



# Goods in Transit Insurance

Policy Wording

cargo

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EXPERTISE • SERVICE • SECURITY

# Policy Schedule

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# Goods in Transit – Policy Wording

This policy is issued by Associated Marine Insurers Agents Pty Ltd as agent for the insurer, Zurich Australian Insurance Limited.

## 1 Insured transit

Under this policy insurance commences

- 1.1 in relation to each item of goods, when the item is first moved for the purpose of being conveyed to a destination outside the premises at which loading takes place and ends when the item is last moved in being delivered at the destination.
- 1.2 in relation to livestock, when each animal enters the conveyance or its loading ramp and ends when the animal is discharged from the conveyance or its loading ramp at the destination.

However, insured transit of goods or livestock ends at any earlier point where the ordinary course of transit is interrupted by the insured.

## 2 The cover

The insurer insures the person named as the insured in the schedule against loss of or damage to goods specified in the schedule or death of livestock specified in the schedule caused by certain events. The insurance only applies:

- 2.1 to an insured transit that commences during the period of insurance specified in the schedule
- 2.2 to events that happen during an insured transit within the radius of transit specified in the schedule.

## 3 Events insured against – Cover A

If the schedule indicates that Cover A applies, the insurance is against each of the following

- 3.1 loss of or damage to goods caused by accident or by the deliberate act of a third party
- 3.2 death of livestock caused by accident, natural causes or slaughter for humane reasons

## 4 Events insured against – Cover B

If the schedule indicates that Cover B applies, the insurance is against

- loss of or damage to goods
- death (or slaughter for humane reasons following injury) of livestock

caused by any one of the following events

- 4.1 fire, explosion, lightning or flood
- 4.2 collision of the conveyance carrying the goods or livestock with an external object, or of the goods while on a land conveyance carrying them with something not on or part of that conveyance
- 4.3 overturning, jackknifing or derailment of the land conveyance carrying the goods or livestock
- 4.4 grounding, sinking or capsizing of the vessel carrying the goods or livestock
- 4.5 crashing or forced landing of the aircraft carrying the goods or livestock
- 4.6 discharge at a port of distress

## 5 Additional cover

In relation to transit by sea, the insurance is also against each of the following

- 5.1 loss of or damage to goods or livestock caused by jettison
- 5.2 loss incurred as a result of general average sacrifice
- 5.3 general average and salvage charges, in accordance with the contract of affreightment and the governing law and practice, incurred in connection with avoiding a loss covered by this policy

## 6 Extensions to cover

If an event insured against has occurred the insurance is extended in each of the following ways.

### 6.1 Debris

The insurance covers the cost of removal and disposal of damaged, deteriorated or contaminated goods or dead livestock; and of cleaning and decontamination. The insurer's liability is limited to a maximum of \$50,000. It is in addition to the insurer's liability for the primary loss.

### 6.2 **Delayed unpacking**

In the case of a delay in opening cases or packages (except those showing signs of damage, wetting or staining), loss or damage discovered when they are opened within 90 days of delivery will be treated as having happened during insured transit unless there is conclusive proof to the contrary.

### 6.3 **Brands**

The insurer will not sell or dispose of salvaged branded goods without the consent of the insured. If the insured declines to consent, the insured may retain the goods. Their reasonable salvaged value will be deducted from the amount payable in respect of the claim.

The insurance is also extended in the following ways.

### 6.4 **Acquired companies**

The insurance will cover any company or entity formed or acquired by the insured during the period of insurance. However, the insured must hold a controlling interest in the company or entity, or must accept responsibility for its insurance. In addition, the insured must inform the insurer of the formation or acquisition within 30 days; must provide the insurer with the same information in relation to the company or entity that it provided to the insurer in relation to this insurance; must agree to any additional conditions relating to the insurance in respect of the company or entity; and must pay the additional premium the insurer charges.

### 6.5 **Packers**

The insurance applies while goods are in insured transit to or from packers premises and while they are there for packing for a maximum of one month.

## 7 **Limits on cover**

The insurance is limited to the sum insured stated in the schedule for any one loss or series of losses arising from the same event. If an excess is specified in the schedule the insured must bear that amount first in respect of a claim under this policy.

## 8 **Exclusions from cover**

The insurance does not cover the insured against loss or damage to goods or death of livestock or against any related expense caused by any of the following

