

ANNUAL GOODS IN TRANSIT INSURANCE POLICY



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IMPORTANT INFORMATION

INTRODUCTION

This is the Annual Goods in Transit Insurance Policy which is designed for the insurance, on an annual basis, of goods being transported within Australia.

This booklet contains two separate parts:

1. General Information
2. Terms and Conditions

PART ONE: GENERAL INFORMATION

This part of the booklet contains information you need to know before you take out a policy. Please read it carefully before taking out this insurance.

PART TWO: TERMS AND CONDITIONS

This part of the booklet details all the terms, conditions and exclusions relating to the policy. It forms part of your legal contract with us.

If we issue you with an insurance policy, you will be given a policy schedule. The policy schedule sets out the specific terms applicable to your cover and should be read together with the policy terms and conditions.

The policy terms and conditions and the policy schedule we send to you are evidence of your legal contract with us so please keep them in a safe place for future reference.

If you require further information about this product, please contact your financial services provider.

ABOUT SURA MARINE

SURA Marine is a trading name of SURA Pty Ltd ABN 36 115 672 350, AFSL 294313. SURA Marine has developed this Annual Goods in Transit Insurance Policy which is issued by the insurer referred to below.

SURA Pty Ltd has an authority from the insurer to arrange, enter into / bind and administer this insurance for the insurer.

If you require further information, please contact your broker or SURA Marine.

Our contact details are:

Level 14, 141 Walker Street, North Sydney, NSW, 2060
PO Box 1813, North Sydney, NSW, 2060
Phone: +61 2 9930 9500

ABOUT THE INSURER

QBE Insurance (Australia) Limited ABN 78 003 191 035 AFSL 239545 is a member of the QBE Insurance Group Limited ABN 28 008 485 014 (ASX: QBE). QBE Insurance Group is Australia's largest international general insurance and reinsurance group, and one of the top 25 insurers and reinsurers in the world.

You should contact SURA Marine in the first instance in relation to this insurance, including in respect of any matters relating to claims.

GENERAL INFORMATION

YOUR DUTY OF DISCLOSURE

Before you enter into an insurance contract, you have a duty, under both the Insurance Contracts Act 1984 (Cth) and the Marine Insurance Act 1909 (Cth), to tell us anything that you know, or could reasonably be expected to know, that 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.

NON-DISCLOSURE

If you do not tell us something

Where the Marine Insurance Act 1909 applies:

If you fail to comply with your duty of disclosure, we may avoid the contract of insurance from its beginning.

Where the Insurance Contracts Act 1984 (Cth) applies:

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.

PRIVACY STATEMENT

SURA Marine and QBE each have a privacy policy which sets out personal information they collect and how they collect, disclose, store and use it.

SURA Marine

In this Privacy Statement the use of "We", "Our" or "Us" means SURA Marine and the Insurers unless specified otherwise.

In this Privacy Statement the use of personal information includes sensitive information.

We are committed to protecting the privacy of the personal information that You provide to Us.

The Privacy Act 1988 contains the Australian Privacy Principles which require Us to tell You that We collect, handle, store and disclose Your personal and sensitive information for the specific purpose of:

- deciding whether to issue a policy,
- determining the terms and conditions of Your Policy,
- compiling data to help develop and identify other products and services that may interest clients, and
- handling claims.

Personal information is information or an opinion about an identified individual, or an individual who is reasonably identifiable:

- a) whether the information or opinion is true or not;
- b) whether the information or opinion is recorded in a material form or not.

Sensitive information includes, amongst other things, information about an individual's racial or ethnic origin, political opinions, membership of a political organisation, religious beliefs or affiliations, philosophical beliefs, membership of a professional or trade association, membership of a trade union, sexual orientation or practices, criminal record, health information about an individual, genetic information, biometric information or templates.

You have given Us Your consent to collect, use and disclose Your personal information in order to provide You with the relevant services and/or products.

When You give Us personal information about other individuals, We rely on You to have made or make the individual aware that You will or may provide their personal information to Us and the types of other parties and service providers We may provide it to, the relevant purposes We and the other parties and service providers will use it for, and how they can access it. If You have not done or will not do either of these things, You must tell Us before You provide the relevant personal information to Us.

We will protect Your information using physical, technical, and administrative security measures to reduce the risks of loss, misuse, unauthorised access, disclosure and alteration. Some of the safeguards that We use are firewalls and data encryption, physical access controls to Our data centres, and information access authorisation controls.

We disclose personal information to other parties and service providers whom We believe are necessary to assist Us and them in providing the relevant services and/or products. For example, in handling claims, We may have to disclose Your personal information to other parties and service providers such as Our claim management partner, other insurers, reinsurers, loss adjusters, external claims data collectors, investigators and

agents, facilitators, assessors or other parties as required by law. We will limit the use and disclosure of any personal information provided by Us to them to the specific purpose for which We supplied it.

