

Goods in transit 'floor to floor' accidental damage policy

QBE Insurance (Australia) Limited

Marine insurance policy



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Goods in Transit 'Floor to Floor' Accidental Damage Policy

Insurers

The Policy is underwritten by QBE Insurance (Australia) Limited, ABN 78 003 191 035, AFS Licence No. 239545.

About QBE Australia

QBE Insurance (Australia) Limited ABN 78 003 191 035 AFSL 239545 is a member of the QBE Insurance Group Limited ABN 28 008 485 014 (ASX: QBE). QBE Insurance Group is Australia's largest international general insurance and reinsurance group, and one of the top 25 insurers and reinsurers in the world.

Important Information

Duty of disclosure

Before you enter into an insurance contract, you have a duty, under both the *Insurance Contracts Act 1984* (Cth) and the *Marine Insurance Act 1909* (Cth), to tell us anything that you know, or could reasonably be expected to know, that may affect our decision to insure you and on what terms. You have this duty until we agree to insure you.

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

You do not need to tell us anything that:

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

If you do not tell us something

Where the *Marine Insurance Act 1909* (Cth) applies:

If you fail to comply with your duty of disclosure, we may avoid the contract of insurance from its beginning.

Where the *Insurance Contracts Act 1984* (Cth) applies:

If you do not tell us anything you are required to, we may cancel your contract or reduce the amount we will pay you if you make a claim, or both. If your failure to tell us is fraudulent, we may refuse to pay a claim and treat the contract as if it never existed.

The General Insurance Code of Practice

QBE Australia is a signatory to the General Insurance Code of Practice.

The Code aims to:

- Commit us to high standards of service
- Promote better, more informed relations between us and you
- Maintain and promote trust and confidence in the general insurance industry
- Provide fair and effective mechanisms for the resolution of complaints and disputes between us and you
- Promote continuous improvement of the general insurance industry through education and training.

Privacy

We'll collect personal information when you deal with us, our agents, other companies in the QBE group or suppliers acting on our behalf. We use your personal information so we can do business with you, which includes issuing and administering our products and services and processing claims. Sometimes we might send your personal information overseas. The locations we send it to can vary but include the Philippines, India, Ireland, the UK, the US, China and countries within the European Union.

Our Privacy Policy describes in detail where and from whom we collect personal information, as well as where we store it and the full list of ways we could use it. To get a free copy of it please visit qbe.com.au/privacy or contact QBE Customer Care.

It's up to you to decide whether to give us your personal information, but without it we might not be able to do business with you, including not paying your claim.

Resolving complaints & disputes

At QBE we're committed to providing you with quality products and delivering the highest level of service.

We also do everything we can to safeguard your privacy and the confidentiality of your personal information.

Something not right?

We know sometimes there might be something you're not totally happy about, whether it be about our staff, representatives, products, services or how we've handled your personal information.

Step 1 - Talk to us

If there's something you'd like to talk to us about, or if you'd like to make a complaint, speak to one of our staff. When you make your complaint please provide as much information as possible. They're ready to help resolve your issue.

You can also contact our Customer Care Unit directly to make your complaint. Our aim is to resolve all complaints within 15 business days.

Step 2 - Escalate your complaint

If we haven't responded to your complaint within 15 days, or if you're not happy with how we've tried to resolve it, you can ask for your complaint to be escalated for an Internal Dispute Resolution (IDR) review by a Dispute Resolution Specialist.

The Dispute Resolution Specialist will provide QBE's final decision within 15 business days of your complaint being escalated, unless they've requested and you've agreed to give us more time.

Step 3 - Still not resolved?

If you're not happy with the final decision, or if we've taken more than 45 days to respond to you from the date you first made your complaint, you can contact the Financial Ombudsman Service Australia (FOS Australia). FOS Australia is an ASIC approved external dispute resolution body.

FOS Australia resolves insurance disputes between consumers and insurers, at no cost to you. QBE is bound by FOS Australia's decisions - but you're not. You can contact FOS Australia directly and they'll advise you if your dispute falls within their Terms of Reference.

