

Goods in Transit Insurance

Policy Wording



Contents

Welcome to Zurich

About Zurich	3
Duty of Disclosure.....	3
Our contract with you.....	3
Privacy.....	3
General Insurance Code of Practice.....	4
Complaints and Disputes Resolution process.....	4

Goods in Transit Insurance – Policy Wording

1. The cover.....	5
2. Conditions of cover.....	6
2.1 Conditions of insurance.....	6
2.2 Basis of valuation.....	6
2.3 Limits on cover.....	6
3. Extensions of cover	
3.1 Acquired companies.....	6
3.2 Brands.....	6
3.3 Delayed unpacking.....	6
3.4 Exhibitions and/or demonstrations.....	6
3.5 Hotel/motel.....	6
3.6 Labels.....	7
3.7 Packers.....	7
3.8 Removal of debris.....	7
3.9 Transits by sea.....	7
4. Definitions	
4.1 Communicable Disease.....	7
4.2 Consequential Loss.....	7
4.3 Conveying aircraft.....	8
4.4 Conveying Vehicle.....	8
4.5 Conveying Vessel.....	8
4.6 Death.....	8
4.7 Expropriation.....	8
4.8 General Average.....	8
4.9 Goods.....	8
4.10 Insured, You, Your.....	8
4.11 Livestock.....	9
4.12 Load/loading.....	9
4.13 Nuclear or radioactive.....	9
4.14 Period of insurance.....	9
4.15 Removal of debris.....	9
4.16 Salvage Charge.....	9
4.17 Schedule.....	9
4.18 Storage.....	9
4.19 Terrorism.....	9
4.20 Unload/unloading.....	9
4.21 War or warlike activities.....	9
5. Exclusions.....	10

6.	Claims conditions	
6.1	Claims procedure	11
6.2	Claims settlement	11
6.3	Excess	12
6.4	Other insurance	12
6.5	Rights of subrogation.....	12
7.	General conditions	
7.1	Applicable legislation	12
7.2	Cancellation.....	12
7.3	Conduct of claims	13
7.4	Deposit Premium.....	13
7.5	Change in risk.....	13
7.6	Plurals and titles.....	13
7.7	Premium and adjustments	13
7.8	Proper Law and Jurisdiction	14
7.9	Reasonable care.....	14
7.10	Third parties	14
7.11	Trade and Economic Sanctions	14
7.12	Transfer	14

Welcome to Zurich

About Zurich

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

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

Duty of Disclosure

Before *you* enter into an insurance contract, *you* have a duty to tell us anything that *you* know, or could reasonably be expected to know, may affect our decision to insure *you* and on what terms.

You have this duty until we agree to insure *you*.

You have the same duty before *you* renew, extend, vary or reinstate an insurance contract.

You do not need to tell us anything that:

- reduces the risk we insure *you* for; or
- is common knowledge; or
- we know or should know as an insurer; or
- we waive *your* duty to tell us about.

If you do not tell us something

If *you* do not tell us anything *you* are required to, we may cancel *your* contract or reduce the amount we will pay *you* if *you* make a claim, or both.

If *your* failure to tell us is fraudulent, we may refuse to pay a claim and treat the contract as if it never existed.

Our contract with *you*

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

This policy is made up of:

- the policy wording. It states what is covered, sets out the claims procedure, exclusions and other terms and conditions of cover;
- the proposal, which is the information *you* provide to us when applying for insurance cover;
- the most current policy *schedule* issued by us. The *schedule* is a separate document unique to the *insured*. It includes any changes, exclusions, terms and conditions made to suit the individual circumstances and may amend the policy; and
- any other written change otherwise advised by us in writing (such as an endorsement). These written changes vary or modify the above documents.

Please note, only covers shown in the *schedule* are insured. This document is used for any offer of renewal we may make, unless we tell *you* otherwise. Please keep *your* policy in a safe place. We reserve the right to change the terms of this product where permitted to do so by law.

Privacy

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

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

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

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

General Insurance Code of Practice

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

The objectives of the Code are:

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

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

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

Complaints and Disputes Resolution process

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

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

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

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

Their contact details are:

Website: www.afca.org.au

Email: info@afca.org.au

Freecall: 1800 931 678

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

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

Goods in Transit Insurance Policy Wording

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

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

1. The cover

We insure *you* against physical loss of or damage to *goods* or *death* of *livestock* specified in the *schedule* caused by certain events.

