

transit australia policy accidental damage cover



Transit Australia Policy

Accidental Damage Cover

Section 1 – Meanings of Special Words in this Policy

In this policy certain words have special meanings. They have the same meanings wherever they appear. These words are:

“you” or “your”	means the Insured named in the schedule.
“we” or “our” or “us”	means the insurer Vero Insurance Limited ABN 48 005 297 807. Vero National Marine is a division of the insurer.
“conveyances”	means any ship, vessel, aircraft, postal service, rail and road transport used to transport the insured goods.
“excess”	means the amount you must pay towards a claim, as specified in the schedule.
“goods”	means the goods specified in Section 4. Unless specifically listed in “insured goods”, or agreed in writing by us, this policy does not cover loss of or damage to: <ul style="list-style-type: none">(a) domestic furniture, household goods, personal effects(b) frozen and/or chilled meat, seafood or foodstuffs(c) works of art or antiques(d) precious metals and stones, money (which means any coin or banknote), bullion, cheques, credit or other card sales vouchers, securities, shares, bonds, deeds, bills of exchange, or any documents that represent money(e) plant, machinery and computers (which are not the primary insured goods) where the limit any one conveyance or location exceeds \$25,000(f) tools of trade, electrical and electronic equipment.
“insured transit”	means the transits specified in Section 3 and within the geographic limits set out in the schedule.
“limit of liability”	means the limit of liability specified in the schedule.
“policy”	means this policy wording, the current schedule, and any endorsement, all of which are to be read together.
“premium”	means the premium specified in the current schedule, any endorsement premium and any adjustment in accordance with Section 8, and includes any Government charges specified in the schedule.

Section 2 – Agreement

We agree to provide you with the insurance as described in this policy, for the period of insurance shown in the schedule and for any subsequent period where renewal may be agreed, and in return you agree to pay us the premium by the dates advised to you.

Should there be any **change in circumstances** or any **change in the nature of the risks** which are the basis of the contract, you must advise us immediately and in writing. We will only be liable (to the extent of our legal entitlement) under this policy if we have agreed in writing to the change.

Section 3 – The Insured Transits

3. The insured transits are only by the conveyances (as defined) and are those specified in the schedule commencing within the period of insurance shown in the schedule, and each insured transit:
 - 3.1 **commences** in respect of each item of goods when the item is first moved for the specific purpose of loading on to the conveying vehicle for transit to a destination outside the premises,
 - 3.2 **terminates**
 - 3.2.1 when each item of goods is delivered to the intended destination either in the receiver's premises or such other place as you or the receiver may instruct, or
 - 3.2.2 on the expiry of seventy two hours after that item is unloaded from the final conveying vehicle,
whichever occurs first.
 - 3.3 excludes any period of dismantling, erection, commissioning, testing, or storage other than in the ordinary course of transit.

The insured transits shall **include**:

- 3.4 whilst in any **packer's premises** for a period of up to one month for the purpose of packing,
- 3.5 whilst at any **exhibition or display**, (other than in your owned or controlled premises) limited to a maximum of fourteen days and to a value of \$25,000 any one exhibition or display,
- 3.6 any period where the goods are "**shut out**" from the conveyance or intended destination, and
- 3.7 any insured goods which have been "**overcarried**", until return to port of destination.

Section 4 – The Insured Goods

4. We insure:
 - 4.1 the **goods and or merchandise** described in the policy schedule, including **all retail and sales packaging**,
 - 4.2 **shipping containers** in your care, custody or control, to the extent that you are legally liable to pay for any physical loss of or damage to the container/s, up to a limit of \$20,000 any one claim or series of claims arising from any one insured event,
 - 4.3 goods, of the kind described in the schedule, in which **you as a buyer or seller retain a contingent financial interest**, to the extent that:
 - 4.3.1 the goods are lost or damaged, and the loss or damage would be covered under this policy, and
 - 4.3.2 the other party under the terms of sale is legally liable to pay you for the goods or for the loss or damage, but fails to do so, and
 - 4.3.3 you have taken all reasonable steps to safeguard the goods and to recover payment from the other party
 - 4.3.4 It is a condition of this Clause 4.3 that the existence of this cover is not disclosed to any other party interested in the goods.

