

Inland Open Cover Insurance

Policy Wording



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Welcome to Zurich

About Zurich

The insurer of this product is Zurich Australian Insurance Limited (ZAIL), ABN 13 000 296 640, AFS Licence Number 232507. In this document, ZAIL may also be expressed as 'Zurich', 'we', 'us' or 'our'.

ZAIL is part of the Zurich Insurance Group, a leading multi-line insurer that serves its customers in global and local markets. Zurich provides a wide range of general insurance and life insurance products and services in more than 210 countries and territories. Zurich's customers include individuals, small businesses, mid-sized and large companies, including multinational corporations.

Duty of Disclosure

This contract of insurance will be governed by either the Insurance Contracts Act 1984 (Cth) or the Marine Insurance Act 1909 (Cth).

Duty of Disclosure under the Insurance Contracts Act 1984

Before *you* enter into an insurance contract, *you* have a duty to tell us anything that *you* know, or could reasonably be expected to know, 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.

If *you* do not tell us something

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.

Duty of Disclosure under the Marine Insurance Act 1909

Your attention is drawn to Sections 23 to 27 of the Marine Insurance Act 1909 (Cth) and, in particular, that any contract of marine insurance is based on utmost good faith and in the absence of such good faith, may be avoided. Further, the *insured* has an obligation to disclose to us every material circumstance which is known to the *insured* and/or which in the ordinary course of business ought to be known by the *insured*. Every circumstance is material if it would influence the judgement of a prudent insurer in fixing the premium or determining whether he will take the risk. If there is a failure to make such disclosure, we may avoid the contract.

Our contract with you

This policy is a contract of insurance between the *insured* and Zurich and contains all the details of the cover that we provide.

This policy is made up of:

- the policy wording. It states 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;
- the most current policy *schedule* issued by us. The *schedule* is a separate document unique to the *insured*. It includes any changes, exclusions, terms and conditions made to suit the 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 covers shown in the *schedule* are insured. 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.

Privacy

Zurich is bound by the Privacy Act 1988 (Cth). We collect, disclose and handle information, and in some cases personal or sensitive (eg health) information, about *you* ('*your* details') to assess applications, administer policies, contact *you*, enhance our products and services and manage claims ('Purposes'). If *you* do not provide *your* information, we may not be able to do those things. By providing us, our representatives or *your* intermediary with information, *you* consent to us using, disclosing to third parties and collecting from third parties *your* details for the Purposes.

We may disclose *your* details, including *your* sensitive information, to relevant third parties including *your* intermediary, affiliates of Zurich Insurance Group Ltd, other insurers and reinsurers, our banking gateway providers and credit card transactions processors, our service providers, our business partners, health practitioners, *your* employer, parties affected by claims, government bodies, regulators, law enforcement bodies and as required by law, within Australia and overseas.

We may obtain *your* details from relevant third parties, including those listed above. Before giving us information about another person, please give them a copy of this document. Laws authorising or requiring us to collect information include the Insurance Contracts Act 1984 (Cth), Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth), Corporations Act 2001 (Cth), Autonomous Sanctions Act 2011 (Cth), A New Tax System (Goods and Services Tax) Act 1999 (Cth) and other financial services, crime prevention, trade sanctions and tax laws.

Zurich's Privacy Policy, available at www.zurich.com.au or by telephoning us on 132 687, provides further information and lists service providers, business partners and countries in which recipients of *your* details are likely to be located. It also sets out how we handle complaints and how *you* can access or correct *your* details or make a complaint.

General Insurance Code of Practice

We are signatories to the General Insurance Code of Practice (the Code) and support the Code.

The objectives of the Code are:

- to commit us to high standards of service;
- to promote better, more informed relations between us and *you*;
- to maintain and promote trust and confidence in the general insurance industry;
- to provide fair and effective mechanisms for the resolution of complaints and disputes *you* make about us; and
- to promote continuous improvement of the general insurance industry through education and training.

