



Single Transit Insurance Overseas

Policy Wording

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ABOUT THIS INSURANCE

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.

ABOUT PROTEUS MARINE INSURANCE

Proteus Marine Insurance is a business name of NM Insurance Pty Ltd ABN 34 100 633 038 AFS Licence Number 227 186 ('NM Insurance').

NM Insurance is a company within the Steadfast Underwriting Agencies division of Steadfast Group Limited ABN 98 073 659 677 ('SGL').

CONTACT DETAILS

The contact details for Proteus Marine Insurance are:

Level 7, 99 Walker Street, North Sydney, NSW, 2060

Email: customerservice@proteusinsurance.com.au

Phone: 1300 767 231

To make a claim

If an *insured event* happens which may give rise to a claim, please refer to 6.3 'Claims Procedure' on page 16. If you'd like to make a claim or to enquire about an existing claim please contact:

- Proteus by sending an email to:
Claims@proteusinsurance.com.au
- Proteus by calling – 1300 767 251

AUTHORITY TO ACT ON OUR BEHALF

We have given Proteus Marine Insurance a binding authority to arrange and administer this product. Under the terms of this binding authority Proteus Marine Insurance acts as *our* agent, and not *yours*, but liability within the terms and conditions of this product remain at all times with *us*. If *you* have any queries in relation to this product, please contact Proteus Marine Insurance.

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, 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.

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.

NON-DISCLOSURE OR MISREPRESENTATION

If the *insured* makes a misrepresentation to *us*, or if they do not comply with this duty of disclosure and *we* issue this policy with terms and conditions that are different to the terms and conditions that would have been issued had there not been any misrepresentation, or the *insured's* duty of disclosure had been complied with, then:

- *we* may reduce the cover provided so that *we* are placed in the same position as *we* would have been in, had there not been any misrepresentation and the *insured's* duty of disclosure had been complied with; and
- *we* may also cancel this policy; or
- *we* may treat this policy as if it never existed if the misrepresentation or the non-compliance with the *insured's* duty of disclosure was fraudulent.

OUR CONTRACT WITH YOU

This policy is a contract of insurance between the *insured* and *us* 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 *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

Zurich is a signatory to the General Insurance Code of Practice (the Code) and Proteus Marine Insurance supports 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 1300 767 251. *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 Feedback & Complaints section on the Proteus Marine Insurance 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*.

SINGLE TRANSIT INSURANCE OVERSEAS POLICY WORDING

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

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

1. DEFINITIONS

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

1.1 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:

- 1.1.1 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
- 1.1.2 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
- 1.1.3 the disease, substance or agent can cause or threaten bodily injury, illness, damage to human health, human welfare or 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).

1.2 CONVEYANCE

conveyance means any road, rail, ship, vessel, aircraft or postal service used to transport the *interest insured* as specified in *your schedule*. This includes a trailer when attached to a registered road vehicle.

1.3 EXCESS

excess means in the event of a claim *you* must bear the first amount of the loss *you* are claiming. This is the policy *excess* and will be specified in *your schedule* or elsewhere in this policy wording.

1.4 INCIDENTAL CHARGES

incidental charges mean freight and insurance costs plus import duty and taxes.

1.5 INSURED, YOU, YOUR, ASSURED

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

1.6 INSURED EVENT

insured event means any occurrence or event covered by this policy during transportation and results in loss or damage to the *interest insured* which is unintended and could not have been expected by a person who has actual knowledge of the means of transportation of the cargo.

1.7 INTEREST INSURED

interest insured means the cargo that is specified as the interest insured in *your schedule*. This has the same meaning as 'subject-matter insured' as referred to in the Institute Clauses.

1.8 PACKAGING

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

1.9 PERIOD OF INSURANCE

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

1.10 PREMIUM

premium means the amount *you* pay for the insurance provided by this policy, including any taxes and other government charges.

