result of the act or omission.

This benefit will not act to exclude the rights of parties to whom You have sold the Goods insured who are entitled to claim for loss or damage to the Goods in respect of their Insurable Interest under customary sale/trade terms, to the extent of coverage provided by this Policy.

## Loss of information/data/media

Provided that there is visible external damage to the Goods, We will pay up to \$50,000 any one loss or series of losses arising from the one event for the reasonable cost of rewriting the information or data provided that these costs are not recoverable under any other Policy.

## Packaging, containers and equipment

We will cover loss of or damage to:

- packaging materials, crates, pallets, shipping containers, flatracks, tanktainers, demountable bodies, flats or similar units (including ancillary equipment whilst attaching to such units), or similar items used for transportation of the Goods, owned by You or for which You have legal responsibility whilst in Your care, custody and control; and
- any equipment used by You in Goods transportation including tarpaulins, ropes, chains, webbing straps, restraints, dogs, gates, trolleys and containers where You use Your own vehicles to transport the Goods providing they are not otherwise insured under any other Policy, during an insured Transit, subject to a limit of \$50,000 any one loss or series of losses arising out of the one event, or as specified in the Policy Schedule, where different.

## Repacking costs

We will pay for loss 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 the established custom of You or Your trade to deliver the Goods to the final customer premises in the original shipping packages.

## Resecuring costs

We will pay for all reasonable costs and expenses for which You are responsible up to a maximum of \$10,000 (unless otherwise specified in the Schedule and provided they are not recoverable under any other Policy of insurance) 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, providing that these circumstances were outside Your control and You could not reasonably be expected to know of them during the normal course of Your business.

## Sealed Container Clause

In respect of shipments in FCL (Full Container Load) containers, provided that documentary evidence is produced to substantiate the quantity loaded into the FCL container the fact that the container's seal is intact at unloading point shall not invalidate claim for theft, pilferage, shortage and non-delivery. On settlement of Your claim, You shall provide Us with reasonable assistance that We may reasonably require in all respects to pursue rights of recovery from the suppliers and/or the packers or other responsible third parties.

## Sorting Charges Clause

In the event of You or Your buyer complying with surveyor's instructions to sort damaged Goods to determine a loss which may be recoverable under the Policy, We shall pay for such expenses as approved by the surveyor even though a claim may not subsequently result under the Policy.

## Strikes Diversion Expenses Clause

We will pay any reasonable additional costs incurred by You up to \$50,000 any one loss or series of losses caused by the one event in addition to the Sum Insured shown in the Schedule or as specified in the Policy Schedule, where different, in unloading, storing and forwarding Your Goods to their final destination where the carrier, shipowners, charterers or managers exercise a liberty granted to them by the contract of affreightment where solely in consequence of strikes, riots, civil commotions, lockouts or labour disturbances, the Goods are over-carried to or discharged at a port other than their Scheduled port of discharge under the contract of affreightment.

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

## Sue and Labour Clause

In the event of loss or damage caused by an Insured Event, You and Your servants are permitted to take reasonable measures for the purpose of averting or minimising such loss and We will, in addition to any loss recoverable under the Policy, reimburse You for any costs properly and reasonably incurred.

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.

# General exclusions applicable to both Sections

In respect of cover provided under Section 2, the exclusions contained within the Institute Clauses applicable to this policy (either the default/standard clauses appearing in the table on pages 17-20 or as specified in the Schedule, as applicable) and forming part of this Policy shall be paramount where they conflict with any terms contained in this Exclusion section of the Policy.

## Property (Goods) exclusions

We do not insure You for loss or damage to:

1. Property other than Goods of the types noted in the Schedule or which are specified under the Packaging, Containers and Equipment, Employees Personal Property, Exhibitions/Demonstrations, Tools of Trade or Travellers Samples covers (where applicable); and
2. Vehicles and machines whilst driven under their own power or whilst being towed other than during Loading and Unloading operations.