When we pay for such lost or damaged goods, you authorise us to act in your name in any recovery action we may take against the other party and you undertake to give us reasonable assistance in that action.

- 4.4 We will also insure the goods (of the kind described in the schedule) of **any company formed or purchased by you** during the period of insurance, subject to the terms and exclusions and limit of liability of this policy, provided that you have a controlling interest in such company(s), provide details to us within sixty days of formation or purchase and pay such additional premium as may be agreed by the date advised to you.

If included in your policy schedule, we also insure:

- 4.5 **traveller's samples** in transit in your or your employee's care, custody and control, up to a limit of \$10,000 any one claim or series of claims arising from any one insured event
- 4.6 any **return goods**, inwards or outwards, where you have the responsibility to insure the goods in transit, or have assumed that responsibility prior to any loss or damage to the goods being reported to you
- 4.7 **stock transfers**.

Section 5 – The Insured Events

- 5.1 Subject to the terms and exclusions of this policy, this insurance covers **accidental physical loss of or damage to the goods** during the insured transits, including:
 - 5.1.1 that caused by **strikers, locked-out workers or persons taking part in labour disturbances, riots or civil commotions**,
 - 5.1.2 **malicious damage**, unless caused or directed by you,
 - 5.1.3 **that caused by insufficiency or unsuitability of packing or preparation of the goods**, unless such was caused, directed or agreed by you.
- 5.2 **If the insured transit is by sea or air**, this policy further covers where applicable:
 - 5.2.1 any **General Average and or Salvage contribution** that you are required to pay under any Bill of Lading or similar document,
 - 5.2.2 physical loss or damage to the goods, caused by **washing overboard; jettison; collision, grounding, sinking, capsizing of the vessel; or General Average Sacrifice**.
 - 5.2.3 physical loss or damage to the goods, caused by **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 whilst the insured goods are on board the carrying ship, vessel or aircraft.

Section 6 – Exclusions

6.1 The Institute Radioactive Contamination, Chemical, Biological, Bio-Chemical and Electromagnetic Weapons Exclusion Clause (Clause 6.2) and the Transit and Terrorism Clause (Clause 6.3) shall be paramount and shall override anything contained in this insurance inconsistent therewith. In the event of conflict between these two Clauses, the Institute Radioactive Contamination, Chemical, Biological, Bio-Chemical and Electromagnetic Weapons Exclusion Clause (Clause 6.2) shall prevail.

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

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

- 6.2.1 ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel
- 6.2.2 the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof
- 6.2.3 any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter
- 6.2.4 the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter.

The exclusion in this Sub-Clause 6.2.4 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.

- 6.2.5 any chemical, biological, bio-chemical, or electromagnetic weapon.

6.3 Transit and Terrorism Clause

Notwithstanding any provision to the contrary contained in this policy or the clauses referred to therein, it is agreed that in so far as this policy covers loss of or damage to the insured goods caused by terrorism, such cover is conditional upon the insured goods being in the ordinary course of transit and, in any event **shall terminate either:**

6.3.1 as per Clause 3.2, or

6.3.2 on delivery to any other warehouse or place of storage, whether prior to or at the destination named herein, 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 purposes of this insurance, "terrorism" means any act(s) of any person(s) or organisations(s) involving:

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

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

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

In addition, this insurance does not cover:

6.4 loss or damage that **existed or occurred prior to the commencement of the insured transit.**

6.5 loss or damage directly or indirectly as a result of **mechanical, electrical or electronic breakdown or malfunction** where there is no external evidence of damage in transit from an insured event.

6.6 loss or damage as a result of an act of war, whether or not **war** has been declared, whilst your property is not on board a ship, vessel or aircraft.

