



A Company of **Allianz** 

FREIGHT FORWARDERS LIABILITY INSURANCE

POLICY DOCUMENT
AUSTRALIAN MARKET

REST EASY. OUR KNOWLEDGE RUNS DEEP.

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 and summary

Welcome and thank You for choosing Our Freight Forwarders Liability Policy.

This is an important document. You should read it, and all the documents which make up the Policy, carefully before making a decision to purchase this insurance. They 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.

This insurance covers You for sums that You shall become legally liable to pay for Compensation for loss of or Damage to Goods whilst in Your care occurring during Transit provided You have limited Your liability by incorporating Your Terms and Conditions into Your agreement with the principal carrier or freight forwarder, owner of the Goods, sender of the Goods or receiver of the Goods that limits Your legal responsibility for Goods in Your care, custody or control.

This product is not designed for small carriers/local transport services for which Our standard Carriers Insurance Policy may be more appropriate – please contact Your insurance intermediary to discuss Your needs as necessary.

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 insurance intermediary or Us via the details on the back cover.

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.

The Policy and Our Contract with You

The 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 provided by Us to You 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.

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

The Contract

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).
- Cover is provided on the basis that You have paid or agreed to pay Us the Premium for the cover provided and on the basis of the verbal and/or written information provided by You which must have given in accordance with Your Duty of Disclosure. Your Duty of Disclosure and the consequences of nondisclosure, are provided under the heading 'Your Duty of Disclosure' on page 4.
- 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 Limit of Liability shown on the Schedule unless We specify otherwise in this document.

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

Insurance Intermediaries

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. You can ask them or Us for more information.

Offering Insurance

Under the terms of the Financial Services Regulation Act (2001), unless You hold an Australian Financial Services Licence (AFS Licence) with appropriate authorisations, or have been appointed, with appropriate authorisations, as an Authorised Representative of an AFS Licensee, You may be in breach of the law if You:

- organise or arrange insurance on someone else's behalf;
- provide any financial service (including insurance) as defined in Division 4 of Part 7.1 of the Corporations Act 2001 (Cth); or
- represent to Your Customer that You are able to arrange insurance for their benefit.

Substantial penalties can be imposed in the event of a breach.

You should be aware that:

- Your Customer is not insured by Us under this Policy.
- Under no circumstances should Your Terms and Conditions, or any correspondence, document, communication or representation in any way:
 - incorporate an offer to, or represent that You are able to arrange insurance for the benefit of Your Customer;
 - represent to Your Customer that they do not need to insure their Goods because You have insurance in place; or
 - state or imply that We insure Your Customers Goods and that they have a Policy with Us.

Failure to comply with these terms will be considered a breach of the conditions of this contract of insurance

Applying for the insurance

When You (or Your insurance intermediary on Your behalf) apply for this insurance Policy 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;
- the limit(s) 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).

Your Obligations

When You enter into the Policy:

- 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, or both;
- 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.

To properly understand the significant features, benefits and risks of this insurance You need to carefully read about the available type of cover and benefits and exclusions in the Policy. The cover provided can be affected by the following:

- the rest of this "Introduction and Important Notices" section – this sets out how You apply for cover, the basis on which We insure You, Your Duty of Disclosure (see page 4), 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 Exclusions" section – this sets out the general exclusions and limitations that apply to the cover and benefits;
- the "General Conditions" and "Claims Procedure" sections – these set out certain general rights and obligations that You and We have and other cover restrictions and conditions;

- all of the documents that make up the Policy, including the 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 the Policy for interpretation purposes.

Renewal procedure

Before Your Policy expires, We will advise You whether We intend to offer renewal and if so on what terms. This 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 Limit of Liability to ensure it is appropriate for Your Business Activities and that any optional covers and sub-limits suit Your needs, allowing for any changes in Your Customer base, types of Goods handled, or contracts You have entered into since the Policy was originally taken out. You should also ensure that You communicate any changes to Your Terms and Conditions to Us.

This document also applies for any offer of renewal We may make, unless We tell You otherwise.

Please note that You need to comply with Your Duty of Disclosure (see page 4) before each renewal. Examples of important information You must inform Us of includes (but is not limited to) any changes to the Goods being shipped or stored, radius of Transit/Geographical Limits, contracts or Customers and Gross Freight Earnings.

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
- could reasonably be expected to know,

is relevant to Our decision whether to accept the risk and on what terms Your application for insurance is acceptable and to calculate how much premium is required for Your insurance.

You have the same duty to disclose those matters to Us before You renew, extend, vary or reinstate the contract.

The duty applies until the policy is entered into (or renewed, extended, varied or reinstated as applicable).

What You do not need to tell Us

You do not need to tell Us about any matter that:

- diminishes Our risk;
- is of common knowledge;
- We know or should know as an Insurer in the ordinary course of Our business; or
- We tell You We do not need to know.

Who does the duty apply to?

The duty of disclosure applies to You and everyone that is an insured under the Policy. If You provide information for another insured, it is as if they provided it to Us.

Non-disclosure

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

Alteration of Risk

Where the Insurance Contracts Act applies: 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 in notifying Us. If We agree to the change We will do so in writing and You must pay Us any additional premium We require.

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 the 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 in notifying Us.

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, including:

- type of Goods, where the Goods are to be transported to and from, the Gross Freight Earnings of Your business, the Limit of Liability required, Your insurance history etc.
- In addition, We will detail 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 at the time You enter into the contract. 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.

How to make a claim

If You need to make a claim under the Policy, please refer to the "Claims procedure" section (pages 27-28).

Cancellation rights under the Policy

- a) You or Your intermediary (on Your behalf) may cancel Your Policy at any time by notifying Us in writing;
- b) We have the right to cancel Your Policy where permitted by law.

1. Where the Insurance Contracts Act 1984 applies

The Insurance Contracts Act 1984 permits Us to cancel policies in a number of situations, including but not limited to:

- where 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 Your Policy; or
- where You failed to comply with a provision of Your Policy, including the term relating to payment of premium; or
- where You made a fraudulent claim under Your Policy or under some other contract of insurance that provides cover during the same period of time that Your Policy covers You.

and We may do so by giving You three (3) business days' notice in writing of the date from which the Policy will be cancelled. The notification may be delivered personally or posted to You at the address last notified to Us.

2. Where the Marine Insurance Act 1909 applies

We may cancel this Policy in the event of non-payment of the Premium or for any other reason available at law by giving 30 days notice of cancellation.

3. Cancellation Notice

If We decide to cancel Your Policy, We will give notice to You or Your agent in writing. Such cancellation will be effective from 4pm on the third business day after the day the notice is given to You or Your agent, unless it specifies a later date.

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

4. Returns for Cancellation

If You or We cancel Your Policy We may deduct from the refund amount:

- a pro rata proportion of the premium for time on risk; and
- any government taxes or duties We cannot recover.

You will not receive a refund of premium if You have already made a claim or if circumstances have arisen entitling You to make a claim.

5. Premium funders

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, any refund calculated in accordance with Clause 4 above will be made to the premium funding company.

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).

1. 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.

2. 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 to 6pm Monday to Friday, or going to Our website's Privacy section at www.allianz.com.au/about-us/privacy

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.

3. 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.

4. 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 to which this information may be disclosed will vary from time to time, but may include Canada, Germany, New Zealand, United States of America and other countries in which 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.

5. 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/about-us/privacy

6. 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.

7. 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

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–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

Phone: 1800 931 678

Email: 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 amandaustralia.com.au

Words with special meaning

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

Any amounts provided in \$ (dollar) means Australian dollars unless otherwise noted.

Accident and/or **Accidental** means an Occurrence that You did not intend or expect to happen or could not have been expected to happen by a reasonable person with actual knowledge of the circumstances.

Approved Terms and Conditions means:

- Terms and Conditions which have been declared to and approved by Us prior to the commencement of Transit; or
- Any undeclared Terms and Conditions You use which contain at least the same level of immunity, indemnity, protection, limitation and defence as the Terms and Conditions You have declared to and which have been approved by Us and which:
 - are in line with, where applicable, standard terms published by industry standard bodies or similar organisations;
 - comply with, where applicable, international convention and/or national, civil, commercial or common law that is applicable by compulsion or statute; or
- The Terms and Conditions of a Principal Freight Forwarder where You are acting as a Subcontractor provided:
 - the Principal Freight Forwarder's Terms and Conditions contain at least the same level of immunity, indemnity, protection, limitation and defence as Your Approved Terms and Conditions and include a provision that extends the benefits of the Principal Freight Forwarder's Terms and Conditions to subcontractors, servants and agents (which includes You); and
 - the immunity, protection, limitation and defence provided to You has not been overridden by any term contained in any contract agreed between You and the Principal (e.g. subcontract agreement).