We may disclose Your personal information to Our insurers, reinsurers, related entities and service providers overseas where it is reasonably necessary for, or directly related to, the functions, services or activities we provide to you. When we transfer Your information to other countries, including countries which may not have data protection laws that provide the same level of protection that exists in Australia, We will protect the information as described in this Privacy Policy.

If You do not provide the personal information requested and/or do not provide Us with Your consent to the use and disclosure of Your personal information as set out in this Privacy Statement, Your insurance application may not be accepted, or We may not be able to administer Your Policy, or You may be in breach of Your duty of disclosure, the consequences of which are set out under the heading Duty of Disclosure in this document.

We will notify you as soon as possible if Your personal information is involved in a data breach that is likely to result in serious harm to You.

If You would like a copy of Our Privacy Policies, would like to seek access to or correct Your personal information, opt out of receiving materials We send, complain about a breach of Your privacy or You have any query on how Your personal information is collected, stored or used, or any other query relating to Our handling of Your personal information, please contact Us.

QBE Australia

We will collect personal information when you deal with us, our agents, other companies in the QBE group or suppliers acting on our behalf. We use your personal information so that we can do business with you, which includes issuing and administering our products and services and processing claims. Sometimes we might send your personal information overseas. The locations we send it to can vary but include the Philippines, India, Ireland, the UK, the US, China and countries within the European Union.

Our Privacy Policy describes in detail where and from whom we collect personal information, as well as where we store it and the full list of ways we could use it. To get a free copy of it please visit www.qbe.com.au/privacy or contact our customer care unit.

It's up to you to decide whether to give us your personal information, but without it we might not be able to do business with you, including not paying your claim.

RESOLVING COMPLAINTS & DISPUTES

At QBE we're committed to providing you with quality products and delivering the highest level of service.

We also do everything we can to safeguard your privacy and the confidentiality of your personal information.

Something not right?

We know sometimes there might be something you're not totally happy about, whether it be about our staff, representatives, products, services or how we've handled your personal information.

Step 1 – Talk to us

If there's something you'd like to talk to us about, or if you'd like to make a complaint, speak to one of our staff. When you make your complaint please provide as much information as possible. They're ready to help resolve your issue.

You can also contact our Customer Care Unit directly to make your complaint. Our aim is to resolve all complaints within 15 business days.

Step 2 – Escalate your complaint

If we haven't responded to your complaint within 15 days, or if you're not happy with how we've tried to resolve it, you can ask for your complaint to be escalated for an Internal Dispute Resolution (IDR) review by a Dispute Resolution Specialist.

The Dispute Resolution Specialist will provide QBE's final decision within 15 business days of your complaint being escalated, unless they've requested and you've agreed to give us more time.

Step 3 – Still not resolved?

If you're not happy with the final decision, or if we've taken more than 45 days to respond to you from the date you first made your complaint, you can contact the Australian Financial Complaints Authority (AFCA). AFCA is an ASIC approved external dispute resolution body.

AFCA resolves insurance disputes between consumers and insurers, at no cost to you. QBE is bound by AFCA decisions - but you're not. You can contact AFCA directly and they'll advise you if your dispute falls within their Rules.

Disputes not covered by the AFCA Rules

If your dispute doesn't fall within the AFCA Rules, and you're not satisfied with our decision then you may wish to seek independent legal advice.

Privacy complaints

If you're not satisfied with our final decision and it relates to your privacy or how we've handled your personal information, you can contact the Office of the Australian Information Commissioner (OAIC).

CONTACTING QBE'S CCU, AFCA OR THE OAIC

How to contact QBE Customer Care

Phone: 1300 650 503 (Monday to Friday from 9am to 5pm, Sydney time, except on public holidays).
Calls from mobiles, public telephones or hotel rooms may attract additional charges.

Email: complaints@qbe.com, to make a complaint.
privacy@qbe.com, to contact us about privacy or your personal information.
customer-care@qbe.com, to give feedback or pay a compliment.

Post: Customer Care,
GPO Box 219,
Parramatta NSW 2124

How to contact AFCA

Phone: 1800 931 678 (free call)

Email: info@afca.org.au

Online: www.afca.org.au

Post: Australian Financial Complaints Authority,
GPO Box 3,
Melbourne VIC 3001

How to contact the OAIC

Phone: 1300 363 992
Calls from mobiles, public telephones or hotel rooms may attract additional charges

Email: enquiries@oaic.gov.au

Online: www.oaic.gov.au

TERMS AND CONDITIONS

INSURER

This insurance is underwritten by QBE Insurance (Australia) Limited, ABN 78 003 191 035, AFSL 239545.

OUR AGREEMENT WITH YOU

Where we agree to insure you based on the information provided in your application, we issue a policy schedule confirming cover.

The information contained in the policy schedule sets out information specific to you such as the cover we have agreed to provide and the policy sums insured and limits of liability.

