

Single Marine Cargo Insurance

Policy Wording



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Welcome to Zurich

About Zurich

The insurer of this product is Zurich Australian Insurance Limited (ZAIL), ABN 13 000 296 640, AFS Licence Number 232507. In this document, ZAIL may also be expressed as 'Zurich', 'we', 'us' or 'our'.

ZAIL is part of the Zurich Insurance Group, a leading multi-line insurance provider with a global network of subsidiaries and offices. With about 55,000 employees, the Zurich Insurance Group delivers a wide range of general insurance and life insurance products and services for individuals, small businesses, and mid-sized and large companies, including multinational corporations, in more than 170 countries.

Duty of Disclosure

This contract of insurance will be governed by either the Insurance Contracts Act 1984 (Cth) or the Marine Insurance Act 1909 (Cth).

Duty of Disclosure under the Insurance Contracts Act 1984

Before you enter into an insurance contract, you have a duty to tell us anything that you know, or could reasonably be expected to know, 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

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.

Duty of Disclosure under the Marine Insurance Act 1909

Your attention is drawn to Sections 23 to 27 of the Marine Insurance Act 1909 (Cth) and, in particular, that any contract of marine insurance is based on utmost good faith and in the absence of such good faith, may be avoided. Further, the *insured* has an obligation to disclose to us every material circumstance which is known to the *insured* and/or which in the ordinary course of business ought to be known by the *insured*. Every circumstance is material if it would influence the judgement of a prudent insurer in fixing the premium or determining whether he will take the risk. If there is a failure to make such disclosure, we may avoid the contract.

Our contract with you

This policy is a contract of insurance between the *insured* and Zurich and contains all the details of the cover that we provide.

This policy is made up of:

- the policy wording. It states what is covered, sets out the claims procedure, exclusions and other terms and conditions of cover;
- the proposal, which is the information you provide to us when applying for insurance cover;
- the most current policy *schedule* issued by us. The *schedule* is a separate document unique to the *insured*. It includes any changes, exclusions, terms and conditions made to suit the individual circumstances and may amend the policy; and
- any other written change otherwise advised by us in writing (such as an endorsement). These written changes vary or modify the above documents.

Please note, only covers shown in the *schedule* are insured. This document is used for any offer of renewal we may make, unless we tell you otherwise. Please keep your policy in a safe place. We reserve the right to change the terms of this product where permitted to do so by law.

Single Marine Cargo Insurance Policy Wording

Subject to the prior payment of, or *your* agreement to pay, the premium set out in the *schedule*, we agree to provide insurance as set out in this policy.

In issuing this policy, we have relied on the information contained in the proposal form and/or any other information given by *you* or on *your* behalf.

1. The cover

We insure *you* for loss of or damage to the *subject matter insured*, liability or expense on conditions as set out in the *schedule*.

When the cover applies

The insurance only applies to the insured voyage that commences during the *period of insurance* specified in the *schedule* from the point of departure to the destination each as specified in the *schedule*.

2. Conditions of cover

2.1 Conditions of insurance

The conditions of insurance are as specified in this policy wording, the *schedule* and attachments and any clauses referred to in the *schedule*, all of which are to be read together.

2.1.1 Any reference in the conditions of insurance to Institute Clauses is to the clauses published by the International Underwriting Association of London current at the effective date of this policy.

2.1.2 Any reference to 'English law and practice' is amended to 'Australian law and practice' wherever it appears.

2.2 Basis of valuation

The agreed value of the *subject matter insured* will be their invoice cost plus the cost of insurance and freight plus 10 per cent (CIF + 10%) unless a different valuation is agreed and stated in the *schedule*.

2.3 Limits on cover

Further to any limitations to the cover set out in the applicable conditions of insurance, this insurance is limited to the limit of liability stated in the *schedule*.

3. Definitions

When used in this policy, *schedule* or endorsements the following definitions will apply:

3.1 Insured, You, Your, Assured

insured, you, your, Assured means the insured as named in the *schedule* or as otherwise defined in the policy.

3.2 Period of insurance

period of insurance means the period of insurance stated in the *schedule*.

3.3 Schedule

schedule means the schedule attaching to and forming part of the policy, including any *schedule* substituted for the original *schedule*.

3.4 Subject matter insured

subject matter insured means the insured goods including packaging and labels.

3.5 Terrorism

terrorism means any act(s) of any person(s) or organisation(s) involving:

3.5.1 the causing, occasioning or threatening of harm of whatever nature and by whatever means;

3.5.2 putting the public or any section of the public in fear;

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

4. Additional clauses

4.1 Brands

We will not sell or dispose of salvaged branded goods without *your* consent. If *you* do not give *your* consent we may retain the goods and their reasonable salvaged value will be deducted from the amount payable in respect of the claim.