The Approved Terms and Conditions should under normal circumstances, be provided to and agreed by Your (or the Principal Freight Forwarder's) Customer in writing prior to Transit.

Artwork and Antiques means:

- works of art including paintings, etchings, pictures, statues, marbles, bronzes
- tapestries, valuable rugs
- rare books, periodicals, photographs, slides, clippings and manuscripts or collections of the same
- antique furniture, silverware, porcelain articles, rare glass and bric-a-brac

and other articles of a similar nature, but **does not** include:

1. precious metals and stones, bullion or jewellery;
2. Money;

Business Activities means the usual services or activities performed by You as a freight forwarder, road transport operator, air carrier, multi modal transport operator, non-vessel owning carrier (NVOCC), warehouse or depot operator, or customs broker including but not limited to owning or leasing Containers, movement, handling, forwarding, loading or unloading, packing or unpacking of Goods and the charter of vessels from ship owners in order to facilitate the above services.

Compensation means money payable by way of damages by reason of a judgment ordered by a Court of competent jurisdiction, or by reason of any award of a competent arbitral tribunal, or by reason of any settlement of any claim negotiated with Our prior consent. If You do settle or negotiate a claim without Our prior consent, We may reduce or refuse Your claim to the extent We are prejudiced. Compensation does not include any punitive, exemplary, aggravated damages and any additional damages resulting from the multiplication of compensatory damages.

Consequential Loss for the purposes of this Policy means:

- a) loss of profit incurred;
- b) increased costs incurred to avoid or minimise a loss of profit; and/or
- c) any other special costs incurred;

by Your Customer as the direct consequence of Damage to Goods during Transit or where use of the Goods has been impaired or made impossible as a result of Damage during Transit.

Containers means any unit load transport device, fitted with corner castings, used as a receptacle to carry Goods by more than one mode of transport (including ancillary equipment whilst attaching to such unit). This includes general purpose and refrigerated containers, tanktainers, demountable bodies, bolsters, flat racks, pallets and similar units.

Conveying Vehicle means any mode of transport used by You to transport the Goods whether owned by You or a Subcontractor including chartered vessels.

Customer means the entity for which You provide Your services.

Damage(d) means physical loss, destruction or damage.

Debris means the residue of Damaged Goods but does not mean material that is itself a pollutant or contaminant which escapes beyond the immediate vicinity of the Occurrence giving rise to loss or Damage.

Due Care means the exercising by You of professional standards of prudence and caution and measures in preventing or minimising any liability, Damage or loss which may give rise to a claim under the Policy, including but not limited to:

- the handling, Storage, security and movement of Goods;
- the selection of, and provision of instructions to third party transport service providers/contractors;
- the maintenance of Your premises, operational security, protective and warning equipment, vehicles, Containers and goods and material handling equipment;
- vehicle and driver management processes and procedures;
- binding Your Customers to Your Terms and Conditions;
- the avoidance of carriage, trade or voyages which are or which You knew or ought to have known to be imprudent, unsafe, unduly hazardous, or improper;
- where You charter a vessel, making adequate enquiries regarding vessel insurance arrangements, classification, condition and compliance;
- the selection of packaging appropriate to protect the Goods where this is organised by You; and
- the compliance with all statutory obligations, by-laws, regulations and standards imposed by public authorities.

Electronic data means facts, concepts and information converted to a form useable for communications, display, distribution, interpretation or processing by electronic and electromechanical data processing or electronically controlled equipment and includes programs, software and other coded instructions for such equipment.

Endorsement means documentary evidence of an alteration to the Policy issued by Us to You which forms part of the Policy.

Excess means the amount payable by You as a contribution for each and every Occurrence recoverable under this Policy as specified in the Schedule.

Where an Excess is expressed as a:

- specified sum – it shall mean the amount specified; and/or
- percentage – it shall mean the monetary equivalent of such percentage of each loss;

If a claim is made in respect of more than one Occurrence, the Excess shall apply as though a claim was made for each individual Occurrence.

General Average means 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 Limits means the geographical area of operation specified in the Schedule but only in respect of:

- Business carried on by You at or from premises located within Australia; and
- contracts entered into in Australia; and
- for work either performed in Australia, or in respect of the carriage of Goods to/from Australia by You

Goods means Customer property of any type including all retail and sales packaging, where applicable held in trust for the purposes of Your Business Activities and for which You are liable.

However, Goods does not include, unless otherwise agreed:

- the types listed under the Property (Goods) Exclusions listed on page 21 of the Policy
- Certain types of Goods requiring special declaration to Us for the purposes of Underwriting or application of special Policy conditions, being:
 1. live plants and trees;
 2. Bulk cargoes other than liquid Bulk cargoes that are carried in either an ISO tank container or flexi-tank stuffed into a general purpose shipping container or carried in a purpose built road or rail tank conveyances;
 3. Artwork and Antiques where the insured value of the individual item exceeds \$20,000 or where the total consignment value exceeds \$100,000;
 4. Home Contents and Personal Property;
 5. 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;
 6. live vaccines and/or blood plasma;
 7. precious or semi-precious metals and stones or items that are made from or which may contain precious or semi-precious Stones and jewellery unless the insured value of each individual item is less than \$2,000 and the total consignment value is less than \$20,000;

8. cigarettes, tobacco or tobacco products. This exclusion does not apply to small consignments or limited quantities of product (under \$20,000 in value, or as otherwise agreed by Us) carried as part of a mixed load.

In addition, Goods does not include the Personal Property of any employee or Subcontractor which may be on the Conveying Vehicle at the time of a loss, including, but not limited to 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), Money, credit cards, watches and jewellery, mobile phones, pagers, laptop computers or PDAs/tablets, mobile GPRS units, precious metals or stones.

Home Contents means Your Customer's household contents and personal effects or privately owned property normally kept in or at a private residence including declared and independently valued Artwork and Antiques but excluding:

- a. Money, jewellery, watches and similar other valuable items, precious gems, bullion, stamp or other collections or documents of value;
- b. mobile phones or laptops;
- c. pets of any kind;
- d. trees, shrubs and plants unless growing in pots or tubs;

Livestock means sheep, cattle, goats and pigs and/or other herd animals as identified in the Policy but excluding horses, birds and bloodstock, stud or prize animals or other animals which are not herd animals.

Limit of Liability means the relevant amount(s) to which Our maximum liability is limited as stated in the Policy or the Schedule. The Limit of Liability expressed in the Schedule applies to all claims combined under all of the cover elements 1-6 below except as otherwise specified or agreed.

In some cases a sublimit may be applicable to a particular cover element or option, and where it does, the sub limit forms part of the Limit of Liability, and is not in addition to it unless specified otherwise.

Liquidated Damages means any pre-estimate of damages contained in any contract for any breach of such contract.

Money means cash, bank notes, currency notes, negotiable cheques, negotiable securities, travellers' cheques, debit and credit cards/vouchers, discount house vouchers, money orders, postal orders, unused postage stamps, revenue stamps, lottery tickets, stored value cards, public transport boarding tickets, authorised gift vouchers, valuable documents (but limited to certificates of stock, bonds, coupons and all other types of securities) and the contents of franking machines.

Money does not include collectable items (for example coin or stamp collections) or anticipated revenue.

Occurrence means any event or events resulting in Damage to Goods, personal injury or property Damage neither expected nor intended by You. Any series of events consequent upon or attributable to one source or originating cause, including continuous or repeated exposure to substantially the same general conditions, which result in Damage to Goods, personal injury and/or property Damage, are deemed to be one Occurrence.

Period of Insurance means the period commencing on the effective date and ending at the earlier of 4pm on the expiry date as shown in the Schedule and the time the Policy otherwise ends in accordance with its terms.

Personal Property Items owned by Your retail Customers personally, not of a commercial nature, which are not household contents This can include privately owned boats, motor vehicles, caravans, motor bikes, musical equipment or items which Your non-commercial Customers are moving as a result of a private sale or purchase.

Policy means this document, the Schedule and any other documents that parties agree in writing will form part of the Policy (e.g. an Endorsement) where specified before entry into the contract or issued where required or permitted by law.

Principal Freight Forwarder means another party with whom You have entered an agreement to act as Subcontractor in respect of a particular shipment, contract, or multiple consignments.

