



Marine, Cargo & Transit

Combined Annual Cargo

Marine Insurance Policy

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360 Marine, Cargo & Transit Pty Ltd **ABN** 98 666 683 763 is an Authorised Representative (**AR** 1302961) of
360 Underwriting Solutions Pty Ltd **ABN** 18 120 261 270, **AFSL** 319181
Suite 1, Level 18, 201 Kent Street, Sydney, NSW 2000

This is an important document about insurance. It explains what is and what is not covered under the insurance policy and your and our obligations. To check the policy meets your needs, you need to understand it. If you cannot read and understand English please seek assistance from someone who can help you understand it in your preferred language.

此乃關於保險的重要文件，它解釋了根據保單條款什麼是被保、什麼是不受保項目，以及你方和我方的責任條款。你必須要了解後才能決定這項保險是否能滿足你的需要。如果你不能閱讀和理解英文，請向能幫助你用你熟悉的語言理解內容的人求助。

هذه وثيقة هامة عن التأمين، تشرح ما تغطيه بوليصة التأمين وما لا تغطيه بالإضافة إلى التزاماتنا والتزاماتك. يجب عليك فهم محتوى البوليصة حتى تتأكد من أنها تفي باحتياجاتك. إذا لم تكن تجيد قراءة الإنجليزية وفهمها، أطلب المساعدة من شخص يستطيع أن يعينك على فهم هذه الوثيقة باللغة التي تفضلها.

此乃關於保險的重要文件，它解釋了根據保單條款什麼是被保、什麼是不受保項目，以及你方和我方的責任條款。你必須要了解後才能決定這項保險是否能滿足你的需要。如果你不能閱讀和理解英文，請向能幫助你用你熟悉的語言理解內容的人求助。

Đây là một tài liệu quan trọng về bảo hiểm. Nó giải thích những gì được và những gì không được bảo hiểm theo hợp đồng bảo hiểm cũng như những nghĩa vụ của quý vị và của chúng tôi. Để kiểm tra liệu hợp đồng bảo hiểm có đáp ứng được những nhu cầu của quý vị hay không, quý vị cần phải hiểu nó. Nếu quý vị không thể đọc và hiểu tiếng Anh, vui lòng nhờ ai đó có thể giúp giải thích hợp đồng cho quý vị bằng ngôn ngữ quý vị ưa dùng.

Questo è un documento importante sull'assicurazione. Spiega cosa è e cosa non è coperto in base alla polizza assicurativa ed i tuoi ed i nostri obblighi. Per verificare che la polizza soddisfi le tue esigenze, devi capirla. Se non puoi leggere e capire l'inglese, fatti assistere da qualcuno che possa aiutarti a capirla nella tua lingua preferita.

Αυτό είναι ένα σημαντικό έγγραφο σχετικά με την ασφάλιση. Εξηγεί τι είναι και τι δεν καλύπτεται από το ασφαλιστήριο συμβόλαιο και τις δικές σας και τις δικές μας υποχρεώσεις. Για να ελέγξετε αν αυτό ανταποκρίνεται στις ανάγκες σας, πρέπει να το κατανοήσετε. Εάν δεν διαβάζετε ή δεν κατανοείτε την αγγλική γλώσσα, παρακαλείσθε να ζητήσετε βοήθεια από κάποιον που μπορεί να σας βοηθήσει να το κατανοήσετε στη γλώσσα που προτιμάτε.

यह बीमा के बारे में एक महत्वपूर्ण दस्तावेज़ है। इसमें यह वक्तर ददया गया है दक बीमा पॉलिसी में क् कवरण (बीमे द्वारा सुरकषति) है और क् कवरण (बीमे द्वारा कवरण) नहीं है तथा इसमें आपके और हमारे दाययत्व्व के बारे में भी बताया गया है। यह जांच करने के लिए दक क् प्वलिसी आपकी आवश्यकताओं क्व पूरा करती है, आपक्व इसे समझने की आवश्यकता है। यदद आप अंगेजी पढ़ और समझ नहीं सकते/सकती हैं त्व कृपया दकसी ऐसे व्पक्त् से सहायता ि ज्व आपक्व इसे आपकी पसंदीदा भाषा में समझने में मदद कर सकता ह्व।

Este es un documento importante sobre seguros. En él se explica lo que cubre y no cubre su póliza de seguro y tanto sus obligaciones como las nuestras. Deberá entenderlo para determinar si la póliza se adapta a sus necesidades. Si no lee ni entiende inglés, solicite la ayuda de alguien que le pueda ayudar a entenderlo en su idioma.

ਇਹ ਬੀਮੇ ਬਾਰੇ ਇੱਕ ਮਹਤਵਪੂਰਨ ਦਸਤਾਵੇਜ਼ ਹੈ। ਇਸ ਵੱਚ ਇਹ ਵੇਰਵਾ ਵਦਤਾ ਵਆ ਹੈ ਵਕ ਬੀਮਾ ਪਾਵਸੀ ਤਵਹਤ ਕੀ ਕਵਰਡ (ਬੀਮੇ ਦੁਆਰਾ ਸੁਰਵਅਤ) ਹੈ ਅਤੇ ਵਕ ਕਵਰਡ (ਬੀਮੇ ਦੁਆਰਾ ਸੁਰਵਅਤ) ਨਹੀ ਹੈ ਅਤੇ ਇਸ ਵੱਚ ਤੁਹਾਡੀਆਂ ਅਤੇ ਸਾਡੀਆਂ ਜ਼ੋਮੇਵਾਰੀਆਂ ਬਾਰੇ ਵੀ ਵਦਸਆ ਵਆ ਹੈ। ਇਹ ਜਾਂਚ ਕਰਨ ਇੰ ਵਕ ਕੀ ਪਾਵਸੀ ਤੁਹਾਡੀਆਂ ਤਿੰ ਨੂੰ ਪੂਰਾ ਕਰਦੀ ਹੈ, ਤੁਹਾਨੂੰ ਇਸਨੂੰ ਸਮਝਣ ਦੀ ਤਿੰ ਹੈ। ਜੇ ਤੁਸੀ ਅੰਰਿਜੀ ਪੜ੍ਹ ਤੇ ਸਮਝ ਨਹੀਂ ਸਕਦੇ ਹੋ ਤਾਂ ਵਕਰਪਾ ਕਰਕੇ ਵਕਮੇ ਅਵਜਹੇ ਵਵਅਕਤੀ ਤੋਂ ਮਦਦ ਵਿ ਜੇ ਤੁਹਾਡੀ ਪਸੰਦੀਦਾ ਭਾਸ਼ਾ ਵੱਚ ਤੁਹਾਨੂੰ ਇਸਨੂੰ ਸਮਝਣ ਵੱਚ ਮਦਦ ਦੇ ਸਕੇ

Marine Insurance Policy

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Marine, Cargo & Transit

About this Booklet

There are two parts to this booklet. The first part is important information about this **policy** including information about how we'll protect **your** privacy and how to make a complaint or access **our** dispute resolution service.

The second part is **your** Policy Wording which sets out the detailed terms, conditions and exclusions of the **policy**.

Because we don't know **your** own personal circumstances, **you** should treat any advice in this booklet as purely general in nature. It doesn't consider **your** objectives, financial situation or needs. **You** should carefully consider the information provided with regard to **your** personal circumstances to decide if it's right for **you**.

For more information or to make a claim

Please take the time to read through this booklet and if **you** have any questions, need more information or to confirm a transaction, please contact:

+ **your** financial services provider.

The section titled '**Claims**' at the end of this booklet tells **you** the full details about what **you** need to do in the event of a claim. If **you**'d like to make a claim or to enquire about an existing claim please contact:

+ QBE by sending an email to marineclaims@qbe.com

About QBE

QBE Insurance (Australia) Limited **ABN 78 003 191 035** **AFSL 239545** (QBE) is a member of the QBE Insurance Group of companies. QBE Insurance Group Limited **ABN 28 008 485 014** is the ultimate parent entity and is listed on the Australian Securities Exchange (ASX: QBE). **We** have been helping Australians protect the things that are important to them since 1886.

QBE in the community

Premiums4Good™

We are committed to giving back to the communities that **we** operate in. Through Premiums4Good, **we** invest a portion of customer **premiums** into investments that have additional social or environmental features. So, when **you** choose **us** as **your insurer**, **your premium** automatically does some good.

About 360

360 Marine, Cargo & Transit Pty Ltd (360 Marine) (**ABN 98 666 683 763**) is an Authorised Representative (**AR 1302961**) of 360 Underwriting Solutions Pty Ltd (360 Underwriting) **ABN 18 120 261 270**, **AFSL 319181**. 360 Marine is the underwriting agency acting on behalf of QBE in relation to this **policy**.

In issuing this **policy**, 360 Underwriting and its Authorised Representative 360 Marine will be acting under an authority given to it by the **insurers**. This means that when issuing this **policy**, 360 Underwriting and its Authorised Representative 360 Marine will be acting as an agent for the **insurers**, not for **you**.

360 Marine contact details are:

Suite 1, Level 18,
201 Kent Street
Sydney, NSW 2000
Telephone. 1800 411 580

You should contact 360 Marine in the first instance in relation to this insurance.

Important Information

In this first part of the booklet we explain important information about this **policy** including how we'll protect **your** privacy and how to make a complaint or access **our** dispute resolution service.

Duty of Disclosure

Before **you** enter into an insurance contract, **you** have a duty, under both the *Insurance Contracts Act 1984 (Cth)* and the *Marine Insurance Act 1909 (Cth)*, to tell **us** anything that **you** know, or could reasonably be expected to know, that may affect **our** decision to insure **you** and on what terms. **You** have this duty until **we** agree to insure **you**.

You have 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

Where the *Marine Insurance Act 1909 (Cth)* applies:

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

Where the *Insurance Contracts Act 1984 (Cth)* applies:

If **you** do not tell **us** anything **you** are required to, **we** may cancel **your** contract or reduce the amount **we** will pay **you** if **you** make a claim, or both. If **your** failure to tell **us** is fraudulent, **we** may refuse to pay a claim and treat the contract as if it never existed.

General Insurance Code of Practice

QBE is a signatory to the General Insurance Code of Practice (Code) and is committed to providing high standards of service. The Code covers topics like buying insurance, how claims are handled, what happens if financial hardship occurs, and complaint handling. **You** can read the Code at codeofpractice.com.au

The Code Governance Committee is an independent body that monitors and enforces **insurers'** compliance with the Code. For more information about the Code Governance Committee please visit insurancecode.org.au

We recognise that family and domestic violence is a complex issue and **we** take it seriously. For more information about support, **our** Family and Domestic Violence Customer Support Policy is available at qbe.com/au

Privacy

Both QBE and 360 are committed to the safe and careful use of **your** personal information in the manner required by the *Privacy Act 1988 (Cth)* and the Australian Privacy Principles and the terms of the **policy**.

360

360 will collect personal information when **you** deal with 360, 360 agents, other companies in the 360 group, QBE group or suppliers acting on behalf of 360. 360 use **your** personal information so 360 can do business with **you**, which includes issuing and administering 360 products and services and processing claims.

Sometimes 360 might send **your** personal information overseas.

The locations 360 send it to can vary but include the Philippines, India, Ireland, the UK, the US, China and countries within the European Union.

A copy of the 360 Privacy Policy is located on the 360 website at www.360uw.com.au

QBE

We take the security of **your** personal information seriously.

We will collect personal information directly from **you** when **you** deal with **us**, or sometimes through **our** agents, other companies in the QBE group or suppliers acting on **our** behalf. **We** will only ever collect the personal information **we** need in order to provide **our** services to **you**, such as issuing and administering **our** products and services and processing claims. **We** will obtain consent before collecting sensitive information, such as health information, unless **we** are required or permitted by law to collect it without consent. Sometimes **we** may store and disclose **your** personal information overseas. When **we** do this, **we** ensure **your** information is retained in accordance with the Australian *Privacy Act 1988* and local privacy laws.

Our Privacy Policy describes in more detail from whom **we** collect personal information, as well as where **we** store it and the ways **we** could use it. **You** can find it at qbe.com/au/about/governance/privacy-policy

If **you** would like to access or correct **your** personal information please contact **us** at customer@qbe.com or on 1300 650 503.



Marine, Cargo & Transit

Complaints

We're here to help. If you're unhappy with any of our products or services, or the service or conduct of any of our suppliers, please let us know and we'll do our best to put things right.

Step 1 – Talk to us

Your first step is to get in touch with the team looking after your policy, direct debit, or claim. You'll find their contact details on your policy documents, letters, or emails from us. Please provide our team with as much information as possible so they can try to fix the problem quickly and fairly.

For additional assistance in lodging a complaint, please refer to qbe.com/au

Step 2 – Customer relations

If your complaint isn't resolved by the team looking after your policy, direct debit, or claim, you can ask them to refer your complaint on to our Customer Relations team. A Dispute Resolution Specialist will review your complaint independently and provide you with our final decision.

You can also contact the Customer Relations team directly:

Telephone. 1300 650 503
Fax. (02) 8227 8594
Email. complaints@qbe.com
Post. GPO Box 219, Parramatta NSW 2124

Step 3 – Still not resolved?

If we're unable to resolve your complaint to your satisfaction within a reasonable time, or you're not happy with our final decision, you can refer your complaint for external dispute resolution by contacting the Australian Financial Complaints Authority (AFCA). We are a member of AFCA and their decisions are binding on us.

Telephone. 1800 931 678
Email. info@afca.org.au
Post. GPO Box 3, Melbourne VIC 3001

AFCA will inform you if your complaint falls within its jurisdiction. Time limits apply to most complaints to AFCA. For more information, visit afca.org.au

More information

You can find more information about how we deal with complaints on our website at qbe.com/au or you can call us on 133 723 to speak with us or request a copy of our complaints brochure at no charge by us.

Complaints just about privacy

If you're not happy with how we've handled your personal information, call us on 1300 650 503 or email us at customer care@qbe.com. If you're not satisfied with our response, you can contact the Office of the Australian Information Commissioner (OAIC):

Telephone. 1300 363 992
Email. enquiries@oaic.gov.au
Post. GPO Box 5218, Sydney NSW 2001

Financial Claims Scheme

Your policy is a protected policy under the Financial Claims Scheme (FCS), which protects certain insureds and claimants in the event of an insurer becoming insolvent. In the unlikely event of QBE becoming insolvent you may be entitled to access the FCS, provided you meet the eligibility criteria.

More information may be obtained from the Australian Prudential Regulation Authority (APRA).

How to contact APRA

Telephone. 1300 558 849
Calls from mobiles, public telephones or hotel rooms may attract additional charges.
Online. www.fcs.gov.au

Contacting 360 Marine

How to contact 360 Marine

Telephone. 1800 411 580
(Monday to Friday from 9am to 5pm, Sydney time, except on public holidays)
Post. Suite 1, Level 18, 201 Kent St, Sydney NSW 2000
Email.
+ privacy@360uw.com.au, to contact us about privacy or your personal information;
+ executive@360uw.com.au, to give feedback or pay a compliment.