6.7 **loss of market, or consequential loss of any description**, even if caused by any insured events.

Section 7 – How Much We Will Pay

7.1 Claims under this policy **are not subject to the application of average or underinsurance.**

7.2 If, at the time of any loss of or damage to the insured goods, there is **any other current insurance**, whether effected by you or by any other person or persons, covering the same goods, we will not be liable (where legally entitled) for more than the rateable proportion (having regard to the other insurances, whether Marine or Fire, and whether or not such other insurances are exempted from contributing either by the existence of this policy or any other policy) of such loss, damage, liability or expense.

7.3 Subject to the terms, exclusions, any provisions contained in the schedule and the limit of liability of this policy, at our option we will pay you, repairers or other parties agreed with you:

7.3.1 **for goods other than plant, machinery, computers and the like**, the lesser of:

7.3.1.1 the cost of repairing or reinstating the goods to a condition equal to but no better or more extensive than its condition immediately prior to the loss or damage (including the reasonable cost of any necessary overtime), or

7.3.1.2 the invoice value covering the goods whilst in transit (including freight if separately invoiced to the receiver of the goods), or

7.3.1.3 if there is no invoice value, the cost of replacing the goods with similar goods of the same age and condition or as near as possible to that age and condition.

- 7.3.2 **for plant, machinery, computers and the like (up to five years old)**, the lesser of:
- 7.3.2.1 the cost of repairing or reinstating the goods to a condition equal to but no better or more extensive than when new (including the reasonable costs of any necessary overtime), or
 - 7.3.2.2 in the case of a purchase or sale, the purchase or sale price plus the cost of packing and transport, or
 - 7.3.2.3 in the case of movement of return goods (inwards or outwards), stock transfers, and movement of goods other than for the reason of purchase or sale, we will pay the new replacement cost or, if not available, as near as possible to the same make, model and specifications as is available.
- 7.3.3 **for plant, machinery, computers and the like (more than five years old)**, the lesser of:
- 7.3.3.1 the cost of repairing or reinstating the goods to a condition equal to but no better or more extensive than its condition immediately prior to the loss or damage (including the reasonable cost of any necessary overtime), or
 - 7.3.3.2 in the case of a purchase or sale, the purchase or sale price plus the cost of packing and transport. However, in the case of movement of return goods (inwards or outwards), stock transfers, and movement of goods other than for the reason of purchase or sale, we will pay the greater of the written down book value in your books of account or the current market value.
- 7.4 If we agree to pay a claim under Section 7.3, we will also pay you the following **additional benefits** (if you are required to pay these costs):
- 7.4.1 the cost of **air freighting replacement parts** from suppliers to the original destination, even if the original transit was not by air freight, up to the greater of \$10,000 or 10% of the insured value of the damaged goods (calculated according to Section 7.3 above)
 - 7.4.2 the reasonable costs and expenses incurred in **cleaning up or decontaminating your premises** following the delivery or return of salvaged goods, plus the cost of transport and disposal costs to remove those goods, up to a limit of \$50,000 any one accident or series of accidents arising from any one insured event
 - 7.4.3 **clean up and disposal costs at any accident site**, where you are legally or contractually obliged to pay those costs, up to a limit of \$50,000 any one accident or series of accidents arising from any one insured event
 - 7.4.4 any **additional freight or salvage charges** that you are required to pay to remove your goods from any accident site, including the cost of transport to forward the goods to their intended destination or to return the goods to the place from which they were despatched, and
 - 7.4.5 the reasonable costs paid by you to **avoid or minimise any further loss or damage** to the goods.
- 7.5 If the insured transit is interrupted or terminated due to the **insolvency or financial default of the carrier**, whether or not loss or damage has been occasioned to the goods, we will pay you the extra costs of freight and/or storage to forward the goods to their intended destination, or to return the goods to the place from which they were despatched, up to a maximum of 10% of the insured value of the goods (calculated according to Section 7.3).
- 7.6 Where a loss is payable under this policy, we will apply the following **restrictions to payments**:
- 7.6.1 for any damaged goods bearing **identifying brands or labels** or other permanent markings, 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 goods and this allowance is deducted from the claim settlement
 - 7.6.2 where **only the labels or packaging** are affected, we will pay you only the cost to recondition and/or replace those labels or packaging.
- 7.7 All claims we pay under this policy will have any **excess deducted** prior to settlement.

