

# Cargo Handling Facility Liability Insurance

Policy Wording



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# Welcome to Zurich

## About Zurich

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

ZAIL is part of the Zurich Insurance Group, a leading multi-line insurance provider with a global network of subsidiaries and offices. With about 60,000 employees, the Zurich Insurance Group delivers a wide range of general insurance and life insurance products and services for individuals, small businesses, and mid-sized and large companies, including multinational corporations, in more than 170 countries.

## Duty of Disclosure

Before *you* enter into a contract of general insurance with *us*, *you* have a duty under the Insurance Contracts Act 1984 (Cth) to disclose to *us* every matter *you* know, or could reasonably be expected to know, is relevant to *our* decision whether to insure *you* and, if so, on what terms. This applies to all persons to be covered under this contract of insurance.

*You* have the same duty to disclose those matters to *us* before they renew, extend, vary or reinstate a contract of general insurance. This duty however, does not require disclosure of a matter that:

- diminishes the risk to be insured;
- is of common knowledge;
- *we* know or in the ordinary course of *our* business *we* ought to know;
- *we* indicate to *you* that *we* do not want to know.

## Non-disclosure or Misrepresentation

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

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

## Our contract with you

This policy is a contract of insurance between *you* 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 policy *schedule* is a separate document unique to *you*, which shows the insurance details relevant to *you*. 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 those covers shown in the policy *schedule* are insured. Please keep this policy in a safe place. *We* reserve the right to change the terms of this product where permitted to do so by law.

# Cargo Handling Facility Liability Insurance

## Definitions

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

### Approved costs and expenses

*approved costs and expenses* means costs and expenses that *you* notify to *us* and obtain *our* agreement to pay in advance of *you* incurring them and which are in any event properly and reasonably incurred.

### Approved legal costs and expenses

*approved legal costs and expenses* means legal costs and expenses that *you* notify to *us* and obtain *our* agreement to pay in advance of *you* incurring them and which are in any event properly and reasonably incurred.

### Cargo

*cargo* means goods, including anything (other than items supplied by *you*) used, or intended to be used, to pack or secure goods carried from one place to another place in respect of which *you* contract to provide services, or in which *you* have an insurable interest.

### Carrying or lifting equipment

*carrying or lifting equipment* means an item of equipment used for lifting, carrying or moving of *cargo* including any item of equipment mounted on a vehicle for the purpose of lifting or securing *cargo* but not a shipping container, aircraft, ship or train.

### Co-assured

*co-assured* means any legal entity noted in the *schedule* as *co-assured*.

### Consequential loss

*consequential loss* means loss of income, loss of profit, loss of opportunity, market loss, loss of use, loss from business interruption or any other economic loss.

### Construction activity

*construction activity* means construction of any building, infrastructure or civil works including refurbishment but not land reclamation activity that is not otherwise part of any *construction activity*.

### Contaminated land liability

*contaminated land liability* means any legal liability, fine, penalty, clean-up costs or expenses relating to the contamination of any land, including sub-surface land, unless arising from a *pollution incident*.

### Contraband

*contraband* means any *cargo* that is unlawful to import and/or export or *cargo* that is imported or exported in an unlawful way.

### Contractual liability

*contractual liability* means civil liability incurred by *you* through entering into a contract.

### Contractors

*contractors* means *your contractors* and *sub-contractors* and, where the context requires, their respective servants and agents.

### Dangerous cargo

*dangerous cargo* means any *cargo* specified as such in the Australian Dangerous Goods code (ADG) or in the International Maritime Dangerous Goods Code (IMDG) or which may become a *dangerous cargo* while in *your* possession or control for whatever reason.

### Debris

*debris* means flotsam, jetsam, lagan (or ligan) associated with any *wreck* or other marine casualty.

**Declared value cargoes**

*declared value cargoes* mean any *cargo* received by *you* for carriage, storage or handling purposes that are declared by the shipper to have a specific value, Ad Valorem, for carriage.

**Deliberate, reckless or wilful conduct**

*deliberate, reckless or wilful conduct* means any conduct being an act or omission to act where such act or omission is with intent to cause loss or recklessly and with knowledge that such loss would probably result.

**Demurrage**

*demurrage* means the agreed pre-estimate of losses for delay as specified in a contract.

**Gross charges**

*gross charges* means total charges (collected or uncollected) made by *you* during the *period of insurance* and included in the annual revenue as stated on *your* annual profit and loss statement/statement of financial performance. No deduction will be made from the *gross charges* in respect of any sub-contracted work. *You* agree to keep a complete and accurate record of all *gross charges* for insured operations for examination by *us* or *our* representatives and further agree to make an annual report of collected and uncollected charges to *us* within 30 days after the expiration of this policy.

**Insured location(s)**

*insured location(s)* means the location(s) at which *you* conduct an *insured operation* that has been noted in *your* proposal, accepted by *us* and stated in the *schedule*.

**Insured operation(s)**

*insured operation(s)* means an operation, including services, that have been noted in the proposal form and accepted by *us* and noted in the *schedule*. *Insured operations* may include:

- the provision and management of canteens, social, sports and welfare organisations or educational facilities which are primarily for the benefit of *your* employees
- first aid, medical, ambulance and fire services.