Policy Wording

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

Our Agreement

Where **we** agree to insure **you** based on the information **you** provide when applying for this insurance, **we** issue a **policy schedule** confirming cover.

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

Our agreement with **you** (the **policy**) will comprise of this Policy Wording and any applicable Institute Clauses, the **policy schedule** and any endorsements **we** issue. They should be read together and kept in a safe place.

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

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

Paying Your Premium

You must pay **your premium** by the due date shown on **your policy schedule**. If **we** don't receive **your premium** by the date, or if **your** payment is dishonoured, this **policy** won't operate and there will be no cover.

1. Definitions

The words and terms used throughout this **policy** have special meanings set out below. These words are in **bold**.

Where other words and terms are only used in one section of the **policy**, **we'll** describe their special meaning in that section.

Conveyance means:

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

Excess means:

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

Incidental charges means:

Includes freight and insurance costs plus import duty and taxes.

Inland transits means:

Transits commencing and terminating within Australia.

Insured event means:

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

Interest insured means:

The cargo or goods that are specified as the interest insured in the **policy schedule**. Where applicable, this has the same meaning as 'Subject matter insured' as referred to in the 'Institute Clauses'.

Packaging means:

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

Period of insurance means:

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

Policy means:

This Policy Wording and any applicable 'Institute Clauses', the **policy schedule** and any endorsements **we** issue to **you** which amend this Policy Wording or the **policy schedule**.

Policy schedule means:

The most recent document that **we** give **you**. **We** give you a policy schedule when **you**:

- + first buy a **policy** from **us**; or
- + change any part of a **policy** or any personal details relevant to it.

Premium means:

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

Reinstatement means:

Where such property is lost or destroyed the replacement cost of similar property in a condition equal to its condition, but not better than its condition at the time of loss.

Reinstatement will also mean 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.

Shipping containers means:

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

Total loss (Actual or Constructive) means:

The **interest insured** is an actual 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 it be a constructive total loss.

We, our, us, insurer means:

QBE Insurance (Australia) Limited, **ABN 78 003 191 035**, **AFSL 239545**.

You, your, yours, assured means:

The person(s), companies or firms named on the current **policy schedule** as the Insured.

2. Your Insured Transits

The **interest insured** is only insured for:

- a. imports;
- b. exports;
- c. **inland transits**;

as indicated in **your policy schedule**.

If **we** have agreed to any extension to these insured transits it will be shown in **your policy schedule**.

Any limitations that apply to **your** insured transits will be shown in **your policy schedule**.

You are insured for loss or damage to the **interest insured** while in transit even though, the **period of insurance** has ended provided **your** insurable risk attached on that cargo is during the **period of insurance**.

3. When Your Insured Transits Start and Finish

3.1 Imports & exports

Cover attaches and terminates in accordance with the 'Duration Clauses' of the applicable 'Institute Clauses'.

3.2 Inland Transits

Cover commences when the **interest insured** is first moved for the purpose of being conveyed to a destination outside the premises at which loading takes place. Cover ends when the **interest insured** is last moved in being delivered at the destination but not exceeding seventy two (72) hours after unloading from the conveying vehicle, whichever first occurs.

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

4. What You Are Covered For

4.1 Imports and exports

The **interest insured** is covered to the extent provided by the provisions of this **policy** and the 'Institute Clauses' stated in **your policy schedule**. Any reference in the conditions of insurance to 'Institute Clauses' is to the clauses published by Lloyd's Market Association and the International Underwriting Association of London current at the time of attachment of risks.

4.2 Inland transits

Interest insured is covered for physical loss, destruction or damage caused by an accident occurring during an insured transit.

You are also covered for:

- a. the deliberate act of a third party;
- b. loss or destruction of or damage to goods caused by jettison;
- c. loss incurred as a result of general average sacrifice;
- d. general average and salvage charges, in accordance with the contract of affreightment and the governing law and practice, incurred in connection with avoiding a loss covered by this **policy**.

If the insured transit is by sea or air, while the **interest insured** is aboard the carrying vessel or aircraft **you** are also covered for loss or damage caused by war or warlike activities.

5. Valuing Your Interest Insured

5.1 Basis of valuation

The basis of valuation detailed below establishes the value that cargo is insured for:

a. Imports and exports

This **policy** is a valued **policy** as described in Part II Section 33 of the *Marine Insurance Act 1909*. **Interest insured** is valued in accordance with the basis of valuation shown in the **policy schedule** and any other basis of valuation shown in this **policy**.

b. Inland transits

This **policy** is an agreed value **policy** where, in the absence of fraud, the value of each sending, as calculated in accordance with the basis of valuation below, is fixed between **us** and **you**, and conclusive of the insurable value of the **interest insured**:

i. for goods other than stock and other internal company transfers and plant, machinery and equipment:

- the invoice cost or value, plus freight if not already included and any costs incidental to the insured transit that are not covered by the invoice;
- if there is no invoice value, insurable value is the market value or the cost, at the time of the commencement of the insured transit, of replacing the insured cargo with goods of a similar age and condition plus freight if not already included and any costs incidental to the insured transit.

ii. for goods that are stock and other internal company transfers including goods on consignment, returned goods, goods on exhibition, tools of trade and travellers samples:

- the insurable value is the market value or the cost, at the time of the commencement of the insured transit, of replacing the insured cargo with goods of a similar age and condition plus freight if not already included and any costs incidental to the insured transit.

iii. for goods that are plant and machinery:

- the invoice cost or value, plus freight if not already included and any costs incidental to the insured transit that are not covered by the invoice;
- if there is no invoice value, insurable value is either the market value or the cost, at the time of the commencement of the insured transit, replacing the insured cargo with goods of a similar age and condition or the cost of repair or reconditioning to a state not better than its condition at the commencement of transit plus freight if not already included and any costs incidental to the insured transit.

Depending on the circumstances, claims will either be settled by payment, repair, **reinstatement**, reconditioning or replacement.

6. What We Will Pay

6.1 How we calculate your claim

6.1.1 Imports and exports

Except as otherwise provided for in this **policy**, claims are adjusted in accordance with Part VI Measures of Indemnity of the *Marine Insurance Act 1909*.

6.1.2 Inland transits

a. Total loss (actual or constructive)

Claims are settled for the insured value calculated in accordance with the '*Basis of valuation Clause 5.1 (b)*'.

b. Partial loss or damage

Where there is a partial loss or damage to the goods, unless otherwise specified in this **policy**, claims are settled as follows:

- I. 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; or
- II. the invoice value covering the goods whilst in transit (including freight); or
- III. 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;
- IV. in the case of movement of return goods (inwards or outwards), stock transfers, and movement of goods other than for the reason of purchase or sale, **we** will pay the replacement cost or, if not available, as near as possible to the same make, model and specifications as is available.

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

6.2 Brands / labels

In the event of loss or damage involving cargo 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 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 or the cost of new trademarked cartons, subject to **our** liability not exceeding the insured value of the cargo.

6.3 Compensation from other parties (waiver of rights)

Where another party is liable to compensate **you** for any loss or damage which is covered by this **policy** but where **you** have agreed not to seek recovery of any monies from that party, then

we will not provide cover under this **policy** for such loss or damage or may reduce **our** liability under the **policy** contract as permitted by law.

6.4 General average and salvage

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

6.5 Limit of liability

The limits of liability stated in:

- a. the **policy schedule**;
- b. any endorsements; and
- c. any sub-limits expressed in this **policy**;

apply to any one accident or series of accidents caused by the one event.

6.6 Minimising Losses

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

6.7 Other policies of insurance (non-contribution)

If, at the time of any loss or damage to the **interest insured**, there is any other current insurance, whether effected by **you** or by any other person or persons, covering the same cargo, **we** will not be liable (where legally entitled) for more than the rateable proportion of the loss, damage or expense.

6.8 Pairs and sets

Where any item is part of a pair or set, the **policy** will only pay for the part of the pair or set which is lost or destroyed, even if it cannot be replaced with a matching item. The insured value of the goods will 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.

6.9 Replacement and repair of machinery

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

6.10 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 shall be recoverable hereunder, notwithstanding that a claim for such loss or damage is not ultimately made by **you**.

6.11 Used machinery and plant

In the event of loss or damage to machinery and plant greater than five years old, cover under this **policy** will be restricted to the cost of **reinstatement**.

7. What You Must Pay If You Make a Claim

7.1 Excess

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

No **excess** will be payable by **you** in respect of any claim that would have been recoverable by a peril insured against under the *'Institute Cargo Clauses (B)'*, had they been applicable.

8. Automatic Cover Extensions

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

8.1 Accumulation

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

8.2 Buyer's interest contingency

Where **you** have purchased cargo on CIF or similar terms, **we** will pay for loss, damage or expense which would otherwise be recoverable under this **policy** if:

- a. the seller fails to fulfil his contractual obligation to arrange insurance;

- b. the conditions of any insurance arranged elsewhere are more restrictive than those of this **policy**, and the claim is not recoverable under the other insurance, in which case **we** will consider the cover to have attached at the commencement of transit.

This clause is in respect of **your** interest only and will not apply to the benefit of any third party.

We will not pay any claim under this clause if:

- a. **you** have not taken all reasonable steps to enforce the contract of sale and the responsibilities under it;
- b. **you** have divulged the existence of this insurance to the seller, their **insurers** or any other interested third party.

When a claim is paid under this clause **we** will acquire all **your** rights and remedies including the right to sue or proceed in any way against the seller or their **insurers**.

8.3 Cargo 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:

- a. to the vessel not being certified in accordance with the ISM Code;
- b. to 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 the **policy**.

8.4 Delayed unpacking

Where packages of the **interest insured** are not opened immediately upon arrival, loss or damage covered by this **policy** which was not immediately apparent at the time of arrival and where there is no evidence to the contrary such loss or damage shall be deemed to have occurred during transit and recoverable under this **policy** providing:

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

8.5 Duty and taxes (imports only)

This **policy** is extended to include the amount of any duty and/or taxes paid or payable by **you** in respect of the **interest insured** at the destination. The increased value shall then attach as an additional insurance on the **interest insured** from the time of payment of the duty and/or taxes.

You agree to include in **your** declaration to **us**, the amount of duty and/or taxes paid and/or payable on all cargo insured under the **policy**.

Excluding claims for:

- a. **total loss** of part of the **interest insured** before the duty and taxes become payable;
- b. general average contributions and salvage charges arising from any casualty occurring before the duty and taxes become payable;
- c. duty and taxes refunded or rebated by customs authorities on lost or damaged cargo.

You must take all reasonable steps to obtain a credit for duty and taxes paid or payable on lost or damaged cargo.

8.6 Exhibition and/or demonstration

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

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

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

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

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

8.7 Expediting expenses

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

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

Provided always that the limit of liability shall not exceed 20% of the insured value of the **interest insured** or \$50,000 any one event, whichever is the lesser, unless otherwise specified in the **policy schedule**.

8.8 FOB/CFR pre-shipment damage (applicable to import shipments only)

This **policy** extends to cover cargo purchased on FOB, CFR (C&F), FAS, or similar terms of sale, from the time the **interest insured** leaves the seller's warehouse for the commencement of transit despite the cargo not being at **your** risk.

If loss or damage occurs which is payable under this cover, **you** must use all reasonable means to recover the full amount of the loss or damage from the seller under the terms of purchase, before claiming under this **policy**.

You must not disclose the existence of this cover to the seller and all rights of recovery against them are to be subrogated to **us**.

8.9 Fumigation expenses

This **policy**, subject to existing cover terms and conditions, is extended to cover the reasonable costs, charges and/or expenses necessary, should the **interest insured** on arrival at the port of destination be ordered by the appropriate authority to fumigation and/or quarantine because of infestation or suspected infestation.

Upon issue of the order, the following costs, charges and/or expenses necessarily incurred are payable under the **policy**:

- a. cost of actual fumigation and/or quarantine and related charges;
- b. additional freight costs incurred to and/or from fumigation and/or quarantine.

Fumigation and/or quarantine costs, charges and/or expenses which are mandatory for particular goods or commodities under government quarantine regulations or similar statutory requirements are excluded.

Subject to a limit of \$50,000 any one event arising from the one **insured event**, provided these costs are not recoverable under any other **policy** of insurance.

8.10 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 cargo, **we** will pay **you** the extra costs of freight and/or storage to forward the cargo to its intended destination, or to return the cargo to the place from which it was dispatched, up to a maximum of 10% of the insured value of the cargo (calculated according to *'Clause 5: Valuing your interest insured'*).

This **policy** 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 be aware, that such insolvency or financial default could have occurred during the insured transit.

8.11 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.

8.12 Packaging and shipping containers

This **policy** covers accidental loss of, or damage to, **packaging** and **shipping containers** while carried in transit. Expenses incurred in demurrage charges following the late return of **shipping containers** are also covered where the charges are necessary due

to **you** retaining containers for **our** inspection following a claim and upon **our** instruction.

Subject to a limit of \$75,000 any one event unless otherwise specified in the **policy schedule** and provided the costs are not recoverable under any other **policy** of insurance.

8.13 Packers' 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 thirty days prior to shipment and thereafter while in transit to final destination.

8.14 Pollution hazard

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

8.15 Reconsigned or reshipped cargo

If the **interest insured** is reconsigned or reshipped direct from the wharf or airport at the intended destination to another destination, cover under this **policy** will continue until arrival at the final destination.

8.16 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:

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

You must take all reasonable precautions to prevent the goods from loss or damage. 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.

8.17 Removal of damaged cargo

This **policy** covers all reasonable costs and expenses incurred in unloading, removing, disposing and clean up of damaged cargo at the accident site caused by an **insured event**.

Subject to a limit of \$75,000 any one event unless otherwise specified in the **policy schedule** and provided the costs are not recoverable under any other **policy** of insurance.

8.18 Re-securing of cargo

This **policy** covers all reasonable costs and expenses incurred in re-securing the **interest insured** that has moved in transit which

makes re-securing necessary. This cover applies even though there may be no claim resulting from the incident provided these circumstances were outside **your** control and **you** could not be reasonably expected to have knowledge of them in the normal course of **your** business.

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

8.19 Sealed containers

Where the **interest insured** is shipped in an FCL container and the containers seal is intact at the unloading point, claims for theft, pilferage, shortage or non-delivery will be recoverable under this **policy**, provided:

- a. documentary evidence is produced to substantiate the quantity loaded into the container;
- b. **you** agree to use all reasonable means to first recover the full amount of the loss from the seller, packer or other responsible third party before claiming under this **policy**;
- c. all rights of recovery against the seller, packer or other third party where liability may attach are to be subrogated to **us**.