Disputes not covered by the FOS Australia Terms of Reference

If your dispute doesn't fall within the FOS Australia Terms of Reference, and you're not satisfied with our decision then you may wish to seek independent legal advice.

Privacy complaints

If you're not satisfied with our final decision and it relates to your privacy or how we've handled your personal information, you can contact the Office of the Australian Information Commissioner (OAIC).

Contacting QBE Customer Care, FOS or the OAIC

How to contact QBE Customer Care

Phone	1300 650 503 (Monday to Friday from 9am to 5pm, Sydney time, except on public holidays). Calls from mobiles, public telephones or hotel rooms may attract additional charges.
Email	<ul style="list-style-type: none"> complaints@qbe.com, to make a complaint. privacy@qbe.com, to contact us about privacy or your personal information. customercare@qbe.com, to give feedback or pay a compliment.
Post	Customer Care, GPO Box 219, PARRAMATTA NSW 2124

How to contact FOS Australia

Phone	1800 367 287 (Monday to Friday from 9am to 5pm, Melbourne time, except on public holidays)
Email	info@fos.org.au
Online	www.fos.org.au

How to contact the OAIC

Phone	1300 363 992 (Monday to Friday from 9am to 5pm, Sydney time, except on public holidays). Calls from mobiles, public telephones or hotel rooms may attract additional charges.
Email	enquiries@oaic.gov.au
Online	www.oaic.gov.au

Section 1: Definitions

When used in this Policy, the following words have a special meaning assigned to them, as follows:

Word or term	Meaning
Accident, accidental	any occurrence or event which arises during the transit which results in loss or damage to the goods which is unintended and could not have been expected by a person who has actual knowledge of the means of transportation of the goods.
Exhibition, demonstration, display	a public showing of the goods at premises not normally occupied by you, for the purpose of generating a sale.
Goods	the interest insured as specified in the Policy Schedule.
Period of insurance	the period for which the cover under your Policy is in force. You will find this period of insurance in the Policy Schedule.
Tools of trade	tools (excluding mobile phones, pagers, laptops/notebooks/hand held or other personal computers, personal property, cash and credit cards) to enable you or your employee to carry out your normal business occupation.
Travellers' samples	a portion, piece or segment of your goods carried by your employee or authorised custodian for the purpose of demonstration to prospective customers.
We, our, us	QBE Insurance (Australia) Limited, ABN 78 003 191 035.
You, your	any of the person or persons/company named as the insured in the Policy Schedule. If more than one person is named as the insured in the Policy Schedule, we will treat an act, omission, statement or a claim by any one of those persons as an act, omission, statement or a claim by all of them.

Section 2: This insurance contract

We agree to provide insurance as described in this Policy subject to the terms, limitations, exclusions and conditions contained in or endorsed on or otherwise expressed in the Policy.

This insurance is in consideration of you:

- having paid or agreed to pay the premium to us,
- providing to us a written application.

The Policy Wording, Policy Schedule (which expression includes any Policy Schedule substituted for the original Policy Schedule) and endorsements (if any) are to be read together.

We will indemnify you for loss of or damage to the goods caused by the insured events specified in this Policy wording, subject to:

- the exclusions and general conditions listed in Sections 7 and 8,
- the insured event occurring during the normal course of transit (Section 3), and within the geographical limits specified in the Policy Schedule, and
- the insured event occurring during the period of insurance.

This insurance is subject to Australian federal law and practice.

Section 3: The transit

Goods other than livestock and motor vehicles

During the period of insurance:

- cover commences from the time the goods are picked up inside the warehouse/premises or place of storage for loading on to the conveying vehicle,
- cover terminates when the goods are placed and/or positioned inside the receiver's or other designated warehouse or premises.