Proposal means the application form or other documentation completed and submitted to Us by You, or on Your behalf, in which You provided information which We relied upon to enter into the Policy.

Salvage has two meanings depending on the context, being either:

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

Sea means all oceans, seas, bays, ports or tidal waters.

Schedule means the relevant Schedule We have provided to You which specifies important information such as the Policy number, Geographical Limits, those Cover Modules that are in force, the details of the Goods, the Limit of Liability, Optional Covers, special terms or warranties and any Excess payable.

Storage means the safekeeping and or stockpiling of third party Goods, at the request of Your Customer in a building or at a location such as a warehouse, depot or other building. When the Goods are in storage, they are not in the process of being relocated from one situation to another situation, but incidental movement between

buildings comprising a single location is, for the purposes of this definition, considered to be part of the storage and not in Transit.

Subcontractor means a party with whom a Principal Freight Forwarder (including You) contracts to carry Goods and includes subcontractors of Subcontractors.

Temperature Controlled Goods means:

- frozen, chilled or fresh meat, fish, fruit, vegetables or other food items
- non-food items such as beverages, liquids and chemicals, genetic material, vaccines, pharmaceuticals or any other Goods and/or merchandise

that must be transported under other than ambient conditions and temperatures in insulated, refrigerated and/or controlled temperature/atmosphere trailers, rail wagons, Containers or cargo space.

Theft Attractive Goods means Goods comprising of:

- alcoholic beverages;
- tobacco products;
- jewellery and/or watches;
- clothing and/or footwear;
- bottled perfumery;
- domestic audio visual equipment or accessories;
- computer equipment, components or accessories;
- photographic equipment or accessories;
- mobile telephones and/or mobile communications equipment, components or accessories.

Transit In general terms, the transportation of Goods between two locations for example from a supplier to a receiver. Except as otherwise provided Transit includes:

- all customary loading and unloading operations;
- all transshipment, consolidation, deconsolidation and lighter operations;
- delays in Transit beyond Your reasonable control, provided the Goods are left loaded in or on the shipping Container or Conveying Vehicle and not placed into Storage at Your or Your Customer's instruction.

An insured Transit commences at the time You or Your employees or Your Subcontractor first take possession of the Goods at the consignor's warehouse or premises for the purpose of loading onto the Conveying Vehicle for transportation to the consignee at another destination outside the warehouse or premises. The Conveying Vehicle must leave the consignor's warehouse or premises within 72 hours of You or Your employees or Your Subcontractor taking possession of the Goods for the purposes of transportation.

A insured Transit ends at the earlier of:

- completion of unloading and final delivery to the consignee at their warehouse or premises; or
- interruption of the normal course of transport at the election of either Your Customer or the sender/receiver of the Goods for the purposes of Storage, allocation or distribution; or
- delivery of the Goods to the receiver or another responsible party as agreed with the consignor or consignee.

Transit continues whilst the Goods remain on the Conveying Vehicle for up to 72 hours after arrival at the destination in the event that the Goods cannot be immediately unloaded and delivered to the consignee.

Provided that the Goods remain within the Geographical Limits and within Your (or Your Subcontractor's) care, Transit continues where the Goods are:

- **over-carried** to an incorrect destination, until they are returned to the original consignor or delivered to the correct destination;
- **reconsigned or reshipped** direct from a wharf or airport at the intended destination to another destination, until arrival at the final destination;
- **shut out** from a Conveying Vehicle at an intermediate place during the course of Transit and whilst awaiting an alternative Conveying Vehicle, provided they are stored in a secure area.

Transit does not include incidental movement within Your warehouse, depot or other buildings comprising Your business premises.

Terrorism means any act, or preparation in respect of action, or threat of action designed to influence the government de jure or de facto of any nation or any political division thereof, or in pursuit of political, religious, ideological or similar purposes to intimidate the public or a section of the public of any nation by any person or group(s) of persons whether acting alone or on behalf of or in connection with any organisation(s) or government(s) de jure or de facto, and which:

- a) involves violence against one or more persons; or
- b) involves Damage to property; or
- c) endangers life other than that of the person committing the action; or
- d) creates a risk to health or safety of the public or a section of the public; or
- e) is designed to interfere with or to disrupt an electronic system.

Terms and Conditions means any written agreement issued by You (or a Principal Contractor) defining or limiting Your legal responsibility for Goods in Your care custody and control.

This includes consignment notes, freight notes, air waybills, bill of lading (FIATA or otherwise), sea waybills, service agreements, or standard conditions of contract issued by You incorporated into the contract for Goods transport or a contract which have been individually negotiated with a particular Customer.

Unattended means neither You nor any employee is in a position to keep the Conveying Vehicle and/or the Goods under constant surveillance and at the same time have a reasonable prospect of preventing any unauthorised interference or access to the Conveying Vehicle and/or the Goods.

War, Warlike Activities means invasion, act of foreign enemy, hostilities (whether War is declared or not), civil War, rebellion, revolution, insurrection, military or usurped power or civil strife following any of these.

We, Us or Our, or the Insurer 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).

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

Where You are 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.

The Cover

We will indemnify You, subject to the general conditions, exclusions and limitations of this Policy:

- On the basis of, and for the risks described below under Covers 1-6 unless otherwise specified in the Schedule;
- following an Occurrence during the Period of Insurance and within the Geographical Limits; and
- Up to the relevant Limit of Liability listed in the Schedule (unless otherwise specified in the applicable cover element below).

Approved Terms and Conditions

It is a condition precedent to Our liability under Covers 1-5 below that You utilise Approved Terms and Conditions to limit Your legal responsibility for Goods carried by You.

When negotiating new specific Terms and Conditions with Customers and where such Terms and Conditions do not conform with or contain substantially the same provisions, You must submit these to Us for Our approval.

The following exceptions apply:

1. Accidental error in issuing Approved Terms and Conditions

We will indemnify You in accordance with the Cover clause where You (or the Principal Carrier, where applicable), due to an accidental error in normal business procedure(s):

- have inadvertently altered or failed to correctly issue the Approved Terms and Conditions but can demonstrate prior trading with the consignor/owner of the covered Goods or their authorised representative under the Approved Terms and Conditions; or
- vary, alter or amend Your Approved Terms and Conditions and inadvertently fail to obtain Our approval to the changes made (provided such modifications do not significantly diminish the legal effectiveness provided by the Terms and Conditions issued in respect to limiting Your liability for the covered Goods or other losses consequent thereon).

2. Where You choose not to use or deliberately vary the Approved Terms and Conditions

If You:

- a) intentionally choose not to rely upon the Approved Terms and Conditions; or
- b) acting as Subcontractor to a Principal Freight Forwarder, intentionally agree to contract on terms which do not provide You with the same level of immunity, indemnity, protection, limitation and defence as Your Approved Terms and Conditions (or agree to subcontract to the Principal Freight Forwarder for work where the Principal Freight Forwarder does not limit their liability and that of their Subcontractor(s) by means of written Terms and Conditions); or
- c) materially vary, waive, alter or amend Your Approved Terms and Conditions and do not notify Us and obtain Our approval (that is, through the changes intentionally made by You to the Approved Terms and Conditions You diminish the legal effectiveness of the Approved Terms and Conditions in respect to limiting Your liability for the Goods or other losses consequent thereon);

cover under the Cover clause above will be limited to amounts which You would have been liable to pay had the Approved Terms and Conditions been utilised and incorporated into the contract of carriage for the consignment.

Cover 1 – Contractual Liability for Goods

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.

All sums that You shall become legally liable to pay:

- under Your Approved Terms and Conditions or
- under the provisions of a law or convention which apply compulsorily and cannot be avoided by contract

as Compensation for:

- Damage to Goods of the type specified, or under the contracts listed, in the Schedule:
 - (i) whilst in the Conveying Vehicle or in Your premises;
 - (ii) within Your or Your Subcontractor's care, custody or control; and
 - (iii) In Transit within the Geographical Limits; and
- Consequential Loss incurred by the owner of the Goods caused solely by Accidental Damage to the Goods;

We will also pay:

- all legal costs and legal expenses incurred by You with Our prior consent or recoverable from You in connection with any claim covered under the liability cover clause above;
- any interest awarded against You arising therefrom;
- Your legal liability for Damage to Goods on which You are legally exercising a lien provided that:
 - such Damage occurs during loading and unloading from and/or whilst being carried by any Conveyance owned or operated by You within the Geographical Limits specified in the Schedule;
 - We will not pay more than \$100,000; or
 - a) the Conveying Vehicle limit; or
 - b) the amount of the debt which is the subject of the lien; or
 - c) the value of the Goods, whichever is the least; and
 - the Additional Benefits listed in this Policy (where applicable) unless specified otherwise.

