



Carriers Load Insurance

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 event happens which may give rise to a claim, please refer to 9.1 'Claims Procedure' on page 24. 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 administer and 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 *your* policy, please contact Proteus Marine Insurance.

DUTY OF DISCLOSURE

This contract of insurance will be governed by the Insurance Contracts Act 1984 (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.

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*.

CARRIERS LOAD INSURANCE 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, *schedule* or endorsements the following definitions will apply:

1.1 ACCIDENTAL

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

1.2 APPROVED TERMS AND CONDITIONS

approved terms and conditions mean any written agreement defining or limiting *your* legal responsibility for *goods* in *your* care, custody and control. This includes a consignment note, freight note or conditions of contract issued by *you* (or the principal contractor) which incorporates into the contract of carriage its standard terms and conditions (which contain an exclusion of its liability for loss of or damage to *goods* or *livestock*) as approved by *us*.

1.3 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:

- 1.3.1 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
- 1.3.2 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
- 1.3.3 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).

1.4 CONVEYING VEHICLE

conveying vehicle means any mode of transport used by *you* to transport the *goods* whether owned by *you* or a *subcontractor*.

1.5 FINANCIAL SERVICES

financial services mean selling, arranging or offering insurance or giving financial product advice (as defined in section 766B of the Corporations Act 2001 (Cth)) on *our* behalf.

1.6 GOODS

goods mean general cargo and other property specified in *your schedule* while in *your* care, custody or control.

This policy does not cover (unless *we* have agreed and have specified in *your schedule*) the transport of:

- 1.6.1 commercial bulk consignments (dangerous goods) as defined by a government authority;
- 1.6.2 liquid/gas/paste goods in a container with a capacity exceeding 500 Litres;
- 1.6.3 solids in a container in an undivided quantity exceeding 500 kg;
- 1.6.4 dangerous goods transported by Intermediate Bulk Containers (IBCs);
- 1.6.5 motor vehicles, heavy machinery, livestock, refrigerated/perishable goods or household and personal effects, including furniture;
- 1.6.6 cigarettes, tobacco and tobacco products, money, currency, notes, securities or negotiable documents; or
- 1.6.7 property owned by *you*.

1.7 GROSS FREIGHT EARNINGS

gross freight earnings mean the total gross revenue (a term which includes fees, charges and commissions but excludes GST) derived by *you* during the *period of insurance* for transportation services provided by *you* as principal, *subcontractor* or by *your subcontractors*, other than costs incurred in security permits, pilot and escort expenditure (where applicable).

1.8 INSURED, YOU, YOUR, YOURS

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

1.9 LIVESTOCK

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

1.10 LOADING AND UNLOADING

loading or *unloading* of *goods* means the following as specified below:

- 1.10.1 General Cargo:
 - (a) *loading* commences when the *goods* are picked up inside the premises or place of storage for loading onto the *conveying vehicle* and terminates when the *goods* have been placed on the *conveying vehicle*; and
 - (b) *unloading* commences when the *goods* are being unloaded from the *conveying vehicle* and terminates when the *goods* are placed inside the premises or place of storage.
- 1.10.2 Livestock:
 - (a) *loading* commences when the *livestock* proceed onto the loading ramp of the *conveying vehicle* from the ground or loading dock adjacent to the *conveying vehicle* and terminates when the *livestock* have been positioned on the *conveying vehicle*; and
 - (b) *unloading* commences when the *livestock* proceed on to the loading ramp and terminates when the *livestock* are positioned on the ground or loading dock adjacent to the *conveying vehicle*.

1.10.3 Motor Vehicles:

- (a) *loading* commences when the motor vehicle's wheels/tracks are driven up to 500m from their parking position and on to the loading ramps of the *conveying vehicle* from the ground or loading dock adjacent to the *conveying vehicle* and terminates when the motor vehicle has been positioned on the *conveying vehicle*; and
- (b) *unloading* commences from the time the motor vehicle commences to drive off the loading ramps and terminates when the motor vehicle is parked on the ground or loading dock adjacent or within 500m of the *conveying vehicle*.

Where the *conveying vehicle* is a tilt tray vehicle, 1.10.3 (a) and (b) above will also apply.

1.10.4 Crane:

- (a) *loading* commences when the *goods* are picked up by the crane hook from the premises or place of storage for loading onto the *conveying vehicle* and terminates when the *goods* have been positioned on the *conveying vehicle*; and
- (b) *unloading* commences when the *goods* are picked up by the crane hook and terminates when the *goods* are positioned inside the warehouse/premises or place of storage.

1.11 MISCELLANEOUS EQUIPMENT

miscellaneous equipment means webbing straps, tarpaulins, ropes and chains, electric or hydraulic trolleys, gates and dogs belonging to *you* or for which *you* are responsible.

1.12 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.

