

Goods in Transit Insurance

Policy Wording



Contents

Welcome to Zurich

About Zurich	3
Duty of Disclosure	3
Non-disclosure or Misrepresentation	3
Our contract with you	3

Goods in Transit Insurance – Policy Wording

1. The cover	4
2. Conditions of cover	5
2.1 Conditions of insurance.....	5
2.2 Basis of valuation.....	5
2.3 Limits on cover	5
3. Extensions of cover	5
3.1 Acquired companies	5
3.2 Brands.....	5
3.3 Delayed unpacking	5
3.4 Exhibitions and/or demonstrations	5
3.5 Hotel/motel	5
3.6 Labels.....	6
3.7 Packers.....	6
3.8 Removal of debris.....	6
3.9 Transits by sea	6
4. Definitions	6
4.1 Conveying vehicle.....	6
4.2 Death	6
4.3 Expropriation	6
4.4 Goods	6
4.5 Insured, You, Your	6
4.6 Load/loading	6
4.7 Nuclear or radioactive	6
4.8 Period of insurance.....	6
4.9 Removal of debris.....	7
4.10 Schedule	7
4.11 Storage	7
4.12 Terrorism	7
4.13 Unload/unloading.....	7
4.14 War or warlike activities.....	7
5. Exclusions	7
6. Claims conditions	8
6.1 Claims procedure.....	8
6.2 Claims settlement.....	8
6.3 Excess.....	8
6.4 Fraudulent claim	8
6.5 Other insurance.....	8
6.6 Rights of subrogation	8

7. General conditions

7.1 Cancellation	9
7.2 Conduct of claims	9
7.3 Notification of material change.....	9
7.4 Plurals and titles	9
7.5 Premium and adjustments	9
7.6 Proper law and jurisdiction.....	10
7.7 Reasonable care.....	10
7.8 Sanctions regulation	10
7.9 Third parties	10
7.10 Transfer	10

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 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* against loss of or damage to *goods* or *death* of livestock specified in the *schedule* caused by certain events.

1.1 The insurance only applies:

- 1.1.1 to an insured transit that commences during the *period of insurance* specified in the *schedule*; and
- 1.1.2 to events that happen during an insured transit within the radius of transit specified in the *schedule*.

1.2 Cover commences:

- 1.2.1 for *goods* other than livestock, when the *goods* are first moved for the purpose of being conveyed to a destination outside the premises at which *loading* takes place and ends when the *goods* are last moved in being delivered at the destination; or
- 1.2.2 for livestock, when each animal enters the conveyance or its loading ramp and ends when the animal is discharged from the conveyance or its loading ramp at the destination.

However, insured transit of *goods* ends at any earlier point where *you* interrupt the ordinary course of transit.

1.3 Cover option A – comprehensive

If Cover option A is shown in the *schedule*, the insurance is against:

- 1.3.1 loss of or damage to *goods* caused by accident or by the deliberate act of a third party; and
- 1.3.2 *death* of livestock caused by accident or natural causes.

1.4 Cover option B – defined events

If Cover option B is shown in the *schedule*, the insurance is against loss of or damage to *goods* or *death* of livestock caused by any one of the following events:

- 1.4.1 fire, explosion, lightning or flood;
- 1.4.2 collision of the *conveying vehicle* with an external object;
- 1.4.3 collision of the *goods* with something not on or part of the *conveying vehicle*;
- 1.4.4 overturning, jackknifing or derailment of the *conveying vehicle*;
- 1.4.5 grounding, sinking or capsizing of the conveying vessel;
- 1.4.6 crashing or forced landing of the conveying aircraft;
- 1.4.7 discharge of goods at a port of distress;
- 1.4.8 jettison;
- 1.4.9 General Average sacrifice; and
- 1.4.10 General Average and Salvage Charges, in accordance with the contract of affreightment and the governing law and practice, incurred in connection with avoiding a loss covered by this policy.

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.

2.2 Basis of valuation

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

2.3 Limits on cover

2.3.1 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.

2.3.2 If an excess is specified in the policy or *schedule*, *you* must bear that amount first in respect of a claim or series of claims resulting from an event insured against.