Imports/exports – Limitation of Liability

For *ad valorem* bills of lading, which have not been declared to and specifically accepted by Us, We will not pay more than the statutory limitation of liability per unit, piece or package provided under the Approved Terms and Conditions declared to Us.

Continuation Clause

Cover under this Policy shall continue in force in respect of Goods the subject of contracts made within the Period of Insurance (and thus in respect of which premium has been paid) until arrival at destination notwithstanding that this may be after the expiry date of the Policy.

Theft Attractive Goods

Other than under an *ad valorem* bill of lading which has been declared to and approved by Us, We will not pay more than \$100,000 any one Occurrence in respect of the theft, attempted theft of or malicious damage to Theft Attractive Goods left Unattended whilst being carried, handled or stored in the ordinary course of Transit by You.

This provision will not apply if You are able to prove that the shipment of Theft Attractive Goods had been transported unknowingly by You in a sealed container or as part of an overall group shipment.

Specific exclusions

In addition to the General Exclusions on pages 21-24 of this Policy, the following exclusions apply to this Cover:

Loss, Damage or liability:

1. To the extent that Your liability is incurred or has been increased by:
 - a) Your voluntary acceptance of enhanced liability:
 - (i) under a law or convention which has not been previously been incorporated into Your Approved Terms and Conditions or declared to and accepted by Us;
 - (ii) the acceptance of contractual liability greater than that incorporated into Your Approved Terms and Conditions including no fault liability, declaration of value, Liquidated Damages and time guarantees;
 - (iii) Under *ad valorem* bills of lading unless declared to and approved by Us, except to the extent of the statutory limitation of liability per unit, piece or package provided for under the Approved Terms and Conditions declared to Us
 - b) Any incorrect statements or omissions in Your transport documentation including the Approved Terms and Conditions;

2. for pollution and arising out of Your ownership of or rights in the Goods in Transit.
3. Arising from the carriage of any Goods on deck except
 - a) in Containers where the chartered vessel is classed and designed and/or adapted with the approval of an International Association of Classification Societies (IACS) Classification Society for the carriage of Containers on deck;
 - b) where recognised as a custom of the trade or permitted under the contract of carriage and subject to prior written approval by Us;
 - c) where the bill of lading is claused *“Cargo shipped on deck is at the shipper’s risk and the carrier shall not be liable for any loss or damage to the cargo carried under this bill of lading whatsoever, howsoever caused”*.
4. Caused by the non-arrival or late arrival of a chartered vessel at the load port or place of loading or the discharge port or place of discharging, or failure to load or discharge Goods in a chartered vessel.
5. In respect of the delivery of Goods carried under a negotiable bill of lading or other similar document of title without production of an original bill of lading or other document of title by or on behalf of the person to whom delivery is made.
6. Resulting from a deviation from the voyage contractually agreed with Your Customer which is within Your control. For the purposes of this exclusion the expression “deviation” includes but is not limited to a geographical or other departure from the agreed voyage.
7. Resulting from any loss of profits related to market movements.
8. Arising from the issue of an ante or post-dated bill of lading or similar document of title or other fraudulent or reckless misrepresentation made in connection with a contract of carriage including issuing a house bill of lading which purports to be a negotiable document where the actual carrier has issued the negotiable bill of lading for the same shipment.
9. Caused by the issuing of a bill of lading or similar document of title which You or Your agent knew did not correctly state the quantity and/or condition of the Goods at the time of shipment.
10. Caused by the discharge of Goods at a port or place other than that stipulated in the contract of carriage.
11. In connection with bills of lading or other documents, evidencing a contract of carriage except to the extent that such liabilities would have arisen under the Hague Rules and/or Hague-Visby Rules or (but only where compulsorily applicable) the Hamburg Rules.

Cover 2 – Cargo Costs and Expenses

In the event of covered Accidental Damage to Goods, You and Your servants are permitted to take such measures as may be reasonable for the purpose of averting or minimising such Accidental Damage. We will, in addition to any loss recoverable under this Policy, reimburse You for any costs properly and reasonably incurred. Measures taken by You or Us with the object of saving, protecting or recovering Your property, or that of Your customers or third parties shall not be considered as a waiver or acceptance of abandonment or otherwise prejudice the rights of either party.

In addition, and without limiting the general application of the above, We specifically agree under this cover element to pay the following in addition to any amounts claimable for Accidental Damage to the Goods, providing they are:

- subject to Our prior approval;
- reasonably incurred;
- in some cases limited to amounts specified under each heading below;

1. Airfreight and Extra Shipping Costs

In the event of covered Accidental Damage to any article of Goods or component part of the Goods which cannot be repaired or replaced to a condition equivalent to the original shipped condition locally at the point of destination and which requires special importation or Goods or parts from overseas, We will pay the reasonable cost of airfreight and/or shipping costs, duties and taxes necessary to prevent interruption of Your Customer’s business.

2. Debris Removal/Clean Up Costs

Where We have accepted liability for Accidental Damage to Goods, We will also pay up to \$100,000 (or as specified in the Schedule, where different) any one Occurrence for:

- the cost of removal and/or disposal of Debris; and
- the cost of cleaning up the immediate accident site, premises, location or Conveying Vehicle;
- any additional costs of removal, disposal, Storage or marking of Goods reasonably incurred in complying with, or attempting to comply with an order from an authority in connection with the above;

provided:

- these costs relate to the Goods;
- You are legally or contractually obliged to pay those costs or have exhausted all reasonable avenues available in attempting to recover such costs from Your Customer; and
- such costs are not recoverable under any other policy of insurance.

This benefit does not apply to commercial bulk consignments of dangerous Goods that are defined by any government agency or authority as being dangerous Goods and does not extend to cover legal liability for pollution beyond the immediate accident site, premises, location or Conveying Vehicle.

3. Extra Costs – Uncollected Cargo

We will pay additional costs incurred with Our consent due to the consignee failing to collect or remove Goods from the contracted place of delivery.

4. Extra Costs – Failure of Subcontractor

We will pay additional costs to complete contractual obligations incurred with Our consent resulting from Your Subcontractor or agent failing in their duty to promptly pay all debts

5. Extra Costs – SOLAS Verified Gross Mass (VGM) of container miscalculation

We will pay for any additional transport costs You incur to return a Container of Goods to the point of loading or dispatch where the Container is rejected by a shipping company (or other carrier to whom You have been instructed to deliver the Container for onwards carriage to the final destination) on the grounds of an error in the Verified Gross Mass (VGM) measurements (or VGM documentation).

The amount claimable under this benefit will not exceed \$10,000 and is conditional upon You:

- providing Us with notice of the circumstances as soon as reasonably possible, where applicable;
- not revealing the existence of this cover to Your Customer, their insurers, or to any other party interested in the shipment;
- protecting and/or pursuing all legally enforceable means of recovery of the additional charges from the consignor or responsible party or their insurers.

If You do not, We may reduce or refuse Your claim to the extent We are prejudiced by Your delay.

We will only provide cover to the extent that the consignor or responsible party fails to pay for such additional transport costs and where paid by Us, We will be subrogated to all Your rights and remedies against the consignor or responsible party and their insurers and You agree to take reasonable steps to cooperate in all aspects of the recovery.

Under no circumstances do We cover:

- Loss, Damage, liability, destruction, cost or expense of any nature whatsoever that is directly or indirectly caused by, or contributed to by, or which arises from misconduct, intentional or accidental errors in the VGM (or VGM documentation) by You or Your employees or Your subcontractors.

- Any third party liability for personal injury or property Damage or consequential loss caused by or arising from an error in the VGM (or VGM documentation), whether or not this error was Yours or another party's. This means We don't cover You for anything not expressly described in the cover sections of this Policy. For example, We will not pay for loss of income.

6. Extra Costs - Fumigation and decontamination

We will cover the reasonable costs, charges and expenses of unforeseen fumigation, decontamination or quarantine (including additional freight charges incurred) on arrival at destination or intermediate port or place during the Period of Insurance 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.

The benefit is subject to a limit of \$50,000 any one fumigation or decontamination or series of fumigations and decontaminations caused by the one Occurrence (or as specified in the Schedule, where different).

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).

7. On forwarding Costs

We will pay the reasonable costs and expenses necessarily incurred by You in unloading, Storing and forwarding Goods to the original destination following an interruption of Transit as a result of an Occurrence.