- 7.8 The limit of liability shown in the schedule and the additional benefit limits shown in Section 7.4 and 7.5 apply to any one claim or series of claims arising from any one insured event. **The limit(s) is automatically reinstated without additional premium** following payment of a claim.
- 7.9 **Notwithstanding the payment provisions contained in this policy, we will pay the claimant or payee:**
- 7.9.1 where the claimant or payee **cannot** claim an input tax credit in respect of the cost of repairs or replacement to make good the loss, the amount(s) payable as detailed in the policy, including the amount of any Goods and Services Tax (GST) due in respect of the payment, or
- 7.9.2 where the claimant or payee **can** claim an input tax credit in respect of the cost of repairs or replacement to make good the loss, the amount(s) payable as detailed in this policy, less any input tax credits available to the claimant or payee in respect of the payment.
- 7.9.3 The terms "GST" and "input tax credits" have the meaning given to them in A New Tax System (Goods and Services Tax) Act 1999.

Section 8 – Premiums and Declarations

8. The premium payable under this policy is based on the estimated figures provided by you for the period of insurance. Unless otherwise agreed,
- 8.1 **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 current schedule, and **no adjustment or declaration of actual figures is required**.
- 8.2 **if the deposit premium is more than \$2,000**, you must supply a **declaration of actual figures** within three months of the expiry of the period of insurance. An adjustment will be made to the deposit premium, based on rates agreed at the beginning of the policy period. If the adjusted premium exceeds the deposit premium, you agree to pay the difference to us by the date advised to you.

If the adjusted premium is lower, we will pay the difference to you. However, we reserve the right to limit any such **return premium** to 25% of the original estimated annual premium, the balance being regarded as the **minimum annual premium**.

You agree that your declaration of actual figures will be the total value of goods insured by this policy, calculated in accordance with the basis of valuation contained in the schedule.

Section 9 – Cancellation

You may cancel the policy at any time by giving us written notification.

We may only cancel this policy when permitted to do so by the Insurance Contracts Act 1984.

Upon cancellation we will calculate and pay you any return premium due, after deduction of any minimum premium. However if the cancellation is due to insolvency or takeover of your company, consideration will be given to reducing the minimum premium depending on the circumstances, claims and our exposure during the policy period. Any additional premium payable by you on cancellation of the policy is payable to us by the date advised to you.

Section 10 – Claims

- 10.1 When an event occurs which may give rise to a claim under this policy, there are certain procedures you must follow to tell us about your claim and to protect the goods and your potential recovery action against any third parties. You must:
- 10.1.1 immediately **take all reasonable measures** to avoid or minimise any further loss or damage to the goods. The reasonable cost in doing this will be reimbursed by us under Section 7.4.5. Any measures you or we take to save, protect or recover the insured goods shall not be considered as a waiver or acceptance of abandonment or otherwise prejudice the rights of either party.