1.1 The insurance only applies:

- 1.1.1 to an insured transit that commences during the *period of insurance* specified in the *schedule*; and
- 1.1.2 to events that happen during an insured transit within the radius of transit specified in the *schedule*.

1.2 Cover commences:

- 1.2.1 for *goods* other than *livestock*, when the *goods* are first moved for the purpose of being conveyed to a destination outside the premises at which *loading* takes place and ends when the *goods* are last moved in being delivered at the destination; or
- 1.2.2 for *livestock*, when each animal enters the conveyance or its loading ramp and ends when the animal is discharged from the conveyance or its loading ramp at the destination.

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

1.3 Cover option A – comprehensive

If Cover option A is shown in the *schedule*, the insurance is against:

- 1.3.1 loss of or damage to *goods* caused by accident or by the deliberate act of a third party; and
- 1.3.2 *death* of *livestock* caused by accident or natural causes.

1.4 Cover option B – defined events

If Cover option B is shown in the *schedule*, the insurance is against loss of or damage to *goods* or *death of livestock* caused by any one of the following events:

- 1.4.1 fire, explosion, lightning or flood;
- 1.4.2 collision of the *conveying vehicle* with an external object;
- 1.4.3 collision of the *goods* with something not on or part of the *conveying vehicle*;
- 1.4.4 overturning, jackknifing or derailment of the *conveying vehicle*;
- 1.4.5 grounding, sinking or capsizing of the *conveying vessel*;
- 1.4.6 crashing or forced landing of the conveying aircraft;
- 1.4.7 discharge of *goods* at a port of distress;
- 1.4.8 jettison;
- 1.4.9 *general average*; and
- 1.4.10 *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.

2. Conditions of cover

2.1 Conditions of insurance

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

2.2 Basis of valuation

The agreed value of the *goods* is their invoice cost or value, plus any costs incidental to the insured transit that are not covered by the invoice. If there is no invoice value, their agreed value is their market value or the cost, at the time of the commencement of the insured transit, of replacing the *goods* with similar *goods* of the same age and condition.

2.3 Limits on cover

2.3.1 The insurance is limited to the sum insured stated in the *schedule* for any one loss or series of losses arising from the same event.

2.3.2 If an excess is specified in the policy wording, *schedule or any endorsements*, you must bear that amount first in respect of a claim or series of claims resulting from an event insured against.

3. Extensions of cover

3.1 Acquired companies

The insurance will cover any company or entity formed or acquired by you during the *period of insurance*. However, you must hold a controlling interest in the company or entity or must accept responsibility for its insurance.

If you wish to extend the cover under this policy to the company or entity formed or acquired by you, you must agree to inform us of the formation or acquisition within 30 days, provide us with the same information in relation to the acquired company or entity that you provided to us in relation to this insurance and must agree to any additional conditions relating to the insurance in respect of the company or entity and pay any additional premium we may require.

3.2 Brands

In the event of a claim, we will not sell or dispose of salvaged branded *goods* without your consent. If you decline to consent, you may retain the *goods*. The reasonable salvaged value of the branded *goods* will be deducted from the amount payable in respect of the claim.

3.3 Delayed unpacking

In the case of a delay in opening cases or packages (except those showing signs of damage, wetting or staining), loss or damage discovered when they are opened within 90 days of delivery will be treated as having happened during insured transit unless there is conclusive proof to the contrary.

3.4 Exhibitions and/or demonstrations

The insurance will cover loss of or damage to *goods*:

3.4.1 while in transit to or from an exhibition, trade fair or demonstration site; and

3.4.2 while located at the exhibition, trade fair or demonstration site,

to a maximum liability of \$50,000.

3.5 Hotel/motel

In the event you are obliged to stay overnight at a hotel/motel, the *goods* stored in your vehicle overnight remain insured provided the vehicle is locked and parked within the hotel/motel complex and not on the street.

3.6 Labels

In the event of loss or damage to labels, capsules or wrappers by a peril insured against, we will not be liable for more than the cost of new labels, capsules or wrappers together with the cost of re-labelling and repacking.

In no case will our liability exceed the insured value of the *goods*.

3.7 Packers

The insurance applies while *goods* are in insured transit to or from packers' premises and while they are there for packing for a maximum of 30 days.

3.8 Removal of debris

The insurance covers *removal of debris* if an insured event occurs up to a limit of \$50,000 in addition to the sum insured.