- 8.1 ordinary leakage, ordinary loss in weight or volume or inherent vice of the goods
- 8.2 delay, loss of market or consequential loss of any description
- 8.3 mechanical, electrical or electronic breakdown or malfunction where there is no external evidence that an insured event has occurred
- 8.4 the absence, shortage or withholding of labour of any description resulting from any strike, lockout, labour disturbance, riot or civil commotion
- 8.5 war or warlike activities which means invasion, act of foreign enemy, hostilities (whether war is declared or not), civil war, rebellion, revolution, insurrection or civil strife following any of these
- 8.6 expropriation which means the lawful seizure, confiscation, nationalisation or requisition of goods or livestock
- 8.7 anything nuclear or radioactive, meaning the ionising radiations from or the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter or nuclear waste, weapon, device, fuel, installation, reactor or any component of these. However this exclusion does not apply to radioactive isotopes carried for agricultural, commercial, medical or scientific purposes
- 8.8 any chemical, biological, bio-chemical or electromagnetic weapon
- 8.9 terrorism, unless caused by a terrorist or any person acting from a political motive while the goods or livestock are in transit as defined in Clause 1 (Insured transit), and steps taken to prevent, suppress, control or reduce the consequences of any actual, attempted, anticipated, threatened, suspected or perceived terrorism. Terrorism means any act which may, or may not, involve the use of, or threat of, force or violence where the purpose of the act is to further a political, religious, ideological or similar aim or to intimidate or influence a government (whether lawfully constituted or not) or any section of the public

## 9 Valuing the goods or livestock

The agreed value of the goods or livestock is their invoice cost or value, plus any costs incidental to the insured transit that are not covered by the invoice. If there is no invoice value, their agreed value is their market value or the cost, at the time of the commencement of the insured transit, of replacing the goods or livestock with similar goods or livestock of the same age and condition.

## 10 Premium and its adjustment

The insured must pay the insurer the deposit premium stated in the schedule. This is based on estimated figures for the period of insurance provided by the insured and the insured must keep accurate records of the equivalent actual figures. A statement of these actual figures (audited if requested) must be given to Associated Marine Insurers Agents Pty Ltd within one month after the end of the period of insurance.

Associated Marine Insurers Agents Pty Ltd will adjust the premium proportionally at the end of that period on the basis of the insured's actual figures. If the adjusted premium is higher than the premium stated in the schedule the insured must pay the insurer the difference. If it is lower, the insurer must pay the difference to the insured. However, the insurer is entitled to retain a minimum of 75% of the deposit premium stated in the schedule.

## 11 Notification of material change

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

## 12 Reasonable care

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

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

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

- 13.1 The insured must do everything reasonable to prevent anything else happening which may give rise to or increase the amount of the claim.
- 13.2 The insured must do everything reasonable to make sure that any rights against anyone else in respect to the event are maintained.

13.3 If the event involves a vehicle owned or operated by the insured, and either a theft has occurred and the policy covers the insured against theft, or an accident has occurred involving another vehicle, the insured must notify the police as soon as possible and if Associated Marine Insurers Agents Pty Ltd requires it, obtain a written police report.

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

13.5 The insured must not authorise any repairs to the goods without the consent of Associated Marine Insurers Agents Pty Ltd.

The insurer will reimburse the insured for charges reasonably incurred to prevent or minimise an insured loss or to protect rights in relation to the event.

## 14 Settlement of claims

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

14.1 If the insured is liable for Goods and Services Tax (GST) in respect of any goods, services or other supply which are the subject of a claim under this policy the insurer will pay the insured for that GST liability. However

14.1.1 where the insurer makes a payment under this policy for the acquisition of goods, services or other supply the insurer will reduce the amount of the payment by the amount of any input tax credit the insured is, or will be, or would have been entitled to under A New Tax System (Goods and Services Tax) Act 1999 in relation to that acquisition whether or not the acquisition is actually made

14.1.2 where the insurer makes a payment under this policy as compensation for the acquisition of goods, services or other supply the insurer will reduce the amount of the payment by the amount of any input tax credit the insured would have been entitled to under A New Tax System (Goods and Services Tax) Act 1999 had the payment been applied to acquire such goods, services or supply.

## 15 Third parties

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

## 16 Right of subrogation

The insurer is entitled to exercise any rights the insured may have against anyone else in relation to goods or livestock in respect of which the insurer has paid any amount under this policy. The insured and anyone else entitled to claim under this policy must cooperate fully with Associated Marine Insurers Agents Pty Ltd in exercising those rights and must give Associated Marine Insurers Agents Pty Ltd any information or assistance it may require.

## 17 Transfer

The insured may only transfer a right under this policy with the written consent of Associated Marine Insurers Agents Pty Ltd.

## 18 Cancellation

The insured may cancel this policy at any time by giving Associated Marine Insurers Agents Pty Ltd notice in writing. Associated Marine Insurers Agents Pty Ltd may cancel it for the insurer by giving the insured 30 days notice in writing. However, it may only do so in the circumstances set out in section 60 of the Insurance Contracts Act 1984. A cancellation does not affect an insured transit which commences before the cancellation.

## 19 What to do if you have a complaint

If you have a concern about this insurance product, a decision on your claim, the service provided by Associated Marine or its agents, loss adjusters or investigators, please contact your nearest local Associated Marine office and they will help you in any way they can.

If they or their manager are unable to resolve the matter, please ask to be referred to a Dispute Resolution Officer. The Dispute Resolution Officer will investigate and try to reach a satisfactory outcome. Our Dispute Resolution process is a free service to you.

**Associated Marine Insurers Agents Pty. Ltd** (ABN 41 006 104 007 AFSL 235383)  
as managing agent for Zurich Australian Insurance Limited (ABN 13 000 296 640 AFSL 232507)

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