- 10.1.2 **tell us** as soon as possible all of the details known to you including the time and location of the loss, and any circumstances that will assist us to investigate that loss. This information should be provided to us in writing, including all supporting documentation such as invoices, consignment notes or letters that you have received from your customer
- 10.1.3 **not dispose** of any damaged goods without giving us the opportunity to examine those goods
- 10.1.4 on receipt of suspect or obviously damaged goods, **note the extent and type of damage** on the consignment note or similar document
- 10.1.5 **within three days, lodge a written claim on the carrier.** If you are unable to fully quantify the extent of damage, still write to the carrier within three days, advising them that further details will be forwarded once the claim is quantified.
- 10.2 We may wish to appoint a surveyor to report to us on aspects of the loss. **You should cooperate** with the surveyor as this will assist swift consideration of your claim.
- 10.3 When we settle the claim, we may endeavour to **pursue recovery rights** against the carrier or any other third party who caused the loss or damage to the goods. **You authorise us to act in your name** in such recovery action, and undertake to give us reasonable assistance in such actions.
- 10.4 Immediately open and inspect any goods showing outward signs of loss or damage at the time of arrival. Where the goods are not opened immediately upon arrival, any loss or damage covered by this insurance which was not apparent at that time shall only be recoverable under this insurance **provided that it is discovered within ninety days of arrival.**

Section 11 – Law & Practice

This policy is subject to Australian law, including the Insurance Contracts Act 1984. It is also subject to Australian jurisdiction.

Section 12 – Your Duty of Disclosure

You have a legal duty of disclosure to us whenever you apply for, change or renew an insurance policy.

What you must tell us

You have a general duty to disclose to us everything that you know, or could reasonably be expected to know, is relevant to our decision whether to insure you, and, if we do, on what terms.

However, your duty does not require you to disclose anything:

- ▼ that reduces the risk to be undertaken by us,
- ▼ that is generally well known,
- ▼ that we know or, in the ordinary course of our business, ought to know, or
- ▼ in respect of which we have waived your duty.

Your general duty applies to renewals and changes

Your general duty applies in full when you renew an insurance policy or change an existing policy (including when you extend or reinstate it).

Your general duty is limited for new policies

When you apply for a new policy your duty of disclosure applies, but you do not need to disclose something to us unless we specifically ask you about it. However, you must be honest in answering any questions we ask you. You have a legal duty to tell us anything you know, and which a reasonable person in your circumstances would include in answering the questions. We will use the answers in deciding whether to insure you and anyone else to be insured under the policy, and on what terms.

Who needs to tell us

It is important that you understand you are disclosing to us and answering our questions for yourself and anyone else you want to be covered by the policy.

If you do not tell us

If you do not answer our questions honestly or do not properly disclose to us, we may reduce or refuse to pay a claim or may cancel the policy. If you act fraudulently in answering our questions or not disclosing to us, we may refuse to pay a claim or treat the policy as never having existed.

Section 13 – Privacy

We respect your Privacy

Privacy Statement

The Privacy Act 1988 (as amended) now applies and requires us to inform you that:

Purpose of collection

We collect personal information (this is information or an opinion about an individual whose identity is apparent or can reasonably be ascertained and which relates to a natural living person) for the purposes of providing insurance services to you, including:

- ▼ evaluating your application,
- ▼ evaluating any request for a change to any insurance provided,
- ▼ providing, administering, and managing the insurance services following acceptance of an application and
- ▼ investigating and, if covered, managing claims made in relation to any insurance you have with us or other members of the group of companies to which we belong.

The personal information collected can be used or disclosed by us for a secondary purpose related to those purposes listed above, but only if you would reasonably expect us to use or disclose the information for this secondary purpose. However for sensitive information, the secondary purpose must be directly related to the purposes listed above.

Disclosure

We may disclose your personal information (and receive personal information from), when necessary and in connection with the purposes listed above, to other members of the group of companies to which we belong, your insurance broker or our agent, Government bodies, loss assessors, claim investigators, reinsurers, other insurance companies, mailing houses, claims reference providers, other service providers, hospitals, medical and health professionals, legal and other professional advisers.

Consequences if information is not provided

If you do not provide us with the information we need we will be unable to consider your application for insurance cover, administer your policy or manage any claim under your policy.

Access

You can request access to the personal information by contacting Vero Insurance Limited.

Privacy Statement issued

Vero Insurance Limited, 465 Victoria Avenue, Chatswood, NSW 2067.

Insured by:
Vero Insurance Limited ABN 48 005 297 807
Vero National Marine is a division of Vero Insurance Limited