8.20 Sellers' interest contingency

Where, under the contract of sale, **you** do not have a responsibility to arrange insurance up to final destination, subject to the voyage limits shown in the **policy schedule**, **we** will pay for loss, damage or expense that would otherwise be recoverable under this **policy** if:

- a. the buyer fails to accept the cargo and pay **you** its purchase price; or
- b. the buyer fails to take up the documents of title and pay **you** the cargo purchase price; or
- c. **you** exercise a right of lien; or
- d. **you** interrupt the transit; or
- e. **you** suspend the contract of sale in order to protect **your** interests.

Cover will remain in force, subject to the **policy** conditions until:

- a. the **interest insured** is accepted by the buyer; or
- b. the subject matter insured is sold to an alternative buyer; or
- c. the subject matter insured is returned to **you**; or
- d. ninety days has elapsed from the time of arrival of the overseas vessel at the port of discharge;

whichever occurs first.

We will not pay for loss or damage to the **interest insured**:

- a. unless immediate notice is given to **us**;
- b. if **you** have divulged the existence of this insurance to the seller, their **insurers** or any other interested third party;

- c. if this **policy** or any interest in the subject matter insured is assigned;
- d. if the loss is recoverable from any credit **insurers**;
- e. arising from government action and/or regulations preventing the transfer of currency.

This clause is not deemed to be double insurance.

When a claim is paid under this clause **we** will acquire all **your** rights and remedies including the right to sue or proceed in any way against the buyer or their **insurers**.

8.21 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 **interest insured** whilst waiting for an alternative **conveyance**, provided it is stored in a secure area, but excluding any loss or damage caused by delay.

8.22 Seaworthiness admitted

We admit the seaworthiness of the vessel. **We** agree that any claim under this **policy** will not be prejudiced by the fact that the loss or damage may have been attributable to the wrongful act or omission of the shipowners or their servants committed without **your** involvement.

8.23 Strikes and riots

This **policy** covers accidental loss of, or damage to, the goods caused by strikers, locked out workers or persons taking part in labour disturbances, riots or civil commotions or damage caused by persons acting maliciously.

8.24 Strikes diversion/forwarding charges

This **policy** will pay any additional reasonable expenditure incurred by **you** where ship owners, charterers or managers exercise a liberty granted to them by the contract of affreightment where solely in consequence of strikes, riots, civil commotions, lockouts of labour disturbances:

- a. the **interest insured** is over-carried to or discharged at a port other than the scheduled port of discharge under the contract of affreightment; or
- b. additional expenditure is necessarily incurred in unloading, storing and forwarding the **interest insured** to the final destination.

The additional expenditure is payable irrespective of any other loss whether totally or partially recoverable under the terms of any other insurance.

In no case will **we** be liable for any claims unless the liberty referred to in this clause be exercised prior to the expiry of fifteen days from midnight of the day on which the strikes, riots, civil commotions, lockouts or labour disturbances cease to be in active operation.

The maximum amount **we** will pay under this clause is \$50,000 any one event unless otherwise specified in the **policy schedule**.

8.25 Trans-shipment

Trans-shipment is covered wherever occurring under this **policy** and at no additional **premium**.

8.26 Tools of trade/travellers' samples

This **policy** covers loss of, or damage to tools of trade and travellers' samples whilst contained in the conveying vehicle or while temporarily removed from the conveying vehicle and kept in any securely locked hotel, motel or private dwelling for a period not exceeding twenty four hours caused by:

- a. fire, explosion, earthquake, volcanic eruption, lightning, hail, flood;
- b. collision of the conveying vehicle except with the curb or uneven road surface;
- c. jack-knifing, overturning and/or derailment of the conveying vehicle;
- d. impact of any object which is not on or part of the vehicle with the tools of trade and travellers' samples, excluding impact of the road surface and allied areas with the tools of trade and travellers' samples unless caused by an **insured event** specified above; or
- e. theft following visible evidence of forcible and violent entry into a securely locked vehicle or fixed carrying compartment, (i.e. toolbox or enclosed tool trailer), hotel, motel or private dwelling:
 - during **your** customary business hours; or
 - whilst garaged or parked within the boundary of the insured's private dwelling or dwelling of an authorised custodian;

and provided that:

- I. all doors, windows and openings of the vehicle including fixed carrying compartment (i.e. toolbox or enclosed tool trailer) are securely locked when the vehicle is left unattended;
- II. the vehicle and fixed carrying compartment (i.e. toolbox or enclosed tool trailer) must be of a fully enclosed design, capable of being securely locked at all times;
- III. the vehicle is not parked on a public thoroughfare or in a public parking area or private parking area when not being used in connection with the insured's business operation; and
- IV. alarms on any alarmed vehicle must be in working order and activated when the vehicle is left unattended.

Subject to a limit of \$1,000 per item to a maximum of \$10,000 in total for any one loss or series of losses caused by the one **insured event**, unless otherwise specified in the **policy schedule**.

9. Cover Limitations

9.1 On deck shipments

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

Other on-deck cargoes are covered on **policy** conditions unless otherwise stated on the **policy schedule** which exclude loss, damage or expense caused by or arising from rust, oxidation, 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* deleted.

9.2 Cargo ISM clause

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

In no case will this insurance cover loss, damage or expense where the **interest insured** is carried by a vessel that is not ISM Code certified or whose owners or operators do not hold an ISM Code Document of Compliance when, at the time of loading of the **interest insured** on board the vessel, **you** are aware, or in the ordinary course of business should have been aware:

- a. either that the vessel was not certified in accordance with the ISM Code;
- b. that a current Document of Compliance was not held by her owners or operators;

as required under SOLAS Convention 1974 as amended.

This exclusion shall not apply where this insurance has been assigned to the party claiming who has bought or agreed to buy the **interest insured** in good faith under a binding contract

10. When You Are Not Covered (applies to inland transits only)

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

10.1 Expropriation

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

10.2 Inherent vice

Ordinary leakage, ordinary loss in weight or volume or inherent vice of the **interest insured**.

10.3 Insolvency of carrier

Expense arising from the insolvency or financial default of the carrier other than as provided by *Clause 8.10*.

10.4 Labour shortage

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

11. General Exclusions (applies to all transits)

In addition to the provisions of the 'Institute Clauses' (as applying to import and export transits) the following exclusions apply to all sections of this **policy**.

This **policy** does not cover loss of, or damage to, the **interest insured** or liability or expense caused by the following:

11.1 Antiques, paintings and pictures clause

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

- a. delay, confiscation or detention by customs or other officials or authorities;
- b. wear and tear, moth, vermin, normal atmospheric or climatic conditions;
- c. inherent vice of the goods.

11.2 Consequential loss/delay

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.

11.3 Depreciation

Depreciation or reduction in value of the insured goods due to repairs.

11.4 Electrical, mechanical and electronic failure

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

11.5 Laws impacting cover

We will not be liable to provide any cover, pay any claim or provide any benefit under this **policy**, to the extent that it is unlawful for us to do so.

11.6 Pre-existing damage

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

11.7 Rust/oxidisation discolouration

Rust, oxidisation and/or discolouration unless caused by an **insured event**.

11.8 Radioactive contamination

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

- a. ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel;
- b. the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof;
- c. any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter;
- d. the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter. The exclusion in this sub-clause does not extend to radioactive isotopes, other than nuclear fuel, when such isotopes are being prepared, carried, stored, or used for commercial, agricultural, medical, scientific or other similar peaceful purposes;
- e. any chemical, biological, bio-chemical and electromagnetic weapons.

11.9 Radioactive contamination – USA/Canada

In so far as *Clause 11.8 'Radioactive contamination'* applies, the inclusion of this clause in the **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 *Clause 11.8 'Radioactive contamination'* as permitted by law. In the event that any portion of this clause 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 *Clause 11.8 'Radioactive contamination'* 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.

11.10 Termination of transit clause (terrorism)

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

11.10.1 Notwithstanding any provision to the contrary contained in this **policy** or the clauses referred to therein, it is agreed that in so far as this **policy** covers loss of, or damage to the cargo caused by:

- a. any act of terrorism being an act of any person acting on behalf of, or in connection with, any organisation which carries out activities directed towards the overthrowing or influencing, by force or violence, of any government whether or not legally constituted; or

- b. any person acting from a political, ideological or religious motive;

such cover is conditional upon the subject matter insured being in the ordinary course of transit and, in any event, shall terminate either:

- I. as per the transit clauses contained within the **policy**; or
- II. on completion of unloading from **conveyance** in or at the final warehouse or place of storage at the destination named herein; or
- III. on completion of unloading from the **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 or for allocation or distribution; or
- IV. when **you** or **your** employees elect to use any **conveyance** or any container for storage other than in the ordinary course of transit; or
- V. in respect of marine transits, on the expiry of sixty days after completion of discharge overside of the cargo from the overseas vessel at the final port of discharge; or
- VI. in respect of air transits, on the expiry of thirty days after unloading cargo from the aircraft at the final place of discharge;

whichever shall first occur.

- 11.10.2** If this **policy** or the clauses referred to therein specifically provide cover for inland or other further transits following on from storage, or termination as provided for above, cover will re-attach, and continues during the ordinary course of that transit terminating again in accordance with **Clause 11.10.1**.

11.11 War

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

11.12 Sanctions limitation and exclusion clause

We will not be liable to provide any cover, pay any claim or provide any benefit under this **policy**, to the extent that to do so may expose **us** to any sanction, prohibition or restriction under United Nations resolutions or any applicable trade or economic sanctions, laws or regulations of any country.

11.13 Communicable Disease Exclusion

1. Notwithstanding any provision to the contrary within this insurance, this insurance does not insure any loss, damage, liability, claim, cost or expense of whatsoever nature caused by, contributed to by, resulting from, arising out of, or in connection with a Communicable Disease or the fear or threat (whether actual or perceived) of a Communicable Disease regardless of any other cause or event contributing concurrently or in any other sequence thereto;
2. As used herein, a 'Communicable Disease' means any disease which can be transmitted by means of any substance or agent from any organism to another organism where:
 - a. 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
 - b. 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
 - c. the disease, substance or agent can cause or threaten bodily injury, illness, damage to human health, human welfare or property.

12. General Conditions

12.1 Acquired companies

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

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

12.2 Variation of war and strikes rates

We have the right to vary the war and strikes rate for a country or area by giving **you** seven days notice, (forty-eight hours for strikes risks on shipments to or from the USA) of the amendment in accordance with the '**Institute War Cancellation Clause (Cargo)**'.

The amended rate will apply from the end of the period of notice that begins at midnight of the day that the notice is issued by **us**. It will not apply to transits where cover under this **policy** has attached before the amended rate applies.

Our rights to cancel cover for war and strikes risks to a country or area or entirely are not prejudiced by prepayment of the war and strikes **premium**.

12.3 Due diligence

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

12.4 Errors and omissions

In the event of an error or omission in making any declaration under this **policy**, it is agreed that the cargo will automatically be covered by the **policy**, however, **you** must advise **us** as soon as possible after **you** become aware of the error or omission.

12.5 Annual declarations and premium calculation

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

Within one month of the expiry of each **period of insurance**, **you** must declare the actual turnover/sendings. This figure should represent the actual value of all goods for which **we** were at risk during the **period of insurance**.

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

If the deposit **premium** is \$5,000 or less, the deposit **premium** shall be regarded as the minimum **premium** for the **period of insurance** shown in the **policy schedule**, and no adjustment or declaration of actual turnover/sendings is required.

The **premium** will be adjusted in accordance with the rating factors set out in the **policy schedule** or as otherwise agreed.

12.6 Changing your policy

If **you** want to make a change to this **policy**, the change becomes effective when **we** agree to it in writing. If **you** do or omit to do something which materially changes the risk, as disclosed at the commencement or renewal of this **policy** or in **your policy schedule** that increases the chances of future loss, **you** must give **us** notice in writing as soon as possible.

Where the *Marine Insurance Act 1909 (Cth)* applies no claim arising after the change shall be payable unless **we** have agreed to the change in writing.

Where the *Insurance Contracts Act 1984 (Cth)* applies, and **you** do not give **us** notice, **we** will only cover **you** to the extent **we** would have agreed to cover **you** had **you** told **us** about the change.

12.7 Cancelling your policy

a. how **you** may cancel this **policy**

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

b. how **we** may cancel this **policy**

We may cancel this **policy** in any of the circumstances permitted by law and as detailed below.

- I. where the **policy** is subject to the *Insurance Contracts Act 1984*, **we** may cancel the **policy** subject to the provision of the Act;
- II. where the **policy** is subject to the *Marine Insurance Act 1909* and in respect of risks other than piracy, war, strikes, riots and civil commotions, **we** may cancel this **policy** by giving thirty days notice of cancellation;
- III. in respect of the risk of piracy, **we** may cancel this **policy** in accordance with the provisions of the '*Cargo Piracy Notice of Cancellation Clause*';
- IV. in respect of the risk of war, **we** may cancel this **policy** in accordance with the provisions of the '*Institute War Cancellation Clause (Cargo)*';
- V. in respect of strikes, riots and civil commotions risks **we** may cancel this **policy** at seven days notice with the exception of, to and from U.S.A. where forty eight hours notice applies.

Cancellation will become effective on the expiry of the requisite period of time from 4pm of the day on which notice of cancellation is issued by or to **us**, but will not apply to risks which have attached before the cancellation becomes effective.

c. the **premium**

We will refund to **you** the proportion of the **premium**, provided **we** retain the agreed minimum **premium** and any non-refundable government taxes.

12.8 Sending you documents

Documents relating to **your** insurance **policy** will be sent by post or email. Where **you** have been given the choice, they will be sent by **your** chosen delivery method and **you** can change **your** preference at any time.

It is **your** responsibility to make sure **your** contact details are current (including telephone number, email and mailing address where relevant) and **you** must update these as soon as they change.

12.9 Jurisdiction, law and practice

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

12.10 GST

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

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

When **you** are:

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

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

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

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

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

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

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

Taxable Percentage is **your** entitlement to an ITC on **your** **premium** as a percentage of the total GST on that **premium**.

12.11 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.

12.12 References to legislation

Legislation referenced in this **policy** includes subsequent legislation. Any term used in this **policy** and defined by reference to legislation will have the meaning given in any replacement definition or definition with materially the same object or purpose in subsequent legislation.

'Subsequent legislation' means:

- + an act or regulation as amended, replaced or re-enacted;
- + where an act or regulation has been repealed, the current equivalent act or regulation (Commonwealth, State or Territory) with materially the same object or purpose whether in whole or in part.

13. Claims

13.1 What you must do

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

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

13.2 Notification

- a. inform **us** of the event as soon as possible;
- b. complete **our** claim form and any other form **we** ask **you** to complete, and send it to **our** claims department at any of **our** offices. **Our** claim form is available from **your** financial services provider or **you** may download it from **our** website at www.qbe.com/au;
- c. send to **us** all correspondence and documents relating to the event;
- d. provide or arrange for **us** to be provided with invoices, statements and other documents evidencing the amount of the loss.