1.13 PACKAGING

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

1.14 PERIOD OF INSURANCE

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

1.15 PERSONAL PROPERTY

personal property means bedding, CB/UHF and scanner radios, food/drink and its containers (e.g. thermos-flasks, eskies and mobile fridges), clothing and personal accessories, footwear, mobile telephones, personal entertainment equipment (e.g. DVD/CD players, iPods or MP3 players). *Personal property* does not include money, credit cards, watches and jewellery.

1.16 PREMIUM

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

1.17 PRINCIPAL CARRIER

principal carrier means another carrier with whom *you* have entered an agreement to act as *subcontractor* in respect of a particular shipment, contract, or multiple consignments.

1.18 SCHEDULE

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

1.19 SUBCONTRACTOR

subcontractor means any person, entity or company to whom *you* have entrusted the transit of the *goods*. Where *you* are acting as a *subcontractor* to a *principal carrier*, this means *you* are undertaking the transit of the *goods* on behalf of the *principal carrier*.

1.20 TERRORISM

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

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

1.20.2 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.

1.21 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 *goods*, or death of *livestock* on conditions as set out in *your schedule*.

2.1 WHEN THE COVER APPLIES

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

Cover commences from the time the *goods* are entrusted into *your* care at premises for the purposes of transportation to a destination outside the premises. The *goods* must leave the premises within 72 hours.

The transit terminates upon delivery to:

- (a) the position designated by the receiver of the *goods* at the receiver's or other designated warehouse or premises;
- (b) any other warehouse or premises when the *goods* pass out of *your* care to the designated receiver of the *goods*; or
- (c) any other warehouse or premises for the purpose of storage not incidental to transit,

whichever first occurs.

2.2 NO INSURANCE FOR YOUR CUSTOMERS

This policy indemnifies *you* for *your* responsibility for any loss or damage to *goods* including *livestock* which *you* are carrying in the normal course of transit. 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.

2.3 COVER SECTIONS

This policy is divided into sections for:

- 2.3.1** Accidental damage cover - (Section 3)
- 2.3.2** Defined events cover - (Section 4)
- 2.3.3** Carriers legal liability cover - (Section 5)

Each of these cover options provides a different type of cover. *You* can select the cover options that *you* need in the application form *you* give *us*.

We do not automatically insure *you* for each type of cover. *You* are only insured for the cover that *you* requested in *your* application for insurance.

Your schedule shows which insurance cover options *you* have selected and the amounts *you* are covered for.

We agree, subject to the terms, limitations, exclusions and conditions contained in or endorsed on or otherwise expressed in this policy, to provide insurance as described in this policy.

This insurance is in consideration of the insured named in *your schedule*:

- (a) having paid or agreed to pay the *premium* to *us*; and
- (b) providing to *us* a written completed application.

This policy wording, *your schedule* (which expression includes any schedule substituted for the original *schedule*) and endorsements (if any) are to be read together.

2.4 SUBCONTRACTORS USED BY YOU

When *goods* are entrusted to a *subcontractor*, the cover provided by this policy applies to the *subcontractor* subject to their legal liability under any written terms and conditions or subcontract agreement with *you*.

Where *your* subcontractor is uninsured and where *we* elect to exercise *our* rights of subrogation *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.

3. ACCIDENTAL DAMAGE COVER

3.1 COVERAGE

3.1.1 We will indemnify *you* or any other party directed by *you* for an insured event, relating to *goods* and/or *livestock* owned by others where *you* accept responsibility for loss of or damage to *goods* or death of *livestock*.

The insured event must occur:

- (a) while the *goods* and/or *livestock* are in *your* custody or the custody of *your subcontractors* for the purpose of transit; and
- (b) during the *period of insurance* and within the geographical limits specified in *your schedule*.

3.2 INSURED EVENTS

3.2.1 Non-refrigerated goods:

This policy covers *accidental loss* of or damage to the *goods* during transit and loss or damage caused by the deliberate act of a third party, subject to the policy exclusions and general conditions listed in sections 8 and 10.

3.2.2 Refrigerated goods:

This policy covers *accidental loss* of or damage to the *goods* and loss or damage caused by the deliberate act of a third party but excluding deterioration unless caused by variation in temperature following:

- (a) *accidental* failure, breakdown, stoppage or malfunction of the refrigerating machinery;
- (b) mismanagement of the refrigerating machinery by *you* or *your subcontractors*; or

- (c) disruption of the airflow within the *conveying vehicle* or container caused by mismanagement of the interior bulkheads by *you* or *your subcontractors*, resulting in variation in temperature outside of the required range for a period of not less than four hours unless a different period is specified in *your schedule*.

If required by *us*, *you* will need to provide evidence that the refrigeration machinery has been properly maintained.

3.2.3 Livestock

This policy covers death of *livestock* caused by accident or natural causes during transit, subject to the exclusions and general conditions listed in sections 8 and 10 and provided that the *livestock* are:

- (a) in a good state of health prior to *loading*; and
- (b) fit for travel.

Cover includes the risks of death or humane killing of *livestock* that is necessary following an insured event.