## Perils exclusions

This Policy does not cover any loss, damage, liability, destruction, cost or expense of any nature whatsoever that is directly or indirectly caused by or contributed to by or arising from any of the following:

### Losses not arising from transport of the Goods

Claims for loss or damage:

1. which has not occurred during the Transit, for example, pre-existing damage or damage occurring after the Goods have been delivered at destination;
2. as a result of rejection;
3. arising from unexplained loss, mysterious disappearance and/or shortage deduced solely from an inventory computation;
4. delay, loss of market, or consequential loss of any description even if caused by an Insured Event. Some examples of what we won't pay for include loss of profits or loss of contract.

### Failure to take Due Care and/or deliberate damage

Loss or damage to Goods caused by:

5. Your misconduct or intentionally caused by You or any person acting with Your express or implied consent;
6. failure to exercise Due Care in the safe handling, storage, protection and security of the Goods to the extent these matters are within Your control.

### Rust, oxidation, discolouration

Loss or damage to Goods due to:

7. rust, oxidation or discolouration, unless caused by an Insured Event.

## Fraud

8. Fraudulent or dishonest acts, fraudulent misappropriation, embezzlement and forgery involving the Insured Goods by You or one of Your employees acting alone or in collusion with any other person(s). However, this exclusion shall not apply to theft following forcible and violent entry upon premises.

## Refrigerated, perishable or temperature controlled Goods

Loss or damage caused by:

9. failure of Your refrigeration equipment where it has not been regularly serviced and maintained;
10. Your failure to take all reasonable precautions to keep the Goods in a refrigerated, properly insulated or cooled space.

## Machinery, equipment, data etc

Loss or damage to Goods caused by the following:

11. electronic, electrical or mechanical failure of the Goods unless there is visible external physical damage to the Goods which occurred during Transit caused by an Insured Event;
12. loss of data from any computer hardware or software unless there is visible external physical damage to the Goods which occurred during Transit caused by an Insured Event;
13. damage to Goods which are vehicles and machines whilst they are being towed or whilst being driven under their own power except during loading and unloading operations as specified in this Policy;
14. arising from the dismantling, assembly, testing or fabrication of machinery, plant, equipment or structure.

## Liability for third party losses

15. Damage to third party property except as provided in the Packaging, Containers and Equipment benefit.
16. Loss, damage, liability, destruction, cost or expense of any nature whatsoever that is directly or indirectly caused by or contributed to by or arising from asbestos, or any materials containing asbestos in whatever form or quantity.
17. The infection of property, humans, animals or other living creatures by infectious matter, or the spreading or releasing thereof, by You, whether accidentally, knowingly, wilfully, maliciously or otherwise;
18. failure to arrange insurance to the benefit of a third party, or for any claims arising from Your professional negligence and errors or omissions associated with any offer of insurance.

## War when not in Transit

19. War or Warlike Activities whilst Your property is not on board a ship, vessel or aircraft.

## Cargo ISM Endorsement

(This Endorsement is applicable to shipments on board all vessels of 500 gross tons or more.)

In no case shall this insurance cover loss, damage or expense where the Goods Insured are carried by a vessel that is not ISM Code certified or whose owners or operators do not hold an ISM Code Document of Compliance when, at the time of loading of the Goods Insured on board the vessel, You were aware, or in the ordinary course of business should have been aware:

- either that such vessel was not certified in accordance with the ISM Code; or
- that a current ISM Code Document of Compliance was not held by her owners or operators;

as required under the SOLAS Convention 1974 as amended.

This exclusion shall not apply where this insurance has been assigned to the party claiming hereunder who has bought or agreed to buy the Goods insured in good faith under a binding contract.

## Nuclear/Terrorism/Cyber exclusions

The following conditions shall be paramount where they conflict with any terms contained in this Policy or Clause or conditions referred to herein. In the event of conflict between these three clauses, the Institute Radioactive Contamination, Chemical, Biological, Bio-Chemical; Electromagnetic Weapons Exclusion Clause and Institute Cyber Attack Exclusion Clause shall prevail.