Livestock

During the period of insurance:

- cover commences when the livestock proceed on to the loading ramp of the conveying vehicle from the ground or loading dock adjacent to the conveying vehicle,
- cover terminates when the livestock exit the loading ramp adjacent to the conveying vehicle at the receiver's or other designated warehouse or premises.

Motor vehicles

During the period of insurance:

- cover commences when the motor vehicle's wheels/tracks are driven onto the loading ramps of the conveying vehicle from the ground or loading dock adjacent to the conveying vehicle,
- cover ceases when the motor vehicle is parked on the ground or loading dock immediately adjacent to the conveying vehicle.

The cover granted under this Transit clause is subject to:

- the conveying vehicle departing for its destination within seventy two (72) hours of the commencement of loading – if this period is exceeded cover ceases after seventy two (72) hours and recommences when the conveying vehicle actually departs for its destination,
- the placement or positioning of the goods within the warehouse or premises must be:
 - directly associated with the transit; and
 - completed within seventy two (72) hours of the conveying vehicles arrival;
- cover excluding the risks of dismantling, re-assembly and testing of goods.

Section 4: Accidental damage cover

This Policy provides the following cover:

Goods – Non-refrigerated

This Policy covers the accidental loss of or damage to the goods during transit, subject to the exclusions and general conditions listed in Sections 7 and 8.

Refrigerated goods

This Policy covers accidental loss of or damage to the goods during transit, subject to the exclusions and general conditions listed in Sections 7 and 8 but excluding loss or damage resulting from any variation in temperature unless the variation in temperature is directly caused by:

- fire, explosion, lightning, hail, flood,
- collision, jack-knifing, overturning or derailment of the conveying vehicle,
- crashing or forced landing of the conveying aircraft,
- stranding, grounding, burning or contact with the vessel with any object other than water, or
- malfunction of refrigerating machinery resulting in that machinery's failure to perform its normal refrigeration cycle for more than the number of hours specified in the Policy Schedule.

Livestock

This Policy covers the death and/or mortality of livestock caused by an accident during transit, subject to the exclusions and general conditions listed in Sections 7 and 8 and provided that:

- livestock are in a good state of health prior to loading, and
- are fit for travel.

Cover is extended to include humane killing of livestock which is necessary following an accident during transit.

Additional cover

(Subject to the exclusions and general conditions listed in Sections 7 and 8).

(a) Insufficiency of packing

- Inland transits by road/rail/air or on a ferry/RORO vessel where the goods remain within the road conveyance during the sea voyage.
This Policy covers loss of or damage to the goods when in transit notwithstanding insufficiency or unsuitability of packing or preparation of the goods.
- Sea transits
This Policy covers loss of or damage to the goods when in transit caused by insufficiency or unsuitability of packing or preparation of the goods provided:
 - the packing or preparation of the goods was not caused, directed or agreed by you, and
 - the insufficiency or unsuitability was outside your control or knowledge.

(b) Packers

The goods are covered from the time of leaving the suppliers' warehouse en route to the packers' warehouse and while there for a period not exceeding one month prior to shipment, but excluding any loss or damage caused by delay.

(c) Strikes and riots

This Policy covers accidental loss of or damage to the goods caused by strikers, locked out workers or persons taking part in labour disturbances, riots or civil commotions or damage caused by persons acting maliciously.

Section 5: Optional extensions

Subject to the exclusions and general conditions listed in Sections 7 and 8, and included only when specified in the Policy Schedule:

Exhibition/demonstration/display

This Policy covers loss of or damage to the goods while at any exhibition or premises for demonstration or display within Australia caused by an insured event (i.e. the events stated in Section 4) for a period not exceeding fourteen (14) days. However, if the goods comprise plant, machinery or have moving parts, this Policy does not cover loss or damage while the goods are in use for the purposes of demonstration or otherwise. Subject to a limit of \$50,000 any one loss or series of losses caused by the one insured event, unless otherwise specified in the Policy Schedule and provided these costs are not recoverable under any other insurance.

