



Goods in Transit (Carriers) 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

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.

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 (e.g. 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, 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*.

Goods in Transit (Carriers) Insurance Policy Wording

Subject to the prior payment of, or *your* agreement to pay, the premium set out in the *schedule*, we agree to provide insurance as set out in this policy.

In issuing this policy, we have relied on the information contained in the proposal form and/or any other information given by *you* or on *your* behalf.

1. The cover

We insure *you* for physical loss of or damage to *goods*, or *death* of *livestock* on conditions as set out in the *schedule*.

When the cover applies

The insurance only applies to transits that commence during the *period of insurance* specified in the *schedule*, or during any subsequent period that we have accepted payment for.

1.1 At *your* request we will indemnify the owner of the *goods* against physical loss of or damage to *goods* or *death* of *livestock*:

1.1.1 arising from an event insured against while *goods* are in *your* custody or the custody of *your* subcontractors for the purpose of transit; and

1.1.2 occurring within the *radius of transit* and during the *period of insurance*, as specified in the *schedule*, whether or not *you* are liable.

1.2 *You* may elect not to exercise *your* right to have us, regardless of *your* liability, indemnify the owner of the *goods* or *livestock*. If this happens the policy coverage described in 1.1 will remain in force and *you* can elect at any time to have us indemnify the owner of the *goods* or *livestock* for the loss, damage or death pursuant to clause 1.1.

1.3 Cover option 1 – Comprehensive

If Cover option 1 – Comprehensive, is shown in the *schedule* the insurance is against:

1.3.1 physical loss of or damage to *goods* caused by accident or by the deliberate act of a third party; and

1.3.2 *death* of *livestock* caused by accident or natural causes.

1.4 Cover option 2 – Defined events

If Cover option 2 – Defined events, is shown in the *schedule* the insurance is against physical loss of or damage to *goods* or *death* of *livestock* following injury caused by any of the following events:

1.4.1 fire, explosion, lightning or flood;

1.4.2 collision, overturning, jackknifing or derailment of the *conveying vehicle*; and

1.4.3 impact of *goods* while on the conveying vehicle with something not on or part of that vehicle (other than water).

2. Conditions of cover

2.1 Conditions of insurance

The conditions of insurance are as specified in this policy wording, the *schedule* and any endorsements, all of which are to be read together.

2.2 Basis of valuation

The agreed value of the *goods* is their invoice cost or value, plus any costs incidental to the insured transit that are not covered by the invoice. If there is no invoice value, their agreed value is their market value or the cost, at the time of the commencement of the insured transit, of replacing the *goods* with similar *goods* of the same age and condition. If the owner of insured *goods* is liable to pay Goods and Services Tax (GST) but is, or will be, entitled to an input tax credit under A New Tax System (Goods and Services Tax) Act 1999 (Cth), the value of the insured *goods* is agreed to exclude GST to the extent of the input tax entitlement.

2.3 Limits on cover

- 2.3.1 The insurance is limited to the sum insured stated in the *schedule* for any one loss or series of losses arising from the same event.
- 2.3.2 If an excess is specified in the policy wording, *schedule*, or *any endorsements you* must bear that amount first in respect of a claim or series of claims resulting from an event insured against. Unless stated otherwise in the *schedule*, an excess does not apply to events insured under clause 1.4, whichever cover option applies.
- 2.3.3 This policy does not provide insurance cover for *your* customers, principals or subcontractors. We insure *you* if *you* subcontract the transportation of the *goods* or are acting as a subcontractor to a principal carrier. *You* are not authorised to provide any financial services on our behalf.

2.4 Limits on Cover 1 – Comprehensive

- 2.4.1 Breakdown of refrigerating machinery
- The insurance covers loss, damage or deterioration of refrigerated *goods* arising from a variation in temperature outside of the required temperature range, only if the variation results from:
- (a) breakdown, malfunction or mismanagement of refrigerating machinery for a period of at least four consecutive hours. Each claim for mismanagement of refrigerating machinery is subject to an excess of 10 per cent of the value of the claim;
 - (b) fire, explosion, lightning or flood; or
 - (c) collision, overturning, jackknifing or derailment of the *conveying vehicle*.
- 2.4.2 Goods falling from the vehicle
- The insurance covers loss or damage to *goods* caused by, or arising from, *goods* either falling from or becoming unsecured within the *conveying vehicle* due to breakage of restraining chains, cables or other securing devices during transit provided that:
- (a) the conveyance that is used for the transit is suitable for the weight, volume and size of the *goods* being transported;
 - (b) *you* take all reasonable steps to ensure that the *goods* are adequately packed and effectively secured on the conveyance; and
 - (c) *you* take all reasonable steps to secure the load in accordance with the relevant code or regulation (or in accordance with the version of the NTC Load Restraint Guide version applicable at the date of the loss or damage {published on www.ntc.gov.au}.)