The Code Governance Committee is an independent body that monitors and enforces insurers compliance with the Code.

Further information about the Code or the Code Governance Committee and *your* rights under it is available at <https://insurancecouncil.com.au/cop/> or by contacting us.

Complaints and Disputes Resolution process

If *you* have a complaint about an insurance product we have issued or the service *you* have received from us, please contact *your* intermediary to initiate *your* complaint with us. If *you* are unable to contact *your* intermediary, *you* can contact us directly on 132 687. We will acknowledge receipt of *your* complaint within 24 hours or as soon as practicable.

If *you* are not satisfied with our initial response, *you* may access our internal dispute resolution process. Please refer to the general insurance fact sheet available on our website for details of our internal dispute resolution process.

We expect that our internal dispute resolution process will deal fairly and promptly with *your* complaint, however, *you* may take *your* complaint to the Australian Financial Complaints Authority (AFCA) at any time.

AFCA is an independent external dispute resolution scheme. We are a member of this scheme and we agree to be bound by its determinations about a dispute. AFCA provides fair and independent financial services complaint resolution that is free to *you*.

Their contact details are:

Website: www.afca.org.au
Email: info@afca.org.au
Freecall: 1800 931 678

In writing to: The Australian Financial Complaints Authority, GPO Box 3, Melbourne, Victoria 3001.

If *your* complaint or dispute falls outside the AFCA Rules, *you* can seek independent legal advice or access any other external dispute resolution options that may be available to *you*.

Inland Open Cover – Policy Wording

This open cover which will remain permanently in force until cancelled and which is for an open amount up to the limit of indemnity specified in the *schedule*, and subject to declarations provided to us.

1. The cover

We will insure the person named as the *insured* for consignments of interest insured (referred elsewhere in this open cover as goods and/or livestock) which commence on or after the effective date within the radius of transit on conditions of insurance, each as specified in the *schedule*.

2. Conditions of cover

2.1 Events insured against – Cover A

If the *schedule* indicates that Cover A applies, the insurance is against each of the following:

- 2.1.1 physical loss of or damage to goods caused by accident or by the deliberate act of a third party;
- 2.1.2 death of livestock caused by accident, natural causes or slaughter for humane reasons.

2.2 Events insured against – Cover B

If the *schedule* indicates that Cover B applies, the insurance is against:

- 2.2.1 physical loss of or damage to goods; or
- 2.2.2 death (or slaughter for humane reasons following injury) of livestock, caused by any one of the following events:
 - (a) fire, explosion, lightning or flood;
 - (b) collision of the conveyance carrying the goods or livestock with an external object, or of the goods while on a land conveyance carrying them with something not on or part of that conveyance;
 - (c) overturning, jackknifing or derailment of the land conveyance carrying the goods or livestock;
 - (d) grounding, sinking or capsizing of the vessel carrying the goods or livestock;
 - (e) crashing or forced landing of the aircraft carrying the goods or livestock; or
 - (f) discharge at a port of distress.

2.3 Insured transit

Under this open cover insurance for declared consignments commences:

- 2.3.1 in relation to each item of goods, when the item is first moved for the purpose of being conveyed to a destination outside the premises at which loading takes place and ends when the item is last moved in being delivered at the destination;
- 2.3.2 in relation to 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 or livestock ends at any earlier point where the ordinary course of transit is interrupted by the *insured*.

2.4 Limits on cover

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

- 2.4.1 in the event of a claim the *insured* must bear first the amount of any excess specified in the *schedule*;
- 2.4.2 if a loss or series of losses arise from the same event, we will not be liable for more than the limit of indemnity stated in the *schedule*.

2.5 Declarations

- 2.5.1 The *insured* must declare promptly every consignment to which this open cover applies and we will accept declarations up to but not exceeding the limit of indemnity stated in the *schedule*.
- 2.5.2 If an unintentional mistake causes an incorrect declaration or a failure to declare a consignment, the mistake must be corrected by the *insured* as soon as reasonably practicable after the *insured* becomes aware of it, in which event the cover will apply to that declaration.