Tools of trade/travellers' samples - Restricted cover

This Policy covers loss of or damage to tools of trade and travellers' samples whilst contained in the conveying vehicle or while temporarily removed from the conveying vehicle and kept in any securely locked hotel, motel or private dwelling for a period not exceeding twenty four (24) hours caused by:

- fire, explosion, earthquake, volcanic eruption, lightning, hail, flood,
- collision of the conveying vehicle except with the curb or uneven road surface,
- jack-knifing, overturning and/or derailment of the conveying vehicle,
- impact of any object which is not on or part of the vehicle with the tools of trade and travellers' samples, excluding impact of the road surface and allied areas with the tools of trade and travellers' samples unless caused by an insured event specified above, or
- theft following visible evidence of forcible and violent entry into a securely locked vehicle or fixed carrying compartment (i.e. toolbox or enclosed tool trailer) hotel, motel or private dwelling,
 - during your customary business hours; or
 - whilst garaged or parked within the boundary of the insured's private dwelling or dwelling of an authorised custodian;

and provided that:

- all doors, windows and openings of the vehicle including fixed carrying compartment (i.e. toolbox or enclosed tool trailer) are securely locked when the vehicle is left unattended,
- the vehicle and fixed carrying compartment (i.e. toolbox or enclosed tool trailer) must be of a fully enclosed design, capable of being securely locked at all times,
- the vehicle is not parked on a public thoroughfare or in a public parking area or private parking area when not being used in connection with the insured's business operation, and
- alarms on any alarmed vehicle must be in working order and activated when the vehicle is left unattended.

Subject to a limit of \$500 per item to a maximum of \$10,000 in total for any one loss or series of losses caused by the one insured event, unless otherwise specified in the Policy Schedule.

Travellers' samples

This Policy covers loss of or damage to travellers' samples while temporarily removed from the conveying vehicle and kept in any hotel or private dwelling, caused by an insured event. Subject to a limit of \$10,000 any one loss or series of losses caused by the one insured event, unless otherwise specified in the Policy Schedule and provided that:

- the travellers' samples remain in the custody or control of you or your employees, or
- the travellers' samples are stored within a securely locked building.

Section 6: Additional benefits

(Subject to the exclusions and general conditions listed in Sections 7 and 8)

Acquired companies

This Policy extends to include any company, subsidiary company or firm formed or purchased by you during the period of insurance provided that:

- you hold a controlling interest or have agreed to accept responsibility for insurance,
- you advise us of the existence of the company or firm not later than thirty (30) days from the date of signing the purchase contract or date of formation,
- you declare to us the estimated turnover, type of goods to be insured and past claims history, and
- you agree to any additional conditions and premium we require.

Agistment expenses - Livestock only

This Policy covers all reasonable costs and expenses necessarily incurred in maintaining the livestock at agistment when caused by an insured event. Subject to a limit of \$500 per animal and \$50,000 in the aggregate for any one loss or series of losses caused by the one insured event, unless otherwise specified in the Policy Schedule.

Delayed unpacking

Where packages of the goods are not opened immediately upon arrival, loss or damage covered by this Policy which was not immediately apparent at the time of arrival shall be recoverable under this insurance providing:

- the damage is discovered within ninety (90) days of arrival, and
- any packages bearing outward signs of loss or damage at the time of arrival are opened and inspected immediately.

General average and salvage

If your goods are being transported by sea between Australian ports and a general average is declared, this Policy extends to cover the full costs of the general average and/or salvage contribution even if the limit of liability is less than the contributory value.

Loss of information/data/media

This Policy is extended to include all claims for loss of information/data/media where there is external visible evidence of damage from an insured event. The amount we pay will be the reasonable cost of rewriting the information or data, subject to a limit of \$50,000 any one loss or series of losses arising from the one insured event, unless otherwise specified in the Policy Schedule and provided these costs are not recoverable under any other policy of insurance.

Mustering costs - Livestock only

This Policy covers all reasonable costs and expenses necessarily incurred for mustering of the livestock at the scene of the accident when caused by an insured event. Subject to a limit of \$500 per animal to a maximum of \$50,000 in total for any one loss or series of losses arising from one insured event, unless otherwise specified in the Policy Schedule.