Our agreement with you (the policy) will comprise this policy wording, the policy schedule and any endorsements we issue. They should be read together and kept in a safe place.

Where we have agreed to enter into a policy with you and subject to the terms, conditions and exclusions of the policy:

- a) we agree to provide you with the insurance cover set out in each of the policy parts which are listed in the policy schedule, subject to your payment of or agreement to pay the premium set out in the current policy schedule;
- b) the insurance cover is in force for the period of insurance set out in the policy schedule;
- c) we will cover you for loss or damage occurring to the insured goods during the period of insurance and within the geographical limits shown in the policy schedule;
- d) we will not pay any more than the limit of liability and/or sub-limits of liability shown in either the policy schedule or this policy unless we have stated otherwise.

ACQUIRED COMPANIES

This policy extends to include any company, subsidiary company or firm formed or purchased by you during the period of insurance provided that:

- a) you hold a controlling interest or have agreed to accept responsibility for insurance;
- b) you advise us of the existence of the company or firm not later than 30 days from the date of signing the purchase contract or date of formation;
- c) you declare to us the estimated sendings, type of goods to be insured and past claims history;
- d) you agree to the additional conditions and premium required by us.

GST

The amount of premium payable by you for this policy includes an amount on account of the GST on the premium.

When we pay a claim, your GST status will determine the amount we pay.

When you are:

- a) not registered for GST, the amount we pay is the sum insured/limit of indemnity or the other limits of insurance cover including GST.
- b) registered for GST, we will pay the sum insured/limit of indemnity or the other limits of insurance and where you are liable to pay an amount for GST in respect of an acquisition relevant to your claim (such as services to repair a damaged item insured under the policy) we will pay for the GST amount.

We will reduce the GST amount we pay for by the amount of any input tax credits to which you are or would be entitled if you made a relevant acquisition. In these circumstances, the Input Tax Credit may be claimable through your Business Activity Statement (BAS).

You must advise us of your correct Australian Business Number and Taxable Percentage.

Any GST liability arising from your incorrect advice is payable by you.

Where the settlement of your claim is less than the sum insured/limit of indemnity or the other limits of insurance cover, we will only pay an amount for GST (less your entitlement for Input Tax Credit) applicable to the settlement. This means that if these amounts are not sufficient to cover your loss, we will only pay the GST relating to our settlement of the claim.

We will (where relevant) pay you on your claim by reference to the GST exclusive amount of any supply made by any business of yours which is relevant to your claim.

GST, Input Tax Credit (ITC), Business Activity Statement (BAS) and Acquisition have the same meaning as given to those expressions in A New Tax System (Goods and Services Tax) Act 1999 and related legislation as amended from time to time.

Taxable Percentage is your entitlement to an Input Tax Credit on your premium as a percentage of the total GST on that premium.

1. WHEN YOUR INSURED TRANSITS START AND FINISH (DURATION CLAUSE)

Cover commences when an item of insured goods is first moved for the purpose of being conveyed to a destination outside the premises at which loading takes place.

Cover ends when an item of insured goods is last moved in being delivered at the destination but not exceeding 72 hours after unloading from the conveying vehicle, whichever first occurs.

However, the insured transit ends at any earlier point where you have interrupted the ordinary course of transit.

2. WHAT YOU ARE COVERED FOR

2.1 The cover

We insure the person named as the insured in the policy schedule against loss or destruction of or damage to goods specified in the policy schedule or death of livestock specified in the policy schedule caused by certain events.

The insurance only applies to an insured transit:

- a) that commences during the period of insurance specified in the policy schedule
- b) that is wholly within Australia or any other geographical limit specified in the policy schedule

and is caused by an insured event listed in the cover option that you have selected at the time of purchasing this policy.

2.2 Static (other than during the course of transit)

If we have agreed to insure your cargo when it is no longer in the ordinary course of transit it will be insured only when located at the specific location(s) specified in the Static Risks section of the policy schedule.

Details of the cover and limitations applying will be detailed in the policy schedule.

2.3 Further cover that automatically applies

In relation to transit by sea, the interest insured is also covered against each of the following:

- a) Loss or destruction of or damage to goods or livestock caused by jettison.
- b) Loss incurred as a result of general average sacrifice.

- c) 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.

3. COVER OPTION A: COMPREHENSIVE COVER

If the policy schedule indicates that Cover Option A applies, the insured goods are covered against each of the following insured events:

- a) Physical loss or destruction of or damage to goods caused by accident or by the deliberate act of a third party
- b) Death of livestock caused by accident, natural causes or slaughter for humane reasons.