3. Additional covers

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

- 3.1 loss of or damage to goods or livestock caused by *jettison*;
- 3.2 loss incurred as a result of *general average* sacrifice; and
- 3.3 *general average* and *salvage charges*, in accordance with the contract of affreightment and any applicable legislation, incurred in connection with avoiding a loss covered by this open cover.

4. Extensions to cover

If an event insured against has occurred the insurance is extended in each of the following ways:

4.1 Brands

We will not sell or dispose of salvaged branded goods without the consent of the *insured*. If the *insured* declines to consent, the *insured* may retain the goods. Their reasonable salvaged value will be deducted from the amount payable in respect of the claim.

4.2 Debris

The insurance covers the cost of removal and disposal of damaged, deteriorated or contaminated goods or dead livestock; and of cleaning and decontamination. Our liability is limited to a maximum of \$50,000. This is in addition to our liability for the primary loss.

4.3 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.

The insurance is also extended in the following ways:

4.4 Acquired companies

The insurance will cover any company or entity formed or acquired by the *insured* during the period of insurance. However, the *insured* must hold a controlling interest in the company or entity, or must accept responsibility for its insurance. In addition, if you wish to extend the cover under this policy to the company or entity formed or acquired the insured must agree to:

- 4.4.1 inform us of the formation or acquisition within 30 days;
- 4.4.2 provide us with the same information in relation to the company or entity that the *insured* provided to us in relation to this insurance;
- 4.4.3 agree to any additional conditions relating to the insurance in respect of the company or entity; and
- 4.4.4 pay the additional premium we charge.

4.5 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 one month.

5. Definitions

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

5.1 Communicable disease

communicable disease means any disease which can be transmitted by means of any substance or agent from any organism to another organism where:

- 5.1.1 the substance or agent includes, but is not limited to, a virus, bacterium, parasite or other organism or any variation thereof, whether deemed living or not; and
- 5.1.2 the method of transmission, whether direct or indirect, includes but is not limited to, airborne transmission, bodily fluid transmission, transmission from or to any surface or object, solid, liquid or gas or between organisms; and
- 5.1.3 the disease, substance or agent can cause or threaten damage to human health or human welfare or can cause or threaten damage to, deterioration of, loss of value of, marketability of or loss of use of property insured hereunder,

and includes, but is not limited to, a disease that is or becomes listed on the National Notifiable Disease List and/or is or becomes a temporary addition to the National Notifiable Disease List and/or has or could give rise to a public health event of national significance and/or is or becomes a listed human disease (where National Notifiable Disease List means the list established and in force from time to time under section 11 of the National Health Security Act 2007 (Cth) and listed human disease has the meaning given by section 42 of the Biosecurity Act 2015 (Cth), or in each case any subsequent amendment, replacement or successor legislation of the Commonwealth of Australia).

5.2 Consequential Loss

consequential Loss means

- (a) loss of profit incurred;
- (b) special extra running costs incurred to avoid or minimise a loss of profit; or
- (c) any other costs incurred to avoid or minimise a loss of profit, as the direct consequence of cargo loss or damage during transit.

5.3 General Average

general average means a legal principle of maritime law to which all parties in a sea venture proportionally share any losses resulting from a voluntary sacrifice of part of the ship cargo to save the whole adventure in an emergency.

5.4 Insured

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

5.5 Jettison

jettison is an ocean marine term, meaning the throwing overboard of cargo or ship's gear to lighten the load in the event of danger in order to save the vessel and the balance of the cargo.

5.6 Salvage Charge

salvage charge means charges which apply in maritime law to compensate a third party in the event of a successful salvage due to a voluntary act by that third party independent of any contract.

5.7 Schedule

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

5.8 Terrorism

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

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

5.8.2 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.