13.3 Claims documentation

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

- a. original **policy** or marine insurance certificate;
- b. original contract of carriage, consignment note or other contract of carriage, (e.g. bill of lading or air waybill);
- c. original or copy shipping invoices, shipping specifications, weight notes, separate sales invoice or other document evidencing value;
- d. survey report or other documentary evidence to show the extent of the loss or damage;
- e. delivery docket and weight notes at final destination;
- f. correspondence exchanged with carriers and other parties regarding their liability for the loss or damage.

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

13.4 When others may be liable

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

- a. not agree to release those parties from liability;
- b. hold the parties liable by delivering a notice of intention to claim within three days of delivery;
- c. in no circumstances, except under written protest, give clean receipts where the cargo is in doubtful condition;
- d. inform **us** of the circumstances and let **us** have a copy of all relevant documents.

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

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

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

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

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

13.5 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.

13.6 Fraud

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

Institute Clauses

Institute and Joint Cargo Committee Clauses

Applying to insured imports and exports the following clauses are standard marine market wordings. The Institute Clauses referred to in the **policy**, the schedule and endorsements are those current at the inception of this contract.

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Institute Cargo Clauses (A)

Risks covered

Risks

1. This insurance covers all risks of loss of or damage to the subject matter insured except as excluded by the provisions of *Clauses 4, 5, 6 and 7* below.

General Average

2. This insurance covers general average and salvage charges, adjusted or determined according to the contract of carriage and/or the governing law and practice, incurred to avoid or in connection with the avoidance of loss from any cause except those excluded in *Clauses 4, 5, 6 and 7* below.

“Both to Blame Collision Clause”

3. This insurance indemnifies the assured, in respect of any risk insured herein, against liability incurred under any Both to Blame Collision Clause in the contract of carriage. In the event of any claim by carriers under the said clause, the assured agree to notify the insurers who shall have the right, at their own cost and expense, to defend the assured against such claim.

Exclusions

4. In no case shall this insurance cover:
 - 4.1 Loss damage or expense attributable to wilful misconduct of the assured;
 - 4.2 Ordinary leakage, ordinary loss in weight or volume, or ordinary wear and tear of the subject matter insured;
 - 4.3 Loss damage or expense caused by insufficiency or unsuitability of packing or preparation of the subject matter insured to withstand the ordinary incidents of the insured transit where such packing or preparation is carried out by the assured or their employees or prior to the attachment of this insurance (for the purpose of these clauses “packing” shall be deemed to include stowage in a container and “employees” shall not include independent contractors);

- 4.4 Loss damage or expense caused by inherent vice or nature of the subject matter insured;
- 4.5 Loss damage or expense caused by delay, even though the delay be caused by a risk insured against (except expenses payable under *Clause 2* above);
- 4.6 Loss damage or expense caused by insolvency or financial default of the owners managers charterers or operators of the vessel where, at the time of loading of the subject matter insured on board the vessel, the assured are aware, or in the ordinary course of business should be aware, that such insolvency or financial default could prevent the normal prosecution of the voyage This exclusion shall not apply where the contract of insurance has been assigned to the party claiming hereunder who has bought or agreed to buy the subject matter insured in good faith under a binding contract;
- 4.7 Loss damage or expense directly or indirectly caused by or arising from the use of any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.
5. 5.1 In no case shall this insurance cover loss damage or expense arising from:
 - 5.1.1 Unseaworthiness of vessel or craft or unfitness of vessel or craft for the safe carriage of the subject-matter insured, where the assured are privy to such unseaworthiness or unfitness, at the time the subject matter insured is loaded therein;
 - 5.1.2 Unfitness of container or conveyance for the safe carriage of the subject matter insured, where loading therein or thereon is carried out prior to attachment of this insurance or by the assured or their employees and they are privy to such unfitness at the time of loading.
- 5.2 *Exclusion 5.1.1* above shall not apply where the contract of insurance has been assigned to the party claiming hereunder who has bought or agreed to buy the subject matter insured in good faith under a binding contract.
- 5.3 The insurers waive any breach of the implied warranties of seaworthiness of the ship and fitness of the ship to carry the subject matter insured to destination.
6. In no case shall this insurance cover loss damage or expense caused by:
 - 6.1 War civil war revolution rebellion insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power;
 - 6.2 Capture seizure arrest restraint or detention (piracy excepted), and the consequences thereof or any attempt thereat;

- 6.3 Derelict mines torpedoes bombs or other derelict weapons of war.
- 7. In no case shall this insurance cover loss damage or expense:
 - 7.1 Caused by strikers, locked-out workmen, or persons taking part in labour disturbances, riots or civil commotions;
 - 7.2 Resulting from strikes, lock-outs, labour disturbances, riots or civil commotions;
 - 7.3 Caused by any act of terrorism being an act of any person acting on behalf of, or in connection with, any organisation which carries out activities directed towards the overthrowing or influencing, by force or violence, of any government whether or not legally constituted;
 - 7.4 Caused by any person acting from a political, ideological or religious motive.

Duration

Transit Clause

- 8. 8.1 Subject to *Clause 11* below, this insurance attaches from the time the subject matter insured is first moved in the warehouse or at the place of storage (at the place named in the contract of insurance) for the purpose of the immediate loading into or onto the carrying vehicle or other conveyance for the commencement of transit, continues during the ordinary course of transit and terminates either:
 - 8.1.1 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; or
 - 8.1.2 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 the assured or their employees elect to use either for storage other than in the ordinary course of transit or for allocation or distribution; or
 - 8.1.3 When the assured or their employees elect to use any carrying vehicle or any container for storage other than in the ordinary course of transit; or
 - 8.1.4 On the expiry of 60 days after completion of discharge overseas of the subject matter insured from the overseas vessel at the final port of discharge;

whichever shall first occur.

- 8.2 If, after discharge overseas from the overseas vessel at the final port of discharge, but prior to termination of this insurance, the subject matter insured is to be forwarded

to a destination other than that to which it is insured, this insurance, whilst remaining subject to termination as provided in *Clauses 8.1.1 to 8.1.4*, shall not extend beyond the time the subject matter insured is first moved for the purpose of the commencement of transit to such other destination;

- 8.3 This insurance shall remain in force (subject to termination as provided for in *Clauses 8.1.1 to 8.1.4* above and to the provisions of *Clause 9* below) during delay beyond the control of the assured, any deviation, forced discharge, reshipment or transhipment and during any variation of the adventure arising from the exercise of a liberty granted to carriers under the contract of carriage.

Termination of Contract of Carriage

- 9. If owing to circumstances beyond the control of the assured either the contract of carriage is terminated at a port or place other than the destination named therein or the transit is otherwise terminated before unloading of the subject matter insured as provided for in *Clause 8* above, then this insurance shall also terminate unless prompt notice is given to the insurers and continuation of cover is requested when this insurance shall remain in force, subject to an additional premium if required by the insurers, either:
 - 9.1 Until the subject matter insured is sold and delivered at such port or place, or, unless otherwise specially agreed, until the expiry of 60 days after arrival of the subject matter insured at such port or place, whichever shall first occur;

or

- 9.2 If the subject matter insured is forwarded within the said period of 60 days (or any agreed extension thereof) to the destination named in the contract of insurance or to any other destination, until terminated in accordance with the provisions of *Clause 8* above.

Change of Voyage

- 10. 10.1 Where, after attachment of this insurance, the destination is changed by the assured, this must be notified promptly to insurers for rates and terms to be agreed. Should a loss occur prior to such agreement being obtained cover may be provided but only if cover would have been available at a reasonable commercial market rate on reasonable market terms.
- 10.2 Where the subject matter insured commences the transit contemplated by this insurance (in accordance with *Clause 8.1*), but, without the knowledge of the assured or their employees the ship sails for another destination, this insurance will nevertheless be deemed to have attached at commencement of such transit.

Claims

Insurable Interest

11. 11.1 In order to recover under this insurance the assured must have an insurable interest in the subject matter insured at the time of the loss.
- 11.2 Subject to *Clause 11.1* above, the assured shall be entitled to recover for insured loss occurring during the period covered by this insurance, notwithstanding that the loss occurred before the contract of insurance was concluded, unless the assured were aware of the loss and the insurers were not.

Forwarding Charges

12. Where, as a result of the operation of a risk covered by this insurance, the insured transit is terminated at a port or place other than that to which the subject matter insured is covered under this insurance, the insurers will reimburse the assured for any extra charges properly and reasonably incurred in unloading storing and forwarding the subject matter insured to the destination to which it is insured.

This *Clause 12*, which does not apply to general average or salvage charges, shall be subject to the exclusions contained in *Clauses 4, 5, 6 and 7* above, and shall not include charges arising from the fault negligence insolvency or financial default of the assured or their employees.

Constructive Total Loss

13. No claim for Constructive Total Loss shall be recoverable hereunder unless the subject matter insured is reasonably abandoned either on account of its actual total loss appearing to be unavoidable or because the cost of recovering, reconditioning and forwarding the subject matter insured to the destination to which it is insured would exceed its value on arrival.

Increased Value

14. 14.1 If any Increased Value insurance is effected by the assured on the subject matter insured under this insurance the agreed value of the subject matter insured shall be deemed to be increased to the total amount insured under this insurance and all Increased Value insurances covering the loss, and liability under this insurance shall be in such proportion as the sum insured under this insurance bears to such total amount insured.

In the event of claim the assured shall provide the insurers with evidence of the amounts insured under all other insurances.

- 14.2 Where this insurance is on Increased Value the following clause shall apply:

The agreed value of the subject matter insured shall be deemed to be equal to the total amount insured under the primary insurance and all Increased Value insurances covering the loss and effected on the subject matter insured by the assured, and liability under this insurance shall be in such proportion as the sum insured under this insurance bears to such total amount insured.

In the event of claim the assured shall provide the insurers with evidence of the amounts insured under all other insurances.

Benefit of insurance

15. This insurance:

- 15.1 Covers the assured which includes the person claiming indemnity either as the person by or on whose behalf the contract of insurance was effected or as an assignee;
- 15.2 Shall not extend to or otherwise benefit the carrier or other bailee.

Minimising losses

Duty of assured

16. It is the duty of the assured and their employees and agents in respect of loss recoverable hereunder:
- 16.1 To take such measures as may be reasonable for the purpose of averting or minimising such loss; and
- 16.2 To ensure that all rights against carriers, bailees or other third parties are properly preserved and exercised and the insurers will, in addition to any loss recoverable hereunder, reimburse the assured for any charges properly and reasonably incurred in pursuance of these duties.

Waiver

17. Measures taken by the assured or the insurers with the object of saving, protecting or recovering the subject matter insured shall not be considered as a waiver or acceptance of abandonment or otherwise prejudice the rights of either party.

Avoidance of delay

18. It is a condition of this insurance that the assured shall act with reasonable despatch in all circumstances within their control.

Law and practice

19. This insurance is subject to Australian law and practice.

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01/01/2009 CL387

Institute Cargo Clauses (Air) (excluding sendings by Post)

Risks covered

Risks

1. This insurance covers all risks of loss of or damage to the subject matter insured except as excluded by the provisions of *Clauses 3, 4 and 5* below.

Salvage Charges

2. This insurance covers salvage charges incurred to avoid or in connection with the avoidance of loss from any cause except those excluded in *Clauses 3, 4 and 5* below.

Exclusions

3. In no case shall this insurance cover:
 - 3.1 Loss damage or expense attributable to wilful misconduct of the assured;
 - 3.2 Ordinary leakage, ordinary loss in weight or volume, or ordinary wear and tear of the subject matter insured;
 - 3.3 Loss damage or expense caused by insufficiency or unsuitability of packing or preparation of the subject matter insured to withstand the ordinary incidents of the insured transit where such packing or preparation is carried out by the assured or their employees or prior to the attachment of this insurance (for the purpose of these clauses "packing" shall be deemed to include stowage in a container and "employees" shall not include independent contractors);
 - 3.4 Loss damage or expense caused by inherent vice or nature of the subject matter insured;
 - 3.5 Loss damage or expense arising from unfitness of aircraft conveyance or container for the safe carriage of the subject matter insured, where loading therein or thereon is carried out prior to attachment of this insurance or by the assured or their employees and they are privy to such unfitness at the time of loading. This exclusion shall not apply where the contract of insurance has been assigned to the party claiming hereunder who has bought or agreed to buy the subject matter insured in good faith under a binding contract;
 - 3.6 Loss damage or expense caused by delay, even though the delay be caused by a risk insured against;
 - 3.7 Loss damage or expense caused by insolvency or financial default of the owners managers charterers or operators of the aircraft where, at the time of loading of the subject matter insured on board the aircraft, the assured are aware, or in the ordinary course of business should be aware, that such insolvency or financial default

could prevent the normal prosecution of the transit. This exclusion shall not apply where the contract of insurance has been assigned to the party claiming hereunder who has bought or agreed to buy the subject matter insured in good faith under a binding contract;

- 3.8 Loss damage or expense directly or indirectly caused by or arising from the use of any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.
4. In no case shall this insurance cover loss damage or expense caused by:
 - 4.1 War civil war revolution rebellion insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power;
 - 4.2 Capture seizure arrest restraint or detention (piracy excepted), and the consequences thereof or any attempt thereat;
 - 4.3 Derelict mines torpedoes bombs or other derelict weapons of war.
5. In no case shall this insurance cover loss damage or expense:
 - 5.1 Caused by strikers, locked-out workmen, or persons taking part in labour disturbances, riots or civil commotions;
 - 5.2 Resulting from strikes, lock-outs, labour disturbances, riots or civil commotions;
 - 5.3 Caused by any act of terrorism being an act of any person acting on behalf of, or in connection with, any organisation which carries out activities directed towards the overthrowing or influencing, by force or violence, of any government whether or not legally constituted;
 - 5.4 Caused by any person acting from a political, ideological or religious motive.

Duration

Transit Clause

6. 6.1 Subject to *Clause 9* below, this insurance attaches from the time the subject matter insured is first moved in the warehouse, premises or at the place of storage (at the place named in the contract of insurance) for the purpose of the immediate loading into or onto the carrying vehicle or other conveyance for the commencement of transit, continues during the ordinary course of transit and terminates either:
 - 6.1.1 On completion of unloading from the carrying vehicle or other conveyance in or at the final warehouse, premises or place of storage at the destination named in the contract of insurance; or
 - 6.1.2 On completion of unloading from the carrying vehicle or other conveyance in or at any other warehouse, premises or place of storage; whether prior to or at the destination named in the contract

of insurance, which the assured or their employees elect to use either for storage other than in the ordinary course of transit or for allocation or distribution; or

- 6.1.3 When the assured or their employees elect to use any carrying vehicle or other conveyance or any container for storage other than in the ordinary course of transit; or
- 6.1.4 On the expiry of 30 days after completion of unloading of the subject matter insured from the aircraft at the final place of discharge;

whichever shall first occur.