3.1 Refrigerated goods

Where the interest insured includes refrigerated goods this policy excludes loss or damage resulting from any variation in temperature howsoever caused unless the variation in temperature is directly caused by:

- a) an event listed in Cover Option B: Restricted Cover.
- b) accidental failure, breakdown, stoppage, or malfunction of refrigerating machinery resulting in its failure to perform its normal or intended refrigeration cycle for at least 2 consecutive hours or the number of hours specified in the policy schedule.
- c) mismanagement of refrigerating machinery which term shall include the incorrect setting of the refrigeration unit's temperature control.

4. COVER OPTION B: RESTRICTED COVER

If the policy schedule indicates that cover option B applies, the insured goods are covered against each of the following insured events:

- Loss, destruction, deterioration of or damage to goods
- Death (or slaughter for humane reasons following injury) of livestock

caused by any one of the following events:

- a) Fire or explosion
- b) Lightning, hail or flood
- c) Collision of the conveyance with an external object, or of the goods while on a land conveyance carrying them with something not on or part of that conveyance
- d) Hijack or armed hold up of the conveyance
- e) Overturning, jack-knifing or derailment of the conveyance
- f) Grounding, sinking or capsizing of the oversea vessel
- g) Crashing or forced landing of the aircraft
- h) Discharge of the oversea vessel at a port of distress.

5. VALUING YOUR INSURED GOODS

5.1 Basis of valuation

The basis of valuation detailed below establishes the value that goods are insured for by this policy.

- a) This policy is an 'agreed value' policy whereby, in the absence of fraud, the value of each sending, as calculated in accordance with the basis of valuation shown in the policy schedule or any other basis of valuation shown in this policy, is fixed between us and you, and conclusive of the insurable value of the interest insured.

Where the basis of valuation includes the cost of 'freight' this includes all costs incidental to the insured transit that are not covered by the invoice.

- b) Unless otherwise shown in the policy schedule the following basis of valuation shall apply to goods insured by this policy:
 - i. Other stock and goods

The basis of valuation for transfers of stock, goods on consignment, returned goods, goods on exhibition, tools of trade and travellers samples is their market value plus incidental charges.
 - ii. Plant, machinery and equipment

The basis of valuation is the invoice value plus incidental

charges incurred. If there is no invoice the basis of valuation is the market value plus incidental charges incurred.

- iii. Household goods and personal effects

The basis of valuation is their new replacement value irrespective of age plus incidental charges incurred.

'Incidental charges' includes freight and insurance costs plus import duty and taxes.

6. WHAT WE WILL PAY

6.1 How we calculate your claim

- a) Total loss (actual or constructive)

Claims are settled for the insured value calculated in accordance with the basis of valuation as calculated according to the Basis of Valuation Clause 5.1 above.

- b) Partial loss or damage

Where there is a partial loss of goods, unless otherwise specified in this policy, claims are settled as follows:

- i. Where part of the goods is totally lost, settlement of such claim will be for such proportion of the insured value (calculated in accordance with the Basis of Valuation Clause 5.1 above) as the insured value of the part lost bears to the insured value of the whole;
- ii. Where the whole or any part of the goods has been delivered damaged at its destination, settlement of such claim, at our option is:
 - the cost of repairing or replacing lost or damaged goods including freight costs
 - or
 - the percentage depreciation of the damaged goods as applied to the insured value (calculated in accordance with the Basis of Valuation Clause 5.1 above)

We have the option of settling a claim by payment, repair, reinstatement or replacement.

6.2 Brands / labels

In the event of loss or damage of goods bearing embossed or indented brands or labels or other permanent markings identifying you as the manufacturer or supplier, or exclusive and/or secret formula that may be involved, 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 damaged and undamaged goods.

Where only the labels of the goods are affected by the insured event, the amount payable by us is limited to the reasonable cost of reconditioning and relabelling, subject to our liability not exceeding the insured value of the goods.

6.3 Compensation from other parties (waiver of rights)

Where another party is liable to compensate you for any loss or damage which is covered by this policy but where you have agreed not to seek recovery of any monies from that party, then we will not provide cover under this policy for such loss or damage, or may reduce our liability under the policy contract as permitted by law.

6.4 General average and salvage

If there is a claim for general average contributions or salvage charges, the insured goods will be considered as being insured for their full contributory value and the claim will be paid in full without deduction of any policy excess.

6.5 Limit of liability

The limits of liability stated in:

- a) the policy schedule;
- b) any endorsements;

and any sub-limits expressed in this policy apply to any one accident or series of accidents caused by the one event.

6.6 Minimising losses

In addition to your claim for loss or damage, we will also reimburse you for any charges properly and reasonably incurred by you in taking such measures as would be reasonable for the purpose of averting or minimising any loss recoverable under this policy.

6.7 Other policies of insurance (non-contribution)

If, at the time of any loss 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 of the loss, damage or expense.