4.2 Debris

This policy covers the cost of removal and disposal of damaged, deteriorated or contaminated *subject matter insured* and of cleaning and decontamination to a limit of up to \$25,000 any one loss or occurrence in addition to the sum insured.

4.3 Packers

The insurance applies while the *subject matter insured* is in transit to or from packers' premises and while there for packing up to a maximum of 30 days.

5. Exclusions

The following exclusions apply in addition to the exclusions contained in the Institute Clauses or stated elsewhere in the *schedule* and attachments to this policy.

5.1 Information technology hazards

This insurance does not cover losses otherwise recoverable arising directly or indirectly out of loss of or damage to, or a reduction or alteration in the functionality or operation of, a computer system, hardware, programme, software, data, information repository, microchip, integrated circuit or similar device in or connected with computer equipment or non computer equipment whether *your* property or not unless the losses are caused directly by one or more of the following perils:

5.1.1 theft of equipment;

5.1.2 collision;

5.1.3 sinking, grounding or stranding of the carrying vessel;

5.1.4 overturning or derailment of land conveyance;

5.1.5 jettison or washing overboard;

5.1.6 fire, lightning, explosion;

5.1.7 aircraft or vehicle impact;

5.1.8 falling objects;

5.1.9 windstorm, hail, tornado, cyclone, hurricane, earthquake, volcano, tsunami, flood, freeze or weight of snow

5.2 Institute Radioactive Contamination, Chemical, Biological, Bio-chemical and Electromagnetic Weapons Exclusion Clauses – USA/Canada endorsement

When the *schedule* states the Institute Radioactive Contamination, Chemical, Biological, Bio-chemical and Electromagnetic Weapons Exclusion Clause (RACCBE) is to apply, the inclusion of this clause in the policy is material to our willingness to provide coverage at the quoted terms, conditions and rates. It is the intent of the parties to give maximum effect to RACCBE as permitted by law. In the event that any portion of RACCBE may be found to be unenforceable in whole or in part under the law of any state, territory, district, commonwealth or possession of the USA, or any province or territory of Canada, the remainder will stay under full force and effect under the laws of that state, territory, district commonwealth or possession, province or territory. Further any such finding will not alter the enforceability of the RACCBE under the laws of any other state, territory, district, commonwealth or possession of the USA, or any province or territory of Canada, to the fullest extent permitted by applicable law.

5.3 ISM

This policy excludes loss, damage or expense where the *subject matter insured* is carried by a vessel that is not ISM certified or whose owners or operators do not hold an ISM Code Document of Compliance when, at the time of loading of the *subject matter insured* on board the vessel, *you* are aware, or in the ordinary course of business should have been aware that either;

5.3.1 the vessel was not certified in accordance with the ISM Code; or

5.3.2 a current Document of Compliance was not held by its owners or operators as required under the SOLAS convention 1974 as amended.

This exclusion will not apply where this insurance has been assigned to the party claiming under this policy who had bought or agreed to buy the *subject matter insured* in good faith under a binding contract.

5.4 Mechanical or electronic derangement

This policy excludes mechanical, electrical or electronic breakdown or malfunction where there is no external evidence that an insured event has occurred.

5.5 Termination of transit (terrorism) 2009

This clause will be paramount and override anything contained in this policy inconsistent therewith.

Notwithstanding any provision to the contrary contained in this policy or the Clauses referred to, it is agreed that in so far as the policy covers loss of or damage to the *subject matter insured* caused by any act of *terrorism* cover will terminate either:

5.5.1 as per the transit clauses contained within the contract of insurance;

5.5.2 on completion of unloading from the carrying vehicle or other conveyance in or at the final warehouse or place of storage at the destination named in the contract of insurance;

5.5.3 on completion of unloading from the carrying vehicle or other conveyance in or at any other warehouse or place of storage, whether prior to or at the destination named in the contract of insurance, which *you* or *your* employees elect to use either for storage other than in the ordinary course of transit;

5.5.4 when *you* or *your* employees elect to use any carrying vehicle or other conveyance or any container for storage other than in the ordinary course of transit;

5.5.5 in respect of marine transits, on the expiry of 60 days after the completion of discharge overseas of the *subject matter insured* from the overseas vessel at the final port of discharge; or

5.5.6 in respect of air transits, on the expiry of 30 days after unloading the *subject matter insured* from the aircraft at the final place of discharge'

whichever occurs first.

If the contract of insurance or the Clauses referred to specifically provide cover for inland or other further transits following on from storage, or termination as provided for above, cover will re-attach and continue during the ordinary course of that transit terminating again in accordance with clause 5.5.1 to 5.5.6 above.