6. Exclusions

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

- 6.1 ordinary leakage, ordinary loss in weight or volume or inherent vice of the goods;
- 6.2 delay, loss of market or *consequential loss* of any description;
- 6.3 mechanical, electrical or electronic breakdown or malfunction of the goods where there is no external evidence that an insured event has occurred;
- 6.4 the absence, shortage or withholding of labour of any description resulting from any strike, lockout, labour disturbance, riot or civil commotion;
- 6.5 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;
- 6.6 expropriation which means the lawful seizure, confiscation, nationalisation or requisition of goods or livestock;
- 6.7 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;
- 6.8 any chemical, biological, bio-chemical or electromagnetic weapon; or
- 6.9 any act of *terrorism* or steps taken to prevent, suppress, control or reduce the consequences of any actual, attempted, anticipated, threatened, suspected or perceived *terrorism*.
- 6.10 Notwithstanding anything contained anywhere in this policy to the contrary, *you* are not insured for any losses, damages or liabilities in accordance with the exclusion clauses below.
 - 6.10.1 Communicable disease

This policy excludes any actual or alleged loss, liability, damage, compensation, injury, sickness, disease, medical payment, claim, cost, expense or other sum, directly or indirectly arising out of, attributable to, or occurring concurrently or in any sequence with a *communicable disease* or the fear or threat (whether actual or perceived) of a *communicable disease*.
 - 6.10.2 Cyber risk

This policy excludes any loss, damage, liability or expense directly or indirectly caused by, contributed to by or arising from:

 - (a) the failure, error or malfunction of any computer, computer system, computer software programme, code, or process or any other electronic system; or
 - (b) the use or operation, as a means for inflicting harm, of any computer, computer system, computer software programme, malicious code, computer virus or process or any other electronic system.

6.10.3 Information technology hazards exclusion

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

- (a) theft of equipment;
- (b) collision;
- (c) sinking, grounding or stranding of the carrying vessel;
- (d) overturning or derailment of land conveyance;
- (e) *jettison* or washing overboard;
- (f) fire, lightning, explosion;
- (g) aircraft or vehicle impact;
- (h) falling objects; or
- (i) windstorm, hail, tornado, cyclone, hurricane, earthquake, volcano, tsunami, flood, freeze or weight of snow.

7. General Conditions

7.1 Basis of valuation

The agreed value of declared consignments for the purpose of calculating premiums and claims will be as specified under Basis of Valuation in the *schedule*.

7.2 Cancellation

- 7.2.1 The *insured* may cancel this open cover at any time by giving notice in writing to us.
- 7.2.2 When the policy is subject to the Marine Insurance Act 1909 (Cth), we may cancel this open policy at any time by giving the *insured* 30 days notice. The notification may be delivered personally or posted by certified mail to the *insured* at the address last notified to us. Proof of mailing will be sufficient proof of notification;
- 7.2.3 We may cancel this open cover by giving the *insured* 30 days notice in writing. However, we may only do so in the circumstances set out in section 60 of the Insurance Contracts Act 1984 (Cth).
- 7.2.4 Cancellation will not apply to consignments of insured goods on insured transits which commence before the effective date of cancellation.
- 7.2.5 Notice of cancellation will apply from midnight on the day notice is given.
- 7.2.6 The *insured* must provide us with all outstanding declarations within one month of the cancellation becoming effective.

7.3 Claims settlement

In the event of a recoverable claim, we shall consult with you and take into account your interests regarding the options of settling the loss either by payment, repair, reinstatement or replacement.

If the *insured* is liable for Goods and Services Tax (GST) in respect of any goods, services or other supply which are the subject of a claim under this open cover we will pay the *insured* for that GST liability. However:

- 7.3.1 where we make a payment under this open cover for the acquisition of goods, services or other supply we will reduce the amount of the payment by the amount of any input tax credit the *insured* is, or will be, or would have been entitled to under A New Tax System (Goods and Services Tax) Act 1999 (Cth) in relation to that acquisition whether or not the acquisition is actually made.