- 6.2 If, after unloading from the aircraft at the final place of discharge, but prior to termination of this insurance, the subject matter insured is to be forwarded to a destination other than that to which it is insured, this insurance, whilst remaining subject to termination as provided in *Clauses 6.1.1 to 6.1.4*, shall not extend beyond the time the subject matter insured is first moved for the purpose of the commencement of transit to such other destination.
- 6.3 This insurance shall remain in force (subject to termination as provided for in *Clauses 6.1.1 to 6.1.4* above and to the provisions of *Clause 7* below) during delay beyond the control of the assured, any deviation, forced discharge, reshipment or transshipment and during any variation of the adventure arising from the exercise of a liberty granted to the air carriers under the contract of carriage.

Termination of Contract of Carriage

- 7. If owing to circumstances beyond the control of the assured either the contract of carriage is terminated at a place other than the destination named therein or the transit is otherwise terminated before unloading of the subject matter insured as provided for in *Clause 6* above, then this insurance shall also terminate unless prompt notice is given to the insurers and continuation of cover is requested when this insurance shall remain in force, subject to an additional premium if required by the insurers, either:
 - 7.1 Until the subject matter insured is sold and delivered at such place, or, unless otherwise specially agreed, until the expiry of 30 days after arrival of the subject matter insured at such place, whichever shall first occur;or
 - 7.2 If the subject matter insured is forwarded within the said period of 30 days (or any agreed extension thereof) to the destination named in the contract of insurance or to any other destination, until terminated in accordance with the provisions of *Clause 6* above.

Change of Transit

- 8. 8.1 Where, after attachment of this insurance, the destination is changed by the assured, this must be notified promptly to insurers for rates and terms to be agreed. Should a loss occur prior to such agreement being obtained cover may be provided but only if cover would have been available at a reasonable commercial market rate on reasonable market terms.
- 8.2 Where the subject matter insured commences the transit contemplated by this insurance (in accordance with *Clause 6.1*), but, without the knowledge of the assured or their employees the aircraft leaves for another destination, this insurance will nevertheless be deemed to have attached at commencement of such transit.

Claims

Insurable Interest

- 9. 9.1 In order to recover under this insurance the assured must have an insurable interest in the subject matter insured at the time of the loss.
- 9.2 Subject to *Clause 9.1* above, the assured shall be entitled to recover for insured loss occurring during the period covered by this insurance, notwithstanding that the loss occurred before the contract of insurance was concluded, unless the assured were aware of the loss and the insurers were not.

Forwarding Charges

- 10. Where, as a result of the operation of a risk covered by this insurance, the insured transit is terminated at a place other than that to which the subject matter insured is covered under this insurance, the insurers will reimburse the assured for any extra charges properly and reasonably incurred in unloading storing and forwarding the subject matter insured to the destination to which it is insured.

This *Clause 10*, which does not apply to salvage charges, shall be subject to the exclusions contained in *Clauses 3, 4 and 5* above, and shall not include charges arising from the fault negligence insolvency or financial default of the assured or their employees.

Constructive Total Loss

- 11. No claim for Constructive Total Loss shall be recoverable hereunder unless the subject matter insured is reasonably abandoned either on account of its actual **total loss** appearing to be unavoidable or because the cost of recovering, reconditioning and forwarding the subject matter insured to the destination to which it is insured would exceed its value on arrival.

Increased Value

12. 12.1 If any Increased Value insurance is effected by the assured on the subject matter insured under this insurance the agreed value of the subject matter insured shall be deemed to be increased to the total amount insured under this insurance and all Increased Value insurances covering the loss, and liability under this insurance shall be in such proportion as the sum insured under this insurance bears to such total amount insured.

In the event of claim the assured shall provide the insurers with evidence of the amounts insured under all other insurances.

- 12.2 Where this insurance is on Increased Value the following clause shall apply:

The agreed value of the subject matter insured shall be deemed to be equal to the total amount insured under the primary insurance and all Increased Value insurances covering the loss and effected on the subject matter insured by the assured, and liability under this insurance shall be in such proportion as the sum insured under this insurance bears to such total amount insured.

In the event of claim the assured shall provide the insurers with evidence of the amounts insured under all other insurances.

Benefit of insurance

13. This insurance:
- 13.1 Covers the assured which includes the person claiming indemnity either as the person by or on whose behalf the contract of insurance was effected or as an assignee;
 - 13.2 Shall not extend to or otherwise benefit the carrier or other bailee.

Minimising losses

Duty of assured

14. It is the duty of the assured and their employees and agents in respect of loss recoverable hereunder:
- 14.1 To take such measures as may be reasonable for the purpose of averting or minimising such loss; and
 - 14.2 To ensure that all rights against carriers, bailees or other third parties are properly preserved and exercised and the insurers will, in addition to any loss recoverable hereunder, reimburse the assured for any charges properly and reasonably incurred in pursuance of these duties.

Waiver

15. Measures taken by the assured or the insurers with the object of saving, protecting or recovering the subject matter insured shall not be considered as a waiver or acceptance of abandonment or otherwise prejudice the rights of either party.

Avoidance of delay

16. It is a condition of this insurance that the assured shall act with reasonable despatch in all circumstances within their control.

Law and practice

17. This insurance is subject to Australian law and practice.

NOTE: Where a continuation of cover is requested under [Clause 7](#), or a change of destination is notified under [Clause 8](#), there is an obligation to give prompt notice to the insurers and the right to such cover is dependent upon compliance with this obligation.

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01/01/2009 CL383

Institute Cargo Clauses (B)

Risks covered

Risks

1. This insurance covers, except as excluded by the provisions of *Clauses 4, 5, 6 and 7* below:
 - 1.1 Loss of or damage to the subject matter insured reasonably attributable to:
 - 1.1.1 Fire or explosion;
 - 1.1.2 Vessel or craft being stranded grounded sunk or capsized;
 - 1.1.3 Overturning or derailment of land conveyance;
 - 1.1.4 Collision or contact of vessel craft or conveyance with any external object other than water;
 - 1.1.5 Discharge of cargo at a port of distress;
 - 1.1.6 Earthquake volcanic eruption or lightning;
 - 1.2 Loss of or damage to the subject matter insured caused by:
 - 1.2.1 General average sacrifice;
 - 1.2.2 Jettison or washing overboard;
 - 1.2.3 Entry of sea lake or river water into vessel craft hold conveyance container or place of storage;
 - 1.3 Total loss of any package lost overboard or dropped whilst loading on to, or unloading from, vessel or craft.

General Average

2. This insurance covers general average and salvage charges, adjusted or determined according to the contract of carriage and/or the governing law and practice, incurred to avoid or in connection with the avoidance of loss from any cause except those excluded in *Clauses 4, 5, 6 and 7* below.

“Both to Blame Collision Clause”

3. This insurance indemnifies the assured, in respect of any risk insured herein, against liability incurred under any Both to Blame Collision Clause in the contract of carriage. In the event of any claim by carriers under the said clause, the assured agree to notify the insurers who shall have the right, at their own cost and expense, to defend the assured against such claim.

Exclusions

4. In no case shall this insurance cover:
 - 4.1 Loss damage or expense attributable to wilful misconduct of the assured;
 - 4.2 Ordinary leakage, ordinary loss in weight or volume, or ordinary wear and tear of the subject matter insured;

- 4.3 Loss damage or expense caused by insufficiency or unsuitability of packing or preparation of the subject matter insured to withstand the ordinary incidents of the insured transit where such packing or preparation is carried out by the assured or their employees or prior to the attachment of this insurance (for the purpose of these clauses “packing” shall be deemed to include stowage in a container and “employees” shall not include independent contractors);
- 4.4 Loss damage or expense caused by inherent vice or nature of the subject matter insured;
- 4.5 Loss damage or expense caused by delay, even though the delay be caused by a risk insured against (except expenses payable under *Clause 2* above);
- 4.6 Loss damage or expense caused by insolvency or financial default of the owners managers charterers or operators of the vessel where, at the time of loading of the subject matter insured on board the vessel, the assured are aware, or in the ordinary course of business should be aware, that such insolvency or financial default could prevent the normal prosecution of the voyage;

This exclusion shall not apply where the contract of insurance has been assigned to the party claiming hereunder who has bought or agreed to buy the subject matter insured in good faith under a binding contract;

- 4.7 Deliberate damage to or deliberate destruction of the subject matter insured or any part thereof by the wrongful act of any person or persons;
- 4.8 Loss damage or expense directly or indirectly caused by or arising from the use of any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.
5. 5.1 In no case shall this insurance cover loss damage or expense arising from:
 - 5.1.1 Unseaworthiness of vessel or craft or unfitness of vessel or craft for the safe carriage of the subject matter insured, where the assured are privy to such unseaworthiness or unfitness, at the time the subject matter insured is loaded therein;
 - 5.1.2 Unfitness of container or conveyance for the safe carriage of the subject matter insured, where loading therein or thereon is carried out prior to attachment of this insurance or by the assured or their employees and they are privy to such unfitness at the time of loading;
- 5.2 *Exclusion 5.1.1* above shall not apply where the contract of insurance has been assigned to the party claiming hereunder who has bought or agreed to buy the subject matter insured in good faith under a binding contract;
- 5.3 The insurers waive any breach of the implied warranties of seaworthiness of the ship and fitness of the ship to carry the subject matter insured to destination.

6. In no case shall this insurance cover loss damage or expense caused by:
- 6.1 War civil war revolution rebellion insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power;
 - 6.2 Capture seizure arrest restraint or detainment, and the consequences thereof or any attempt thereat;
 - 6.3 Derelict mines torpedoes bombs or other derelict weapons of war.
7. In no case shall this insurance cover loss damage or expense:
- 7.1 Caused by strikers, locked-out workmen, or persons taking part in labour disturbances, riots or civil commotions;
 - 7.2 Resulting from strikes, lock-outs, labour disturbances, riots or civil commotions;
 - 7.3 Caused by any act of terrorism being an act of any person acting on behalf of, or in connection with, any organisation which carries out activities directed towards the overthrowing or influencing, by force or violence, of any government whether or not legally constituted;
 - 7.4 Caused by any person acting from a political, ideological or religious motive.

Duration

Transit Clause

8. 8.1 Subject to *Clause 11* below, this insurance attaches from the time the subject matter insured is first moved in the warehouse or at the place of storage (at the place named in the contract of insurance) for the purpose of the immediate loading into or onto the carrying vehicle or other conveyance for the commencement of transit, continues during the ordinary course of transit and terminates either:
- 8.1.1 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; or
 - 8.1.2 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 the assured or their employees elect to use either for storage other than in the ordinary course of transit or for allocation or distribution; or
 - 8.1.3 When the assured or their employees elect to use any carrying vehicle or other conveyance or any container for storage other than in the ordinary course of transit; or

- 8.1.4 On the expiry of 60 days after completion of discharge overseas of the subject matter insured from the overseas vessel at the final port of discharge;

whichever shall first occur.

- 8.2 If, after discharge overseas from the overseas vessel at the final port of discharge, but prior to termination of this insurance, the subject matter insured is to be forwarded to a destination other than that to which it is insured, this insurance, whilst remaining subject to termination as provided in *Clauses 8.1.1 to 8.1.4*, shall not extend beyond the time the subject matter insured is first moved for the purpose of the commencement of transit to such other destination;
- 8.3 This insurance shall remain in force (subject to termination as provided for in *Clauses 8.1.1 to 8.1.4* above and to the provisions of *Clause 9* below) during delay beyond the control of the assured, any deviation, forced discharge, reshipment or transhipment and during any variation of the adventure arising from the exercise of a liberty granted to carriers under the contract of carriage.

Termination of Contract of Carriage

9. If owing to circumstances beyond the control of the assured either the contract of carriage is terminated at a port or place other than the destination named therein or the transit is otherwise terminated before unloading of the subject matter insured as provided for in *Clause 8* above, then this insurance shall also terminate unless prompt notice is given to the insurers and continuation of cover is requested when this insurance shall remain in force, subject to an additional premium if required by the insurers, either:
- 9.1 Until the subject matter insured is sold and delivered at such port or place, or, unless otherwise specially agreed, until the expiry of 60 days after arrival of the subject matter insured at such port or place, whichever shall first occur;
- or
- 9.2 If the subject matter insured is forwarded within the said period of 60 days (or any agreed extension thereof) to the destination named in the contract of insurance or to any other destination, until terminated in accordance with the provisions of *Clause 8* above.

Change of Voyage

10. 10.1 Where, after attachment of this insurance, the destination is changed by the assured, this must be notified promptly to insurers for rates and terms to be agreed. Should a loss occur prior to such agreement being obtained cover may be provided but only if cover would have been available at a reasonable commercial market rate on reasonable market terms;

- 10.2 Where the subject matter insured commences the transit contemplated by this insurance (in accordance with *Clause 8.1*), but, without the knowledge of the assured or their employees the ship sails for another destination, this insurance will nevertheless be deemed to have attached at commencement of such transit.

Claims

Insurable Interest

11. 11.1 In order to recover under this insurance the assured must have an insurable interest in the subject matter insured at the time of the loss;
- 11.2 Subject to *Clause 11.1* above, the assured shall be entitled to recover for insured loss occurring during the period covered by this insurance, notwithstanding that the loss occurred before the contract of insurance was concluded, unless the assured were aware of the loss and the insurers were not.

Forwarding Charges

12. Where, as a result of the operation of a risk covered by this insurance, the insured transit is terminated at a port or place other than that to which the subject matter insured is covered under this insurance, the insurers will reimburse the assured for any extra charges properly and reasonably incurred in unloading storing and forwarding the subject matter insured to the destination to which it is insured.

This *Clause 12*, which does not apply to general average or salvage charges, shall be subject to the exclusions contained in *Clauses 4, 5, 6 and 7* above, and shall not include charges arising from the fault negligence insolvency or financial default of the assured or their employees.

Constructive Total Loss

13. No claim for Constructive Total Loss shall be recoverable hereunder unless the subject matter insured is reasonably abandoned either on account of its actual total loss appearing to be unavoidable or because the cost of recovering, reconditioning and forwarding the subject matter insured to the destination to which it is insured would exceed its value on arrival.

Increased Value

14. 14.1 If any Increased Value insurance is effected by the assured on the subject matter insured under this insurance the agreed value of the subject matter insured shall be deemed to be increased to the total amount insured under this insurance and all Increased Value insurances covering the loss, and liability under this insurance shall be in such proportion as the sum insured under this insurance bears to such total amount insured.

In the event of claim the assured shall provide the insurers with evidence of the amounts insured under all other insurances.

- 14.2 Where this insurance is on Increased Value the following clause shall apply:

The agreed value of the subject matter insured shall be deemed to be equal to the total amount insured under the primary insurance and all Increased Value insurances covering the loss and effected on the subject matter insured by the assured, and liability under this insurance shall be in such proportion as the sum insured under this insurance bears to such total amount insured.