3. Extensions of cover

3.1 Legal costs

If an event insured against in either 1.3 or 1.4 occurs, in addition to the sum insured we will pay legal costs incurred with our written consent (not be unreasonably withheld).

3.2 Insured's own equipment

If an event insured against in either 1.3 or 1.4 occurs, in addition to the sum insured we will pay for loss of or damage to *your* own equipment, not being part of or permanently attached to the *conveying vehicle*, up to a limit of \$5,000 any one loss.

3.3 Packaging and shipping containers

This policy covers *your* legal liability for physical loss of or damage to *packaging* and shipping containers while carried in transit caused by an insured event.

Subject to a limit of \$50,000 for any one loss or series of losses caused by the one event, unless otherwise specified in the *schedule*.

3.4 Removal of debris

If an event insured against in either 1.3 or 1.4 occurs, in addition to the sum insured we will pay for *removal of debris* including the reasonable cost of:

- 3.4.1 salvaging and onforwarding *goods* whether or not they are damaged;
- 3.4.2 mustering, agistment and onforwarding of *livestock*; and
- 3.4.3 irretrievable loss caused by *livestock* wandering off, up to a limit of \$50,000.

4. Optional extensions of cover

4.1 Additional expenses

If shown as included in the *schedule* and notwithstanding exclusion 6.2.2, this insurance is extended to indemnify *you* where *you* are legally liable to pay:

- (a) compensation for *consequential loss*, including delay and loss of market, arising from loss of or damage to *goods* or *death* of *livestock* covered under either Cover option 1 or Cover option 2 (as selected); and
- (b) interest and legal expenses awarded against *you* arising therefrom,

up to a limit of \$100,000 any one loss or series of losses arising from the same event, but not exceeding \$200,000 in the aggregate during the *period of insurance*, in addition to the sum insured stated in the *schedule*.

We will also pay, in addition to the above limit, legal costs incurred with our written consent (not to be unreasonably withheld), in the defence or settlement of any claim for compensation covered by this Optional extension of cover, provided that we may at any time pay such limit (after deduction of sum or sums already paid), or any lesser sums for which any claim or claims can be settled, and shall then be under no further liability in respect thereof, except for the payment of such legal costs incurred prior to such payment. If *you* do not accept payment of the lesser sum a *senior counsel* will determine the amount for which the claim or claims can be settled, based on a written submission from each of *you* and us and any other information that the *senior counsel* may request.

4.2 Optional events insured against

If Cover option 2 is selected and in each case if shown as selected in the *schedule* under 'Optional events insured against', the insurance is also against:

- 4.2.1 Theft, pilferage or non-delivery of goods
theft, pilferage or non-delivery of *goods*.
- 4.2.2 Loading and unloading of goods
accidental loss or damage to *goods* or *death* of *livestock*:
 - (a) occurring during *loading* by *you* onto the *conveying vehicle*; or
 - (b) occurring during *unloading* by *you* from the *conveying vehicle*.
- 4.2.3 Breakdown of refrigerating machinery
loss, damage or deterioration of refrigerated *goods* arising from a variation in temperature outside of the required temperature range resulting from:
 - (a) breakdown, malfunction or mismanagement of refrigerating machinery for a period of at least four consecutive hours. Each claim for mismanagement of refrigerating machinery is subject to deduction of an excess of 10 per cent of the value of the claim;
 - (b) fire, explosion, lightning or flood; and
 - (c) collision, overturning, jackknifing or derailment of the *conveying vehicle*.

5. Definitions

When used in this policy, *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 Conveying Vehicle

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

5.4 Death

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

5.5 Expropriation

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

5.6 Goods

goods means the subject matter insured as specified in the schedule.

Unless *you* have nominated gross freight earnings for the specific goods types (i.e. not general goods), we have agreed and they are specified in the schedule, we do not cover:

- 5.6.1 motor vehicles, caravans or watercraft, heavy machinery;
- 5.6.2 *livestock*;
- 5.6.3 refrigerated/perishable goods;
- 5.6.4 household and personal effects, including used furniture;
- 5.6.5 excluded goods (see Exclusion 6.1.5)

5.7 Insured, You, Your

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

5.8 Livestock

livestock means sheep, cattle, goats and pigs (herd animals) as specified in the *schedule* while in *your* care, custody or control. *Livestock* does not include birds and bloodstock, exotic, stud or prize animals or other animals.