8. Redirection Costs

We will pay extra costs incurred in re-routing misdirected Goods to the correct destination following an Occurrence, subject to Our prior approval.

Such costs will be calculated as follows:

- costs of carriage of Goods from the place at which You originally received it to the place where it was misdirected *plus*
- costs of carriage from the place to which it was misdirected to the correct place *less*
- freight and other charges due to You for the carriage

Carriage from the place to which the Goods were misdirected to the correct place will not be by air unless the original carriage was by air.

9. Repacking Costs

We will pay for Accidental Damage to packaging where the original shipping packages arrive at the final destination in a visibly Accidentally Damaged condition and it is the established custom of Your Customer or their trade to deliver Goods to the final Customer premises in the original shipping packages.

10. Resecuring Costs

We will cover You for all reasonable costs and expenses for which You are responsible up to a maximum of \$10,000 (unless otherwise specified in the Policy Schedule) incurred in resecuring Goods where there has been movement in Transit which makes resecuring necessary. This cover is provided:

- even though there may be no claim resulting from the incident; and
- if these circumstances that gave rise to these costs were outside Your control; and
- if You could not reasonably be expected to know of them during the normal course of Your Business Activities.

To the extent permitted by law, We will not pay You if the costs are recoverable under any other policy of insurance.

11. Salvage and General Average

We will indemnify You for all sums that You shall become legally liable to pay for Compensation for:

- contribution to General Average or Salvage charges where You are unable to recover such contribution from Your Customer or as a result of a breach in the contract of carriage with the Customer after all reasonable rights of recourse have been exhausted;
- extra costs incurred by You with Our prior written consent, in delivering Goods that have been misdirected as a consequence of an event giving rise to General Average or using the same means of transport as was originally intended.

provided that such liability arises from an Occurrence during the Period of Insurance.

We will pay General Average and Salvage charges incurred in full irrespective of the amount insured being less than the contributory value.

If required, in order to secure release of the Goods, We will, at Your request, issue guarantees or bonds subject to You obtaining a completed cargo valuation form as soon as reasonably possible and making every attempt to obtain counter security from each consignee or their insurers.

12. Sorting and Unpacking Charges

In the event that You incur expenses relating to unpacking, segregation and/or sorting of Goods:

- in complying with the assessor or surveyor's instructions to sort and unpack Damaged Goods to determine the cause or extent of a loss; or
- because there are external signs of Damage to Goods which may be recoverable under the Policy, and for the purposes of preventing or minimising further Damage and/or in determining the cause and extent of Damage;

We will pay such expenses even though a claim may not subsequently result under the Policy provided:

- they are approved by the surveyor (where applicable); or
- they are reasonably incurred under the circumstances.

13. Strikes Diversion Expenses

We will pay any reasonable additional costs incurred by You up to \$50,000 any one Occurrence in unloading, Storing and forwarding 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, 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 said strikes, riots, civil commotions, lockouts or labour disturbances cease to be in active operation.

14. Container demurrage Charges

We will cover demurrage charges and/or late penalties assessed against You up to a maximum of \$50,000 (or as specified in the Schedule, where different) in addition to the Limit of Liability where these are incurred during the Period of Insurance 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.

15. Uncollected Goods

We will pay the additional costs up to \$25,000 incurred solely by the failure of any party to collect or remove Goods but excluding:

- costs which You would have incurred in any event;
- any proceeds You obtain from the sale of Goods; and
- any sums which You can recover from another party.

Cover 3 – Errors and Omissions

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.

Subject to a maximum liability of \$1,000,000 in respect of any claims under this cover element, amounts which You become legally liable to pay:

- as Compensation; and
- associated legal costs and legal expenses incurred by You with Our prior consent or recoverable from You;

by reason of Your legal liability to Customers which results from a breach of Your professional duty as a freight forwarder including that arising from freight forwarding consultancy services whether committed, or alleged to have been committed, by or on behalf of any of Your principals, directors, office clerical or other staff, including:

- failure to comply with instructions, faulty arrangements or clerical errors in transport documentation or arrangements;
- unintentional breach of warranty or authority;
- unintentional sending of Goods to the wrong destination (misdirection);
- delay in the contracted freight forwarding services (handling and transportation of the Goods);
- delivery of Goods contrary to instructions to withhold delivery or without taking in exchange any relevant bill of lading or other document of title;
- any other unintentional act, error or omission giving rise to a breach of duty resulting in a financial loss to Your Customer;
- fraudulent or dishonest act by an employee, providing that employee is not a director, partner or controlling principal;

PROVIDED:

- In respect of a claim for freight forwarding consultancy services the contract for such services has been declared to and approved by Us in writing and noted in the Schedule prior to any Occurrence and specifically excludes any liability or claim for Liquidated Damages.

Specific exclusions

The following exclusions apply to this cover in addition to the General Exclusions listed on pages 21-24 of this Policy Wording.

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:

1. Your breaches of statutory or contractual obligations requiring performance by You within the period of time stipulated
2. Breaches of arrangement, contract or statutory obligations to the extent that Our customary liability for Damage to the Goods is increased by reason of special declaration of value or special instruction given by Your Customer which was not declared to and agreed by Us
3. Differences between the Bill of Lading issued by You as Principal Freight Forwarder and that issued by Your Subcontractor
4. Faults in Your corporate and compliance systems/ procedures which were known to You prior to the Occurrence but upon which You failed to act.

Cover 4 – Liability to third parties during Transit of Goods

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.

All amounts which You become legally liable to pay:

- as Compensation; and
- associated legal costs and legal expenses incurred by You with Our prior consent or recoverable from You;

by reason of Your legal liability for Accidental Damage occurring during Transit and handling services:

- to non-chartered vessels, aircraft or other conveyances;
- to cargo handling equipment leased, hired or borrowed by You up to \$250,000 any one Occurrence (unless otherwise agreed and specified);
- for incidental medical, nursing and first aid services, fire brigade and ambulance services provided by You including the services administered by Your Employees at the time of an Occurrence. We will also pay for the reasonable costs of You providing such services, other than for medical expenses the recovery of which is prohibited by law.

Specific exclusions

The following exclusions apply to this cover in addition to the General Exclusions listed on pages 21-24 of this Policy Wording.

1. liability to parties from whom You have leased Containers
2. liability for errors and omissions in Your provision of freight services including errors in documentation and misdelivery of Goods
3. fines and penalties
4. liability arising out of the management, operation or navigation of any ship or aircraft in which You have an interest as owner, charterer, lessor, lessee or financier or in which You otherwise have a legal or equitable interest

Cover 5 – Fines and Penalties

We will, to the extent permitted by law, indemnify You for Your liability to pay fines or penalties or fiscal charges/taxes imposed by an Australian State or Federal Government, or Australian public or local authority, or confiscation of Goods and equipment following and on account of an Occurrence of:

- Accidental breach of regulations relating to import or export of Goods, Conveying Vehicles or equipment, smuggling, breaches of immigration regulations or short/non-delivery of cargo, during the Period of Insurance subject to the Limit of Liability expressed in the Schedule;
- any other Accidental breach of regulations or statute but limited to \$250,000 in the aggregate any one Period of Insurance.

Exclusions

The following exclusions apply to this cover in addition to the General Exclusions listed on pages 21-24 of this Policy Wording We will not pay claims:

1. resulting from Your, or Your agents, infidelity, malicious prosecution, false arrest, false detention and false imprisonment, wrongful entry/eviction or other invasion of private occupancy rights;
2. arising from advertising liability, defamation, slander, libel or false oral or written publication;
3. resulting from breach of any statute, regulation or order enforced by the Federal Maritime Commission, Department of Justice or Federal Trade Commission of the United States of America;
4. which are uninsurable at law;
5. arising directly or indirectly from a requirement to pay taxes, duties, rates, levies, charges, fees or any other revenue raising measure other than those related to accidental breaches of import/export regulations;
6. arising directly or indirectly from a breach of regulations relating to competition or regulation of companies;
7. imposed where You knew, or where a reasonable person ought reasonably to have known, prior to the Period of Insurance that You had committed an offence under law;
8. imposed pursuant to any law regulating air, marine or vehicular traffic;
9. imposed in respect of Workplace Health and Safety Law, Workers Compensation Law or Employment Practices Law;

10. imposed by reason of conduct that is established by final adjudication to have been reckless, grossly negligent or a knowing violation of any law or regulation;
11. which arise as a result of You making Your customs bond or guarantee available to another operator except in cases where the other operator is acting as Your sub-contractor; or
12. arising out of the management, operation or navigation of any ship or aircraft in which You have an interest as owner, charterer, lessor, lessee or financier or in which You otherwise have a legal or equitable interest.