3.2.4 Consequential loss

We will, at *your* request and regardless of *your* legal liability, indemnify *your* customer for losses incurred by the owner of the *goods* arising from consequential loss (including delay and/or loss of market), provided that the customer supplies *you* with documentary evidence of the loss and can demonstrate to *us* that such loss arose as a direct consequence of physical loss and/or physical damage to the *goods* (or death or humane killing of *livestock*) while in transit.

Subject to a limit of \$100,000 any one loss or series of losses caused by the one insured event (and \$200,000 in the aggregate during the *period of insurance*) in addition to the limit of liability stated in *your schedule*.

3.2.5 Goods falling from the conveying 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 *conveying vehicle* 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 *conveying vehicle*; 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}).

3.3 EXTENSIONS OF COVER

3.3.1 Onforwarding Clause

We will pay all reasonable costs incurred in *unloading*, storing and forwarding the *goods* (excluding commercial bulk consignments of dangerous *goods*) by road to the original destination within Australia when caused by an insured event.

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

3.3.2 Livestock risks

Where *livestock* has been included in the *goods* insured specified in *your schedule*, the following additional benefits will apply.

(a) Agistment expenses

all reasonable costs and expenses incurred in maintaining the *livestock* at agistment when caused by an insured event.

Subject to a limit of \$1,500 per *livestock* and \$25,000 in the aggregate for any one loss or series of losses caused by the one event, unless otherwise specified in *your schedule*.

(b) Mustering costs

all reasonable costs and expenses incurred for mustering of the *livestock* at the scene of the accident when caused by an insured event.

Subject to a limit of \$1,500 per *livestock* to a maximum of \$25,000 in the aggregate for any one loss or series of losses arising from one event, unless otherwise specified in *your schedule*.

(c) Wandering off

loss of *livestock* where they inadvertently wanders away from the other *livestock* at the scene of the accident caused by an insured event.

Subject to a limit of \$25,000 for any one loss or series of losses arising from one event, unless otherwise specified in *your schedule*.

4. DEFINED EVENTS COVER

4.1 COVERAGE

4.1.1 We will indemnify *you* or any other party directed by *you* for an insured event, relating to *goods* and/or *livestock* owned by others where *you* accept responsibility for loss of or damage to *goods* or death of *livestock*. The insured event must occur:

- (a) while the *goods* and/or *livestock* are in *your* custody or the custody of *your subcontractors* for the purpose of transit; and
- (b) during the *period of insurance* and within the geographical limits specified in *your schedule*.

4.2 INSURED EVENTS

4.2.1 Non-refrigerated goods:

This policy covers loss of or damage to the *goods* during transit and loss or damage caused by:

- (a) fire, lightning, hail or explosion;
- (b) flood;
- (c) collision of the *conveying vehicle* except with the curb or uneven road surface;
- (d) collision, crashing or forced landing of aircraft;
- (e) collapse of bridges or culverts causing damage to the *goods* on the *conveying vehicle*;
- (f) hijack or armed hold up of a vehicle;
- (g) jack-knifing, overturning and/or derailment of the *conveying vehicle*;
- (h) impact of any object which is not on or part of the *conveying vehicle* with the *goods* or *livestock*; or
- (i) malicious damage to *goods* on the *conveying vehicle*

subject to the policy general conditions and exclusions listed in sections 8 and 10.

4.2.2 Refrigerated goods:

Where refrigerated *goods* are specified in *your schedule*, cover is extended to include deterioration of the *goods* following an insured event specified in 4.2.1 (a) – (i).

4.2.3 Livestock:

Where *livestock* are specified in *your schedule*, cover is extended to cover the humane killing of *livestock* following an insured event specified in 4.2.1 (a) – (i).

5. CARRIER'S LEGAL LIABILITY COVER

5.1 COVERAGE

5.1.1 We will indemnify *you* for all sums that *you* become legally liable to pay under *your approved terms and conditions* for:

- (a) compensation for physical loss of or damage to *goods* (or death or humane killing of *livestock*) entrusted to *your care*; and
- (b) delay, loss of market or consequential loss that is caused solely by the loss of or damage to the *goods* (or death or humane killing of *livestock*) entrusted to *your care*.

The insured event must occur during the *period of insurance* and within the geographical limits specified in *your schedule*.

5.1.2 *Your cover* may be reduced where:

- (a) *you* intentionally choose not to use the *approved terms and conditions*;
- (b) changing or waiving the *approved terms and conditions* increases *your liability* and *you* have not obtained *our approval* of the changes or waiver; or
- (c) *you* unintentionally fail to incorporate or apply the *approved terms and conditions*.

In these circumstances, we will reduce *our liability* to that which would have applied had the *approved terms and conditions* been incorporated into the contract of carriage.