- 7.3.2 where we make a payment under this open cover as compensation for the acquisition of goods, services or other supply we will reduce the amount of the payment by the amount of any input tax credit the *insured* would have been entitled to under A New Tax System (Goods and Services Tax) Act 1999 (Cth) had the payment been applied to acquire such goods, services or supply.

7.4 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 open cover the following rules apply.

- 7.4.1 The *insured* must do everything reasonable to prevent anything else happening which may give rise to or increase the amount of the claim.
- 7.4.2 The *insured* must do everything reasonable to make sure that any rights against anyone else in respect to the event are maintained.
- 7.4.3 If the event involves a vehicle owned or operated by the *insured*, and either a theft has occurred and the policy covers the *insured* against theft, or an accident has occurred involving another vehicle, the *insured* must notify the police as soon as possible and, if we requires it, obtain a written police report.
- 7.4.4 The *insured* must notify us as soon as reasonably practicable of what has happened and send us full details as reasonably practicable of what has happened, and of any other insurance over the goods or livestock, within 30 days.
- 7.4.5 The *insured* must not authorise any repairs to the goods without our written consent (not to be unreasonably withheld or delayed).

We will reimburse the *insured* for reasonable charges incurred to prevent or minimise a loss or to protect rights in relation to the event.

7.5 Change in risk

You must notify us as soon as reasonably possible of any change which materially increases the risk covered by this policy, including:

- 7.5.1 activities that are materially different from those declared to us at inception of the policy;
- 7.5.2 activities outside the normal activities of the business; or
- 7.5.3 ny loss of or condition imposed upon any licence or other authority required by you to conduct the business.

We reserve the right to assess any such change and may accept or deny coverage and/or vary the terms of coverage for any increased risk the change poses. If We and You agree to accept or vary the terms of coverage, You must pay such reasonable additional premium as We may require for any such coverage.

If you fail to comply with this condition, we may be able to:

- (a) refuse a claim;
- (b) reduce our liability to pay a claim by an amount that fairly represents the extent to which our interests are prejudiced by the failure to comply; or
- (c) cancel the policy.

7.6 Other insurance

Provided it is permitted by law, where two or more insurance policies have either been entered into by the *insured* or effected on the *insured's* behalf by another legal entity covering the same risk, this policy will only cover the amount of the claims which exceeds the amount recovered under the other policy or policies, up to the limits of indemnity provided for under this policy. Where the policy is subject to the Insurance Contracts Act 1984 (Cth), the other policy or policies must be expressly specified in the *schedule* in order for this policy to only apply in respect of some or all of so much of a loss as is not covered by that other policy or policies.

7.7 Premium

Premium will be charged on each declared consignment at the rate specified in the *schedule*.

7.8 Proper law and jurisdiction

7.8.1 The construction, interpretation and meaning of the provisions of this policy shall be determined in accordance with Australian law.

7.8.2 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, the *insured* will submit to the exclusive jurisdiction of any competent State, Territory, or Federal court in the Commonwealth of Australia.

In this policy a reference to any statute, regulation or subordinate legislation includes any amendment, replacement, successor or equivalent to or of that statute, regulation or subordinate legislation.

7.9 Reasonable care

The *insured* must take reasonable care to prevent loss, destruction, damage or death covered by this open cover.

7.10 Rights of subrogation

We are entitled to exercise any rights the *insured* or any assignee may have against anyone else in relation to goods or livestock in respect of which we have paid any amount under this open cover. The *insured* and all assignees must cooperate fully with us in exercising those rights and must give any information or assistance us, we may reasonably require.

7.11 Trade and Economic Sanctions

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.

Zurich Australian Insurance Limited

ABN 13 000 296 640, AFS Licence No: 232507

Head Office: 118 Mount Street, North Sydney NSW 2060

Client enquiries

Telephone: 132 687

www.zurich.com.au



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