3.9 Transits by sea

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

- 3.9.1 loss of or damage to *goods* caused by jettison;
- 3.9.2 loss incurred as a result of general average sacrifice; and
- 3.9.3 *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.

4. Definitions

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

4.1 Communicable disease

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

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

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

4.2 Consequential Loss

consequential loss means

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

4.3 Conveying aircraft

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

4.4 Conveying vehicle

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

4.5 Conveying vessel

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

4.6 Death

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

4.7 Expropriation

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

4.8 General average

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

4.9 Goods

goods means the subject matter insured (including packaging and labels) that *you* own or are contractually responsible for, as described in the *schedule*, including:

4.9.1 any return goods, inwards or outwards, and

4.9.2 stock transfers.

We do not cover the following, unless *you* have declared them and they are specifically listed in the *schedule*, or agreed in writing by us:

- (a) domestic furniture, household goods, personal effects;
- (b) frozen and/or chilled meat, seafood or foodstuffs;
- (c) *livestock*, studstock, bloodstock or live animals;
- (d) goods not transported by a professional carrier or transported by *you* or *your* employees;
- (e) precious metals and stones, money (which means any coin or banknote), bullion, cheques, credit or other card sales vouchers, securities, shares, bonds, deeds, bills of exchange, or any documents that represent money or title;
- (f) plant, machinery and computers (which are not the primary subject matter insured), this exclusion will not apply where the total sum insured of these goods does not exceed \$25,000 any one conveyance or location;
- (g) tools of trade, travellers' samples;
- (h) portable data storage or communication devices including but not limited to computers, printers, scanners, readers, recorders, cameras or projectors, digital assistants, measuring devices and mobile telephones owned or used by *you*, *your* employees, travelling salesmen or agents;
- (i) radioactive or explosive goods;
- (j) live plants;
- (k) cigarettes or tobacco products;
- (l) bulk cargo.

4.10 Insured, You, Your,

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

4.11 Livestock

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

4.12 Load/loading

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

4.13 Nuclear or radioactive

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

4.14 Period of insurance

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

4.15 Removal of debris

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

4.16 Salvage charge

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

4.17 Schedule

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

4.18 Storage

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

4.19 Terrorism

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

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

4.19.2 putting the public or any section of the public in fear,

in circumstances in which it is reasonable to conclude that the purpose(s) of the person(s) or organisation(s) concerned are wholly or partly of a political, religious, ideological or similar nature.

4.20 Unload/unloading

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

4.21 War or warlike activities

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

5. Exclusions

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

- 5.1 wear and tear, ordinary leakage, ordinary loss in weight or volume or inherent vice of the *goods*;
- 5.2 atmospheric and/or climatic conditions (including mildew, mould, heating and sweating);
- 5.3 loss or damage to *goods* or *death to livestock* which has not occurred during the insured transit, for example, pre-existing damage to the extent *you* were aware of the damage or a reasonable person in the circumstances ought to have known about the damage or damage occurring after the *goods* have been delivered at destination;
- 5.4 rust, oxidisation, discolouration, unless caused in transit from an insured event;
- 5.5 unexplained loss, mysterious disappearance and/or shortage deduced solely from an inventory computation;
- 5.6 arising from vermin.
- 5.7 delay, loss of market or *consequential loss* of any description;
- 5.8 mechanical, electrical or electronic breakdown or malfunction of *goods* where there is no external evidence that an event insured against has occurred;
- 5.9 the absence, shortage or withholding of labour of any description resulting from any strike, lockout, labour disturbance, riot or civil commotion;
- 5.10 any process or use, trial, testing or repair;
- 5.11 theft from an exhibition, trade fair or demonstration site unless following forcible entry and/or exit from such site;
- 5.12 *war or warlike activities*;
- 5.13 *expropriation*;
- 5.14 anything *nuclear or radioactive*;
- 5.15 any chemical, biological, bio-chemical or electromagnetic weapon; or
- 5.16 *terrorism*.
- 5.17 Notwithstanding anything contained anywhere in this policy to the contrary, *you* are not insured for any losses, damages or liabilities in accordance with the exclusion clauses below.
 - 5.17.1 Communicable disease
This policy excludes any actual or alleged loss, liability, damage, compensation, injury, sickness, disease, medical payment, claim, cost, expense or other sum, directly or indirectly arising out of, attributable to, or occurring concurrently or in any sequence with a *communicable disease* or the fear or threat (whether actual or perceived) of a *communicable disease*.
 - 5.17.2 Cyber risk
This policy excludes any loss, damage, liability or expense directly or indirectly caused by, contributed to by or arising from:
 - (a) the failure, error or malfunction of any computer, computer system, computer software programme, code, or process or any other electronic system; or
 - (b) the use or operation, as a means for inflicting harm, of any computer, computer system, computer software programme, malicious code, computer virus or process or any other electronic system.