Cover 6 – Containers and transport equipment

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.

We will indemnify You for Accidental Damage to

- packaging materials, crates, pallets, shipping Containers, flatracks, tanktainers, demountable bodies, flat or similar unit (including ancillary equipment whilst attaching to such unit), or similar items owned by You (provided they are not otherwise insured under any other policy of insurance entered into by a third party or by a policy required by law) or for which You have legal responsibility; and
- equipment used by You in cargo handling including tarpaulins, ropes, chains, webbing straps, restraints, dogs, gates, trolleys and Containers (provided they are not otherwise insured under any other policy of insurance entered into by a third party or by a policy required by law);

following an Occurrence during the Period of Insurance, within the Geographical Limits subject to the following clauses:

Institute Container Clauses – Time 1/1/87

Institute War and Strikes Clauses Containers – Time

Institute War Cancellation Clause 1/12/82 (Cl 271)

Termination of Transit Clause (Terrorism) 1/1/09
(Cl. JC 2009/056)

Institute Radioactive Contamination, Chemical, Biological, Bio-Chemical and Electromagnetic Weapons Exclusion Clause 10/11/03 (Cl. 370)

Institute Cyber Attack Exclusion Clause 10/11/03
(Cl. 380)

Institute Classification Clause 1/1/01 (Cl.354-2001)

Basis of settlement

Subject to the exceptions below and the terms and condition of the Policy, and unless otherwise provided in the Schedule, the amount We will pay for Damage is as follows:

Where You have made a declaration of the Containers and transport equipment to be insured

- We will pay the cost of repair or replacement but not exceeding the specified sum insured or current market value, whichever is less.
- In the event of Damage arising from one Occurrence affecting multiple Containers, We will not pay more than the total declared value of the affected Containers.

If You have understated the value of Your Containers and transport equipment, **underinsurance** will apply and Your claim may be reduced. If You insure Your Containers and transport equipment for less than 80% of the actual value, determined by using the sum insured You have declared to Us, You will only be entitled to recover the proportion of any claim that the sum insured bears to 80% of the actual value.

Where You have made no specific declaration of the Containers and transport equipment to be insured

- We will pay the current market value, or, in the case of leased items, the amount which You are liable to pay to the lessor under the terms of the loan or lease or hire agreement or as required by the hand over agreement or similar document but not exceeding \$50,000 for an individual Container and
- In the event of Damage arising from one Occurrence affecting multiple Containers, We will not pay more than \$100,000 in the aggregate.
- In addition We will also pay up to \$25,000 any one Occurrence (unless otherwise specified and noted on the Policy Schedule) in respect of any loss of hire charges which You are liable to pay to the lessor under the terms of the loan or lease of hire agreement.

Customer Containers and Equipment

- We will pay the cost of repair or replacement up to the amount which You are legally liable to pay as Compensation for Damage, but not exceeding \$50,000 any one Occurrence unless otherwise agreed and noted in the Policy Schedule and/or where You have made specific declaration of items to be insured.
- We will also pay all legal costs and legal expenses incurred by You with Our prior consent or recoverable from You in connection with the claim for the Customer Container(s) together with any interest awarded against You arising therefrom.
- Underinsurance does not apply to claims in relation to Customer Containers

Exclusions

The exclusions listed in the General Exclusions section of this Policy document take precedence over those listed in the Institute Clauses applicable above in the event of any conflict except where otherwise noted in this Policy.

In addition to the General Exclusions on pages 21-24 of this Policy and those listed in the Institute Clauses above, We will not pay for any Damage to Containers caused by:

- scratching or denting;
- mechanical, electrical or electronic breakdown, failure or derangement.

Declarations – This Cover element

You may elect to provide a schedule of Containers owned by You (which must separately itemise all Containers including their type, size, identification mark and value) in order to over-ride certain sub-limits per Container and in the aggregate per Occurrence specified above.

Under such circumstances We may calculate and charge an additional premium for this cover element and You will be required to make declarations at the commencement and termination of each Period of Insurance to permit premium adjustment.

Additional benefits

Accumulation

Should there be an accumulation of interests beyond the Limit of Liability, by reason of interruption of Transit and/or other Occurrence beyond Your control, or by reason of any casualty at a transshipping point and/or on a connecting vessel or Conveyance, We shall, provided written notice be given in all such cases as soon as known to You, hold You covered for such excess amount and We shall be liable for the full amount at risk, but in no event shall We be liable under this Policy for more than double the Limit of Liability specified in the Schedule.

Acquired companies

Any company, subsidiary company or firm that is formed, purchased or otherwise acquired by You during the Period of Insurance shall be covered under the Policy, provided always that You:

- a) 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
- b) advise Us of Your interest in the company, subsidiary company or firm as soon as 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
- c) declare to Us the Gross Freight Earnings, 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.

For purposes of this clause, We must approve the Terms and Conditions of such company, subsidiary company or firm within a reasonable time following acquisition or formation of such company, subsidiary company or firm for cover under this clause to commence.

General exclusions

A. Property (Goods) Exclusions

Under no circumstances do We insure under the Policy:

1. Livestock other than movements within Australia;
2. Irrespective of the Errors and Omissions cover element, the transportation of any of the special categories of Goods requiring special declaration to Us as detailed in the definition of Goods on pages 9-9 where You know, or should reasonably have known, that they are regularly carried by You in the course of Your business.
3. Money;
4. radioactive or explosive Goods;
5. vehicles and machines that You have been contracted to move whilst driven under their own power or whilst being towed other than during loading and unloading operations;
6. the carriage, custody or handling of Goods prohibited by law;
7. property or Goods owned by You including tools of trade, electrical and electronic equipment (other than as provided by Cover 6).

B. Perils Exclusions

Except as otherwise provided, the Policy does not cover the following.

Known Circumstances

1. the consequence of any circumstances known to You at the inception of this Policy that might reasonably have been expected by You to result in a claim but which You failed to declare to Us;
2. loss, Damage, liability or expenses arising from undeclared business activities not falling within the usual services or activities performed by You as a freight forwarder, road transport operator, air carrier, multi modal transport operator, non-vessel owning carrier (NVO), warehouse or depot operator, or customs broker;

Losses not arising from transport services

Loss or Damage:

3. to the Goods which has not occurred during Transit, specifically:
 - a) pre-existing Damage or Damage occurring after the Goods have been unpacked at destination;
 - b) the dismantling, assembly, testing or fabrication of machinery, plant, equipment or structure;

- c) caused by or arising from the Goods undergoing any production or manufacturing process or from its use or operation or demonstration, or any trade process such as, but not limited to, the cleaning or repairing or renovating or maintaining of the Goods;
- d) as a result of rejection of the Goods;
- e) arising from unexplained loss, mysterious disappearance and/ or shortage deduced solely from an inventory computation;

4. to Livestock:

- a) caused by inoculation or its after effects, infectious diseases, abortion or loss or death of foetus;
- b) which are not in good health prior to loading and fit for travel;

Loss, Damage, liability or expense resulting from:

- 5. Your inability or failure to pay or collect monies, the insolvency or financial default of any agent or Subcontractor, or Your (or the Principal Freight Forwarder's) insolvency, cessation of trading, bankruptcy, receivership, financial default or any refusal or inability to pay;
- 6. demurrage, delay, loss of market, loss of use or Consequential Loss of any description except as otherwise provided in this Policy;
- 7. the breach of any obligation owed by You as employer to any employee or former employee;
- 8. any injury to or death of Your, associated or affiliated companies' directors, officers or employees;

Contractual liabilities

- 9. Liabilities You incur not declared to and agreed by Us due to voluntary acceptance by You of:
 - a) enhanced liability under a law or convention, including voluntary acceptance of higher per package/unit limitation of liability
 - b) contractual liabilities including no fault liability, declaration of value, Liquidated Damages and time guarantees

Failure to take Due Care and/or deliberate Damage

10. Loss, Damage, liability or expense caused by:

- a) any wilful or reckless act or omission, infidelity, dishonest, fraudulent, criminal or malicious act by You or any person acting with Your express or implied consent;

- b) any criminal activity of which You were aware or ought to have become aware during the normal course of running Your business, or which You recklessly disregarded or failed to take reasonable steps to prevent and which caused or contributed to a loss otherwise claimable under this Policy;