In the event of claim the assured shall provide the insurers with evidence of the amounts insured under all other insurances.

Benefit of insurance

15. This insurance:
- 15.1 Covers the assured which includes the person claiming indemnity either as the person by or on whose behalf the contract of insurance was effected or as an assignee;
- 15.2 Shall not extend to or otherwise benefit the carrier or other bailee.

Minimising losses

Duty of assured

16. It is the duty of the assured and their employees and agents in respect of loss recoverable hereunder:
- 16.1 To take such measures as may be reasonable for the purpose of averting or minimising such loss; and
- 16.2 To ensure that all rights against carriers, bailees or other third parties are properly preserved and exercised and the insurers will, in addition to any loss recoverable hereunder, reimburse the assured for any charges properly and reasonably incurred in pursuance of these duties.

Waiver

17. Measures taken by the assured or the insurers with the object of saving, protecting or recovering the subject matter insured shall not be considered as a waiver or acceptance of abandonment or otherwise prejudice the rights of either party.

Avoidance of delay

18. It is a condition of this insurance that the assured shall act with reasonable despatch in all circumstances within their control.

Law and practice

19. This insurance is subject to Australian law and practice.

NOTE: Where a continuation of cover is requested under *Clause 9*, or a change of destination is notified under *Clause 10*, there is an obligation to give prompt notice to the insurers and the right to such cover is dependent upon compliance with this obligation.

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01/01/2001 CL354

Institute Classification Clause

Qualifying vessels

1. This insurance and the marine transit rates as agreed in the policy or open cover apply only to cargoes and/or interests carried mechanically self-propelled vessels of steel construction classed with a Classification Society which is:
 - 1.1 A Member or Associate Member of the International Association of Classification Societies (IACS)*;or
 - 1.2 A National Flag Society as defined in *Clause 4* below, but only where the vessel is engaged exclusively in the coastal trading of that nation (including trading on an inter-island route within an archipelago of which that nation forms part).

Cargoes and/or interests carried by vessels not classed as above must be notified promptly to underwriters for rates and conditions to be agreed. Should a loss occur prior to such agreement being obtained cover may be provided but only if cover would have been available at a reasonable commercial market rate on reasonable commercial market terms.

Age limitation

2. Cargoes and/or interests carried by Qualifying Vessels (as defined above) which exceed the following age limits will be insured on the policy or open cover conditions subject to an additional premium to be agreed.
 - + bulk or combination carriers over 10 years of age;or
 - + other vessels over 15 years of age unless they;
 - 2.1 Have been used for the carriage of general cargo on an established and regular pattern of trading between a range of specified ports, and do not exceed 25 years of age;or
 - 2.2 Were constructed as containerships, vehicle carriers or double-skin open-hatch gantry crane vessels (OHGCs) and have been continuously used as such on an established and regular pattern of trading between a range of specified ports, and do not exceed 30 years of age.

Craft clause

3. The requirements of this clause do not apply to any craft used to load or unload the vessel within the port area.

National flag society

4. A National Flag Society is a Classification Society which is domiciled in the same country as the owner of the vessel in question which must also operate under the flag of that country.

Prompt notice

5. Where this insurance requires the assured to give prompt notice to the Underwriters, the right to cover is dependant upon compliance with that obligation.

Law and practice

6. This insurance is subject to Australian Law and practice.

* For a current list of IACS Members and Associate Members please refer to the IACS website www.iacs.org.uk

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1/1/2009 CL386

Institute Strikes Clauses (Cargo)

Risks covered

Risks

1. This insurance covers, except as excluded by the provisions of *Clauses 3* and *4* below, loss of or damage to the subject matter insured caused by:
 - 1.1 Strikers, locked-out workmen, or persons taking part in labour disturbances, riots or civil commotions;
 - 1.2 Any act of terrorism being an act of any person acting on behalf of, or in connection with, any organisation which carries out activities directed towards the overthrowing or influencing, by force or violence, of any government whether or not legally constituted;
 - 1.3 Any person acting from a political, ideological or religious motive.

General Average

2. This insurance covers general average and salvage charges, adjusted or determined according to the contract of carriage and/or the governing law and practice, incurred to avoid or in connection with the avoidance of loss from a risk covered under these clauses.

Exclusions

3. In no case shall this insurance cover:
 - 3.1 Loss damage or expense attributable to wilful misconduct of the assured;
 - 3.2 Ordinary leakage, ordinary loss in weight or volume, or ordinary wear and tear of the subject matter insured;
 - 3.3 Loss damage or expense caused by insufficiency or unsuitability of packing or preparation of the subject matter insured to withstand the ordinary incidents of the insured transit where such packing or preparation is carried out by the assured or their employees or prior to the attachment of this insurance (for the purpose of this *Clause 3.3 "packing"* shall be deemed to include stowage in a container and "employees" shall not include independent contractors);
 - 3.4 Loss damage or expense caused by inherent vice or nature of the subject matter insured;
 - 3.5 Loss damage or expense caused by delay, even though the delay be caused by a risk insured against (except expenses payable under *Clause 2* above);

- 3.6 Loss damage or expense caused by insolvency or financial default of the owners managers charterers or operators of the vessel where, at the time of loading of the subject matter insured on board the vessel, the assured are aware, or in the ordinary course of business should be aware, that such insolvency or financial default could prevent the normal prosecution of the voyage.

This exclusion shall not apply where the contract of insurance has been assigned to the party claiming hereunder who has bought or agreed to buy the subject matter insured in good faith under a binding contract;

- 3.7 Loss damage or expense arising from the absence shortage or withholding of labour of any description whatsoever resulting from any strike, lockout, labour disturbance, riot or civil commotion;
- 3.8 Any claim based upon loss of or frustration of the voyage or adventure;
- 3.9 Loss damage or expense directly or indirectly caused by or arising from the use of any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter;
- 3.10 Loss damage or expense caused by war civil war revolution rebellion insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power.

4. 4.1 In no case shall this insurance cover loss damage or expense arising from:
 - 4.1.1 Unseaworthiness of vessel or craft or unfitness of vessel or craft for the safe carriage of the subject matter insured, where the assured are privy to such unseaworthiness or unfitness, at the time the subject matter insured is loaded therein;
 - 4.1.2 Unfitness of container or conveyance for the safe carriage of the subject matter insured, where loading therein or thereon is carried out prior to attachment of this insurance or by the assured or their employees and they are privy to such unfitness at the time of loading.
- 4.2 *Exclusion 4.1.1* above shall not apply where the contract of insurance has been assigned to the party claiming hereunder who has bought or agreed to buy the subject matter insured in good faith under a binding contract;
- 4.3 The insurers waive any breach of the implied warranties of seaworthiness of the ship and fitness of the ship to carry the subject matter insured to destination.

Duration

Transit Clause

5. 5.1 Subject to *Clause 8* below, this insurance attaches from the time the subject matter insured is first moved in the warehouse or at the place of storage (at the place named in the contract of insurance) for the purpose of the immediate loading into or onto the carrying vehicle or other conveyance for the commencement of transit, continues during the ordinary course of transit and terminates either:
- 5.1.1 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; or
- 5.1.2 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 the assured or their employees elect to use either for storage other than in the ordinary course of transit or for allocation or distribution; or
- 5.1.3 When the assured or their employees elect to use any carrying vehicle or other conveyance or any container for storage other than in the ordinary course of transit; or
- 5.1.4 On the expiry of 60 days after completion of discharge overseas of the subject matter insured from the overseas vessel at the final port of discharge, whichever shall first occur.
- 5.2 If, after discharge overseas from the overseas vessel at the final port of discharge, but prior to termination of this insurance, the subject matter insured is to be forwarded to a destination other than that to which it is insured, this insurance, whilst remaining subject to termination as provided in *Clauses 5.1.1 to 5.1.4*, shall not extend beyond the time the subject matter insured is first moved for the purpose of the commencement of transit to such other destination;
- 5.3 This insurance shall remain in force (subject to termination as provided for in *Clauses 5.1.1 to 5.1.4* above and to the provisions of *Clause 6* below) during delay beyond the control of the assured, any deviation, forced discharge, reshipment or transshipment and during any variation of the adventure arising from the exercise of a liberty granted to carriers under the contract of carriage.

Termination of Contract of Carriage

6. If owing to circumstances beyond the control of the assured either the contract of carriage is terminated at a port or place other than the destination named therein or the transit is otherwise terminated before unloading of the subject matter insured as provided for in *Clause 5* above, then this insurance shall also terminate unless prompt notice is given to the insurers and continuation of cover is requested when this insurance shall remain in force, subject to an additional premium if required by the insurers, either:
- 6.1 Until the subject matter insured is sold and delivered at such port or place, or, unless otherwise specially agreed, until the expiry of 60 days after arrival of the subject matter insured at such port or place, whichever shall first occur;
- or
- 6.2 If the subject matter insured is forwarded within the said period of 60 days (or any agreed extension thereof) to the destination named in the contract of insurance or to any other destination, until terminated in accordance with the provisions of *Clause 5* above.

Change of Voyage

7. 7.1 Where, after attachment of this insurance, the destination is changed by the assured, this must be notified promptly to insurers for rates and terms to be agreed. Should a loss occur prior to such agreement being obtained cover may be provided but only if cover would have been available at a reasonable commercial market rate on reasonable market terms;
- 7.2 Where the subject matter insured commences the transit contemplated by this insurance (in accordance with *Clause 5.1*), but, without the knowledge of the assured or their employees the ship sails for another destination, this insurance will nevertheless be deemed to have attached at commencement of such transit.

Claims

Insurable Interest

8. 8.1 In order to recover under this insurance the assured must have an insurable interest in the subject matter insured at the time of the loss;
- 8.2 Subject to *Clause 8.1* above, the assured shall be entitled to recover for insured loss occurring during the period covered by this insurance, notwithstanding that the loss occurred before the contract of insurance was concluded, unless the assured were aware of the loss and the insurers were not.

Increased Value

9. 9.1 If any Increased Value insurance is effected by the assured on the subject matter insured under this insurance the agreed value of the subject matter insured shall be deemed to be increased to the total amount insured under this insurance and all Increased Value insurances covering the loss, and liability under this insurance shall be in such proportion as the sum insured under this insurance bears to such total amount insured.

In the event of claim the assured shall provide the insurers with evidence of the amounts insured under all other insurances;

- 9.2 Where this insurance is on Increased Value the following clause shall apply:

The agreed value of the subject matter insured shall be deemed to be equal to the total amount insured under the primary insurance and all Increased Value insurances covering the loss and effected on the subject matter insured by the assured, and liability under this insurance shall be in such proportion as the sum insured under this insurance bears to such total amount insured.

In the event of claim the assured shall provide the insurers with evidence of the amounts insured under all other insurances.

Benefit of insurance

10. This insurance:
- 10.1 Covers the assured which includes the person claiming indemnity either as the person by or on whose behalf the contract of insurance was effected or as an assignee;
 - 10.2 Shall not extend to or otherwise benefit the carrier or other bailee.

Minimising losses

Duty of assured

11. It is the duty of the assured and their employees and agents in respect of loss recoverable hereunder:
- 11.1 To take such measures as may be reasonable for the purpose of averting or minimising such loss; and
 - 11.2 To ensure that all rights against carriers, bailees or other third parties are properly preserved and exercised;
- and the insurers will, in addition to any loss recoverable hereunder, reimburse the assured for any charges properly and reasonably incurred in pursuance of these duties.

Waiver

12. Measures taken by the assured or the insurers with the object of saving, protecting or recovering the subject matter insured shall not be considered as a waiver or acceptance of abandonment or otherwise prejudice the rights of either party.

Avoidance of delay

13. It is a condition of this insurance that the assured shall act with reasonable despatch in all circumstances within their control.

Law and practice

14. This insurance is subject to Australian law and practice.

NOTE: Where a continuation of cover is requested under *Clause 6*, or a change of destination is notified under *Clause 7*, there is an obligation to give prompt notice to the insurers and the right to such cover is dependent upon compliance with this obligation.

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1/1/2009 CL389

Institute Strikes Clauses (Air Cargo)

Risks covered

Risks

1. This insurance covers, except as excluded by the provisions of *Clause 3* below, loss of or damage to the subject matter insured caused by:
 - 1.1 Strikers, locked-out workmen, or persons taking part in labour disturbances, riots or civil commotions;
 - 1.2 Any act of terrorism being an act of any person acting on behalf of, or in connection with, any organisation which carries out activities directed towards the overthrowing or influencing, by force or violence, of any government whether or not legally constituted;
 - 1.3 Any person acting from a political, ideological or religious motive.

Salvage Charges

2. This insurance covers salvage charges incurred to avoid or in connection with the avoidance of loss from any cause except those excluded in *Clause 3* below.

Exclusions

3. In no case shall this insurance cover:
 - 3.1 Loss damage or expense attributable to wilful misconduct of the assured;
 - 3.2 Ordinary leakage, ordinary loss in weight or volume, or ordinary wear and tear of the subject matter insured;
 - 3.3 Loss damage or expense caused by insufficiency or unsuitability of packing or preparation of the subject matter insured to withstand the ordinary incidents of the insured transit where such packing or preparation is carried out by the assured or their employees or prior to the attachment of this insurance (for the purpose of this *Clause 3.3* "packing" shall be deemed to include stowage in a container and "employees" shall not include independent contractors);
 - 3.4 Loss damage or expense caused by inherent vice or nature of the subject matter insured;
 - 3.5 Loss damage or expense arising from unfitness of aircraft conveyance or container for the safe carriage of the subject matter insured, where loading therein or thereon is carried out prior to attachment of this insurance or by the assured or their employees and they are privy to such unfitness at the time of loading. This exclusion shall not apply where the contract of insurance has been assigned to the party claiming hereunder who has bought or agreed to buy the subject matter insured in good faith under a binding contract;

- 3.6 Loss damage or expense caused by delay, even though the delay be caused by a risk insured against;
- 3.7 Loss damage or expense caused by insolvency or financial default of the owners managers charterers or operators of the aircraft where, at the time of loading of the subject matter insured on board the aircraft, the assured are aware, or in the ordinary course of business should be aware, that such insolvency or financial default could prevent the normal prosecution of the transit;

This exclusion shall not apply where the contract of insurance has been assigned to the party claiming hereunder who has bought or agreed to buy the subject matter insured in good faith under a binding contract;

- 3.8 Loss damage or expense arising from the absence shortage or withholding of labour of any description whatsoever resulting from any strike, lockout, labour disturbance, riot or civil commotion;
- 3.9 Any claim based upon loss of or frustration of the transit or adventure;
- 3.10 Loss damage or expense directly or indirectly caused by or arising from the use of any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter;
- 3.11 Loss damage or expense caused by war civil war revolution rebellion insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power.