Over-carrying

Should the goods be over-carried to a different destination, this Policy covers the goods until returned to the original destination.

Packaging

This Policy covers accidental loss of or damage to packaging while carried in transit caused by an insured event. Subject to a limit of \$50,000 any one loss or series of losses arising from the one insured event, unless otherwise specified in the Policy Schedule and provided the costs are not recoverable under any other insurance.

'Packaging' means packing materials, shipping containers, crates, pallets, or similar receptacles belonging to you or for which you are responsible.

Removal of debris/cleanup costs

This Policy covers all reasonable costs and expenses (excluding pollution liability) incurred in unloading, removing and/or disposing of damaged goods and cleanup of an accident site incurred as a direct result of an insured event. Subject to a limit of \$50,000 any one loss or series of losses arising from the one insured event, unless otherwise specified in the Policy Schedule and provided the costs are not recoverable under any other policy of insurance.

Re-securing

This Policy covers all reasonable costs and expenses incurred in re-securing the goods where there has been movement of the goods in transit, which makes re-securing necessary, even though there may be no claim resulting from the incident provided these circumstances were outside your control and you could not be reasonably be expected to have knowledge of them in the normal course of your business. Subject to a limit of \$5,000 any one incident, unless otherwise specified in the Policy Schedule and provided these costs are not recoverable under any other policy of insurance.

Shut-out

In the event of the goods being 'shut-out' from the conveyance at an intermediate place during the course of transit, this insurance covers the goods whilst waiting for an alternative conveyance provided the goods are stored in a secure area, but excluding any loss or damage caused by delay.

Transfer/on-forwarding

Where, due to an event covered by this Policy, the transit is terminated short of the intended destination this Policy covers all reasonable costs incurred in transferring, storing and forwarding the goods to the original destination in Australia. This extension does not include costs incurred due to your insolvency or financial default.

Wandering off - Livestock only

This Policy covers loss of livestock due to 'wandering off' from the scene of the accident caused by an insured event. Subject to a limit of \$50,000 any one loss or series of losses arising from one insured event, unless otherwise specified in the Policy Schedule.

Section 7 : Exclusions (applicable to all sections)

This Policy does not cover any loss or damage:

1. To property other than the goods specified in the Policy Schedule.
2. To goods caused by your wilful act or the wilful act committed by someone with your knowledge or connivance.
3. To goods caused by delay (e.g. stranding during inland flooding), rejection, loss of market, loss of profits or any consequential loss (even though it may have been caused by an insured event).
4. Caused by a reduction in value of goods because of repairs.
5. Caused by ordinary leakage, ordinary loss in weight or volume, or ordinary wear and tear of the goods.
6. Caused by inherent vice or nature of the goods (other than refrigerated goods due to variation in temperature as provided in Section 4 above).
7. To animals caused by inoculation and/or its after effects, infectious diseases, rejection, abortion, loss/death of foetus, loss of use or delay.
8. Caused by the failure of you or your employees to take all reasonable precautions to ensure that refrigerated goods are kept in a refrigerated, or where appropriate, properly insulated and cooled space.
9. To goods caused by rust, oxidisation and/or discolouration unless caused by an insured event.
10. To goods caused by electronic, electrical or mechanical failure unless there is visible external physical damage which occurred during transit caused by an insured event.
11. To goods caused directly or indirectly by war, acts of war (whether war be declared or not), rebellion, revolution, lawful seizure, confiscation, nationalisation, requisition, destruction or damage by or by the order of any government, public or local authority.
12. To goods caused directly or indirectly by ionising, radiation, radioactive material, nuclear process or from nuclear weapons material.
13. Arising from theft of goods when in your custody or control if the conveying vehicle or building and/or premises used for temporary storage during the normal course of transit are not securely locked when unattended.
14. Or expense arising from the insolvency or financial default of the carrier unless these circumstances were outside your control and you could not reasonably be expected to have knowledge of it in the normal course of your business.