5.2 EXTENSIONS OF COVER

5.2.1 Errors & Omissions

We will indemnify *you* for all amounts that *you* become legally liable to pay by way of compensation under any *approved terms and conditions* for financial loss incurred by the owner of the *goods* arising from:

- (a) delay in performing *your contractual obligations*, except where the delay is caused or contributed to by following the instructions of *your customer*;
- (b) delivery of *goods* to the wrong party and/or the wrong destination; and/or
- (c) physical loss of and/or physical damage to *goods* to the extent that *your liability* is incurred or increased by an incorrect statement or omission in any contract of carriage or handling documentation, arising from an occurrence during the *period of insurance* specified in this policy.

We will indemnify *your customer* under Section 4 up to a limit of \$100,000 arising from one event (and \$200,000 in the aggregate during the *period of insurance* specified in this policy).

5.2.2 Penalties

We will indemnify *you* against any penalty resulting from a claim by a regulatory authority that otherwise would be excluded by reason of Exclusion 8.9 Fines and Penalties where the claim is first made by *you* and notified in writing to *us* in the *period of insurance*.

However, we will not be liable to indemnify *you* in respect of any penalty arising directly or indirectly from or which is based upon, attributable to, or in consequence of any:

- (a) dishonest, wilful, intentional or deliberate wrongful act;
- (b) wilful, intentional or deliberate failure to comply with any lawful notice, direction, enforcement action or proceeding under any Act;
- (c) *your* gross negligence or recklessness;
- (d) requirement to pay taxes, rates, duties, levies, charges, fees or any other revenue or impost;
- (e) breach of sections 182 or 183 of the Corporations Act and any amendment, consolidation or re-enactment of any of these sections; or
- (f) fines or penalties imposed arising directly from the driving or parking of a *conveying vehicle*.

We will also not be liable for fines or penalties uninsurable under any law. *Our* aggregate liability for all claims under this extension will not exceed \$250,000 provided *you* shall be liable for the first \$1,000 of any penalty.

6. CONDITIONS OF COVER

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

6.1 AMOUNT PAYABLE – FOR GOODS WHERE YOU ACCEPT RESPONSIBILITY

The amount payable, at *our* option, will be the lesser of:

6.1.1 Goods:

- (a) the cost of repairing or reinstating the *goods* to a condition equal to but no better or more extensive than its condition immediately prior to the loss or damage;
- (b) the invoice value of the *goods* whilst in transit; or
- (c) if there is no invoice value, the cost of replacing the *goods* with similar *goods* of the same age and condition, or as near as possible to that age and condition, (i.e unless the *goods* were new, an amount or depreciation and wear and tear will be deducted from the claim).

This amount will be subject to the limit of liability specified in *your schedule*.

6.1.2 Livestock:

- (a) the net invoice value covering the *livestock* whilst in transit; or
- (b) if there is no invoice value, the cost of replacing the *livestock* with similar *livestock* of the same age and condition or as near as possible to that age and condition.

This amount will be subject to the limit of liability specified in *your schedule*.

6.1.3 Packaging (shipping containers)

the cost of repair or replacement (as required by the hand-over agreement or similar document) up to a limit of \$50,000 for any one loss or series of losses caused by the one event.

6.2 AMOUNT PAYABLE – LEGAL LIABILITY

The amount payable for *your* legal liability for loss of or damage to all other goods for which *you* have not accepted responsibility caused by an insured event, will be either:

- (a) the actual liability incurred; or
- (b) the limit of liability specified in *your schedule*,

whichever is the lesser amount.

In addition, *we* will pay all legal costs and legal expenses incurred by *you* with *our* consent (not to be unreasonably withheld) or recoverable from *you* in connection with an insured event.

6.3 BRANDS / LABELS

In the event of loss or damage of *goods* bearing embossed or indented brands or labels or other permanent markings identifying *your* customer as the manufacturer or supplier, or exclusive and/or secret formula that may be involved, the *goods* may be retained by *your* customer to dispose of as they see fit provided a reasonable allowance is agreed for the value of the damaged and undamaged *goods*.

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

6.4 LIMITS ON COVER

6.4.1 *Our* liability is limited to the amount specified in *your schedule* for any one accident or series of accidents caused by the one event (excluding applicable additional benefits specified in Section 7).

In addition, *we* will pay all legal costs and expenses incurred by *you* with *our* consent (not to be unreasonably withheld) or recoverable from *you* in connection with an insured event.

6.4.2 The amount specified in *your schedule* as the *excess* will be deducted from each and every loss.

Unless otherwise stated in *your schedule*, no *excess* will apply to the following insured events:

- (a) fire, lightning, hail or explosion;
- (b) flood;
- (c) collision of the *conveying vehicle* except with the curb or uneven road surface;
- (d) collision, crashing or forced landing of aircraft;
- (e) collapse of bridges or culverts causing damage to the *goods* on the *conveying vehicle*; or
- (f) hijack or armed hold up of a *conveying vehicle*.