- c) Your failure to exercise Due Care. This exclusion extends to but is not limited to Occurrences where the following circumstances contributed to the loss and were either known or reasonably detectable and preventable by You:

- transport by an unlicensed driver or one whose faculties were impaired by drugs or alcohol in excess of that permitted by law;
- theft or malicious act or any attempted theft or attempted malicious act whilst the Goods are on, or contained in, any of Your Conveying Vehicles left Unattended unless all doors and openings are locked and the windows and other means of access are adequately and properly secured and all keys are removed and any other security protections fitted to the Conveying Vehicle are activated or otherwise put into operation;
- Transport aboard a vessel exceeding 500 gross tons:
 - which was not ISM Code certified or whose owners or operators did not hold an ISM Code Document of Compliance as required under the SOLAS Convention 1974 as amended;
 - that does not hold a valid International Ship Security Certificate as required under the International Ship and Port Facility Security (ISPS) Code

at the time of loading of the Goods on board the vessel;

- d) insufficiency or unsuitability of packaging or preparation of the Goods by Your Customer or any other party with whom You have no contractual connection in respect of the services provided;
- e) shifting of the Goods or improper stowage and/or restraint of the Goods on the Conveying Vehicle, unless You can demonstrate that You complied with all statutory requirements in respect of the load;
- f) Deterioration of perishable or Temperature Controlled Goods whilst being transported in or on a Conveying Vehicle without a cargo space that is controlled and/or regulated by mechanical equipment where such transit exceeds 50kms.

Normal losses etc

11. Loss or Damage to the Goods due to inherent vice, moths, insects, rats or other vermin, ordinary leakage, loss in weight or volume or wear and tear or mould and mildew unless the mould or mildew is a direct result of an Occurrence covered by this Policy for which You are legally responsible;

Pollution

12. Except as otherwise specifically provided 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:
- a) the actual, alleged or threatened discharge, dispersal, release or escape of pollutants;
 - b) the testing, monitoring, clean-up, removal, containment, treatment, detoxifying or neutralising of pollutants, whether or not any of the foregoing are or should be performed by You or by others;
 - c) the actual, alleged or threatened discharge, dispersal, release or escape of pollutants caused by any Goods that have been discarded, dumped, abandoned or thrown away by others.

Liability for certain third party losses

13. Except as otherwise specifically provided by this Policy, 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:
- a) following loss or Damage: Damage to third party property other than the Goods or any property expressly covered under the Policy under Covers 4 and 6;
 - b) injury, illness or death of any person;
 - c) defamation, libel or slander;
 - d) liability arising from You exercising or purportedly exercising a lien on customers Goods except as otherwise provided by this Policy;
 - e) personal injury or Damage to property caused by vehicles or machines being driven under their own power or whilst being towed;
 - f) the ownership, use or operation by You of a road vehicle which is required by any law to be licensed or insured for compulsory third party insurance, whether or not the road vehicle is so licensed or insured;
 - g) any fines or penalties except as otherwise provided by this Policy;
 - h) aggravated, exemplary or punitive or multiple damages;
 - i) loss or Damage to passenger baggage or personal effects;

- j) any liability as principal from the charter of the whole or part of any vessel or aircraft;
- k) the carriage, custody or handling of:
 - Goods prohibited by contract terms (including a Charter Party) or contrary to law;
 - explosives, ammonium nitrate, or toxic or corrosive materials unless agreed to by Us in advance

14. asbestos, or any materials containing asbestos in whatever form or quantity;
15. the infection of property, humans, animals or other living creatures by infectious matter, contagion or disease, or the spreading or releasing thereof, by You, whether accidentally, knowingly, wilfully, maliciously or otherwise;

Electronic Data Exclusion

16. Except as otherwise specifically provided in a Cover Module selected, We do not cover any Damage of whatsoever kind arising directly or indirectly out of:
- a) Computer viruses or other malware or computer program that alters or erases data or programs in a manner that is undesired by You or Your Customers and/or the gaining of unauthorised access to Your or Your Customers' computer via any communication system by any person other than You or Your directors, partners, employees, officers or any other person who has an interest in the property;
 - b) total or partial destruction or loss of data from any computer hardware or software unless there is visible external physical Damage to the Goods which occurred during Transit services provided by You;
 - c) distortion, erasure, corruption, alteration, misinterpretation or misappropriation of Electronic Data, errors in creating, amending, entering, deleting or using Electronic Data, total or partial inability or failure to receive, send, access or use Electronic Data for any time or at all; or any consequential losses resulting from any of these (for example loss of profits or loss of contract);
- regardless of any other contributing cause or event whenever it may occur. The Terrorism exclusion prevails over this exclusion.

War, strikes, legal seizure, nuclear, Terrorism:

17. We do not cover 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:
- a) legal seizure, confiscation, nationalisation or requisition, destruction or Damage of the Goods by the order of any Government, Public Authority or Local Authority;

- b) War or Warlike activities;
- c) the absence, shortage or withholding of labour of any description resulting from strike, lockout, labour disturbance, riot or civil commotion;
- d) any chemical, biological, bio-chemical, or electromagnetic weapon or any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter;
- e) the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof, ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel;
- f) 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;
- g) death, injury, illness, loss, Damage, cost or expense directly or indirectly caused by, contributed to by, resulting from or arising out of or in connection with any act of Terrorism regardless of any other cause or event contributing concurrently or in any other sequence to the loss. The Policy also excludes death, injury, illness, loss, Damage, cost or expense directly or indirectly caused by, contributed to by, resulting from, or arising out of or in connection with any action in controlling, preventing, suppressing, retaliating against, or responding to any act of Terrorism.

Offer of insurance

18. Where You:

- issue Terms and Conditions of cartage which incorporate an offer to arrange insurance (or any other financial service as defined in section 766B of the Corporations Act 2001 (Cth)) for the benefit of Your Customer; or
- represent to Your Customer that You are able to arrange insurance for their benefit

the Policy will not indemnify You in respect of Your liability for failure to arrange insurance to the benefit of the Customer, or for any claims arising from Your professional negligence and errors or omissions associated with the offer of insurance. The Policy will respond only to the extent that it would do so in the absence of such an offer or representation and as if You had issued the unmodified Approved Terms and Conditions.

General conditions

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.

Applicable Law

The 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.

Allocation of subrogation proceedings

Notwithstanding Section 67 of the Insurance Contracts Act (Cth), monies recovered in subrogation proceedings will be applied, net of the expense of such recovery:

- a) firstly to Us in reimbursement of the amount paid to You in respect of a claim paid under this Policy;
- b) secondly to You to the extent of Your uninsured loss in respect of the amount paid to You in respect of that claim (disregarding the amount of any Excess applicable); and
- c) thirdly to You in satisfaction of any Excess amount applicable.

Any other monies remaining after these allocations will be Your property.

Nothing in this condition shall prevent You and Us entering into a "Subrogation Agreement" following an Occurrence agreeing to a different basis of sharing costs and expenses and the allocation of monies recovered.

Alteration of Risk

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 Activities, or other circumstances that affect the risk insured) You must notify Us as soon as reasonably possible in writing. If We agree to the change We will do so in writing and You must pay Us any additional premium We propose. 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.

Assignment

No assignment of this Policy or interest therein or any moneys which may be or may become payable under this Policy shall be binding on or recognised by Us unless a dated notice of such transfer of interest signed by both You and the party to whom the Policy or interest is being transferred is provided to Us before the payment of any claim or return of premium under this Policy. We have discretion to give or refuse the assignment on terms that We think fit. We will not unreasonably exercise this discretion.

Bankruptcy or Insolvency

In the event that You should become bankrupt or insolvent, We shall not be relieved thereby of the payment of any claims because of such bankruptcy or insolvency. In case of execution against You of any final judgment covered by this Policy being returned "unsatisfied" by reason of such bankruptcy or insolvency, then an action may be maintained by the injured party or their representative against Us in the same manner, and to the same extent as You but not in excess of the Sum Insured or Limit of Indemnity.

Breach of Condition

The law gives Us a number of rights if You do not comply with the conditions of the 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; or
- any combination of one or more of the above actions.

Fraudulent Claims

If You or any party covered by Your Policy makes a claim or arranges for some other party to make a claim that is in any way false, dishonest or fraudulent, then payment of the claim may be refused.

GST Notice

The following is 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.