5.9 Load/loading

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

5.10 Nuclear or radioactive

nuclear or radioactive means the ionising radiations from or the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter or nuclear waste, weapon, device, fuel, installation, reactor or any component of these.

5.11 Packaging

packaging means packing materials, shipping containers, flat racks, crates, pallets, or similar receptacles belonging to *you* or for which *you* are responsible.

5.12 Period of insurance

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

5.13 Radius of transit

radius of transit means the *radius of transit* specified in *your* policy *schedule* from *your* postal address, where both the origin and destination of the insured transit are located within that radius.

5.14 Removal of debris

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

5.15 Schedule

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

5.15 Senior counsel

senior counsel means a Senior Counsel to be mutually agreed upon by *you* and us or, in the absence of agreement, to be appointed by the current President of the Law Society in the State or Territory in which the policy is issued.

5.16 Storage

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

5.17 Terrorism

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

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

5.17.2 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.

5.18 Unload/unloading

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

5.19 War or warlike activities

war or warlike activities means invasion, act of foreign enemy, hostilities (whether war is declared or not), civil war, rebellion, revolution, insurrection or civil strife following any of these.

6. Exclusions

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

6.1 occurs:

- 6.1.1 during *storage*;
- 6.1.2 because the *conveying vehicle* is driven by a person impaired by drugs or alcohol or whose blood alcohol concentration exceeds the legal limit or who refuses an appropriate test unless *you* did not know or could not reasonably have known of the driver's impaired condition;
- 6.1.3 to *goods* that are owned, operated, hired or leased by *you*;
- 6.1.4 to *goods* while undergoing installation by *you*; or
- 6.1.5 to *goods*, which are not insured and include
 - a. bullion, precious stones, cash or securities, negotiable instruments, precious metal objects, precious gemstones, precious jewellery, valuable works of art;
 - b. animals other than *livestock*;
 - c. live plants or trees;
 - d. project cargo including but not limited to windfarm components;
 - e. aircraft, helicopters, missiles and like cargo;
 - f. watercraft;
 - g. houses;
 - h. cigarettes or other tobacco based products valued at a wholesale amount of more than \$50,000. Should a claim be accepted for theft, pilferage or non-delivery of such cargo valued at less than \$50,000, then a \$2,500 theft excess applies, unless a higher excess would otherwise apply;
 - i. alcohol or other tobacco based products valued at a wholesale amount of more than \$50,000. Should a claim be accepted for theft, pilferage or non-delivery of such cargo valued at less than \$50,000, then a \$2,500 theft excess applies, unless a higher excess would otherwise apply,unless declared by *you* and accepted by us and specified in the *schedule*

6.2 arises from:

- 6.2.1 wear and tear, ordinary leakage, ordinary loss in weight or volume or inherent vice of the *goods*;
- 6.2.2 delay, loss of market or consequential loss of any description, except where and to the extent that Optional extension of cover 4.1 'Additional expenses' applies;
- 6.2.3 mechanical, electrical or electronic breakdown or malfunction of *goods* where there is no external evidence that an event insured against has occurred;
- 6.2.4 the deterioration of *goods* resulting from failure to maintain refrigerating machinery properly, notwithstanding anything under clauses 1.3 or 4.3;

- 6.2.5 intentional loss or damage by *you* or *your* subcontractors;
 - 6.2.6 *war or warlike activities*;
 - 6.2.7 *expropriation*;
 - 6.2.8 anything *nuclear or radioactive*;
 - 6.2.9 any chemical, biological, bio-chemical or electromagnetic weapon;
 - 6.2.10 *terrorism*; or
 - 6.2.11 fines, penalties or punitive damages.
- 6.3 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.
- 6.3.1 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*.
 - 6.3.2 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. any weapon or missile.
 - 6.3.3 Information technology hazards

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 *conveying vehicle*;
 - d. overturning or derailment of land conveyance;
 - e. jettison or washing overboard;
 - f. fire, lightning, explosion;
 - g. aircraft or vehicle impact;
 - h. falling objects;
 - i. windstorm, hail, tornado, cyclone, hurricane, earthquake, volcano, tsunami, flood, freeze or weight of snow.
 - 6.3.4 Rejection

This policy excludes rejection, detention, condemnation or confiscation of the *goods* by any government or their agencies or departments or by any public or local authority regardless of the reason.