6.5 PAIRS & SETS

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

7. EXTENSIONS OF COVER – APPLICABLE TO ALL SECTIONS

7.1 ACCUMULATION

In the event of accumulation of *goods* during transport or transshipment beyond the limit of liability due to interruption of transit and or other circumstances beyond *your* control, the limit of liability shown in *your schedule* will not apply provided that the accumulation of the *goods* beyond such limits is outside *your* control and provided notice be given to *us* as soon as reasonably practicable when known to *you*.

The most we will pay under this clause is limited to:

7.1.1 double the limit of liability shown in *your schedule* for each and every loss or occurrence or series of losses or occurrences arising out of the same event;

7.1.2 or \$10,000,000,

whichever is the lesser.

7.2 ACQUIRED COMPANIES

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

7.2.1 *you* hold a controlling interest or have agreed to accept responsibility for insurance;

7.2.2 *you* advise *us* of the existence of the company or firm not later than 30 days from the date of signing the purchase contract or date of formation;

7.2.3 *you* declare to *us* the estimated *gross freight earnings*, type of *goods* carried and past claims history; and

7.2.4 if *you* wish to extend the cover under this policy to the company or entity formed or acquired *you* must agree to the additional conditions and premium required by *us*.

7.3 GENERAL AVERAGE AND SALVAGE CONTRIBUTION

This policy is extended to cover *your* legal liability to pay any general average and/or salvage contributions in relation to any transit by sea and pursuant to the terms and conditions of a bill of lading or similar sea carriage document caused by an insured event during transit and while the *goods* are in *your* care custody or control.

Subject to the limit of liability specified in *your schedule*.

7.4 MISCELLANEOUS EQUIPMENT

This policy is extended to cover loss of or damage to *miscellaneous equipment* while carried in *your conveying vehicle* caused by the following insured events:

7.4.1 fire, lightning, hail or explosion;

7.4.2 flood,

7.4.3 collision of the *conveying vehicle* except with the curb or uneven road surface;

7.4.4 collision, crashing or forced landing of aircraft;

7.4.5 collapse of bridges or culverts causing damage to the *goods* on the *conveying vehicle*;

7.4.6 hijack or armed hold up of a *conveying vehicle*;

7.4.7 jack-knifing, overturning and/or derailment of the *conveying vehicle*, impact of any object which is not on or part of the *conveying vehicle* with the *goods* or *livestock*;

7.4.8 malicious damage to *goods* on the *conveying vehicle*; or

7.4.9 theft following forcible and violent entry into a secured locked *conveying vehicle*.

Subject to a limit of \$25,000 for any one loss or series of losses caused by the one event, unless otherwise specified in *your schedule*.

7.5 PACKAGING AND SHIPPING CONTAINERS

This policy covers *your* legal liability for 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 *your schedule*.

7.6 PERSONAL PROPERTY

This policy covers loss of or damage to the *personal property*, owned by *you* or for which *you* are legally responsible, including that of *your* employee caused by fire, flood, collision and/or overturning of the *conveying vehicle*, including theft following forcible and violent entry into *your* securely locked *conveying vehicle*.

The most *we* will pay is a limit of \$1,000 for any one loss or series of losses caused by the one insured event.

7.7 REMOVAL OF DEBRIS/CLEAN-UP COSTS

We will pay all reasonable costs and expenses incurred in removing and disposing/cleaning-up of the accident site of damaged *goods* caused by an insured event.

Subject to a limit of \$100,000 for any one loss or series of losses caused by the one event.

7.8 RESECURING

This policy is extended to cover *you* for any liability that *you* incur in respect of all reasonable costs and expenses incurred in resecuring the *goods* where there has been movement of the *goods* in transit, which makes resecuring necessary, even though there may be no claim resulting from the incident.

Subject to a limit of \$5,000 any one incident, unless otherwise specified in *your schedule*.

7.9 SHIPPING CONTAINER DEMURRAGE / SOLAS COSTS

This policy covers:

7.9.1 an additional time period where *you* retain containers at *our* request for inspection and this results in *you* incurring demurrage charges and/or late penalties. In recognition of the practicalities involved in returning containers, *we* understand that *you* may require additional time to ensure the safe and timely return of the containers. Therefore, if *you* are unable to return the containers immediately upon *our* surveyor's instruction, *we* will continue to provide coverage for demurrage charges and/or late penalties for an additional reasonable period, not to exceed 90 days. During this extended coverage period, *you* must make all reasonable efforts to return the containers promptly.

7.9.2 additional costs incurred by *you* to return *shipping containers* to the point of *loading* for the commencement of transit where, following an error in the shipping documentation, the container has failed the SOLAS Regulation VI/2 VGM certification process; provided that:

- (a) *you* were not aware that the container was not compliant with the SOLAS regulation; and
- (b) the consignor or responsible party has failed to pay the additional transport costs and *you* have taken all reasonable steps to recover these costs.

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

8. EXCLUSIONS

The exclusions set out in this section apply to all sections including cover options of this policy.