In no case shall this insurance cover loss, damage, liability or expense directly or indirectly caused by or contributed to by or arising from:

- ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel,
- the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof,
- any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter,
- the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter. The exclusion in this sub-clause does not extend to radioactive isotopes, other than nuclear fuel, when such isotopes are being prepared, carried, stored, or used for commercial, agricultural, medical, scientific or other similar peaceful purposes,
- any actual or alleged liability whatsoever for any claim or claims in respect of loss or losses directly or indirectly arising out of, resulting from or in consequence of asbestos,
- any chemical, biological, biochemical, or electromagnetic weapon.

In addition, the following clause shall be paramount and shall override anything else contained in this insurance.

Notwithstanding any provision to the contrary contained in this Policy or the clauses referred to within this Policy, it is agreed that in so far as this Policy covers loss of or damage to the goods insured caused by terrorism

or any terrorist or any person acting from a political motive, such cover is conditional upon the goods insured being in the ordinary course of transit and, in any event, shall terminate either:

- (A) as per the Section 3 – The transit, or
- (B) on delivery to any other warehouse or place of storage, whether prior to or at the destination, which you elect to use either for storage other than in the ordinary course of transit or for allocation or distribution, whichever shall first occur.

For the purpose of this insurance, 'Terrorism' means any act(s) of any person(s) or organisation(s) involving:

- the causing, occasioning or threatening of harm of whatever nature and by whatever means, and/or
- putting the public or any section of the public in fear,

in circumstances in which it is reasonable to conclude that the purpose(s) of the person(s) or organisation(s) concerned are wholly or partly political, religious, ideological or similar nature.

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

Section 8: General conditions (applicable to all sections)

Alteration of risk

Where the *Marine Insurance Act 1909* applies you must give us immediate notice if there is any material change in the nature or circumstance of the risks covered by this Policy, or no claim arising after the change shall be payable unless we have agreed to the change in writing.

Where the *Insurance contracts Act 1984* applies, if you do or omit to do something which materially changes the risk that increases the chances of future loss, you must give us immediate notice in writing.

Authorisation

We may give to and obtain from any other insurers, insurance reference bureaus and credit reporting agencies any information relating to your credit or insurance history, as well as insurance claims information.

Automatic reinstatement

The indemnity granted by this Policy is limited to the limit of liability shown in the Policy Schedule, which is reduced by any claims paid. Reinstatement shall be automatic subject to payment of the appropriate additional premium and any charges (where applicable).

Benefit of insurance

The carrier or any other bailee cannot claim any benefit under this Policy. Your rights under this Policy are not prejudiced by any agreement exempting the carrier from liability.

Contribution

If at the time of any loss or damage happening there is any other current effected by you or by any other person or persons on your behalf covering the same loss or damage either alone or together with any other goods, you must give us full details of that insurance.

Underinsurance

We require you to insure for the full value or maximum potential risk. If you do not do so, and you are underinsured, we may pay you less in the event of a claim, calculated in accordance with either the wording or the *Marine Insurance Act 1909* where applicable, which takes into account the degree of underinsurance.

Third party interests

You must inform us of the interests of all third parties (e.g. financiers or lessors) to be covered by this Policy. We protect the interest of third parties only if you have informed them and the interest(s) are noted in the Policy Schedule.

Turnover/sendings and premium calculation

The deposit premium calculated and payable at the commencement of each period of insurance is based on estimated turnover/sendings figures provided by you. You must declare the actual turnover/sendings on expiry of the period of this Policy or any subsequent period for which the is renewed within one month from the expiry of each period of insurance. This figure should represent the actual value of all goods for which the insurers were at risk during the period of insurance.

The premium will be adjusted in accordance with the rating factors set out in the Policy Schedule or as otherwise agreed in writing. The difference between the premium for the actual figures at the end of the period and the deposit premium will be paid by or refunded to you, subject to a minimum premium of 75% of the deposit premium being retained by us.

