

Goods in Transit (Carriers) Insurance

Policy Wording



Contents

Welcome to Zurich

About Zurich	2
Duty of Disclosure	2
Non-disclosure or Misrepresentation	2
Our contract with you	2

Goods in Transit (Carriers) – Policy Wording

Definitions	3
1 The cover	4
2 Events insured against	5
3 Additional cover	5
4 Optional additional cover	5
5 Limits on cover	5
6 Exclusions from cover	6
7 Valuing the goods	6
8 Premium and adjustments	6
9 Notification of material change	7
10 Reasonable care	7
11 Duties in relation to an event which may give rise to a claim	7
12 Settlement of claims	7
13 Automatic reinstatement clause	7
14 Third parties	7
15 Conduct of claims	7
16 Transfer	8
17 Cancellation	8
18 Other insurance	8
19 Jurisdiction	8

Welcome to Zurich

About Zurich

The insurer of this product is Zurich Australian Insurance Limited (ACN 000 296 640, an overseas registered company incorporated in Australia) (ZAIL), trading as Zurich New Zealand. In this policy wording, 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

Before you enter into a contract of general insurance with us, you have a duty at common law to disclose to us every matter you know, or could reasonably be expected to know, that a prudent insurer would want to take into account in deciding whether to insure you and, if so, on what terms. This applies to all persons to be covered under this contract of insurance.

You have the same duty to disclose those matters to us before you renew, extend, vary or reinstate a contract of general insurance. Your duty however, does not require disclosure of a matter:

- that diminishes the risk to be insured;
- that is of common knowledge;
- that we know or in the ordinary course of our business we ought to know;
- that we state we do not want to know.

Non-disclosure or Misrepresentation

If you make a material misrepresentation to us, or if you do not comply with your duty of disclosure we may treat your policy as if it never existed.

Our contract with you

Your policy is a contract of insurance between you and Zurich and contains all the details of the cover that we provide.

Your policy is made up of:

- the policy wording. It tells you what is covered, sets out the claims procedure, exclusions and other terms and conditions of cover;
- the *submission*, which is the information you provide to us when applying for insurance cover;
- your most current policy *schedule* issued by us. The policy *schedule* is a separate document unique to you, which shows the insurance details relevant to you. It includes any changes, exclusions, terms and conditions made to suit your 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.
- 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.

Goods in Transit (Carriers) 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.

Definitions

Where the following words appear in this policy, this is what they mean.

Breakdown of refrigerating machinery, BDM

breakdown of refrigerating machinery means breakdown of refrigerating machinery as per clause 4.3 of this policy.

Excess

excess means the amount shown in the *schedule* which must be paid by *you* when *you* make a claim under *your* policy unless stated otherwise in the policy wording.

Insured goods/goods

insured goods/goods means the subject matter insured, including livestock, shipping containers, flatracks and packaging. Subject to clause 3 and unless otherwise stated in the *schedule*, *insured goods* do not include *goods* owned, leased or rented by *you* or *goods* on loan to *you*.

Insured peril(s)

insured peril(s) means those perils described in clause 2 of this policy.

Loading/unloading, load/unload

loading/unloading or *load/ unload* means loading and/or unloading as per clause 4.2 of this policy.

Period of insurance

period of insurance means the period of insurance stated in the *schedule* or any subsequent period for which we have agreed to extend the cover.

Removal of debris

removal of debris means if an insured event occurs we will pay debris removal and clean up costs as per clause 1.4 of this policy in addition to the sum insured.

Schedule

schedule means the schedule attaching to and forming part of the policy, including any *schedule* substituted for the original *schedule* at renewal or on endorsement of the policy.

Storage/stored

storage/stored means the period of time the *goods* are retained at *your* warehouse or other premises on the instruction or at the election of the owner of the *goods*. It does not include any period of time the *insured goods* are awaiting transshipment or on carriage or the livestock are being rested.

Subcontractor

subcontractor means a person or company contracted by *you* for carriage of the *goods*

Terrorism

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

- (a) the causing, occasioning or threatening of harm of whatever nature and by whatever means,
- (b) the 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.

Theft, pilferage and non-delivery, TPND

Theft, pilferage and non-delivery or *TPND* mean theft pilferage and non-delivery as per clause 4.1 of this policy.