### **Institute Radioactive Contamination, Chemical, Biological, Bio-Chemical and Electromagnetic Weapons Exclusion Clause 10/11/03**

In no case shall this Policy 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 chemical, biological, bio-chemical, or electromagnetic weapon.

## Transit and Terrorism Clause

Where this Policy covers loss of or damage to the Goods caused by any terrorist or any person acting from a political motive, this cover applies only when the Goods are in Transit and ceases:

- as per the Transit clauses contained within the Policy; or
- on delivery to the Consignee's or other final warehouse or place of storage; or
- on delivery to any other warehouse or place of storage, whether prior to or at destination, which You elect to use either for storage other than in the ordinary course of Transit or for allocation or distribution; or
- in respect of marine Transits, on the expiry of 60 days after completion of discharge overseas of the Goods from the overseas vessel at the final port of discharge; or
- in respect of air Transits, on the expiry of 30 days after unloading the Goods from the aircraft at the final place of discharge;

whichever shall first occur.

Where this Policy specifically provides cover for inland or other further Transits following on from storage, or

termination as provided for above, cover will re-attach and terminate as per the Transit clause expressed in the Policy and as above.

## Cyber Attack Exclusion Clause

In no case shall this insurance cover loss damage liability or expense directly or indirectly caused by or contributed to by or arising from the use or operation, as a means for inflicting harm, of any computer, computer system, computer software programme, malicious code, computer virus or process or any other electronic system.

However, this exclusion will not operate to exclude losses (which would otherwise be covered by policies covering risks of War, civil War, revolution, rebellion, insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power, or Terrorism or any person acting from a political motive), which arise from the use of any computer, computer system or computer software programme or any other electronic system in the launch and/or guidance system and/or firing mechanism of any weapon or missile.

## Communicable disease exclusion

Notwithstanding any provision to the contrary within this insurance, this insurance does not insure any loss, damage, liability, claim, cost or expense of whatsoever nature caused by, or contributed to by, resulting from, arising out of, or in connection with a communicable disease or the fear or threat (whether actual or perceived) of a communicable disease regardless of any other cause or event contributing concurrently or in any other sequence thereto.

As used herein, a communicable disease means any disease which can be transmitted by means of any substance or agent from any organism to another organism where;

- the substance or agent includes, but is not limited to, a virus, bacterium, parasite or other organism or any variation thereof, whether deemed living or not; and
- the method of transmission, whether direct or indirect, includes but is not limited to, airborne transmission, transmission from or to any surface or object, solid, liquid or gas or between organisms and;
- the disease, substance or agent can cause or threaten bodily injury, illness, damage to human health, human welfare or property.

# General conditions and cover restrictions applicable to all Sections

## Applicable law

This Policy is governed by and shall be construed in accordance with the laws of Australia. Any dispute relating to the Policy shall be submitted to the exclusive jurisdiction of a competent Court within the State or Territory of Australia in which the Policy was issued.

## Authority

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.

## Breach of Warranty or condition

### Where the Insurance Contracts Act 1984 applies

The law gives Us a number of rights if You do not comply with the conditions of this Policy. In particular cases (to the extent permitted by law) We may be able to:

- cancel the Policy;
- avoid the Policy from the commencement date of the Period of Insurance;
- refuse or reduce Your claim to the extent We are prejudiced by Your noncompliance.

### Where the Marine Insurance Act 1909 applies

Warranties are conditions which must be exactly complied with, whether material to the risk or not. Under the Marine Insurance Act 1909, where applicable, if they are not complied with, then, subject to any express provisions in the Policy, We are discharged from liability as from the date of the breach of the Warranty, but without prejudice to any liability incurred by Us before that date.