1.11 SCHEDULE

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

1.12 SHIPPING CONTAINERS

shipping containers mean shipping containers owned by *you* or for which *you* are legally liable under a container hand-over or similar contractual agreement.

1.13 SUBJECT MATTER INSURED

subject matter insured mean the insured goods including *packaging* and labels.

1.14 TERRORISM

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

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

1.14.2 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 political, religious, ideological or similar nature.

1.15 TOTAL LOSS

total loss means the *interest insured* is an actual total loss when it is totally destroyed or damaged in such a way that it can be neither recovered nor repaired for further use. If the goods are damaged beyond an amount which we consider economical to repair then we consider it be a constructive total loss.

1.16 WE, US OR OUR

we, us or our means Zurich Australian Insurance Limited (ZAIL) and includes Proteus Marine Insurance when acting as an agent of ZAIL.

2. THE COVER

We insure you for loss of or damage to *your interest insured*, or death of livestock on conditions as set out in *your schedule*.

WHEN THE COVER APPLIES

The insurance only applies to the insured voyage that commences during the *period of insurance* specified in *your schedule*, from the point of departure to the destination each as specified in *your schedule*.

3. CONDITIONS OF COVER

3.1 CONDITIONS OF INSURANCE

The conditions of insurance are as specified in this policy, *your schedule* and any Institute Clauses referred to in *your schedule*, and any endorsements, all of which are to be read together.

- 3.1.1 Any reference in this policy or the *schedule* to Institute Clauses is to the clauses published by the International Underwriting Association of London current at the effective date of this policy.
- 3.1.2 Any reference to 'English law and practice' is amended to 'Australian law and practice' wherever it appears.

3.2 BASIS OF VALUATION

The agreed value of the *subject matter insured* will be the insured value stated in *your schedule*.

3.3 LIMITS ON COVER

Further to any limitations to the cover set out in the applicable conditions of insurance, this insurance is limited to the Limit of Liability stated in *your schedule*.

4. ADDITIONAL CLAUSES

4.1 BRANDS/LABELS

In the event of loss or damage of the *interest insured* 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 cargo 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 cargo.

Where only the labels or trademarked cartons of the cargo 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 cargo.

4.2 DELAYED UNPACKING

Where packages that contain the *interest insured* are not opened immediately upon delivery at their destination any loss or damage subsequently discovered upon opening the packages will be deemed to have occurred during transit provided:

- 4.2.1 the loss or damage is discovered within ninety (90) days of arrival; and
- 4.2.2 any packages bearing outward signs of loss or damage (including wetting or staining) at the time of arrival are opened and inspected immediately.

4.3 DUTY AND TAXES (IMPORTS ONLY)

This policy covers the increased value of the *subject matter* insured being imported consequent upon payment of duty at destination. Where the insurance continues beyond the time of landing from the *conveyance* the increased value will then attach in the same manner as an additional insurance on the *subject matter insured* from the time of payment of such duty and to the extent of the amount actually paid.

However, no claim will be payable:

- 4.3.1 in the event of *total loss* of the *subject matter* insured or *total loss* of part thereof and/or *total loss* of the *conveyance* before arrival at destination;
- 4.3.2 for general average;
- 4.3.3 in respect of duty waived by Customs authorities at destination on shipments arriving damaged by a peril covered under this policy; or
- 4.3.4 in cases where no duty or landing charges are paid.

4.4 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 *interest insured*, we will pay *you* the extra costs of freight and/or storage to forward the *interest insured* to its intended destination, or to return the *interest insured* to the place from which it was dispatched, up to a maximum of 10% of the insured value of the *interest insured*.

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

4.5 ISM FORWARDING CHARGES

This policy is extended to reimburse *you*, up to the insured value for the voyage, for any extra charges properly and reasonably incurred in unloading, storing and forwarding the *interest insured* to the destination to which it is insured, following release of the *interest insured* from a vessel arrested or detained at or diverted to any other port or place (other than the intended port of destination) where the voyage is terminated due either to:

- 4.5.1 the vessel not being certified in accordance with the ISM Code; or
- 4.5.2 a current Document of Compliance not being held by her owners or operators, as required under the SOLAS Convention 1974 as amended.