8.1 ALCOHOL OR DRUGS

This policy does not cover any loss, damage or liability to *goods* when the *conveying vehicle* is being driven by a person whose faculties are impaired by a drug or intoxicating liquor or who has a blood concentration of alcohol in excess of that permitted by law for a driver of a motor vehicle unless *you* did not know and could not reasonably have known that the driver was so affected. This exclusion will not apply to the extent that there are any statutory provisions to the contrary.

8.2 ANIMALS

This policy does not cover any loss, damage or liability to animals caused by inoculation and/or its after effects, infectious diseases, rejection, abortion, loss/death of foetus, loss of use or delay.

8.3 COMMUNICABLE DISEASE EXCLUSION

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*.

8.4 CYBER RISK

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

- 8.4.1 the failure, error or malfunction of any computer, computer system, computer software programme, code, or process or any other electronic system; or
- 8.4.2 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.

8.5 DANGEROUS GOODS

This policy does not cover any loss, damage or liability where dangerous goods, irrespective of the quantities, are not being carried in accordance with the requirements of The Australian Code for the Transport of Dangerous Goods by Road and Rail.

8.6 DEPRECIATION

This policy does not cover any loss, damage or liability to *goods* as a result of reduction in value of *goods* due to repairs.

8.7 ELECTRONIC, ELECTRICAL AND/OR MECHANICAL FAILURE

This policy does not cover any loss, damage or liability as a result of electronic, electrical or mechanical failure unless there is visible external physical damage which occurred during transit caused by an insured event.

8.8 EXEMPLARY OR PUNITIVE DAMAGES

This policy does not cover any loss, damage or liability from aggravated, exemplary or punitive damages.

8.9 FINES AND PENALTIES

This policy does not cover any loss, damage or liability for fines, penalties, and/or liquidated damages (except as provided for in 5.2.2).

8.10 GOODS

This policy does not cover any loss, damage or liability:

- 8.10.1 to *goods* out of any wilful act or acts committed by *you* or someone with *your* knowledge or connivance;
- 8.10.2 from ordinary leakage, ordinary loss in weight or volume, or ordinary wear and tear of the *goods*; or
- 8.10.3 from inherent vice or nature of the *goods* (except for refrigerated *goods* due to variation in temperature as provided in Section 3 or 4).

8.11 LICENSED OPERATOR

This policy does not cover any loss, damage or liability to *goods* when the vehicle is being driven by a driver who is not licensed under the applicable law to drive the vehicle unless *you* did not know and could not reasonably have known that the driver was unlicensed.

8.12 OVERLOADING

This policy does not cover any loss, damage or liability to *goods* when the *conveying vehicle* is carrying a load in excess of that for which it was designed unless the overloading could not reasonably have been detected by *you*.

8.13 PROPERTY

This policy does not cover any loss, damage or liability to property:

- 8.13.1 other than the *goods* specified in this policy; or
- 8.13.2 except for the insured *goods*, caused by the operation of a lifting device.

8.14 RADIOACTIVE CONTAMINATION

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

- 8.14.1 ionising radiations from or contamination by radioactivity from any *nuclear* fuel or from any *nuclear* waste or from the combustion of *nuclear* fuel;
- 8.14.2 the *radioactive*, toxic, explosive or other hazardous or contaminating properties of any *nuclear* installation, reactor or other *nuclear* assembly or *nuclear* component thereof;
- 8.14.3 any weapon or device employing atomic or *nuclear* fission and/or fusion or other like reaction or *radioactive* force or matter;
- 8.14.4 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; or
- 8.14.5 any chemical, biological, biochemical, or electromagnetic weapon.

8.15 REFRIGERATED GOODS

This policy does not cover any loss, damage or liability:

- 8.15.1 from *you* or *your* delegates failure to take all reasonable precautions that are reasonably practicable to ensure that the *goods* are kept in a refrigerated, or, where appropriate, a properly insulated and cooled space (for refrigerated *goods*); or
- 8.15.2 to refrigerated *goods* caused by the failure of *your* refrigeration equipment which has not been regularly serviced and maintained.

8.16 ROADWORTHINESS

This policy does not cover any loss, damage or liability to *goods* carried in a *conveying vehicle* which is unsafe or unroadworthy unless that condition of the *conveying vehicle* could not reasonably have been detected by *you* or it did not contribute to the loss.

8.17 TERMINATION OF TRANSIT

The following clause shall be paramount and shall override anything else contained in this insurance.

Notwithstanding any provision to the contrary contained in this policy or the clauses referred to within this policy, it is agreed that in so far as this policy covers loss of or damage to the *goods* caused by terrorism or any terrorist or any person acting from a political motive, such cover is conditional upon the *goods* being in the ordinary course of transit and, in any event, shall terminate either:

- 8.17.1 as per section 2.1; or
- 8.17.2 on delivery to any other warehouse or place of storage, whether prior to or at the intended destination, which *you* elect to use either for storage other than in the ordinary course of transit or for allocation or distribution,

whichever shall first occur.

8.18 TERRORISM

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

- 8.18.1 *terrorism*; and/or
- 8.18.2 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 8.17.