6.8 Replacement and repair of machinery

In the event of loss or damage to any part(s) of an insured machine consisting of more than one part, cover under this policy shall not exceed the cost of replacement or repair of the part(s) plus labour and (re)fitting and carriage costs. Duty incurred in the provision of the part(s) shall also be claimable. Our limit of liability will not exceed the amount insured of the machine or manufactured item calculated in accordance with the Basis of Valuation Clause 5.1.

6.9 Sorting charges

Where, following an insured event that is recoverable under this policy, our surveyor requires or recommends that packages and/or damaged goods be sorted in order to ascertain or assess the nature and/or extent of loss and/or damage, expenses arising from such sorting shall be recoverable hereunder notwithstanding that a claim for such loss or damage is not ultimately made by you.

6.10 Used machinery and plant

In the event of loss or damage to machinery and plant greater than 5 years old, cover under this policy will be restricted to the cost of reinstatement. Reinstatement shall mean:

- a) Where property is lost or destroyed the replacement cost of similar property in a condition equal to, but not better or more extensive than its condition at the time of loss.
- b) Where property is damaged, the repair of the damage and the restoration of the damaged portion of the property to a condition substantially the same as, but not better or more extensive than its condition at the time of loss.

7. WHAT YOU MUST PAY IF YOU MAKE A CLAIM

7.1 Deductible (excess)

For claims you make on this policy, you will have to pay the deductible which is shown on your policy schedule. If more than one deductible is payable under this policy for any claim or series of claims arising from the one accident you must pay the highest deductible, but you pay only one deductible.

No deductible will be payable by you in respect of any claim that would have been recoverable by a peril insured against by Cover Option B: Restricted Cover, had it been applicable.

8. AUTOMATIC COVER EXTENSIONS

The following extensions automatically apply to this policy, provided you have an insurable interest at the time of loss.

8.1 Accumulation

Should there be an accumulation of the interest insured beyond the limit(s) expressed in this policy, by reason of interruption of transit and/or other occurrence beyond your control, or by reason of any casualty and/or at a transshipping point and/or on a connecting vessel, aircraft or conveyance, we shall, provided written notice be given in all such cases as soon as known to you, hold covered such excess interest insured and shall be liable for the full amount at risk, but in no event shall we be liable for more than double the limit of liability specified in the policy schedule or a maximum of \$10million, whichever is the lesser.

8.2 Delayed unpacking

Where packages of the insured goods are not opened immediately upon arrival, loss or damage covered by this policy which was not immediately apparent at the time of arrival shall be recoverable providing:

- a) the damage is discovered within 90 days of arrival;
- b) any packages bearing outward signs of loss or damage at the time of arrival are opened and inspected immediately.

8.3 Exhibition and/or demonstration

This policy is extended to cover the insured goods against accidental loss, damage or destruction while in transit to and from and while at any exhibition or premises for demonstration.

This cover also includes expenses incurred as a result of your inability to exhibit the insured goods as a result of a claim recoverable under this policy.

However, this policy does not cover damage while the insured goods are in use for the purposes of demonstration or otherwise.

Subject to a limit of \$200,000 unless otherwise specified in the policy schedule and provided these costs are not recoverable under any other policy of insurance.

For the purposes of this clause, 'insured goods' includes stands, fixtures, fittings and exhibition equipment.

8.4 Expediting expenses

In the event of loss or damage to the insured goods resulting from an insured peril, we will pay the costs and expenses incurred by you in connection with the repair, replacement or restoration of the insured goods lost or damaged for:

- a) express carriage rates and/or airfreighting the insured goods and/or replacement parts where such transit is necessary to prevent interruption of your business.
- b) extra payments for overtime, night, Sunday or holiday work and other such like costs.

Provided always that the limit of liability shall not exceed 20% of the insured value of the insured goods or \$50,000 whichever is less unless otherwise specified in the policy schedule.

8.5 Insolvency of carrier

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 Clause 5: Valuing Your Insured Goods).

This cover will not apply where, at the time of loading of the goods on board the conveyance, you were aware, or in the ordinary course of your business should be aware, that such insolvency or financial default could have occurred during the insured transit.

8.6 In-vehicle storage

In the event that insured goods are left overnight in your or your employees' vehicles, cover remains in force provided that the insured goods are kept out of sight and the vehicle is locked.

8.7 Loss of information / data / media

This policy extends to include all claims for loss of information/ data/media where there is external visible evidence of damage from an insured event.

The amount we pay will be the reasonable cost of rewriting the information or data.

8.8 Packaging & shipping containers

This policy covers accidental loss of or damage to packaging and shipping containers while carried in transit. Expenses incurred in demurrage charges following the late return of shipping containers are also covered where the charges are necessary due to you retaining containers for our inspection following a claim and upon our instruction.

Subject to a limit of \$50,000 unless otherwise specified in the policy schedule and provided the costs are not recoverable under any other policy of insurance.

'Packaging' means:

packing materials, crates, pallets, or similar items belonging to you or for which you are responsible.