If the deposit premium is \$2,000 or less, the deposit premium shall be regarded as the minimum premium for the period of insurance shown in the Policy Schedule, and no adjustment or declaration of actual figures is required.

You are required to keep accurate records and, on request, will submit audited copies to us. If we request an audited copy of the records and this is not available then we may appoint an auditor. We will pay for the cost of the audit but if it reveals that the figures declared by you are incorrect, you must reimburse us that cost.

Warranties

Any warranties specified in the Policy Schedule are to be regarded as conditions of the contract of insurance.

Sanction Limitation and Exclusion Clause

No (re)insurer shall be deemed to provide cover and no (re)insurer shall be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose that (re)insurer to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of Australia, the European Union, United Kingdom or United States of America.

Section 9: Claims

How much we pay

The amount we pay will be either (unless otherwise stated in the Policy Schedule):

- the cost of repairing or replacing lost or damaged goods including freight costs, or
- the actual value of the lost or damaged goods at the time of loss (i.e. unless the goods were new, an amount for depreciation and wear and tear will be deducted from the claim) including freight costs.

This amount will be subject to the limit of liability stated in the Policy Schedule.

Antiques, paintings and pictures

We will not be liable for any loss, damage or expense caused by:

1. delay, confiscation or detention by customs or other officials or authorities,
2. wear and tear, moth, vermin, normal atmospheric or climatic conditions,
3. inherent vice of the goods.

The amount we pay will be:

- the reasonable cost of repair excluding any depreciation, or
- the market value of the goods as established by an independent and qualified valuer.

Brands/labels

In the event of loss or damage of goods bearing embossed or indented brands or labels or other permanent markings identifying you as the manufacturer or supplier, or exclusive and/or secret formula that may be involved, the goods may be retained by you to dispose of as you see fit provided a reasonable allowance is agreed for the value of the damaged and undamaged goods.

Where only the labels of the goods are affected by the insured event, the amount payable by us is limited to the reasonable cost of reconditioning and re-labelling. Subject to our liability not exceeding the value of the goods.

Claims documentation

To enable claims to be dealt with promptly, you are advised to submit all available supporting documents without delay, including, where applicable:

1. Policy number or evidence of insurance,
2. original contract of carriage, consignment note or other contract of carriage,
3. original or copy shipping invoices, shipping specifications, weight notes, sales invoice or other document evidencing value,
4. survey report or other documentary evidence to show the extent of the loss or damage,
5. delivery docket and weight notes at final destination,
6. correspondence exchanged with carriers and other parties regarding their liability for the loss or damage.

Excess

The amount stated in the Policy Schedule as the excess will be deducted from each and every loss.

Fraudulent claims

If any claim is fraudulent or false in any respect we may refuse to pay the whole or part of the claim, to the extent permitted by law.

We may also be entitled to cancel this Policy.

General average

In the event of a general average contribution arising under this Policy, contact us before signing any general average bond.

Limit of liability

Our liability is limited to the amount stated in the Policy Schedule for any one loss or series of losses caused by the one insured event.

New machinery replacement

Where loss or damage to any part or parts of an insured machine is caused by an insured event, the amount we pay will be:

- the cost of replacement or repair of the part or parts, and
- additional charges for forwarding and refitting.

Subject to our liability not exceeding the value of the complete machine.

Pairs and sets

Where any item is part of a pair or set, the Policy will only pay for the part of the pair or set which is lost or destroyed even if it cannot be replaced with a matching item. The insured value of the goods shall be regarded as spread over the whole of the pair or set, divided in the proportions that it would cost to replace all the items making up the pair or set.

Secondhand replacement

Where loss or damage to any part of the goods is caused by an insured event and new parts are used, the amount we pay will be:

- the proportion of the cost of replacement of parts lost or damaged as the amount insured bears to the value of an equivalent new unit, plus
- additional charges for forwarding and refitting the new part or parts if incurred.