3. Extensions of cover

3.1 Acquired companies

The insurance will cover any company or entity formed or acquired by *you* during the *period of insurance*. However, *you* must hold a controlling interest in the company or entity, or must accept responsibility for its insurance.

You must inform us of the formation or acquisition within 30 days, provide us with the same information in relation to the acquired company or entity that *you* provided to us in relation to this insurance and must agree to any additional conditions relating to the insurance in respect of the company or entity and pay any additional premium we may require.

3.2 Brands

In the event of a claim, we will not sell or dispose of salvaged branded *goods* without *your* consent. If *you* decline to consent, *you* may retain the *goods*. The reasonable salvaged value of the branded *goods* will be deducted from the amount payable in respect of the claim.

3.3 Delayed unpacking

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

3.4 Exhibitions and/or demonstrations

The insurance will cover loss of or damage to *goods*:

3.4.1 while in transit to or from an exhibition, trade fair or demonstration site; and

3.4.2 while located at the exhibition, trade fair or demonstration site,
to a maximum liability of \$50,000.

3.5 Hotel/motel

In the event *you* are obliged to stay overnight at a hotel/motel, the *goods* stored in *your* vehicle overnight remain insured provided the vehicle is locked and parked within the hotel/motel complex and not on the street.

3.6 Labels

In the event of loss or damage to labels, capsules or wrappers by a peril insured against, we will not be liable for more than the cost of new labels, capsules or wrappers together with the cost of re-labelling and repacking.

In no case will our liability exceed the insured value of the *goods*.

3.7 Packers

The insurance applies while *goods* are in insured transit to or from packers' premises and while they are there for packing for a maximum of 30 days.

3.8 Removal of debris

The insurance covers removal of debris up to a limit of \$50,000 in addition to the sum insured.

3.9 Transits by sea

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

- 3.9.1 loss of or damage to *goods* caused by jettison;
- 3.9.2 loss incurred as a result of General Average sacrifice; and
- 3.9.3 General Average and Salvage charges, in accordance with the contract of affreightment and the governing law and practice, incurred in connection with avoiding a loss covered by this policy.

4. Definitions

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

4.1 Conveying vehicle

conveying vehicle means the vehicle used to carry the insured *goods*.

4.2 Death

death means the expiration of livestock or their slaughter for humane reasons following injury.

4.3 Expropriation

expropriation means the lawful seizure, confiscation, nationalization or requisition of the *goods*.

4.4 Goods

goods means the subject matter insured including livestock, shipping containers, flatracks and packaging.

4.5 Insured, You, Your,

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

4.6 Load/loading

load/loading means when livestock enters the *conveying vehicle's* loading ramp from the ground or loading dock until secured for transit in the *conveying vehicle*. For all other *goods* load/loading means when *goods* are first moved for the purpose of loading onto the *conveying vehicle* until placed on the *conveying vehicle*.

4.7 Nuclear or radioactive

nuclear or radioactive means 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.

4.8 Period of insurance

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

4.9 Removal of debris

removal of debris means if an insured event occurs we will pay the cost of removal and disposal of damaged *goods* or dead livestock, including the cost of cleaning the accident site, but does not mean any expense or liability of any kind incurred as a result of the actual or potential discharge, emission, spillage or leakage of any liquid or gas pollutant of any kind or nature beyond the road surface and the road verge at the accident site.

4.10 Schedule

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

4.11 Storage

storage means the period of time *goods* are retained at any warehouse or other premises on *your* instruction or at *your* election. *Storage* does not include any period of time the insured *goods* are awaiting trans-shipment or on carriage or the livestock are being rested.

4.12 Terrorism

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

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

4.12.2 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.

4.13 Unload/unloading

unload/unloading means when livestock commences movement towards the *conveying vehicle's* unloading ramp until discharged onto the ground or unloading dock. For all other *goods* *unload/unloading* means when *goods* are first moved for the purpose of unloading from the *conveying vehicle* until last moved by *you* in being delivered at the destination.

4.14 War or warlike activities

war or warlike activities 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.