This clause, which does not apply to general average or salvage charges, is subject to all other terms, conditions and exclusions contained in this policy.

4.6 ON DECK SHIPMENTS

Cargo shipped on deck in general purpose ISO fully enclosed *shipping containers* or non-containerised cargo carried on deck without *your* privity, knowledge or consent, but subject to an under-deck bill of lading, is covered in this policy.

Unless otherwise stated in the *schedule*, cover for other on-deck cargoes excludes loss, damage or expense caused by or arising from rust, oxidisation, discolouration, fresh water or sea-water unless as a result of a peril insured by the Institute Cargo Clauses (B) with clause 1.2.3 therein deleted.

4.7 OVER-CARRIED CARGO

Should the *interest insured* be *over-carried* to a different destination, this policy covers the cargo until returned to the original destination, subject to any reasonable request for an additional *premium* we may require for this additional insurance cover.

Over-carried means a situation where cargo is transported without *your* prior agreement or knowledge to a delivery destination other than *you* intended, requiring the cargo to be returned to its point of origin.

4.8 PACKER'S PREMISES

The *interest insured* is covered from the time of leaving the suppliers' warehouse while in transit to the packers' warehouse. Cover remains in force while at the packers' warehouses not exceeding 90 days prior to shipment or held covered and thereafter while in transit to final destination.

4.9 REFUSED CARGO

In the event that *you* or *your* customer either refuse to take delivery or are unable to accept delivery of the *interest insured*, cover remains in force during any delay, storage or onward transport, provided that:

- 4.9.1 the goods are insured under this policy for the inward or outward journey;
- 4.9.2 cover has been continuous; and
- 4.9.3 the goods have not been unpacked and are returned in their original packing.

You must take all reasonable precautions to prevent the goods from sustaining loss or damage. Failing to do so may result in a reduction of *our* liability to pay a claim by an amount that fairly represents the extent to which *our* interests have been prejudiced by the failure to comply.

Temperature controlled products must be kept in a refrigerated or frozen condition as appropriate with instructions being provided to all third parties handling and storing the goods.

4.10 REMOVAL OF DEBRIS, DISPOSAL AND AUTHORITIES' COSTS

In the event of loss and/or damage by an insured peril to the goods and notwithstanding *our* liability to pay a *total loss*, it is agreed the cover provided by this policy extends to include:

- 4.10.1 all costs of clean-up and/or deteriorated and/or contaminated goods; and
- 4.10.2 all costs other than fines and penalties levied by any recognised emergency service or any statutory authority including but not limited to police, ambulance, fire services and environmental protection services.

Provided always that this extension will only cover costs incurred that relate to the goods.

The maximum we will pay under this clause is \$75,000 for any one loss or series of losses arising from the one *insured event* unless specified otherwise on *your schedule*.

4.11 SHUT OUT

In the event of the *interest insured* being 'shut out' from the *conveyance* at an intermediate place during the course of transit, this policy covers the cargo while waiting for an alternative *conveyance* provided it is stored in a secure area, but excluding any loss or damage caused by delay.

4.12 SORTING CHARGES

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

4.13 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:

- 4.13.1 where such 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; or
- 4.13.2 where such 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.

5. EXCLUSIONS

The following exclusions apply in addition to the exclusions contained in the Institute Clauses or stated elsewhere in *your schedule* and attachments to this policy.

5.1 ANTIQUES, PAINTINGS AND PICTURES

We will not be liable for loss or damage or expense caused by:

- 5.1.1 delay, confiscation or detention by Customs or other Officials or Authorities;
- 5.1.2 wear and tear, moth, vermin, normal atmospheric or climatic conditions; or
- 5.1.3 inherent vice of the goods.

5.2 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*.