'Shipping containers' means:

shipping containers for which you are legally liable under a container handover or similar contractual agreement.

8.9 Packers' premises

The insured goods are covered from the time of leaving the supplier's warehouse while in transit to the packer's warehouse. Cover remains in force while at the packer's warehouses and thereafter while in transit to final destination.

8.10 Pollution hazard

You are insured for loss of or damage to the interest insured caused by government authorities acting in the public interest to prevent or to mitigate a pollution hazard or threat following an accident insured under this policy.

8.11 Previous contracts of insurance (difference in conditions)

Where, within 12 months of the original inception date of your policy with us, the previous goods in transit policy that you had in force is found:

- a) to have had more beneficial cover extensions;
- b) a claim occurs where at issue is the difference in cover extensions provided by your current policy with us and the cover extensions found in your previous policy;

then the provisions of the previous cover extensions shall apply as required by you subject to you providing us with documentary evidence of your previous policy should it be called into application.

This extension does not increase the limit of liability or sub-limits of liability that would otherwise apply to your claim under the terms and conditions of your policy with us.

8.12 Removal of debris / clean up costs

This policy covers all reasonable costs and expenses incurred in unloading, removing and disposing of insured goods that have been damaged by an insured event as well as clean up of the accident site.

Subject to a limit of \$50,000 unless otherwise specified in the policy schedule and provided the costs are not recoverable under any other policy of insurance.

8.13 Refused goods

In the event that you or your customer either refuse delivery or are unable to accept delivery of insured goods, cover is extended to insure the goods during any delay, storage or onward transport.

8.14 Resecuring of goods

This policy covers all reasonable costs and expenses incurred in resecuring the insured goods where there has been movement of the goods in transit, which makes resecuring necessary. This cover applies even though there may be no claim resulting from the incident provided these circumstances were outside your control and you could not be reasonably expected to have knowledge of them in the normal course of your business.

Subject to a limit of \$5,000 unless otherwise specified in the policy schedule and provided these costs are not recoverable under any other policy of insurance.

9. OPTIONAL COVER EXTENSIONS

Only when it is specified in the policy schedule that the policy includes the following additional insured events, cover is extended as follows:

9.1 Livestock risks

Where livestock have been included in the interest insured stated in the policy schedule, the following additional benefits will apply:

Livestock agistment expenses

This policy covers all reasonable costs and expenses necessarily incurred in maintaining the animals at agistment when caused by an insured event.

Livestock mustering costs

This policy covers all reasonable costs and expenses necessarily incurred for mustering of animals at the scene of the accident when caused by an insured event.

Livestock wandering off

This policy covers loss of animals due to 'wandering off' from the scene of the accident caused by an insured event.

Cover for the additional benefits referred to above are subject to a per animal limit of \$500 and a combined annual aggregate limit of \$50,000 per policy year unless otherwise shown in the policy schedule.

9.2 Travellers' samples / tools of trade

This policy extends to cover accidental loss of or damage to travellers' samples or tools of trade while in the ordinary course of transit and while temporarily removed from the conveying vehicle and kept in any hotel or private dwelling provided that:

- a) the travellers' samples or tools of trade remain in the custody or control of you or your employees.
- b) the travellers' samples or tools of trade are stored within a secure building.

9.3 Unaccompanied household goods and personal effects

This policy extends to cover the unaccompanied household goods and personal effects of your directors, partners, proprietors and/or employees whilst engaged in your business or on transfer or as may be otherwise directed by you subject to the following additional terms and conditions:

- a) Basis of settlement

At our option, we will pay:

- i. the reasonable cost of repairs or restoration in the event of damage, or
- ii. new for old replacement cost of any items totally lost or destroyed.

- b) Depreciation

In the event of loss or damage caused by an insured peril, settlement for your claim is limited to the reasonable cost of repair or replacement and excludes any depreciation consequent thereon.

- c) This extension does not cover:

- i. accompanied baggage or articles being worn or used by you or any other person during the insured transit.
- ii. bank notes, coins, shares, bonds, stamps, securities and the like, travellers' cheques, tickets, jewellery, watches, personal trinkets, pens and alcoholic beverages.
- iii. loss of, damage or expense caused by or arising from wear, tear, moths, vermin, or normal atmospheric or climatic conditions, confiscation or detention by customs or other officials or authority.

- d) Pairs and sets

Where any item is part of a pair or set, the policy will only pay for the part of the pair or set which is lost or destroyed even if it cannot be replaced with a matching item. The insured value of the goods shall be regarded as spread over the whole of the pair or set, divided in the proportions that it would cost to replace each of the items making up the pair or set.

10. WHEN YOU ARE NOT COVERED

This policy does not cover loss of or damage to the insured goods or liability or expense caused by any of the following:

10.1 Consequential loss / delay

Loss of market and loss arising from delay or consequential loss of any description even if consequent upon the happening of an insured event.