## Declaration of actual Turnover or Sendings

The deposit Premium advised at the inception of each Period of Insurance is provisional and based on the estimated annual Turnover or Sendings during the Policy period agreed. On expiry of the Period of Insurance the Policy will be adjusted by applying the agreed rate percent to the actual Turnover or Sendings for that period. For the purpose of ascertaining any adjustment to this Premium You must provide, as soon as reasonably possible after the expiry of each Period of Insurance, the actual Turnover or Sendings.

The difference between the Premium based on the actual figures at the end of the period and the Premium calculated at inception will be paid by or allowed to You, as the case may be, but in any event a minimum retained Premium equivalent to 75% or as may otherwise be agreed, of the full Premium based on the initial estimates will be retained by Us.

We agree to waive any adjustment of Premium other than the difference between the deposit Premium paid and the full Premium based on the original estimates provided by You where the difference between the actual Turnover/ Sendings and the estimated Turnover/Sendings is less than 10%.

If the deposit Premium is \$5,000 or less, the deposit Premium shall be regarded as the minimum Premium for the Period of Insurance shown in the Schedule and no adjustment of actual figures is required other than the difference between the deposit Premium paid and the full Premium based on the original estimates provided by You.

You are required and agree to take reasonable steps to keep accurate records of all such figures and, on reasonable request, to provide Us with a copy of these records.

## Delay or interruption by You

If after discharge of the Goods at the port of destination, You by Your action or failure to take action:

- delays the forwarding or,
- causes the Goods to be stored at any location other than the buyers' or other final warehouse or place of storage at the port of destination.

Your action or failure may prejudice Your rights under this Policy to make a claim.

## Due Care

It is a condition of this Policy that at all stages You must take Due Care in the handling, storage, protection and movement of Goods and the provision of instructions to any transport services providers You engage to transport Your Goods.

## Exchange rate

The exchange rate used by Us for any currency conversions applicable to declarations or claim settlements made under this Policy will be the Spot Sell rate (as advised to Us by Our bank) applicable on the date of the Bill of Lading or Air Waybill.

## "On deck" shipments

Where the Goods are transported in shipping containers which are not fully enclosed and these are shipped "on deck", cover excludes loss, damage or expense caused by or arising from rust, oxidation, discolouration, fresh water or sea water unless as a result of a peril insured by Institute Cargo Clauses (B) with sub clause 1.2.3 deleted.

## Other insurance

If at the time of any loss, damage or Accident that may give rise to claim under the Policy, there is any other insurance Policy covering the Goods whilst in the ordinary course of Transit effected by any other party then We reserve the right to seek contribution from any other Insurer(s). If You are aware of such other insurance covering either wholly or in part the Goods, You are required to notify Us. You must also provide Us with full information and all reasonable assistance in the recovery of Our rateable proportion of such loss or damage.

## Prohibited cover or payments

Notwithstanding anything contained in this Policy to the contrary, ["the insurer" or "we"]\* shall not be liable to provide any cover or benefit or pay any claim where the provision of cover or benefit or payment of claim would constitute a breach of any trade or economic sanction, embargo, prohibition or restriction imposed by any of the following: United Nations, United States of America, Australia, European Union, United Kingdom, or New Zealand, or any other applicable national trade or economic sanctions, laws or regulations. This clause shall apply where such geographical location, provision of goods, services or other reasons shall contravene such sanction, embargo, prohibition or restriction.

## Subrogation/Rights of recovery

We have the right to take action or institute legal proceedings, in Your name, for the recovery of payments made and expenses incurred in relation to any claim covered by this Policy, against any person, company or entity legally liable to You in respect of that claim. You must take all reasonable steps to provide Us with full information and all reasonable assistance in the recovery of those payments or expenses.

## Waiver of subrogation rights

We are not liable to pay any benefits under this Policy for loss or damage to Goods if You agree or have agreed to limit or exclude any right of recovery against any third party who would be liable to compensate You with respect to that damage to Goods after the loss of or damage to the Goods has occurred to the extent that Your loss would have been recovered from that person but for the agreement. This provision does not apply to Your signature of a Transport Operator's standard conditions of cartage, consignment note, Bill of Lading, Air Waybill or similar contract of affreightment.