Duration

Transit Clause

4. 4.1 Subject to *Clause 7* below, this insurance attaches from the time the subject matter insured is first moved in the warehouse, premises or at the place of storage (at the place named in the contract of insurance) for the purpose of the immediate loading into or onto the carrying vehicle or other conveyance for the commencement of transit, continues during the ordinary course of transit and terminates either:
 - 4.1.1 On completion of unloading from the carrying vehicle or other conveyance in or at the final warehouse, premises or place of storage at the destination named in the contract of insurance; or
 - 4.1.2 On completion of unloading from the carrying vehicle or other conveyance in or at any other warehouse, premises or place of storage, whether prior to or at the destination named in the contract of insurance, which the assured or their employees elect to use either for storage other than in the ordinary course of transit or for allocation or distribution; or

4.1.3 When the assured or their employees elect to use any carrying vehicle or other conveyance or any container for storage other than in the ordinary course of transit; or

4.1.4 On the expiry of 30 days after completion of unloading of the subject matter insured from the aircraft at the final place of discharge;

whichever shall first occur.

4.2 If, after unloading from the aircraft at the final place of discharge, but prior to termination of this insurance, the subject matter insured is to be forwarded to a destination other than that to which it is insured, this insurance, whilst remaining subject to termination as provided in *Clauses 4.1.1 to 4.1.4*, shall not extend beyond the time the subject matter insured is first moved for the purpose of the commencement of transit to such other destination.

4.3 This insurance shall remain in force (subject to termination as provided for in *Clauses 4.1.1 to 4.1.4* above and to the provisions of *Clause 5* below) during delay beyond the control of the assured, any deviation, forced discharge, reshipment or transshipment and during any variation of the adventure arising from the exercise of a liberty granted to the air carriers under the contract of carriage.

Termination of Contract of Carriage

5. If owing to circumstances beyond the control of the assured either the contract of carriage is terminated at a place other than the destination named therein or the transit is otherwise terminated before unloading of the subject matter insured as provided for in *Clause 4* above, then this insurance shall also terminate unless prompt notice is given to the insurers and continuation of cover is requested when this insurance shall remain in force, subject to an additional premium if required by the insurers, either:

5.1 Until the subject matter insured is sold and delivered at such place, or, unless otherwise specially agreed, until the expiry of 30 days after arrival of the subject matter insured at such place, whichever shall first occur;

or

5.2 If the subject matter insured is forwarded within the said period of 30 days (or any agreed extension thereof) to the destination named in the contract of insurance or to any other destination, until terminated in accordance with the provisions of *Clause 4* above.

Change of Transit

6. 6.1 Where, after attachment of this insurance, the destination is changed by the assured, this must be notified promptly to insurers for rates and terms to be agreed. Should a loss occur prior to such agreement being obtained cover

may be provided but only if cover would have been available at a reasonable commercial market rate on reasonable market terms.

6.2 Where the subject matter insured commences the transit contemplated by this insurance (in accordance with *Clause 4.1*), but, without the knowledge of the assured or their employees the aircraft leaves for another destination, this insurance will nevertheless be deemed to have attached at commencement of such transit.

Claims

Insurable Interest

7. 7.1 In order to recover under this insurance the assured must have an insurable interest in the subject matter insured at the time of the loss.

7.2 Subject to *Clause 7.1* above, the assured shall be entitled to recover for insured loss occurring during the period covered by this insurance, notwithstanding that the loss occurred before the contract of insurance was concluded, unless the assured were aware of the loss and the insurers were not.

Increased Value

8. 8.1 If any Increased Value insurance is effected by the assured on the subject matter insured under this insurance the agreed value of the subject matter insured shall be deemed to be increased to the total amount insured under this insurance and all Increased Value insurances covering the loss, and liability under this insurance shall be in such proportion as the sum insured under this insurance bears to such total amount insured.

In the event of claim the assured shall provide the insurers with evidence of the amounts insured under all other insurances.

8.2 Where this insurance is on Increased Value the following clause shall apply:

The agreed value of the subject matter insured shall be deemed to be equal to the total amount insured under the primary insurance and all Increased Value insurances covering the loss and effected on the subject matter insured by the assured, and liability under this insurance shall be in such proportion as the sum insured under this insurance bears to such total amount insured.

In the event of claim the assured shall provide the insurers with evidence of the amounts insured under all other insurances.

Benefit of insurance

9. This insurance:
 - 9.1 Covers the assured which includes the person claiming indemnity either as the person by or on whose behalf the contract of insurance was effected or as an assignee;
 - 9.2 Shall not extend to or otherwise benefit the carrier or other bailee.

Minimising losses

Duty of assured

10. It is the duty of the assured and their employees and agents in respect of loss recoverable hereunder:
 - 10.1 To take such measures as may be reasonable for the purpose of averting or minimising such loss;and
 - 10.2 To ensure that all rights against carriers, bailees or other third parties are properly preserved and exercised and the insurers will, in addition to any loss recoverable hereunder, reimburse the assured for any charges properly and reasonably incurred in pursuance of these duties.

Waiver

11. Measures taken by the assured or the insurers with the object of saving, protecting or recovering the subject matter insured shall not be considered as a waiver or acceptance of abandonment or otherwise prejudice the rights of either party.

Avoidance of delay

12. It is a condition of this insurance that the assured shall act with reasonable despatch in all circumstances within their control.

Law and practice

13. This insurance is subject to Australian law and practice.

NOTE: Where a continuation of cover is requested under *Clause 5*, or a change of destination is notified under *Clause 6*, there is an obligation to give prompt notice to the insurers and the right to such cover is dependent upon compliance with this obligation.

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1/1/2009 CL385

Institute War Clauses (Cargo)

Risks covered

Risks

1. This insurance covers, except as excluded by the provisions of *Clauses 3* and *4* below, loss of or damage to the subject matter insured caused by:
 - 1.1 War civil war revolution rebellion insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power;
 - 1.2 Capture seizure arrest restraint or detention, arising from risks covered under *1.1* above, and the consequences thereof or any attempt thereat;
 - 1.3 Derelict mines torpedoes bombs or other derelict weapons of war.

General Average

2. This insurance covers general average and salvage charges, adjusted or determined according to the contract of carriage and/or the governing law and practice, incurred to avoid or in connection with the avoidance of loss from a risk covered under these clauses.

Exclusions

3. In no case shall this insurance cover:
 - 3.1 Loss damage or expense attributable to wilful misconduct of the assured;
 - 3.2 Ordinary leakage, ordinary loss in weight or volume, or ordinary wear and tear of the subject matter insured;
 - 3.3 Loss damage or expense caused by insufficiency or unsuitability of packing or preparation of the subject matter insured to withstand the ordinary incidents of the insured transit where such packing or preparation is carried out by the assured or their employees or prior to the attachment of this insurance (for the purpose of these clauses "packing" shall be deemed to include stowage in a container and "employees" shall not include independent contractors);
 - 3.4 Loss damage or expense caused by inherent vice or nature of the subject matter insured;
 - 3.5 Loss damage or expense caused by delay, even though the delay be caused by a risk insured against (except expenses payable under *Clause 2* above);
 - 3.6 Loss damage or expense caused by insolvency or financial default of the owners managers charterers or operators of the vessel where, at the time of loading of the subject matter insured on board the vessel, the assured are aware, or in the ordinary course of business

should be aware, that such insolvency or financial default could prevent the normal prosecution of the voyage;

This exclusion shall not apply where the contract of insurance has been assigned to the party claiming hereunder who has bought or agreed to buy the subject matter insured in good faith under a binding contract;

- 3.7 Any claim based upon loss of or frustration of the voyage or adventure;
- 3.8 Loss damage or expense directly or indirectly caused by or arising from any hostile use of any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.
4. 4.1 In no case shall this insurance cover loss damage or expense arising from:
 - 4.1.1 Unseaworthiness of vessel or craft or unfitness of vessel or craft for the safe carriage of the subject matter insured, where the assured are privy to such unseaworthiness or unfitness, at the time the subject matter insured is loaded therein;
 - 4.1.2 Unfitness of container or conveyance for the safe carriage of the subject matter insured, where loading therein or thereon is carried out prior to attachment of this insurance or by the assured or their employees and they are privy to such unfitness at the time of loading.
- 4.2 *Exclusion 4.1.1* above shall not apply where the contract of insurance has been assigned to the party claiming hereunder who has bought or agreed to buy the subject matter insured in good faith under a binding contract.
- 4.3 The insurers waive any breach of the implied warranties of seaworthiness of the ship and fitness of the ship to carry the subject matter insured to destination.

Duration

Transit Clause

5. 5.1 This insurance:
 - 5.1.1 Attaches only as the subject matter insured and as to any part as that part is loaded on an oversea vessel; and
 - 5.1.2 Terminates, subject to *5.2* and *5.3* below, either as the subject matter insured and as to any part as that part is discharged from an oversea vessel at the final port or place of discharge;

or

on expiry of 15 days counting from midnight of the day of arrival of the vessel at the final port or place of discharge, whichever shall first occur; nevertheless, subject to prompt notice to the insurers and to an additional premium, such insurance:

5.1.3 Reattaches when, without having discharged the subject matter insured at the final port or place of discharge, the vessel sails therefrom;

and

5.1.4 Terminates, subject to 5.2 and 5.3 below, either as the subject matter insured and as to any part as that part is thereafter discharged from the vessel at the final (or substituted) port;

or

place of discharge;

or

on expiry of 15 days counting from midnight of the day of re-arrival of the vessel at the final port or place of discharge or arrival of the vessel at a substituted port or place of discharge, whichever shall first occur.

5.2 If during the insured voyage the oversea vessel arrives at an intermediate port or place to discharge the subject matter insured for on-carriage by oversea vessel or by aircraft, or the subject matter insured is discharged from the vessel at a port or place of refuge, then, subject to 5.3 below and to an additional premium if required, this insurance continues until the expiry of 15 days counting from midnight of the day of arrival of the vessel at such port or place, but thereafter reattaches as the subject matter insured and as to any part as that part is loaded on an on-carrying oversea vessel or aircraft. During the period of 15 days the insurance remains in force after discharge only whilst the subject matter insured and as to any part as that part is at such port or place. If the subject matter insured is on carried within the said period of 15 days or if the insurance reattaches as provided in this *Clause 5.2*:

5.2.1 Where the on-carriage is by oversea vessel this insurance continues subject to the terms of these clauses;

or

5.2.2 Where the on-carriage is by aircraft, the current *Institute War Clauses (Air Cargo) (excluding sendings by Post)* shall be deemed to form part of the contract of insurance and shall apply to the on-carriage by air.

5.3 If the voyage in the contract of carriage is terminated at a port or place other than the destination agreed therein, such port or place shall be deemed the final port of discharge and this insurance terminates in accordance with 5.1.2. If the subject matter insured is subsequently reshipped to the original or any other destination, then provided notice is given to the insurers before the commencement of such further transit and subject to an additional premium, this insurance reattaches:

5.3.1 In the case of the subject matter insured having been discharged, as the subject matter insured and as to any part as that part is loaded on the on-carrying vessel for the voyage;

5.3.2 In the case of the subject matter not having been discharged, when the vessel sails from such deemed final port of discharge; thereafter this insurance terminates in accordance with 5.1.4.

5.4 The insurance against the risks of mines and derelict torpedoes, floating or submerged, is extended whilst the subject matter insured or any part thereof is on craft whilst in transit to or from the oversea vessel, but in no case beyond the expiry of 60 days after discharge from the oversea vessel unless otherwise specially agreed by the insurers.

5.5 Subject to prompt notice to insurers, and to an additional premium if required, this insurance shall remain in force within the provisions of these clauses during any deviation, or any variation of the adventure arising from the exercise of a liberty granted to carriers under the contract of carriage.

(For the purpose of *Clause 5 "arrival"* shall be deemed to mean that the vessel is anchored, moored or otherwise secured at a berth or place within the Harbour Authority area. If such a berth or place is not available, arrival is deemed to have occurred when the vessel first anchors, moors or otherwise secures either at or off the intended port or place of discharge "oversea vessel" shall be deemed to mean a vessel carrying the subject matter from one port or place to another where such voyage involves a sea passage by that vessel).

Change of Voyage

6. 6.1 Where, after attachment of this insurance, the destination is changed by the assured, this must be notified promptly to insurers for rates and terms to be agreed. Should a loss occur prior to such agreement being obtained cover may be provided but only if cover would have been available at a reasonable commercial market rate on reasonable market terms.

6.2 Where the subject matter insured commences the transit contemplated by this insurance (in accordance with *Clause 5.1*), but, without the knowledge of the assured or their employees the ship sails for another destination, this insurance will nevertheless be deemed to have attached at commencement of such transit.

7. Anything contained in this contract which is inconsistent with *Clauses 3.7, 3.8 or 5* shall, to the extent of such inconsistency, be null and void.

Claims

Insurable Interest

8. 8.1 In order to recover under this insurance the assured must have an insurable interest in the subject matter insured at the time of the loss.
- 8.2 Subject to *Clause 8.1* above, the assured shall be entitled to recover for insured loss occurring during the period covered by this insurance, notwithstanding that the loss occurred before the contract of insurance was concluded, unless the assured were aware of the loss and the insurers were not.

Increased Value

9. 9.1 If any Increased Value insurance is effected by the assured on the subject matter insured under this insurance the agreed value of the subject matter insured shall be deemed to be increased to the total amount insured under this insurance and all Increased Value insurances covering the loss, and liability under this insurance shall be in such proportion as the sum insured under this insurance bears to such total amount insured.

In the event of claim the assured shall provide the insurers with evidence of the amounts insured under all other insurances.

- 9.2 Where this insurance is on Increased Value the following clause shall apply:

The agreed value of the subject matter insured shall be deemed to be equal to the total amount insured under the primary insurance and all Increased Value insurances covering the loss and effected on the subject matter insured by the assured, and liability under this insurance shall be in such proportion as the sum insured under this insurance bears to such total amount insured.

In the event of claim the assured shall provide the insurers with evidence of the amounts insured under all other insurances.

Benefit of insurance

10. This insurance
 - 10.1 Covers the assured which includes the person claiming indemnity either as the person by or on whose behalf the contract of insurance was effected or as an assignee;
 - 10.2 Shall not extend to or otherwise benefit the carrier or other bailee.

Minimising losses

Duty of assured

11. It is the duty of the assured and their employees and agents in respect of loss recoverable hereunder:
 - 11.1 To take such measures as may be reasonable for the purpose of averting or minimising such loss; and
 - 11.2 To ensure that all rights against carriers, bailees or other third parties are properly preserved and exercised and the insurers will, in addition to any loss recoverable hereunder, reimburse the assured for any charges properly and reasonably incurred in pursuance of these duties.