10.2 Electrical, mechanical & electronic failure

Electronic, electrical or mechanical failure of the insured goods where there is no external visible evidence of damage from an insured event.

10.3 Expropriation

The lawful seizure, confiscation, nationalisation or requisition of the insured goods.

10.4 Inherent vice

Ordinary leakage, ordinary loss in weight or volume or inherent vice of the insured goods other than refrigerated goods due to variation in temperature as provided by the insured events detailed in Clauses 3 and 4 as applicable.

10.5 Insolvency of carrier

Expense arising from the insolvency or financial default of the carrier other than as provided by clause 8.5.

10.6 Labour shortage

The absence, shortage or withholding of labour of any description resulting from any strike, lockout, labour disturbance, riot or civil commotion.

10.7 Livestock

To animals caused by inoculation and/or its after effects, infectious diseases, rejection, abortion, loss/death of foetus, loss of use or delay.

10.8 Pre-existing damage

Loss or damage that existed or occurred prior to the commencement of the insured transit.

10.9 Rust / oxidisation / discolouration

Rust, oxidisation and/or discolouration of the insured goods unless caused by an insured event.

10.10 Radioactive contamination

Loss, damage, liability or expense directly or indirectly caused by or contributed to by or arising from:

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

- d) the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter. The exclusion in this sub-clause 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.
- e) any chemical, biological, bio-chemical and electromagnetic weapons.

10.11 Sanctions Limitation and Exclusion Clause

You are not insured under this policy where a claim payment breaches any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of Australia, the European Union, United Kingdom or United States of America, or any local autonomous sanctions.

10.12 Terrorism

Terrorism, and/or steps taken to prevent, suppress, control or reduce the consequences of any actual, attempted, anticipated, threatened, suspected or perceived terrorism, unless caused by a terrorist or any person acting from a political motive while the insured goods are in transit.

10.13 War

War, acts of war (whether war be declared or not), rebellion, revolution, lawful seizure, confiscation, nationalisation, requisition, destruction or damage by or by the order of any government, public or local authority unless the insured goods are in transit aboard a conveyance.

11. GENERAL CONDITIONS

11.1 Due diligence

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

11.2 Changing your policy

If you want to make a change to this policy, the change becomes effective when we agree to it in writing.

If you do or omit to do something which materially changes the risk that increases the chances of future loss, you must give us immediate notice in writing.

11.3 Cancelling your policy

How you may cancel this policy

You may cancel this policy at any time by telling us in writing that you want to cancel it.

How we may cancel this policy

We may cancel this policy only when permitted to do so by law and after informing you in writing.

Cancellation shall become effective on the expiry of the requisite period of time from midnight of the day on which notice of cancellation is issued by or to us but shall not apply to risks which have attached before the cancellation becomes effective.

The premium

We will refund to you the proportion of the premium for the remaining period of insurance, provided we shall be entitled to retain the agreed minimum premium. When the premium is subject to adjustment, cancellation will not affect your obligation to supply to us such information as is necessary to permit the premium adjustment to be calculated and to pay the amount of the adjustment applicable up to the date of cancellation.

11.4 Notices

Any notice we give you will be in writing, and it will be effective:

- a) if it is delivered to you personally.
- b) if it is delivered or posted to your address last known to us.

It is important for you to tell us of any change of address as soon as possible.

11.5 Jurisdiction and law and practice

All disputes arising out of or under this policy will be subject to determination by any court of competent jurisdiction within Australia.

11.6 Adjustment of premium

The deposit premium calculated and payable at the commencement of each period of insurance is based on estimated turnover/sendings figures provided by you.

If the deposit premium is \$10,000 or less, the deposit premium shall be regarded as a non-adjustable premium for the period of insurance shown in the policy schedule, and no adjustment or declaration of actual figures is required.

In all other cases you must declare the actual turnover/sendings on expiry of the period of this insurance or any subsequent period for which the insurance is renewed within one month from the expiry of each period of insurance. This figure should represent the actual value of all the goods for which we were at risk during the period of insurance.

The premium will be adjusted in accordance with the agreed rates.

The difference between the premium for the actual figures at the end of the period and the deposit premium will be paid by or refunded to you but subject to a minimum premium of 75% of the deposit premium being retained by us.

You are required and agree to keep accurate records and, on request, will submit audited copies to us.

If we request an audited copy of the records and this is not available then we may appoint an auditor. We shall pay for the cost of the audit but if the audit reveals that the figures declared by you are incorrect, you shall reimburse us for the cost of the audit.

11.7 Headings

The headings and titles of paragraphs in the policy are included for descriptive purposes only and do not form part of this policy for the purposes of its construction or interpretation, except for the headings contained in 'Definitions' (Clause 13) of this policy.