Subject to our liability not exceeding the value of the goods.

What you must do

If there is any loss or damage which may result in a claim under this Policy, you must take the following steps:

1. Immediate action
 - Take all reasonable measures to avoid or minimise any loss, damage or expense (the reasonable and necessary cost of doing this will be payable by us).
 - Make sure that all rights against carriers, bailees or other third parties are properly preserved and exercised.
 - Inform the police as soon as possible after a theft is discovered.
2. Notification
 - Inform us of the event as soon as possible.
 - Submit to us full written particulars as soon as possible.
 - Send to us all correspondence and documents relating to the event.
 - Provide, or arrange for us to be provided with, statements, invoices, and other items documenting the amount of the loss.
3. When other parties may be liable to you for the loss, damage or liability, you must:
 - not agree to release those parties from liability,
 - hold the parties liable by delivering a notice of intention to claim within three (3) days of delivery,
 - in no circumstances, except under written protest, give clean receipts where the goods are in doubtful condition.
4. When delivery is made by container, ensure that the container and seals are examined immediately by the responsible official. If the container is delivered damaged or with seals broken or missing or with seals other than stated in the shipping documents, note the delivery docket accordingly and retain all defective or irregular seals for subsequent identification.
5. If the loss or damage was not immediately apparent at the time of delivery, apply immediately for surveys by the carriers or other bailees to be conducted within three (3) days of delivery.
6. Inform us of the circumstances and let us have a copy of all relevant documents.

We may exercise all your legal rights relating to the loss or damage. We may prosecute or defend any legal proceedings in your name and have full discretion in the exercise of your legal rights.

Measures taken by you or us with the object of saving, protecting or recovering the goods insured shall not be considered as a waiver or acceptance of abandonment or otherwise prejudice the rights of either party.

Failure to comply with the above conditions concerning claims procedures and documentation may prejudice any claim under the Policy.

How the Goods and Services Tax affects any payments we make

The amount of premium payable by you for this Policy includes an amount on account of the GST on the premium.

When we pay a claim, your GST status will determine the amount we pay.

When you are:

- (a) not registered for GST, the amount we pay is the sum insured/limit of indemnity or the other limits of insurance cover including GST;
- (b) registered for GST, we will pay the sum insured/limit of indemnity or the other limits of insurance and 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 reduce the GST amount we pay for by the amount of any input tax credits to which you are or would be entitled if you made a relevant acquisition. In these circumstances, the Input Tax Credit may be claimable through your Business Activity Statement (BAS).

You must advise us of your correct Australian Business Number & Taxable Percentage.

Any GST liability arising from your incorrect advice is payable by you.

Where the settlement of your claim is less than the sum insured/limit of indemnity or the other limits of insurance cover, we will only pay an amount for GST (less your entitlement for Input Tax Credit) applicable to the settlement. This means that if these amounts are not sufficient to cover your loss, we will only pay the GST relating to our settlement of the claim.

We will (where relevant) pay you on your claim by reference to the GST exclusive amount of any supply made by any business of yours which is relevant to your claim.

GST, Input Tax Credit (ITC), Business Activity Statement (BAS) and Acquisition have the same meaning as given to those expressions in *A New Tax System (Goods and Services Tax) Act 1999* and related legislation as amended from time to time.

Taxable Percentage is your entitlement to an Input Tax Credit on your premium as a percentage of the total GST on that premium.

Section 10: Cancellation

At any time, you may cancel this Policy by giving us notice in writing. We may cancel this Policy only when permitted by whichever Act governs this Policy i.e. the *Insurance Contracts Act 1984* or the *Marine Insurance Act 1909*.

Upon cancellation, we will refund a pro rata proportion of the premium received by us irrespective of any premium funding arrangement by you. If the premium is based on turnover or other variable amount that must be declared to us, any refund of premium will be made after the turnover or other variable amount has been declared to us and the premium adjusted irrespective of any premium funding arrangement by you.