5.3 CONSEQUENTIAL LOSS/DELAY

This policy excludes loss arising from delay or consequential loss of any description even if consequent upon the happening of an *insured event* as specified in the applicable Institute Clauses.

5.4 CYBER RISK

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

- 5.4.1 the failure, error or malfunction of any computer, computer system, computer software programme, code, or process or any other electronic system; or
- 5.4.2 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.

5.5 DEPRECIATION

This policy excludes depreciation or reduction in value of the insured goods due to repairs.

5.6 ELECTRICAL, MECHANICAL & ELECTRONIC FAILURE

This policy excludes electronic, electrical or mechanical failure of the *interest insured* where there is no external visible evidence of damage from an *insured event*.

5.7 INFORMATION TECHNOLOGY HAZARDS

This policy 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:

- 5.7.1 theft of equipment;
- 5.7.2 collision;
- 5.7.3 sinking, grounding or stranding of the carrying vessel;
- 5.7.4 overturning or derailment of land *conveyance*;
- 5.7.5 jettison or washing overboard;
- 5.7.6 fire, lightning, explosion;
- 5.7.7 aircraft or vehicle impact;
- 5.7.8 falling objects; or
- 5.7.9 windstorm, hail, tornado, cyclone, hurricane, earthquake, volcano, tsunami, flood, freeze or weight of snow.

5.8 INSOLVENCY OF CARRIER

This policy excludes expense arising from the insolvency or financial default of the carrier other than as provided by Clause 4.4.

5.9 INSTITUTE RADIOACTIVE CONTAMINATION, CHEMICAL, BIOLOGICAL, BIO-CHEMICAL AND ELECTROMAGNETIC WEAPONS EXCLUSION CLAUSES CL370 10/11/2003

This clause shall be paramount and shall override anything contained in this insurance inconsistent therewith.

In no case shall this insurance cover loss damage liability or expense directly or indirectly caused by or contributed to by or arising from:

- 5.9.1 ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel;
- 5.9.2 the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof;
- 5.9.3 any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter; or
- 5.9.4 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.

5.10 INSTITUTE RADIOACTIVE CONTAMINATION, CHEMICAL, BIOLOGICAL, BIO-CHEMICAL AND ELECTROMAGNETIC WEAPONS EXCLUSION CLAUSES - USA/CANADA ENDORSEMENT

When *your schedule* states the Institute Radioactive Contamination, Chemical, Biological, Bio-chemical and Electromagnetic Weapons Exclusion Clause (RACCBE) is to apply, the inclusion of this clause in this policy is material to *our* willingness to provide coverage at the quoted terms, conditions and rates. It is the intent of the parties to give maximum effect to RACCBE as permitted by law. In the event that any portion of RACCBE may be found to be unenforceable in whole or in part under the law of any state, territory, district, commonwealth or possession of the USA, or any province or territory of Canada, the remainder will stay under full force and effect under the laws of that state, territory, district commonwealth or possession, province or territory. Further any such finding will not alter the enforceability of the RACCBE under the laws of any other state, territory, district, commonwealth or possession of the USA, or any province or territory of Canada, to the fullest extent permitted by applicable law.

5.11 ISM

Applicable to shipments on board vessels of 500 GRT or more.

This policy excludes loss, damage or expense where the *subject matter insured* is carried by a vessel that is not ISM certified or whose owners or operators do not hold an ISM Code Document of Compliance when, at the time of loading of the *subject matter insured* on board the vessel, *you* are aware, or in the ordinary course of business should have reasonably been aware that either:

- 5.11.1 the vessel was not certified in accordance with the ISM Code; or
- 5.11.2 a current Document of Compliance was not held by its owners or operators as required under the Safety of Life at Sea (SOLAS) convention 1974 as amended.

This exclusion will not apply where this insurance has been assigned to the party claiming under this policy who had bought or agreed to buy the *subject matter insured* in good faith under a binding contract.