5.17.3 Information technology hazards

This insurance does not cover losses otherwise recoverable arising directly or indirectly out of loss of or damage to, or a reduction or alteration in the functionality or operation of, a computer system, hardware, programme, software, data, information repository, microchip, integrated circuit or similar device in or connected with computer equipment or non computer equipment whether *your* property or not unless

the losses are caused directly by one or more of the following perils:

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

6. Claims conditions

6.1 Claims procedure

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

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

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

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

6.2 Claims settlement

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

6.2.1 Goods and Services Tax

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

- (a) where we make a payment under this policy for the acquisition of *goods*, services or other supply, we will reduce the payment by the amount of any input tax credit *you* are, or will be, or would have been entitled to under A New Tax System (Goods and Services Tax) Act 1999 (Cth) in relation to that acquisition whether or not the acquisition is actually made; or
- (b) where we make a payment under this policy as compensation for the acquisition of *goods*, services or other supply, we will reduce the payment by the amount of any input tax credit *you* would have been entitled to under A New Tax System (Goods and Services Tax) Act 1999 (Cth) had the payment been applied to acquire such *goods*, services or supply.

6.2.2 Foreign currency invoice

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

6.2.3 Under-insurance

If the actual value of the *subject matter insured* under this policy at the time of loss or damage is higher than the agreed value or the limit of liability specified in the *schedule*, we may pay *you* an amount less than the limit of liability in accordance with the provisions of the Marine Insurance Act 1909 (Cth) and the Insurance Contracts Act 1984 (Cth), where relevant.

6.3 Excess

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

6.4 Other insurance

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

6.5 Rights of subrogation

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

7. General conditions

7.1 Applicable legislation

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

If you fail to comply with a provision of this policy requiring compliance including the claims conditions under clause 6 and general conditions under clause 7, we may be able to:

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

7.2 Cancellation

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

We may cancel this policy by giving *you* 30 days' notice in writing. However, we may only do so in the circumstances set out in section 60 of the Insurance Contracts Act 1984 (Cth).

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

7.3 Conduct of claims

We are entitled to:

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

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

7.4 Deposit premium

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

A statement of these actual annual sendings (audited if requested) must be given to us within one month after the end of the *period of insurance*, for purposes of calculating any premium adjustment.

7.5 Change in risk

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

- (a) activities that are materially different from those declared to us at inception of the policy;
- (b) activities outside the normal activities of the business; or
- (c) any loss of or condition imposed upon any licence or other authority required by *you* to conduct the business.

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

7.6 Plurals and titles

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

- 7.6.1 headings are descriptive only, not an aid to interpretation;
- 7.6.2 singular includes the plural, and vice versa; and
- 7.6.3 the male includes the female and neuter.

7.7 Premium and adjustments

We will adjust the premium proportionally at the end of that period on the basis of *your* actual annual sendings.

- 7.7.1 If the adjusted premium is higher than the deposit premium stated in the *schedule* *you* must pay us the difference unless the deposit premium is less than \$25,000 and the variation between estimated and actual annual sendings for the period is less than 10 per cent when no difference in premium is payable.
- 7.7.2 If the adjusted premium is lower than the premium stated in the *schedule*, provided that the words 'minimum and deposit premium' do not appear in *your schedule*, we must pay the difference to *you*. However, we reserve the right to retain the reasonable administration and reinsurance costs incurred by us as well any tax or duty paid or owing for which we are unable to obtain a refund.

7.8 Proper law and jurisdiction

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

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

A reference to any statute, regulation or subordinate legislation includes any amendment, replacement, successor or equivalent to or of that statute, regulation or subordinate legislation.

7.9 Reasonable care

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

7.10 Third parties

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

7.11 Trade and Economic Sanctions

Notwithstanding any other terms or conditions under this policy, Zurich shall not be deemed to provide coverage and will not make any payments nor provide any service or benefit to any *insured* or any other party to the extent that such cover, payment, service, benefit and/or any business or activity of the *insured* would violate any applicable trade or economic sanctions, law or regulation.

7.12 Transfer

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

Zurich Australian Insurance Limited

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Client enquiries
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