7. Claims conditions

7.1 Claims procedure

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

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

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

You must not authorise any repairs to the *goods* without our written consent (not to be unreasonably withheld).

7.2 Claims settlement

In the event of a 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.

7.2.1 Goods and Services Tax

In respect of any *goods*, services or other supply which are the subject of a claim under this policy we will pay the claimant for that GST liability. However:

- a. where we make a payment under this policy for the acquisition of *goods*, services or other supply, we will reduce the payment by the amount of any input tax credit the claimant 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; or
- b. where we make a payment under this policy as compensation for the acquisition of *goods*, services or other supply, we will reduce the payment by the amount of any input tax credit the claimant 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.

7.2.2 Foreign currency invoice

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

7.3 Excess

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

7.4 Other insurance

When making a claim on this policy *you* must also supply us with written details of all policies that may pay or partially pay that claim.

7.5 Rights of subrogation

We are entitled to exercise any rights *you* may have against anyone else in relation to the *goods* for which we have settled a claim under this policy. *You* must cooperate fully with us in exercising those rights and must give us any information or assistance we may reasonably require.

8. General conditions

8.1 Applicable legislation

To the extent that this policy covers risks governed by the Insurance Contracts Act 1984 (Cth), nothing in it intends to reduce or waive either your or our privileges, rights or remedies available under that legislation.

If you fail to comply with a provision of this policy requiring compliance including the claims conditions under clause 7 and general conditions under clause 8, 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.

8.2 Cancellation

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

We may cancel this policy by giving *you* 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).

Within 30 days of the effective date of cancellation *you* must advise us of the actual annual gross freight earnings for the period the policy has been in force to enable us to calculate the premium due for this period. The difference between this premium and the deposit premium will either be paid by *you* or refunded to *you* but subject to retention by us of reasonable reinsurance, administration and cancellation costs incurred by us as well as any tax or duty paid or owing for which we are unable to obtain a refund.

8.3 Conduct of claims

We are entitled to:

- 8.3.1 conduct on *your* behalf any legal proceedings or negotiations relating to claims made against *you*. In doing so we shall consult with *you* and take into account your interests regarding the conduct of any such legal proceedings or negotiations;
- 8.3.2 authorise *you* to defend any legal proceedings brought against *you* on the understanding that we will be kept fully informed and will be consulted and will participate in decision-making regarding liability or any negotiations with other parties; and
- 8.3.3 exercise any rights *you* may have against anyone else in relation to *goods* for which we have paid any amount under this policy.

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

8.4 Deposit premium

You must pay us the deposit premium stated in the *schedule*. This is based on estimated annual gross freight earnings for the *period of insurance* provided by *you* and *you* must keep accurate records of the equivalent actual annual gross freight earnings.

A statement of these Actual annual gross freight earnings (audited if requested) must be given to us within one month after the end of the *period of insurance for purposes of calculating any applicable premium adjustment*.

8.5 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:

- (a) activities that are materially different from those declared to us at inception of the policy;
- (b) activities outside the normal activities of the business; or
- (c) any 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.

8.6 Plurals and titles

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

- 8.6.1 headings are descriptive only, not an aid to interpretation;
- 8.6.2 singular includes the plural, and vice versa; and
- 8.6.3 the male includes the female and neuter.

8.7 Premium and adjustments

We will adjust the premium proportionally at the end of that period on the basis of *your* annual gross freight earnings.

- 8.7.1 If the adjusted premium is higher than the deposit premium stated in the *schedule* *you* must pay us the difference unless the deposit premium is less than \$25,000 and the variation between estimated and actual annual gross freight earnings for the period is less than 10 per cent when no difference in premium is payable.
- 8.7.2 If the adjusted premium is lower than the premium stated in the *schedule* we must pay the difference to *you*. However, we reserve the right to retain the reasonable administration and reinsurance costs incurred by us as well any tax or duty paid or owing for which we are unable to obtain a refund.

8.8 Proper law and jurisdiction

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

In the event of any dispute arising under this policy including, but not limited to, its construction and/or validity and/or performance and/or interpretation, *you* will submit to the exclusive jurisdiction of any competent State, Territory or Federal court in the Commonwealth of Australia.

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.

8.9 Reasonable care

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

8.10 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.

8.11 Third parties

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

8.12 Transfer

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

Zurich Australian Insurance Limited

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