8.19 WAR

This policy does not cover any loss, damage or liability to *goods* directly or indirectly caused by war, acts of war (whether war be declared or not), rebellion, revolution, nationalization, requisition, destruction or damage by or by the order of any government, public authority or local authority.

9. CLAIMS CONDITIONS

9.1 CLAIMS PROCEDURE

When loss or damage happens which may give rise to a claim under this policy, *you* should take all measures that are reasonably practicable to avert or mitigate the loss and ensure that all rights against any third parties are properly preserved and exercised. If *your* failure to take reasonable care is a contributing factor to *your* liability for loss or damage then *we* may reduce the amount of *our* settlement to the extent that *your* failure has increased the loss or damage. At all times, *you* must take reasonable care to:

- 9.1.1 prevent damage to *goods* insured, as well as to others and their property;
- 9.1.2 mitigate the cost of any claim under this policy; and
- 9.1.3 comply with all laws.

If the insured 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 *conveying vehicle*, *you* must notify the police as soon as reasonably practicable and, if *we* require it, obtain a written police report.

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

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

When someone else may be liable to *you* for the loss, damage or liability, *you* must:

- (a) not agree to release that person from liability;
- (b) hold that person liable by delivering a notice of intention to claim; and
- (c) inform *us* of the circumstances and let *us* have a copy of all relevant documents.

We may exercise all *your* legal rights relating to the loss or damage. *We* may prosecute or defend any legal proceedings in *your* name and use *our* discretion in the exercise of *your* (or their) legal rights.

9.2 CLAIMS CONDITIONS

9.2.1 Automatic Reinstatement

When an amount is paid under this policy, the limit of liability is automatically reinstated to the amount specified in *your schedule*, *you* may be required to pay an additional *premium*, which will be assessed according to the changes and any increased risk to any liability insured by this policy.

9.2.2 Fraudulent claims

If any claim is fraudulent or false in any respect, to the extent permitted by law, *we* may refuse to pay the whole or part of the claim.

In the case of a fraudulent claim, *we* are entitled to cancel this policy to the extent permitted by law.

9.2.3 Payees

Amounts payable under this policy will only be paid to *you* or any other party directed by *you* and will discharge *our* liability under this policy for the loss.

9.2.4 Contribution and other insurance

You must notify *us* of any other insurance which will or may, whether in whole or in part, cover any loss insured under this policy.

If at the time of any loss, damage or liability there's any other insurance (whether effected by *you* or by any other person) which covers the same loss, damage or liability *you* must provide *us* with any reasonable assistance *we* require to make a claim for contribution from any other insurer(s).

9.2.5 Salvage

We are entitled to obtain and retain any items or materials salvaged or recovered after *you* make, and we agree, to pay a claim by replacing or paying to replace any items or materials. We may sell the items or materials and keep the proceeds. We may choose to sell the items or materials to *you*, provided *you* agree to pay market value.

9.3 CLAIMS SETTLEMENT

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 we will have ultimate discretion in the settlement of any claim.

9.3.1 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.

9.3.2 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.

9.4 EXCESS

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.

9.5 RIGHTS OF SUBROGATION, RECOVERY ACTION AND UNINSURED LOSS

In the event of payment under this policy for loss in respect of a claim, we shall be subrogated to the extent of such payment to all of the *insured's* rights of recovery in respect of payment and we may elect to pursue and exercise such rights in the name of the insured who shall provide us with all reasonable assistance and co-operation, including the execution of all papers required to enable us to effectively bring suit in the name of the *insured*, whether such acts shall be or become necessary before or after payment by us. 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

If *you* have agreed not to seek compensation from any party liable to *you* for loss, damage or liability covered by this policy, we may not cover *you* for that loss, damage or liability.

If *you* have suffered loss as a result of the incident, that was not covered by this policy, we may offer to attempt to recover this. *You* may also specifically ask us to recover this for *you*. *You* will need to give us documents that we may reasonably require to support *your* loss. Before we include any uninsured loss in the recovery action, we will also ask *you* to agree to the basis on which we will handle *your* recovery action. *You* may need to contribute to legal costs in some circumstances.

10. GENERAL CONDITIONS

10.1 ACCEPTANCE OF LIABILITY

We are liable to *you* for loss or damage covered by this policy whether assumed by *you* or for which *you* are legally liable. This liability does not create an interest in this policy on behalf of any person in relation to any loss or damage for which *you* have accepted liability under this policy. *You*, not *us*, are responsible for any liability that *you* have accepted that is caused by an insured event or any other event that has caused *you* to be liable during the course of transit of *goods* by *you*.

10.2 CANCELLATION

You may cancel this policy at any time by notifying *us* in writing. Cancellation will be effective from the date that *you* have notified *us* of your intention to cancel this policy.

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).

If required by *us*, *you* must advise *us* of *your* actual *gross freight earnings* for the period this policy has been in force so that we can calculate the *premium* due in accordance with the Premium Adjustment clause in this policy.