Waiver

12. Measures taken by the assured or the insurers with the object of saving, protecting or recovering the subject matter insured shall not be considered as a waiver or acceptance of abandonment or otherwise prejudice the rights of either party.

Avoidance of delay

13. It is a condition of this insurance that the assured shall act with reasonable despatch in all circumstances within their control.

Law and practice

14. This insurance is subject to Australian law and practice.

NOTE: Where a reattachment of cover is requested under *Clause 5*, or a change of destination is notified under *Clause 6*, there is an obligation to give prompt notice to the insurers and the right to such cover is dependent upon compliance with this obligation.

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1/1/2009 CL388

Institute War Clauses (Air Cargo) (excluding sendings by Post)

Risks covered

Risks

1. This insurance covers, except as excluded by the provisions of *Clause 3* below, loss of or damage to the subject matter insured caused by:
 - 1.1 War civil war revolution rebellion insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power;
 - 1.2 Capture seizure arrest restraint or detention, arising from risks covered under *1.1* above, and the consequences thereof or any attempt thereat;
 - 1.3 Derelict mines torpedoes bombs or other derelict weapons of war.

Salvage Charges

2. This insurance covers salvage charges, incurred to avoid or in connection with the avoidance of loss from any cause except those excluded in *Clause 3* below.

Exclusions

3. In no case shall this insurance cover:
 - 3.1 Loss damage or expense attributable to wilful misconduct of the assured;
 - 3.2 Ordinary leakage, ordinary loss in weight or volume, or ordinary wear and tear of the subject matter insured;
 - 3.3 Loss damage or expense caused by insufficiency or unsuitability of packing or preparation of the subject matter insured to withstand the ordinary incidents of the insured transit where such packing or preparation is carried out by the assured or their employees or prior to the attachment of this insurance (for the purpose of these clauses "packing" shall be deemed to include stowage in a container and "employees" shall not include independent contractors);
 - 3.4 Loss damage or expense caused by inherent vice or nature of the subject matter insured;
 - 3.5 Loss damage or expense arising from unfitness of aircraft conveyance or container for the safe carriage of the subject matter insured, where loading therein or thereon is carried out prior to attachment of this insurance or by the assured or their employees and they are privy to such unfitness at the time of loading;

This exclusion shall not apply where the contract of insurance has been assigned to the party claiming hereunder who has bought or agreed to buy the subject matter insured in good faith under a binding contract;

- 3.6 Loss damage or expense caused by delay, even though the delay be caused by a risk insured against;
- 3.7 Loss damage or expense caused by insolvency or financial default of the owners managers charterers or operators of the aircraft where, at the time of loading of the subject matter insured on board the aircraft, the assured are aware, or in the ordinary course of business should be aware, that such insolvency or financial default could prevent the normal prosecution of the transit;

This exclusion shall not apply where the contract of insurance has been assigned to the party claiming hereunder who has bought or agreed to buy the subject matter insured in good faith under a binding contract;

- 3.8 Any claim based upon loss of or frustration of the transit or adventure;
- 3.9 Loss damage or expense directly or indirectly caused by or arising from any hostile use of any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.

Duration

Transit Clause

4. 4.1 This insurance:
 - 4.1.1 Attaches only as the subject matter insured and as to any part as that part is loaded on the aircraft for the commencement of the air transit insured;and
 - 4.1.2 Terminates, subject to *4.2* and *4.3* below, either as the subject matter insured and as to any part as that part is discharged from the aircraft at the final place of discharge;or
 - on expiry of 15 days counting from midnight of the day of arrival of the aircraft at the final place of discharge, whichever shall first occur;nevertheless,
 - subject to prompt notice to the insurers and to an additional premium, such insurance:
 - 4.1.3 Reattaches when, without having discharged the subject matter insured at the final place of discharge, the aircraft departs therefrom;and
 - 4.1.4 Terminates, subject to *4.2* and *4.3* below, either as the subject matter insured and as to any part as that part is thereafter discharged from the aircraft at the final (or substituted) place of discharge;or
 - on expiry of 15 days counting from midnight of the day of re-arrival of the aircraft at the final place of discharge or

arrival of the aircraft at a substituted place of discharge, whichever shall first occur.

- 4.2 If during the insured transit the aircraft arrives at an intermediate place to discharge the subject matter insured for on carriage by aircraft or oversea vessel, then, subject to 4.3 below and to an additional premium if required, this insurance continues until the expiry of 15 days counting from midnight of the day of arrival of the aircraft at such place, but thereafter reattaches as the subject matter insured and as to any part as that part is loaded on an on-carrying aircraft or oversea vessel. During the period of 15 days the insurance remains in force after discharge only whilst the subject matter insured and as to any part as that part is at such intermediate place. If the subject matter insured is on-carried within the said period of 15 days or if the insurance reattaches as provided in this **Clause 4.2**.

4.2.1 Where the on-carriage is by aircraft this insurance continues subject to the terms of these clauses;

or

4.2.2 Where the on-carriage is by oversea vessel, the current **Institute War Clauses (Cargo)** shall be deemed to form part of the contract of insurance and shall apply to the on-carriage by sea.

- 4.3 If the air transit in the contract of carriage is terminated at a place other than the destination agreed therein, that place shall be deemed to be the final place of discharge and this insurance terminates in accordance with 4.1.2. If the subject matter insured is subsequently consigned to the original or any other destination, then, provided notice is given to the insurers before the commencement of such further transit and subject to an additional premium, this insurance reattaches:

4.3.1 In the case of the subject matter insured having been discharged, as the subject matter insured and as to any part as that part is loaded on the on-carrying aircraft for the transit;

4.3.2 In the case of the subject matter insured not having been discharged, when the aircraft departs from such deemed final place of discharge;

thereafter this insurance terminates in accordance with 4.1.4.

- 4.4 Subject to prompt notice to insurers, and to an additional premium if required, this insurance shall remain in force within the provisions of these clauses during any deviation, or any variation of the adventure arising from the exercise of a liberty granted to the air carriers under the contract of carriage.

(For the purpose of **Clause 4 "oversea vessel"** shall be deemed to mean a vessel carrying the subject matter from one port or place to another where such voyage involves a sea passage by that vessel.)

Change of Transit

5. 5.1 Where, after attachment of this insurance, the destination is changed by the assured, this must be notified promptly to insurers for rates and terms to be agreed. Should a loss occur prior to such agreement being obtained cover may be provided but only if cover would have been available at a reasonable commercial market rate on reasonable market terms.
- 5.2 Where the subject matter insured commences the transit contemplated by this insurance (in accordance with **Clause 4.1**), but, without the knowledge of the assured or their employees the aircraft leaves for another destination, this insurance will nevertheless be deemed to have attached at commencement of such transit.
6. Anything contained in this contract which is inconsistent with **Clauses 3.8, 3.9 or 4** shall, to the extent of such inconsistency, be null and void.

Claims

Insurable Interest

7. 7.1 In order to recover under this insurance the assured must have an insurable interest in the subject matter insured at the time of the loss.
- 7.2 Subject to **Clause 7.1** above, the assured shall be entitled to recover for insured loss occurring during the period covered by this insurance, notwithstanding that the loss occurred before the contract of insurance was concluded, unless the assured were aware of the loss and the insurers were not.

Increased Value

8. 8.1 If any Increased Value insurance is effected by the assured on the subject matter insured under this insurance the agreed value of the subject matter insured shall be deemed to be increased to the total amount insured under this insurance and all Increased Value insurances covering the loss, and liability under this insurance shall be in such proportion as the sum insured under this insurance bears to such total amount insured.

In the event of claim the assured shall provide the insurers with evidence of the amounts insured under all other insurances.

- 8.2 Where this insurance is on Increased Value the following clause shall apply:

The agreed value of the subject matter insured shall be deemed to be equal to the total amount insured under the primary insurance and all Increased Value insurances covering the loss and effected on the subject matter insured by the assured, and liability under this insurance shall be in such proportion as the sum insured under this insurance bears to such total amount insured.

In the event of claim the assured shall provide the insurers with evidence of the amounts insured under all other insurances.

Benefit of insurance

9. This insurance:
 - 9.1 Covers the assured which includes the person claiming indemnity either as the person by or on whose behalf the contract of insurance was effected or as an assignee;
 - 9.2 Shall not extend to or otherwise benefit the carrier or other bailee.

Minimising losses

Duty of assured

10. It is the duty of the assured and their employees and agents in respect of loss recoverable hereunder:
 - 10.1 To take such measures as may be reasonable for the purpose of averting or minimising such loss;and
 - 10.2 To ensure that all rights against carriers, bailees or other third parties are properly preserved and exercised;and the insurers will, in addition to any loss recoverable hereunder, reimburse the assured for any charges properly and reasonably incurred in pursuance of these duties.

Waiver

11. Measures taken by the assured or the insurers with the object of saving, protecting or recovering the subject matter insured shall not be considered as a waiver or acceptance of abandonment or otherwise prejudice the rights of either party.

Avoidance of delay

12. It is a condition of this insurance that the assured shall act with reasonable despatch in all circumstances within their control.

Law and practice

13. This insurance is subject to Australian law and practice.

NOTE: Where a reattachment of cover is requested under *Clause 4*, or a change of destination is notified under *Clause 5*, there is an obligation to give prompt notice to the insurers and the right to such cover is dependent upon compliance with this obligation.

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1/3/09 CL390

Institute War Clauses (sendings by Post)

Risks covered

Risks

1. This insurance covers, except as excluded by the provisions of *Clause 3* below, loss of or damage to the subject matter insured caused by:
 - 1.1 War civil war revolution rebellion insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power;
 - 1.2 Capture seizure arrest restraint or detention, arising from risks covered under *1.1* above, and the consequences thereof or any attempt thereat;
 - 1.3 Derelict mines torpedoes bombs or other derelict weapons of war.

General Average

2. This insurance covers general average and salvage charges, adjusted or determined according to the contract of carriage and/or the governing law and practice, incurred to avoid or in connection with the avoidance of loss from a risk covered under these clauses.

Exclusions

3. In no case shall this insurance cover:
 - 3.1 Loss damage or expense attributable to wilful misconduct of the assured;
 - 3.2 Ordinary leakage, ordinary loss in weight or volume, or ordinary wear and tear of the subject matter insured;
 - 3.3 Loss damage or expense caused by insufficiency or unsuitability of packing or preparation of the subject matter insured to withstand the ordinary incidents of the insured transit where such packing or preparation is carried out by the assured or their employees or prior to the attachment of this insurance (for the purpose of these clauses "packing" shall be deemed to include stowage in a container and "employees" shall not include independent contractors);
 - 3.4 Loss damage or expense caused by inherent vice or nature of the subject matter insured;
 - 3.5 Loss damage or expense caused by delay, even though the delay be caused by a risk insured against (except expenses payable under *Clause 2* above);
 - 3.6 Any claim based upon loss of or frustration of the voyage or adventure;

- 3.7 Loss damage or expense directly or indirectly caused by or arising from any hostile use of any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.

Duration

Transit Clause

4. 4.1 This insurance attaches only as the subject matter insured and as to any part as that part is first moved in the premises of the senders at the place named in the contract of insurance for the immediate commencement of the transit and continues, but with the exclusion of any period during which the subject matter insured is in packers' premises, until the subject matter insured and as to any part as that part is delivered to the address on the postal package(s) when this insurance shall terminate.
5. Anything contained in this contract which is inconsistent with *Clauses 3.6, 3.7 or 4* shall, to the extent of such inconsistency, be null and void.

Claims

Insurable Interest

6. 6.1 In order to recover under this insurance the assured must have an insurable interest in the subject matter insured at the time of the loss.
- 6.2 Subject to *Clause 6.1* above, the assured shall be entitled to recover for insured loss occurring during the period covered by this insurance, notwithstanding that the loss occurred before the contract of insurance was concluded, unless the assured were aware of the loss and the insurers were not.

Benefit of insurance

7. This insurance shall not extend to or otherwise benefit the carrier or other bailee.

Minimising losses

Duty of assured

8. It is the duty of the assured and their employees and agents in respect of loss recoverable hereunder:
 - 8.1 To take such measures as may be reasonable for the purpose of averting or minimising such loss;and
 - 8.2 To ensure that all rights against carriers, bailees or other third parties are properly preserved and exercised;and the insurers will, in addition to any loss recoverable hereunder, reimburse the assured for any charges properly and reasonably incurred in pursuance of these duties.

Waiver

9. Measures taken by the assured or the insurers with the object of saving, protecting or recovering the subject matter insured shall not be considered as a waiver or acceptance of abandonment or otherwise prejudice the rights of either party.

Avoidance of delay

10. It is a condition of this insurance that the assured shall act with reasonable despatch in all circumstances within their control.

Law and practice

11. This insurance is subject to Australian law and practice.

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1/12/82 CL271

Institute War Cancellation Clause (Cargo)

The cover against war risks (as defined in the relevant *Institute War Clauses*) may be cancelled by either the Underwriters or the assured except in respect of any insurance which shall have attached in accordance with the conditions of the *Institute War Clauses* before the cancellation becomes effective. Such cancellation shall however only become effective on the expiry of 7 days from midnight of the day on which notice of the cancellation is issued by or to the Underwriters.

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1/1/2009

Cargo Piracy Notice of Cancellation

(For use only with *Institute Cargo Clauses*)

Where this insurance covers piracy and/or general average, salvage and sue and labour charges arising from piracy, such cover may be cancelled by insurers giving 7 days notice in writing, cancellation to take effect on the expiry of 7 days (10 days in respect of reinsurance) from midnight of the day on which the notice is issued by insurers.

Insurers agree to reinstate this coverage subject to agreement between insurers and the insured prior to the cancellation taking effect as to any new rate of premium and/or conditions and/or warranties. Such cancellation shall not affect any insurance which has attached before the cancellation takes effect.

If the cancellation is in relation to specific geographical areas, such areas will be clearly defined by insurers in the notice of cancellation.

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JC2008/024 Variation

360MCTPWW123_QM9789-1123

Marine Cyber Endorsement

1. Subject only to paragraph 3 below, in no case shall this insurance cover loss, damage, liability or expense directly or indirectly caused by or contributed to by or arising from the use or operation, as a means for inflicting harm, of any computer, computer system, computer software programme, malicious code, computer virus, computer process or any other electronic system;
2. Subject to the conditions, limitations and exclusions of the **policy** to which this clause attaches, the indemnity otherwise recoverable hereunder shall not be prejudiced by the use or operation of any computer, computer system, computer software programme, computer process or any other electronic system, if such use or operation is not as a means for inflicting harm;
3. Where this clause is endorsed on policies covering risks of war, civil war, revolution, rebellion, insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power, or terrorism or any person acting from a political motive, paragraph 1 shall not operate to exclude losses (which would otherwise be covered) arising from the use of any computer, computer system or computer software programme or any other electronic system in the launch and/or guidance system and/or firing mechanism of any weapon or missile.

LMA5403





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