You, Your, Insured

you, your, Insured means;

- (a) the Insured named in the *schedule*;
- (b) subsidiary companies of the Insured named in *the schedule* now or subsequently formed or constituted and incorporated in New Zealand; and
- (c) any new entity acquired by the Insured named in the *schedule* during the *period of insurance* through consolidation, merger, purchase of assets or assumption of control and active management or creation, provided that:
 - (i) such acquisition is notified to us in writing within 90 days;
 - (ii) we give notice in writing to *you* that the new entity will be covered under this policy; and
 - (iii) the Insured named in the *schedule* pays any additional premium to us that may be required.

1. The cover

- 1.1 At *your* request we will indemnify the owner of the *goods* specified in the *schedule* against loss or damage to *goods* or death of livestock that:
 - 1.1.1 arises from an *insured peril* while the *goods* are in *your* control or the control of *your subcontractor*; and
 - 1.1.2 occurs within the radius of transit and during the *period of insurance* specified in the *schedule*, whether or not *you* are liable.
- 1.2 Regardless of *your* liability *you* may elect not to have us indemnify the owner of the *goods*. If *you* choose this option *your* cover under clause 1.1 will remain in force for one year from the date of loss. Within this period, *you* can still elect to have us indemnify the owner of the *goods*.
- 1.3 If *you* elect not to have us indemnify the owner of the *goods* we will pay any legal costs incurred by *you* with our consent in defending the claim against *you*.
- 1.4 If an *insured peril* occurs we will also pay:
 - 1.4.1 the cost of removal and disposal of damaged *goods* or dead livestock and the cost of cleaning the accident site but not any expense or liability incurred as a result of the actual or potential discharge, emission, spillage or leakage of any liquid or gas pollutant of any kind beyond the accident site;
 - 1.4.2 the reasonable cost of salvaging and onforwarding *goods* whether they are damaged or not and/or the cost of mustering, agisting and onforwarding livestock;to a limit of \$50,000 in total any one loss or occurrence in addition to the sum insured.

2. Events insured against

This insurance is against:

- 2.1 loss of or damage to *goods* or death, or slaughter for humane reasons, of livestock, caused by the following perils:
 - 2.1.1 fire, explosion, lightning or flood;
 - 2.1.2 collision, overturning, jackknifing or derailment of the conveyance carrying the *goods*;
 - 2.1.3 impact of the *goods* while on the conveyance carrying them with something not on or part of the conveyance including damage caused by hail but not by water; and
- 2.2 general average or salvage contributions *you* are required to pay under any contract of carriage or any loss caused by washing overboard, jettison, grounding, sinking, capsizing or general average sacrifice.

3. Additional cover

- 3.1 This policy covers *you* for loss or damage to *your* own equipment which is not part of, permanently attached to or towed by the conveying vehicle, caused by an *insured peril* but limited to \$5000 any one loss.
- 3.2 This policy covers *your* employee(s) driving the conveyance for loss of or damage to their personal effects caused by an *insured peril* but limited to \$5000 any one loss.
- 3.3 This policy covers loss caused by livestock wandering off from the accident site following an *insured peril* and becoming irretrievably lost.

4. Optional additional cover

If specified in the *schedule* this policy also covers loss or damage against:

- 4.1 *theft, pilferage or non-delivery*;
- 4.2 accidental loss or damage to *goods* or death of livestock caused during *loading and unloading* from either:
 - 4.2.1 when *you* first move each item of *goods* (excluding livestock) for the purpose of *loading* onto the conveyance until it is placed on the conveyance;
 - 4.2.2 when *you* first move each item of *goods* (excluding livestock) for the purpose of *unloading* from the conveyance until it is last moved by *you* in being delivered at the destination;
 - 4.2.3 when each animal enters the conveyance's loading ramp from the ground or loading dock until secured for transit in the conveyance;
 - 4.2.4 when each animal commences movement towards the conveyance's unloading ramp until discharged onto the ground or loading dock;
- 4.3 notwithstanding anything contained in exclusion 6.2.5, this policy is extended to cover loss, damage or deterioration of refrigerated *goods* arising from a variation in temperature that is outside of the required temperature range and is caused by:
 - 4.3.1 breakdown, malfunction or mismanagement of refrigeration machinery but excluding deterioration resulting from failure to properly maintain refrigerating machinery;
 - 4.3.2 fire, explosion, lightning or flood; or
 - 4.3.3 collision, overturning, jackknifing or derailment of the conveyance.

5. 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.