5. Exclusions

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

5.1 wear and tear, ordinary leakage, ordinary loss in weight or volume or inherent vice of the *goods*;

5.2 delay, loss of market or consequential loss of any description;

5.3 mechanical, electrical or electronic breakdown or malfunction of *goods* where there is no external evidence that an event insured against has occurred;

5.4 the absence, shortage or withholding of labour of any description resulting from any strike, lockout, labour disturbance, riot or civil commotion;

5.5 any process or use, trial, testing or repair;

5.6 theft from an exhibition, trade fair or demonstration site unless following forcible entry and/or exit from such site;

5.7 *war or warlike activities*;

5.8 *expropriation*;

5.9 anything *nuclear or radioactive*;

5.10 any chemical, biological, bio-chemical or electromagnetic weapon; or

5.11 *terrorism*.

6. Claims conditions

6.1 Claims procedure

When loss or damage happens which may give rise to a claim under this policy, *you* should take all reasonable measures to avert or minimise the loss and ensure that all rights against any third parties are properly preserved and exercised.

If the event involves theft, and theft is an insured event, or an accident has occurred involving a vehicle owned or operated by *you* and another vehicle, *you* must notify the police as soon as possible and, if we require it, obtain a written police report.

You must notify us of what has happened and send us full details within 30 days, including details of any other insurance over the *goods*.

You must not authorise any repairs to the *goods* without our consent.

6.2 Claims settlement

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

6.2.1 Goods and Services Tax

All sums insured in this policy (except for the excess) exclude GST where that GST is recoverable by us under the Goods and Services Tax Act 1985. We add GST, where applicable, to claim payments. However, this does not apply to the excess which is GST inclusive.

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 New Zealand, the claim will be paid in New Zealand dollars at the rate of exchange current at the date the loss or damage occurred.

6.3 Excess

In the event of a claim *you* must bear first the amount of any excess specified in the *schedule* or elsewhere in the policy wording.

6.4 Fraudulent claim

If *you* or anyone acting upon *your* behalf is in any way fraudulent in obtaining any benefit under this policy, we may deny liability in respect of that claim or event.

6.5 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.

6.6 Rights of subrogation

We are entitled to exercise any rights *you* may have against anyone else in relation to the *goods* for which we have settled a claim under this policy. *You* 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 Cancellation

You may cancel this policy at any time by notifying us in writing.

We may cancel this policy at any time by giving notice in writing to *you*, such cancellation to take effect within 30 days from the time of notification received by *you*.

Within 30 days of the effective date of cancellation *you* must advise us of the actual figures for the period the policy has been in force to enable us to calculate the premium due for this period. The difference between this premium and the deposit premium will either be paid by or allowed to *you* but subject to retention by us of 75 per cent of the proportionate part of the original estimated annual premium regardless of the period the policy has been in force.

7.2 Conduct of claims

We are entitled to:

- 7.2.1 conduct on *your* behalf any legal proceedings or negotiations relating to claims made against *you*;
- 7.2.2 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 will participate in decision-making regarding liability or any negotiations with other parties; and
- 7.2.3 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 cooperate fully with us in exercising these rights and must give us any information or assistance we may require.

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 Premium and adjustments

You must pay us the deposit premium stated in the *schedule*. This is based on estimated figures for the *period of insurance* provided by *you* and *you* must keep accurate records of the equivalent actual figures. A statement of these actual figures (audited if requested) must be given to us within one month after the end of the *period of insurance*.

We will adjust the premium proportionally at the end of that period on the basis of *your* actual figures.

- 7.5.1 If the adjusted premium is higher than the deposit premium stated in the *schedule* *you* must pay us the difference unless the deposit premium is less than \$25,000 and the variation between estimated and actual figures for the period is less than 10 per cent when no difference in premium is payable.
- 7.5.2 If the adjusted premium is lower than the premium stated in the *schedule* we must pay the difference to *you*. However, we are entitled to retain 75 per cent of the estimated annual premium the deposit premium was based on.

7.6 Proper law and jurisdiction

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

- 7.6.1 The construction, interpretation and meaning of the provisions of this policy shall be determined in accordance with New Zealand law.
- 7.6.2 In the event of any dispute arising under this policy including, but not limited to, its construction and/or validity and/or performance and/or interpretation, *you* will submit to the exclusive jurisdiction of any competent Court in New Zealand.

7.7 Reasonable care

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

7.8 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.

7.9 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.

7.10 Transfer

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

Zurich Australian Insurance Limited

(incorporated in Australia)

Trading as Zurich New Zealand

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