

Single Marine Cargo Insurance

Policy Wording



Schedule

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About our Single Marine Cargo Insurance

About Zurich

The insurer of this product is Zurich Australian Insurance Limited, ABN 13 000 296 640 (ZAIL incorporated in Australia) trading as Zurich New Zealand. In this policy wording, Zurich New Zealand may also be expressed as 'Zurich', 'we', 'us' or 'our'.

How to apply for this insurance

Throughout this document when we are referring to your insurance broker or adviser, we simply refer to them as your intermediary.

If you are interested in buying this product or have any inquiries about it, you should contact your intermediary who should be able to provide you with all the information and assistance you require.

If you are not satisfied with the information provided by your intermediary you can contact us at the address or telephone number shown on the back cover of this document. However, we are only able to provide factual information or general advice about the product. We do not give advice on whether the product is appropriate for your personal objectives, needs or financial situation.

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 which tells you 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;
- 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.

Please note, only those covers shown in your policy schedule are insured.

We reserve the right to change the terms of this product where permitted to do so by law.

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.

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.

Headings

Headings have been included for ease of reference, but do not form part of the policy.

Single Marine Cargo Insurance Policy

Our agreement

Subject to the prior payment of, or *your* agreement to pay, the premium set out in the *schedule*, we agree with *you* 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.

Excess

excess means the amount(s) specified in the *schedule* that *you* shall first contribute towards each claim, or series of claims arising out of the one occurrence. The *excess(es)* shown for the individual items in the *schedule* will apply cumulatively. The *excess* may be expressed as either a monetary amount or a period of time.

Period of insurance

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

Schedule

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

We, Us, Our

we, us, our means Zurich New Zealand

You, Your or Named Insured

you, your or Named Insured means the person or persons/ company named in the *schedule*.

1 The cover

We insure *you* for loss of or damage to the insured goods on conditions of insurance each as specified in the *schedule*. The insurance only applies to the insured voyage that commences during the *period of insurance* from the point of departure to the destination each as specified in the *schedule*.

2 Conditions of insurance

This policy is to be read in conjunction with the *schedule* and applicable clauses attached.

- 2.1 The conditions of insurance are as specified in this policy and the *schedule*. 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.
- 2.2 Any reference to 'English law and practice' is amended to 'New Zealand law and practice' where ever it appears.

3 Extensions to cover

The insurance is extended in each of the following ways:

- 3.1 **Debris**
The insurance covers the cost of removal of and disposal of damaged, deteriorated or contaminated insured goods, and of cleaning and decontamination. *Our* liability is limited to a maximum of \$25,000 and is in addition to *our* liability for the primary loss.
- 3.2 **Brands**
We will not sell or dispose of salvaged branded insured goods without *your* consent. If *you* decline to consent *you* may retain the insured goods but their reasonable salvaged value will be deducted from the amount payable in respect of the claim.
- 3.3 **Packers**
The insurance applies while the insured goods are in transit to or from packers premises and while they are there for packing for a maximum of one month.

4 Limits on cover

Further to any limitations to the cover set out in the applicable conditions of insurance:

- 4.1 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*;
- 4.2 the insurance is limited to the sum insured stated in the *schedule*.

5 Basis of valuation

The agreed value of the insured goods 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*.

6 Notification of material change

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

7 Reasonable care

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

8 Duties in relation to an event which may give rise to a claim

When loss or damage happens which may give rise to a claim under this policy the following rules apply:

8.1 *You* and *your* agents must take such measures as may be reasonable for the purpose of averting or minimising a loss and to ensure that all rights against carriers, bailees or other third parties are properly preserved and exercised. In particular *you* or *your* agents are required:

- 8.1.1 to claim immediately on the carriers, port authorities or other bailees for any missing packages;
- 8.1.2 in no circumstances, except under written protest, to give clean receipts where goods are in doubtful condition;
- 8.1.3 when delivery is made by container, to ensure that the container and its seals are examined immediately by their responsible official. If the container is delivered damaged or with seals broken or missing or with seals other than as stated in the shipping documents, to clause the delivery receipt accordingly and retain all defective or irregular seals for subsequent identifications;
- 8.1.4 to apply immediately for survey by carriers' or other bailees' representatives if any loss or damage is apparent and claim on the carriers or other bailees for any actual loss or damage found at such survey;

8.1.5 to give notice in writing to the carriers or other bailees within three days of delivery if the loss or damage was not apparent at the time of taking delivery.

8.2 *You* must notify *us* or *our* nominated survey/ settling agent immediately of what has happened and promptly send *us* (or them) full details of what has happened, and any other insurance over the insured goods together with the following documentation:

- 8.2.1 original policy including the *schedule* or certificate of insurance;
- 8.2.2 original or copy shipping invoices, together with shipping specification and/or weight notes;
- 8.2.3 original bill of lading and/or other contract of carriage;
- 8.2.4 survey report or other documentary evidence to show the extent of the loss or damage;
- 8.2.5 landing account and weight notes at final destination;
- 8.2.6 correspondence exchanges with the carriers and other parties regarding their liability for the loss or damage.

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

9 Terrorism exclusion

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

- 9.1 terrorism; and/or
- 9.2 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 10 below.

10 Termination of transit clause (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:

- 10.1 as per the transit clauses contained within the contract of insurance;
- 10.2 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;
- 10.3 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 or for allocation or distribution;
- 10.4 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 or for allocation or distribution;
- 10.5 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
- 10.6 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 10.1 to 10.6 above.

11 Information technology hazards exclusion

This insurance does not cover losses otherwise recoverable arising directly or indirectly out of:

- 11.1 loss of or damage to: or
- 11.2 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:

- theft of equipment
- collision
- sinking, grounding or stranding of the carrying vessel
- overturning or derailment of land conveyance
- jettison or washing overboard
- fire, lightning, explosion
- aircraft or vehicle impact
- falling objects

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

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

When the policy *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.

13 Settlement of claims

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

All sums insured in this policy (except for the excess) exclude Goods and Services Tax (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 where GST is inclusive.

14 Third parties

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

15 Right of subrogation

We are entitled to exercise any rights *you* may have against anyone else in relation to the goods or livestock in respect of 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 those 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 Other insurance

If at the time any claim arises under this policy, there is any other existing insurance covering the loss or liability, this policy will only apply in excess of the other insurance even if there is a similar 'Other Insurance condition' in that other policy.

18 Law and jurisdiction

This policy is subject to New Zealand law and jurisdiction.

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