## War and Strikes Variation Clause

The Premium and rates quoted/charged are inclusive of the War and strikes rates charged by Us as at the attachment date of the Policy. As War and strikes exposures may vary during the currency of the Policy, We reserves the right to vary the War and strikes rates at any time by giving You (or Your broker/agent or representative) 7 days notice in writing of any such variation.

Any variation in Premium will be calculated by deducting the rate charged at the commencement of the Policy from the new rate and applying the difference to the exposed Turnover. The method of payment for any difference in Premium will be advised as part of the notice to amend War and strikes rates.

Nothing contained herein shall vary the cancellation provisions of this Policy.



# Claims

## GST notice

This Policy has a GST provision in relation to Premium and Our payment to You for claims. It may have an impact on how You determine the amount of insurance You need. Please read it carefully. Seek professional advice if You have any queries about GST and Your insurance.

## Sums Insured

All monetary limits in the Policy may be adjusted for GST in some circumstances (see below).

### Claim settlements – where We agree to pay

When We calculate the amount We will pay, We will at Your request either pay You or the owner of the Insured Goods or Livestock and We will have regard to the items below:

#### Acquisition of goods, services and repairs

- 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 pay the GST amount in addition to the Limit of Indemnity or other limits shown in the Policy or in Your Schedule (unless We state GST is included in Sum insured or Limit of Indemnity).

If Your Limit of Indemnity is not sufficient to cover Your loss, We will only pay the GST amount that relates to Our settlement of Your claim.

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.

#### Payment as compensation

- Where We make a payment under the Policy as compensation instead of payment for a relevant acquisition, We will reduce the amount of the payment by the amount of any input tax credit that You would have been entitled to had the payment been applied to a relevant acquisition.

Where the Policy insures business interruption, We will (where relevant) pay You on Your claim by reference to the GST exclusive amount of any supply made by Your Business that is relevant to Your claim.

### Disclosure – Input tax credit entitlement

If You register, or are registered, for GST You are required to tell Us Your entitlement to an input tax credit on Your Premium. If You fail to disclose or understate Your entitlement, You may be liable for GST on a claim We may pay. The Policy does not cover You for this GST liability, or for any fine, penalty or charge for which You may be liable.

## Claims procedures

These procedures are important. Failure to follow them might jeopardise a claim under this Policy.

In order to be sure that You are covered under this policy You should always contact Us for approval before You incur costs You wish to claim. If You do not, We will pay for expenses incurred up to the amount We would have authorised had You asked Us first.

- A. You (or Your buyer in the event of an export shipment) MUST:

As soon as reasonably possible after You or the buyer become aware of any, or any potential loss or damage which may result in a claim under the Policy You or Your buyer must take reasonable steps, at Your or the buyer's own expense as if You are not insured:

- (i) take such measures as may be reasonable for the purpose of averting or minimising such loss or damage. We will reimburse You or the buyer for any charges properly and reasonably incurred in pursuance of these duties.

Measures taken by You, the buyer 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 any party;

- (ii) as soon as reasonably possible, advise Us or, in the case of an export shipment, Our overseas representative, of the loss or damage or death or injury of Livestock where applicable including the location and circumstances of the loss, time and date. We or Our overseas representative may decide to appoint a surveyor or an assessor to inspect the damage to determine the cause, and who might be responsible for it. You or Your buyer should co-operate with the surveyor fully as this will assist with the speedy adjustment of Your claim. If You do not, We may reduce or refuse Your claim to the extent We are prejudiced by Your delay;
- (iii) take all reasonable action to recover lost or stolen Goods and minimise the claim, including, in respect of Livestock, mustering and agistment of the animals (which are claimable under this Policy to the extent of the covers listed under the Additional benefits applicable to section 1);
- (iv) as far as reasonably possible preserve any Goods or other items which might prove necessary or useful as evidence. In respect of Livestock, where it has been necessary to remove or dispose of them on the order of responsible officials, death of the animal is to be certified by a veterinarian or the responsible official;

(v) properly preserve and exercise all rights against carriers, bailees or other third parties specifically:

- do not release those parties from liability;
- do not give “clean receipts” where You believe that the Goods have suffered loss or damage. That is, when the Goods are delivered, You will be asked to sign the carrier’s receipt (i.e. consignment note or delivery docket) which usually acknowledges that the consignment was received in good condition.