5.12 PRE-EXISTING DAMAGE

This policy excludes loss or damage that existed or occurred prior to the commencement of the insured transit, for example, pre-existing damage to the extent *you* were aware of the damage or a reasonable person in the circumstances ought to have known about the damage or damage occurring after the goods have been delivered at destination.

5.13 RUST / OXIDIZATION / DISCOLOURATION

This policy excludes rust, oxidisation and/or discolouration unless caused by an *insured event*.

5.14 TERMINATION OF TRANSIT (TERRORISM) 2009

This clause will be paramount and override anything contained in this policy inconsistent therewith.

Notwithstanding any provision to the contrary contained in this policy or the Clauses referred to, it is agreed that in so far as this policy covers loss of or damage to the *subject matter insured* caused by any act of *terrorism* cover will terminate either:

- 5.14.1 as per the transit clauses contained within the contract of insurance;
- 5.14.2 on completion of unloading from the carrying vehicle or other *conveyance* in or at the final warehouse or place of storage at the destination named in the contract of insurance;
- 5.14.3 on completion of unloading from the carrying vehicle or other *conveyance* in or at any other warehouse or place of storage, whether prior to or at the destination named in the contract of insurance, which *you* or *your* employees elect to use either for storage other than in the ordinary course of transit;

- 5.14.4 when *you* or *your* employees elect to use any carrying vehicle or other *conveyance* or any container for storage other than in the ordinary course of transit;
- 5.14.5 in respect of marine transits, on the expiry of 60 days after the completion of discharge overseas of the
- 5.14.6 *subject matter insured* from the overseas vessel at the final port of discharge; or
- 5.14.7 in respect of air transits, on the expiry of 30 days after unloading the *subject matter insured* from the aircraft at the final place of discharge,

whichever occurs first.

If the contract of insurance or the Clauses referred to specifically provide cover for inland or other further transits following on from storage, or termination as provided for above, cover will re-attach and continue during the ordinary course of that transit terminating again in accordance with clause 5.14.1 to 5.14.7 above.

5.15 TERRORISM

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

- 5.15.1 *terrorism* and/or
- 5.15.2 steps taken to prevent, suppress, control or reduce the consequences of any actual, attempted, threatened, suspected or perceived *terrorism*.

However, this exclusion will not apply to the extent of the provisions of exclusion clause 5.14.

6. CLAIMS CONDITIONS

6.1 APPORTIONMENT OF RECOVERIES

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

6.2 CLAIMS CLAUSE

Notwithstanding that the shipowner or other carrier has failed to acknowledge or otherwise reply to correspondence from *you* regarding their liability for loss or damage, it is agreed that claims recoverable under this policy will be settled by *us* on production of all other applicable supporting documents reasonably required.

6.3 CLAIMS PROCEDURE

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

You and/or *your* agent must, as soon as is reasonably practicable:

- 6.3.1 take all reasonable measures to avoid or minimise any loss, damage or expense (*we* will pay the reasonable cost of doing this);
- 6.3.2 inform the Police after a theft is discovered;
- 6.3.3 claim as soon as reasonably practicable against the carriers, port authorities or other bailees for any missing packages or damaged cargo and do not agree to release those parties from liability;
- 6.3.4 in no circumstances, other than under written protest, give clean receipts where goods are in damaged or doubtful condition;
- 6.3.5 in no circumstances, other than under written protest, sign a receipt for goods which are in damaged or doubtful condition without noting the damage or doubt regarding the condition on that receipt;

- 6.3.6** give notice of intention to claim, in writing, to the carriers or bailees within three days of delivery (or as soon as is reasonably practicable if the loss or damage was not apparent at the time of taking delivery);
- 6.3.7** when delivery is made by shipping container, ensure that the shipping container and seals are examined by the responsible official;
- If the shipping 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 reasonably practicable.
- 6.3.8** notify *us*, or *our* nominated survey/settling agent, what has happened and promptly send full details as may be reasonably required including details of any other insurance on the *subject matter insured* and the following documentation:
- (a) original policy;
 - (b) original or copy of shipping invoices, shipping specifications and/or weight notes;
 - (c) original bill of lading, waybill and/or another contract of carriage;
 - (d) landing account and weight notes at final destination;
 - (e) documentary evidence of the extent of the loss or damage; and
 - (f) any correspondence with the carrier or bailee about their liability for loss or damage.
- 6.3.9** not authorise any repairs to the *subject matter insured* without *our* consent (not to be unreasonably withheld).