6. Exclusions from cover

The insurance does not cover loss of or damage to *goods* or death of livestock or any related expense that:

6.1 occurs:

- 6.1.1 during *storage* of the *goods* at the election of or on the instructions of the owner;
- 6.1.2 if the conveyance carrying the *goods* is driven by a person impaired by drugs or alcohol or who has a blood alcohol concentration that exceeds the legal limit or who refuses an appropriate test unless *you* did not know or could not reasonably have known of the driver's impaired condition;

6.2 arises from:

- 6.2.1 wear and tear, ordinary leakage, ordinary loss in weight or volume, inherent vice;
- 6.2.2 delay, loss of market or consequential loss of any description;
- 6.2.3 mechanical, electrical or electronic breakdown or malfunction of *goods* where there is no external evidence that an event insured against has occurred;
- 6.2.4 deliberate acts by *you* or *your subcontractor*;
- 6.2.5 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;
- 6.2.6 expropriation which means the lawful seizure, confiscation, nationalisation or requisition of the *goods*;
- 6.2.7 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;
- 6.2.8 any chemical, biological, bio-chemical or electromagnetic weapon;
- 6.2.9 terrorism;
- 6.2.10 fines, penalties or punitive damages.

7. Valuing the goods

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

8. Premium and adjustments

You must pay us the deposit premium stated in the *schedule*.

You should keep accurate records of *your* actual gross freight earnings (which we may audit if required) and provide a copy of *your* records to us within 30 days after the end of the *period of insurance*. Based on the records provided by *you* we will adjust *your* deposit premium as follows:

- 8.1 if the adjusted premium is higher than the deposit premium shown in the *schedule*, *you* must pay us the difference unless *your* deposit premium was less than \$25,000 or the variation between the deposit and the adjusted premium is less than 10 per cent;
- 8.2 if the adjusted premium is lower than the deposit premium shown in the *schedule*, we will pay *you* the difference. However, we are entitled to retain a minimum of 75 per cent of the estimated annual premium on which the deposit was based.

9. Notification of material change

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

10. Reasonable care

You must take all reasonable care to prevent loss or damage to *goods* or death of livestock insured by this policy.

11. 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 *you* should:

- 11.1 do everything reasonable to prevent anything else happening which may increase the amount of the claim;
- 11.2 do everything reasonable to ensure that any rights against any third party in respect to the event are maintained;
- 11.3 if the event involves theft, or an accident has occurred involving a vehicle owned or operated by *you* or *your subcontractors* and another vehicle, *you* must notify the police as soon as possible and obtain a written police report if we require it;
- 11.4 notify us immediately of what has happened and send us full details including details of any other insurance over the *goods* within 30 days from the event.

You should not authorise any repairs to the *goods* or disposal of any *goods* without our written consent.

We will reimburse *you* for any charges reasonably incurred to prevent or minimise an insured loss or to protect any rights in relation to the event.

12. Settlement of claims

At our option we may settle a claim by payment, repair, reinstatement or replacement.

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

If *you* are liable to pay Goods and Services Tax (GST) for goods, services or supply in respect of *your* claim and *you* are not entitled to an input tax credit, we will pay the GST.

13. Automatic reinstatement clause

When we settle a claim under this policy, the limit of liability stated in the *schedule* is automatically reinstated without additional premium.

14. Third parties

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

15. Conduct of claims

We are entitled to:

- 15.1 conduct any legal proceedings or negotiation relating to claims made against *you* on *your* behalf;
- 15.2 authorise *you* to defend any legal proceedings brought against *you* on the understanding that we will be kept fully informed and will be consulted and able to participate in any decision making regardless of liability or any negotiations with other parties; and
- 15.3 exercise any rights *you* may have against anyone else in relation to *goods* for which we have paid any amount under this policy.

You, and anyone else entitled to claim under this policy, must fully cooperate with us in exercising these rights and must give us any information or assistance we may require.

16. Transfer

You may only transfer a right under this policy with our written consent.

17. Cancellation

When a policy is cancelled or terminated, *you* may be asked to supply information, which we require to adjust the premium.

You may cancel this policy at any time by giving us notice in writing. You should send the notice to us via *your* intermediary.

We may cancel this policy by giving *you* 30 days notice in writing.

18. Other insurance

If *you* make a claim for an *occurrence* which is, or may be, covered in whole or in part by any other insurance, then when making the claim *you* must give us full details of the other insurance.

This policy does not cover any claim to the extent that *you* are entitled to indemnity in respect of that claim under any other insurance policy specified in the *schedule*.

19. Jurisdiction

This policy is subject to New Zealand law and practice.

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