If there is any obvious evidence of damage or shortage do not under any circumstances sign the document.

If a signature is required, add a note to the effect that the Goods were delivered damaged. That is what is termed a “qualified receipt”.

If You or the buyer suspect that there is damage, even if it is not obvious, add a note to say that ‘You are accepting the Goods in apparent good order and condition’.

Giving a signature without any comment is termed giving (or signing) a “clean receipt”.

A “clean receipt” infers that You or the buyer agree that the Goods were not damaged at the time the signature was given. That makes it difficult for You or the buyer to prove to the carrier that You or the buyer have a valid claim.

- if Your Goods are delivered in a shipping container, examine the locks and seals and compare the numbers with those listed on the shipping documents, preferably before the container is removed from the Conveying Vehicle that delivered it to Your or the buyer’s premises.

If the container is delivered damaged or with seals broken or missing 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;

(vi) if the loss or damage was not immediately apparent at the time of delivery, apply as soon as reasonably possible for surveys by the carriers or other bailees, to be conducted within 3 days of delivery;

(vii) provide Us or Our overseas representative with a written claim detailing:

- the nature and extent of the loss or damage;
- any other insurance that may exist on the Goods;

(viii) take reasonable steps to attach original or legible photocopies (of both sides of any document that has anything on the reverse) of any of the following that are applicable to the circumstances:

- shipping invoices, specifications, packing lists, weight notes, gate passes;
- commercial invoices, customs documents;
- bill of lading, air waybill, or consignment note (an original is preferable, and may be required for any recovery action against a third party);
- copies of all correspondence exchanged with any third party;
- any internal (within Your company) reports or memos detailing the extent of the damage;
- repair quotations or receipts and any other documents that might confirm the circumstances of the loss or damage and substantiate the amount/s being claimed.

B. You or Your buyer SHOULD NOT:

- (i) authorise the repair or replacement of anything without Our agreement;
- (ii) dispose of any damaged Goods without giving Us or Our overseas representative a reasonable opportunity to examine those Goods. If You do, We may reduce or refuse Your claim to the extent We are prejudiced by this.

C. After You or the buyer have advised Us or Our overseas representative of any loss of or damage to Goods:

- (i) You or the buyer must comply with all Policy terms and conditions before We will meet any claim under the Policy. We may reduce or refuse Your claim to the extent We are prejudiced by your noncompliance;
- (ii) We have the right to recover from any person against whom You or the buyer may be able to claim any money paid by Us. We may take over and conduct, in Your name or the buyer’s name, the defence or settlement of any claim and We will have discretion in the conduct of any proceedings in connection with the claim, having regard to Your interests and acting reasonably. We will keep you informed if You ask Us to;
- (iii) We may pay You or the buyer the Sum Insured under the Policy or any lesser amount for which a claim or claims may reasonably be settled. After We have paid You or the buyer, We will no longer be liable for the claim(s) (or future conduct of the claim(s)) except for costs and expenses incurred up until the time We pay You or the buyer that We previously agreed to pay.



For all enquiries please call Your insurance intermediary

**[amandtaustralia.com.au](http://amandtaustralia.com.au)**

AM&T (Allianz Marine and Transit Underwriting Agency Pty Limited)  
AFS Representative No. 423910 ABN 98 155 554 279  
as agents of the insurer Allianz Australia Insurance Limited  
AFS Licence No. 234708 ABN 15 000 122 850  
GPO Box 9870 Melbourne VIC 3000

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