If *you* have submitted a claim during the current policy period then *you* will not be entitled to any refund of *premium*.

10.3 CONDUCT OF CLAIMS

We may elect to:

- 10.3.1 conduct on *your* behalf any legal proceedings or negotiations relating to claims made against *you*;
- 10.3.2 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
- 10.3.3 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* as reasonably required exercising these rights and must give *us* any information or assistance we may reasonably require.

10.4 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* in writing as soon as reasonably practicable of any change which materially increases the risk covered by this policy.

A material change includes, but is not limited to:

- (a) freight tasks that are materially different from those declared to *us*;
- (b) any loss of or condition imposed upon any licence or other authority required by *you* to conduct the business;
- (c) *you* being insolvent or bankrupt, or placed into external administration;
- (d) changes to *your* standard terms and conditions (that were originally approved by *us*);
- (e) *you* significantly change the percentage of *your* work done using *subcontractors*.

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.

10.5 OTHER INTERESTS

You must not transfer any interests in this policy without *our* written consent (not to be unreasonably withheld).

Any person whose interests *you* have told *us* about and *we* have noted on *your schedule* is bound by the terms of this policy.

10.6 OTHER PARTY'S INTERESTS

You must tell *us* of the interest of all parties (eg financiers, lessors or owners) who will be covered by this policy. *We* will only protect their interests if *you* have told *us* about them and *we* have noted them on *your schedule*.

10.7 PLURALS AND TITLES

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

- 10.7.1** headings are descriptive only, not an aid to interpretation;
- 10.7.2** singular includes the plural, and vice versa; and
- 10.7.3** the male includes the female and neuter.

10.8 PREMIUM CALCULATION

Premium calculation of this policy will be on the basis as agreed at policy inception and detailed in *your schedule*.

This will either be:

- 10.8.1** adjustable on *your* actual *gross freight earnings* or
- 10.8.2** adjustable on the number of operating vehicles. (available only for Section 3).

10.9 PREMIUM ADJUSTMENT

10.9.1 Conditions - *premium* adjustable on *your* actual *gross freight earnings*

- (a) If *your schedule* shows a deposit *premium*, the deposit *premium* is calculated at the commencement of each *period of insurance* based on estimated *gross freight earnings* provided by *you*.
- (b) *You* are required to declare to *us* *your* actual *gross freight earnings* within two months of the end of a *period of insurance* and *we* may require *your* actual *gross freight earnings* to be verified by an auditor appointed by *us*.
- (c) *We* will pay the cost of the audit but *you* may have to reimburse *us* this cost if *your* actual *gross freight earnings* declared have been understated. *You* agree to supply all necessary information and assistance to the auditor.

- (d) The *premium* payable is calculated on *your* actual *gross freight earnings* during the *period of insurance* being adjusted at the agreed rate(s).
- (e) The difference between the *premium* for *your* actual *gross freight earnings* and the deposit *premium* will be paid by or refunded to *you* but always subject to a minimum of 75% of the deposit *premium* being retained by *us*.
- (f) If *your* deposit *premium* is less than \$1,000 and the variance between estimated and actual figures is less than 10% then *we* will waive the amount calculated as owing by *you*.

10.9.2 Conditions – *premium* adjustable on the number of operating vehicles (available only for Section 3)

- (a) If *your schedule* shows a deposit *premium*, the deposit *premium* is calculated at the commencement of each *period of insurance* based on the number of vehicles declared by *you*.
- (b) *You* must advise *us* during each *period of insurance*, details of any additional or replacement vehicles within 14 days of purchase.
- (c) *You* are required to declare to *us* the actual number of vehicles operated by *you* at the end of the *period of insurance* within one month of expiry of the policy period.
- (d) The *premium* payable for the insurance is calculated on the number of vehicles operated by *you* during the *period of insurance* being adjusted with an agreed flat *premium* per vehicle.
- (e) The deposit *premium* is based on the number of vehicles at the beginning of the period and is adjusted on the basis of a 50% difference between the number of operating vehicles at the end of the *period of insurance* compared to the number of operating vehicles at the beginning of the *period of insurance* and the difference will be paid by or refunded to *you*.

10.10 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.

10.11 REASONABLE CARE

You must take reasonable care to prevent loss, damage, destruction or death covered by this policy and ensure that all rights reasonably and necessarily required against other parties are reasonably preserved and exercised.

This includes:

- 10.11.1 the safe handling, moving, storage, protection and security of the goods in *your* care, custody or control; and
- 10.11.2 issuing *your* standard trading terms and conditions (where applicable).

10.12 REPRESENTATIONS

You may not represent to any person that *you* are able to arrange insurance cover under this policy or otherwise on behalf of *us*. If *you* make any such representations, *we* may refuse to pay a claim and treat this policy as never having been affected.

10.13 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.

10.14 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.

10.15 TRANSFER

You may only transfer a right under this policy with *our* written consent (not to be unreasonably withheld).



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Proteus Marine Insurance

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