5.6 Terrorism

This policy excludes any loss, damage, liability or expense arising from:

5.6.1 *terrorism* and/or

5.6.2 steps taken to prevent, suppress, control or reduce the consequences of any actual, attempted, threatened, suspected or perceived *terrorism*.

However this exclusion will not apply to the extent of the provisions of exclusion clause 5.6.

6. Claims conditions

6.1 Claims procedure

When loss or damage happens which may give rise to a claim under this policy, *you* and/or *your* agent should take all reasonable measures to avert or minimise the loss and ensure that all rights against carriers, bailees or other third parties are properly preserved and exercised. *You* and/or *your* agent must:

6.1.1 claim immediately on the carriers, port authorities or other bailees for any missing packages;

6.1.2 in no circumstances, other than under written protest, give clean receipts where goods are in damaged or doubtful condition;

6.1.3 in no circumstances, other than under written protest, sign a receipt for goods which are in damaged or doubtful condition without noting the damage or doubt regarding the condition on that receipt;

6.1.4 apply immediately for survey by carriers' or bailees' representatives if any loss or damage is apparent and claim on the carriers or bailees for any loss or damage found during the survey;

6.1.5 give notice, in writing, to the carriers or bailees within three days of delivery if the loss or damage was not apparent at the time of taking delivery;

6.1.6 immediately notify us, or our nominated survey/settling agent, what has happened and promptly send full details including details of any other insurance on the *subject matter insured* and the following documentation:

(a) original or copy of shipping invoices, shipping specifications and/or weight notes;

(b) original bill of lading, waybill and/or other contract of carriage;

(c) landing account and weight notes at final destination;

(d) documentary evidence of the extent of the loss or damage; and

(e) any correspondence with the carrier or bailee about their liability for loss or damage.

6.1.7 not authorise any repairs to the *subject matter insured* without our consent.

6.2 Claims settlement

In the event of a claim, we have the option of settling *your* loss by payment, repair, reinstatement or replacement.

6.2.1 Goods and Services Tax

If *you* are 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 we will pay *you* for that GST liability. However:

(a) where we make a payment under this policy for the acquisition of goods, services or other supply, we will reduce the payment by the amount of any input tax credit *you* are, 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; or

- (b) where we make a payment under this policy as compensation for the acquisition of goods, services or other supply, we will reduce the payment by the amount of any input tax credit *you* 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.

6.2.2 Foreign currency invoice

If the amount of a claim is to be calculated based on an invoice in a currency other than Australian dollars, the claim will be paid in Australian dollars at the rate of exchange current at the date the loss or damage occurred.

6.3 Excess

In the event of a claim (other than a claim for total loss, General Average or Salvage) *you* must bear first the amount of any excess specified in the *schedule* or elsewhere in the policy wording.

6.4 Other insurance

When making a claim on this policy *you* must also supply us with written details of all policies that may pay or partially pay that claim.

6.5 Rights of subrogation

We are entitled to exercise any rights *you* or any assignee may have against anyone else in relation to the *subject matter insured* for which we have settled a claim under this policy. *You*, and anyone else entitled to claim under this policy, must cooperate fully with us in exercising those rights and must give us any information or assistance we may require.

7. General conditions

7.1 Applicable legislation

To the extent that this policy covers risks governed by the Marine Insurance Act 1909 the policy will be subject to the provisions of the Act. To the extent that this policy covers other risks it will be subject to the Insurance Contracts Act 1984.

7.2 Australian law and jurisdiction

This policy is subject to Australian law and jurisdiction.

7.3 Notification of material change

You must notify us as soon as possible of any material change in the risk covered by this policy.

7.4 Plurals and titles

The proposal, this policy, the *schedule* and any endorsements are one contract in which, unless the context otherwise requires:

- 7.4.1 headings are descriptive only, not an aid to interpretation;
- 7.4.2 singular includes the plural, and vice versa; and
- 7.4.3 the male includes the female and neuter.

7.5 Reasonable care

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

7.6 Sanctions regulation

Notwithstanding any other terms or conditions under this policy, Zurich shall not be deemed to provide coverage and will not make any payments nor provide any service or benefit to any *insured* or any other party to the extent that such cover, payment, service, benefit and/or any business or activity of the *insured* would violate any applicable trade or economic sanctions, law or regulation.

7.7 Third parties

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

7.8 Transfer

For shipments involving imports and/or exports, this policy permits transfer of the insurance by *you* or any assignee to another person and/or entity.

For transits commencing and terminating within the same country, *you* may only transfer a right under this policy with our written consent.

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