Limit of Liability

The Sum Insured/Limit of Liability in the Policy may be increased 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 Goods or Damaged property based on the Cover selected and applicable to the claim and We will have regard to the items below:

- 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 Liability or other limits shown in the Policy or in Your Schedule.

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

We will reduce the GST amount We pay for by the amount of any input tax credits to which You (or the claimant) are or would be entitled.

- 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 (or the claimant) would have been entitled to had the payment been applied to a relevant acquisition.

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.

Multiple insureds

Where You are 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, provided that Our Limit of Indemnity and liability to make supplementary payments will apply as though there were not separate policies issued to each entity.

Where cover is required for a number of insured parties not comprising one corporate entity, only those parties named in the Schedule are insured. Receipt by one of You of any payment from Us shall constitute payment to each of You and shall fully discharge Us from liability in respect of such payment and there shall be no recovery under this Policy in respect of claims between each of You.

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, subject to:

- the loss, Damage, liability, cost or expense not being directly or indirectly caused by or contributed to by or arising 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 such reasonable additional premium as We may require in order to maintain cover that We may agree to provide for the increased risk as a result of the act or omission. If You do not, We may reduce or refuse Your claim to the extent We are prejudiced by Your delay.

No waiver of Our rights

No action by Us or anyone acting on Our or Your behalf in connection with the handling of a claim either under the Policy or by or against a third party including the provision of security and the appointment of lawyers, loss adjusters and others on Your behalf shall constitute a waiver of any rights or defences or an admission of liability by Us.

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 risks insured effected by any other party then, We reserve the right to seek contribution from any other insurer(s). When You make a claim on Your Policy You must also take reasonable steps to supply Us with written details of all policies that may pay or partially pay that claim and provide Us with full information and all reasonable assistance in the recovery of Our rateable proportion of such loss or Damage.

Premium Adjustment

The deposit premium advised at the inception of each Period of Insurance is provisional and based on the estimated gross freight earnings during the Policy period. On expiry of the Period of Insurance the Policy will be adjusted by applying the agreed rate percent to the actual declared value for that period. For the purpose of ascertaining any adjustment to this premium You must provide, within a reasonable time after the expiry of each Period of Insurance, the actual values (where applicable, split between contracts/cover options taken as advised by Us).

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% of the full premium based on the initial estimates will be retained by Us.

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.

Pairs and sets

In the event of 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. No allowance shall be made for a reduction in value of the remaining article(s) due to the Damage occurring.

Payment set off

You shall have no right to set off amounts payable to Us against any claim payments due or allegedly due from Us to You, including, but not limited to, payment of premium or due to any premium adjustments.

Prohibited Cover Or Payments (Sanctions Clause)

Irrespective of any other provision of the Policy, We shall not be deemed to provide cover or be liable to pay any claim or provide any benefit (including a refund of premium) hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would contravene or otherwise expose Us to any penalty, sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of Australia, New Zealand, the European Union, United Kingdom or United States of America.

Security

We are not obliged to provide guarantees, letters of undertaking, bonds or any other security (either directly or indirectly) in respect of any claim; however We may do so at Our absolute discretion subject to the terms of the No Waiver Of Our Rights clause above.

Subcontractors

Under no circumstances shall the benefit of this Policy pass to any Subcontractor or the insurers of any Subcontractor.

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 the Policy, against any person, company or entity legally liable to You in respect of that claim. We will act reasonably having regard to your interests, and will keep you informed if You ask Us to. You must take reasonable steps to provide Us with full information and all reasonable assistance We may reasonably require in the recovery of those payments or expenses.

In particular, We reserve the right of subrogation against any of Your Subcontractors not solely and directly working under Your instructions and contract, or which have in place their own insurance arrangements covering their liability for Damage to Goods they carry.

Surveyors, Assessors, Lawyers and Other Professionals

We may at any time appoint such professional service providers as We see fit and as may be necessary to handle Your claim having regard to Your interests and acting reasonably.

Costs and expenses incurred by You in respect of professional legal, surveyor or expert services providers You appoint are only recoverable from Us by You where:

- they have been incurred with Our prior agreement; and
- where they have been instructed by You to at all times report on and advise Us in relation to the case as required by Us, including provision of any documents or information in their power relating to the case as if they had been appointed to act for Us (regardless of whether such documents would otherwise be the subject of legal or other form of privilege; and
- in the event of any conflict of interest between You and Us, they shall be entitled to withdraw from the case if either You or We so request.

We reserve the right to discontinue the employment of any such professional should We deem necessary.

Waiver Of Subrogation Rights

We may not be liable to pay any benefits under the Policy for Damage to Goods or other liability 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 or other liability to the extent that Your loss would have been recoverable from that person but for the agreement.

Claims Procedure

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. As soon as reasonably possible after You become aware of any, or any potential, Occurrence, claim, writ, summons, proceeding or request in writing for damages which may result in a claim under Your Policy You must take reasonable steps at Your own expense to:

- (i) take such measures as may be reasonable for the purpose of averting or minimising such Damage. We will subject to any claim recoverable hereunder, additionally reimburse You for any charges properly and reasonably incurred in pursuance of these duties.

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.

- (ii) inform the police as soon as reasonably possible of any malicious Damage to or theft, of property in Your physical or legal control belonging to others;
- (iii) advise Us as soon as reasonably possible by email, telephone or facsimile telling Us how the loss of or Damage to the Goods or liability occurred;
- (iv) take all reasonable action to recover lost or stolen property that was in Your physical or legal control belonging to others and minimise the claim;
- (v) as far as reasonably possible preserve any Goods or Conveying Vehicle or other items which might prove necessary or useful as evidence until We have had an opportunity of inspection;
- (vi) give Us all the information, proof and assistance We may reasonably require to prosecute, defend or settle Your claim including details of any other insurance effected by You or on Your behalf;
- (vii) as soon as reasonably practicable after the Damage to the Goods or liability occurred (or any further time which We may allow in writing) deliver to Us a written claim containing as detailed an account as is reasonably practicable of the circumstances surrounding the property Damage or liability. If We ask You to provide Us with a statutory declaration You must provide it;

- (viii) as soon as reasonably possible send Us any claim, writ, summons, or full details of other relevant legal or other proceedings such as an impending prosecution or inquest You receive or become aware of; and
- (ix) at all times give Us all the information and assistance We may reasonably require;
- (x) If You recover or find any lost or stolen Goods for which We have paid a claim, You must tell Us as soon as reasonably possible; and give Us the recovered or found Goods if We request You to do so.

If You do not, We may reduce or refuse Your claim to the extent We are prejudiced by Your delay.

B. You SHOULD NOT:

- (i) admit liability for, or offer, or agree to settle any claim without Our written consent; and/or
- (ii) authorise the repair or replacement of anything without Our agreement;

If You do, We may reduce or refuse Your claim to the extent We are prejudiced by this.

C. After You have advised Us of any Damage to the Goods or liability:

- (i) You must comply with all the terms of the Policy 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 may be able to claim any money paid by Us;
- (iii) We may, but are not obliged to, take over and conduct, in Your 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.

If, in Our reasonable opinion, sufficient grounds do not exist to defend Your liability, We will indemnify You for the claim(s) against You to the extent of the cover provided, but excluding legal costs, expenses and interest, except to the extent such costs, expenses and interest have been incurred with Our prior consent up to the date of Our decision. The amount We pay may be based on the Limit of Liability under the Policy or any lesser amount for which a claim or claims may reasonably be settled. After We have paid You, 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 that We previously agreed to pay.

D. If We decide (or agree to Your request) to defend the claim:

- (i) We retain the right at any time during proceedings to decide to settle the claim by paying out the Limit of Liability, net of any costs incurred and already paid by Us.
- (ii) In some cases, We may elect to negotiate a settlement with the party claiming against You.
- (iii) At any time during proceedings You may request Us not to continue to defend the claim, but if You do so Our total liability, inclusive of the total amount paid to the claimant, interest payments and legal costs and expenses incurred up to that point, will not exceed the Limit of Liability stated in the Schedule. (We will also pay the Additional benefits listed on page 21 of this document (where applicable).

E. Diagnosis:

Where diagnosis is required to determine if there has been Damage to Goods covered by the Policy, if You or We incur costs for such diagnosis and reassembly and:

- (i) the claim is subsequently accepted as valid by Us, We will bear these costs subject to Sum Insured and Limit of Indemnity; and
- (ii) if the claim is not lodged or the claim is not subsequently accepted by Us, You agree to pay for the diagnosis and reassembly costs.



For all enquiries please call your insurance intermediary

amandtaustralia.com.au

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