In the event of a claim, *we* shall consult with *you* and take into account *your* interests regarding the option of settling the loss either by payment, repair, reinstatement, or replacement, but *you* agree that *we* will have ultimate discretion in the settlement of any claim.

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.

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

6.4 CLAIMS SETTLEMENT

In the event of a claim, *we* will settle *your* loss by payment.

6.4.1 Goods and Services Tax

If *you* are 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 policy *we* will pay *you* 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 *you* are, 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 *you* 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.

6.4.2 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.

6.5 EXCESS

For claims *you* make on this policy, *you* must bear the first amount of the loss *you* are claiming. This is the policy excess and will be shown on *your schedule* or elsewhere in the policy. If more than one excess is payable under this policy for any claim or series of claims arising from the one *insured event*, *you* must pay the highest excess, but only one excess is payable.

6.6 GENERAL AVERAGE

In the event of a general average contribution arising under this policy consult *us* or *our* nominated settling agent before signing any general average bond.

6.7 OTHER INSURANCE

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

6.8 OWN REPAIRS

In respect to damage claims recoverable under this policy, where *you* are appointed to effect these repairs, it is agreed that the repair costs shall be based on *your* normal commercial rate for similar repairs including *your* normal element of profit.

6.9 RIGHTS OF SUBROGATION

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

Where *we* elect to exercise these rights *we* will, where it is reasonable to do so, consult with *you* and take into account *your* interests or concerns regarding enforcement of such rights.

6.10 SURVEY FEES

In the event of *you* and/or *your* consignee complying with the instructions contained in this policy or on the certificate of insurance to call for a survey in respect of loss or damage that may result in a claim, it is agreed that the expenses incurred and fees charged in respect of that survey are recoverable under this policy (subject to this policy excess) even though a claim may not be subsequently lodged.

7. GENERAL CONDITIONS

7.1 APPLICABLE LEGISLATION

To the extent that this policy covers risks governed by the Marine Insurance Act 1909 (Cth), nothing in it intends to reduce or waive either *your* or *our* privileges, rights or remedies available under that Act. To the extent that this policy covers other risks it will be subject to 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 Act.

7.2 ASSIGNMENT OF INTEREST

Where a shipment involves either an import or export, transfer of this policy by *you* to an assignee is permitted. In all other respects assignment of this insurance or any right under it is only permitted with *our* written agreement.

7.3 NOTIFICATION OF MATERIAL CHANGE

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

You must notify *us* or *your* insurance broker or agent that acts on *your* behalf as soon as reasonably practicable and prior to the shipment departure date if *you* change:

- the shipment departure date;
- the destination the *interest insured* is to be shipped to or from;
- the type or quantity of the *interest insured* *you* are sending; or
- the method by which the *interest insured* is being sent. e.g. no longer using professional carrier

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* agree to the additional *premium* required for 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 *we* are prejudiced by the failure to comply; or
- (c) cancel the policy.

7.4 PLURALS AND TITLES

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

- 7.4.1 headings are descriptive only, not an aid to interpretation;
- 7.4.2 singular includes the plural, and vice versa; and
- 7.4.3 the male includes the female and neuter.

7.5 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, the *insured* 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.

7.6 REASONABLE CARE

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

7.7 THIRD PARTIES

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

7.8 TRADE AND ECONOMIC SANCTIONS REGULATION

Notwithstanding any other terms or conditions under this policy, we 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.



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