12. CLAIMS

12.1 What you must do

If there is any loss or damage which may result in a claim under this policy, you must take the following steps:

Immediate action

- a) Take all reasonable measures to avoid or minimise any loss, damage or expense (we will pay the reasonable and necessary cost of doing this).
- b) Ensure that all rights against carriers, bailees or other third parties are properly preserved and exercised.
- c) Inform the police as soon as possible after a theft is discovered.

Notification

- a) Inform us of the event as soon as possible.
- b) Submit to us full written particulars as soon as possible.
- c) Send to us all correspondence and documents relating to the event.
- d) Provide or arrange for us to be provided with invoices, statements and other documents evidencing the amount of the loss.

12.2 Claims documentation

To enable claims to be dealt with promptly, you are advised to submit all available supporting documents without delay, including, where applicable:

- a) Original consignment note or other contract of carriage.
- b) Original or copy shipping invoices, shipping specifications, weight notes, separate sales invoice or other document evidencing value.
- c) Survey report or other documentary evidence to show the extent of the loss or damage.
- d) Delivery docket and weight notes at final destination.
- e) Correspondence exchanged with carriers and other parties regarding their liability for the loss or damage.

Note: Failure to comply with the above conditions concerning claims procedures and documentation may prejudice your claim under the policy.

12.3 When others may be liable

When other parties may be liable to you for the loss, damage or liability, you must:

- a) not agree to release those parties from liability;
- b) hold the parties liable by delivering a notice of intention to claim within 3 days of delivery;
- c) in no circumstances, except under written protest, give clean receipts where the goods are in doubtful condition.

When delivery is made by container, ensure that the container and seals are examined immediately by the responsible official.

If the container is delivered damaged or with seals broken or missing or with seals other than stated in the shipping documents, note the delivery docket accordingly and retain all defective or irregular seals for subsequent identification.

If the loss or damage was not immediately apparent at the time of delivery, apply immediately for surveys by the carriers or other bailees to be conducted within 3 days of delivery.

Inform us of the circumstances and let us have a copy of all relevant documents.

We may exercise all your legal rights relating to the loss or damage. We may prosecute or defend any legal proceedings in your name and have full discretion in the exercise of your legal rights.

Measures taken by you or us with the object of saving, protecting or recovering the interest insured shall not be considered as a waiver or acceptance of abandonment or otherwise prejudice the rights of either party.

12.4 Apportionment of recoveries

Where a recovery is obtained from a carrier or other third party, such recovery shall be apportioned between you and us in the same proportion as we have each borne such loss.

12.5 Fraud

If any claim in whole or part is fraudulent or false in any respect we may be entitled to avoid paying the claim or reduce the amount of the claim settlement. In some circumstances we may also be able to cancel your policy.

13. DEFINITIONS

Some key words and terms used in this policy have a special meaning. Wherever the following words or terms are used in the policy, they mean what is set out below:

Accident

Any occurrence or event which arises during transportation and results in loss or damage to the insured goods which is unintended and could not have been expected by a person who has actual knowledge of the means of transportation of the insured goods.

Application

The signed application form and other information supplied by you or on your behalf when applying for this insurance upon which we relied when agreeing to grant this insurance cover.

Conveyances

Any road, rail, ship, vessel, aircraft or postal service transport used to transport the insured goods. This includes a trailer when attached to a registered road vehicle.

Excess or deductible

The amount you must pay towards a claim, as specified in the policy schedule.

Interest insured, Goods

The goods that are specified as the interest insured in the policy schedule.

If included in your policy schedule we also insure:

- a) traveller's samples and tools of trade in your or your employees' care.
- b) returned goods where you have the responsibility to insure the goods in transit or have assumed that responsibility in your normal course of dealings.
- c) stock transfers.
- d) livestock.
- e) unaccompanied household goods and personal effects.

Period of insurance

The period shown in the policy schedule or any renewal period, during which the insurance provided by this policy is in force.

Policy, Insurance

This policy wording, your application, the policy schedule and any endorsements we issue to you which amend this policy wording or the policy schedule.

Policy schedule

The document so designated that we issue to you, whether for the first period of insurance or on any renewal of the contract or variation by way of endorsement, that specifies the policy number and other details of the cover provided by this policy.

Terrorism

Any act which may, or may not, involve the use of, or threat of, force or violence where the purpose of the act is to further a political, religious, ideological or similar aim or to intimidate or influence a government (whether lawfully constituted or not) or any section of the public.

We, our, us

QBE Insurance (Australia) Limited ABN 78 003 191 035.

You, your, yours

The person(s), companies or firms named in the current policy schedule as the insured.

SURA Pty Ltd ABN 36 115 672 350,
AFSL 294313.

Thank you for receiving this
document electronically.

In providing any financial services
SURA acts under a binder as an
agent of QBE Insurance (Australia)
Limited ABN 78 003 191 035, AFSL
239545

SURA Marine supports positive
initiatives for our environment.

S U R A MARINE

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