**ISPS code**

*ISPS code* means the International Ship and Port Facility Security Code as in force from time to time.

**Liquidated damages**

*liquidated damages* means any pre-estimate of damages contained in any contract for any breach of such contract.

**Occurrence**

*occurrence* means an event, including continuous or repeated exposure to substantially the same general conditions, which results in loss, damage, liability or costs neither expected nor intended by *you*. All claims that result from one original source, or one original cause, shall be considered to have been caused by a single *occurrence*.

**Optional additional benefits**

*optional additional benefits* means the optional cover set out in the various extensions of cover available under Section One.

**Optional additional benefits deductible**

*optional additional benefits deductible* means the amount stated in the *schedule* to be deducted from any claim recoverable under any *optional additional benefits* in respect of *your* ultimate net loss resulting from any one *occurrence*.

**Optional additional benefits sub-limit**

*optional additional benefits sub-limit* means the limit applicable to all claims arising under any *optional additional benefit* noted in the *schedule*. This is the maximum amount *we* will indemnify *you* for *your* liabilities arising under the extension as a result of any one *occurrence* in any one *period of insurance*.

**Overload or overloaded**

*overload or overloaded* means whenever the safe working load specified by the manufacturer or other competent person or responsible authority for any equipment is exceeded.

**Personal injury**

*personal injury* means

- bodily injury, death, sickness, disease, illness, disability, shock, fright, mental anguish or mental injury
- assault and battery committed with reasonable force by *you* or at *your* direction for the purpose of prevention of or eliminating danger to persons or property

and includes hospital, funeral and medical expenses.

**Period of insurance**

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

**Pollutant**

*pollutant* means any solid, liquid, gaseous or thermal irritant or contaminant, including but not limited to smoke, vapour, soot, fumes, acids, alkalis, chemicals and waste including, but not limited to, oil, petroleum products, chemicals or other substances of any kind or nature whatsoever. Waste includes material to be recycled, reconditioned or reclaimed.

**Pollution incident**

*pollution incident* means a sudden and accidental event constituting the actual or potential discharge, emission, spillage or leakage upon or into the seas, waters, land or air anywhere in the world of any *pollutant*, that gives rise to a *pollution* incident where:

- it is an identifiable specific incident
- the specific incident occurred during the *period of insurance* on an identifiable date at a specific time
- the specific incident was discovered by *you* within 10 days of the specific time that it occurred  
and
- the specific incident was not caused by *your deliberate, reckless or wilful conduct*.

**Premises**

*premises* means a piece of land or real property identified by its legal title together with its buildings and infrastructure.

**Product**

*product* means anything which was, or is deemed by law to have been, manufactured, grown, extracted, treated, produced, processed, sold, supplied, distributed, imported, exported, repaired, serviced, renovated, installed, assembled, erected or constructed in the course of the *insured operation* by *you* or on *your* behalf including labels, packaging or containers (but not a vehicle) and any directions, instructions or advice given or omitted to be given in connection with such *product* after it ceases to be in *your* possession or under *your* control.

**Product liability**

*product liability* means your legal liability to pay compensation in respect of loss or damage, death or *personal injury* arising directly or indirectly from the manufacture, sale or supply of any defective *product* by *you*.

**Schedule**

*schedule* means the most recent document we give *you* setting out details of *your* insurance cover. We give *you* a *schedule* when *you*:

- first buy the policy from *us*
- change any part of the policy or any details relevant to it
- renew the policy with *us*.

**Security legislation**

*security legislation* means the *ISPS Code*, the Maritime Transport and Offshore Facilities Security Act and any other similar or associated regulations or orders.

**Sub-surface operations liability**

*sub-surface operations liability* means any legal liability, fine, penalty, clean-up cost or expense resulting from subsidence causing damage to any activity or infrastructure below ground or under water.

**Temporary hire agreement**

*temporary hire agreement* means an agreement to lease, hire, rent or borrow any property or equipment for a period not exceeding 120 consecutive days.

**Third party**

*third party* means any person other than *you* or *us*.

**Tool of trade**

*tool of trade* means any vehicle which has a tool or plant attached to, forming part of or used in connection with it while such tool or plant is engaged on a work site but does not include such vehicle whilst it is in transit to or from any work site.

**Valuable cargoes**

*valuable cargoes* means any high value *cargo* such as bullion, precious metal objects, precious stones, precious jewellery, cash, securities, valuable works of art, thoroughbred horses, computers, hand held electronic *products* or mobile phones or any electrical components of these or similar.

**Vehicle**

*vehicle* means any type of machine (other than ship-lifters, marine travel lifts, jinkers, slipways, cradles or any other mobile ship-lifting device) on wheels or on self laid tracks made or intended to be propelled by other than manual or animal power and any trailer or other attachment made or intended to be drawn by any such machine whilst attached thereto.

**Wear and tear**

*wear and tear* means deterioration of any thing over time from normal use.

**Wreck**

*wreck* means whatever may remain of a ship and its *cargo* (but excluding any *pollutant* from the ship) following a shipwreck, found in or on the shores of the sea or any tidal waters or navigable waters of *your insured locations*.

**You, your**

*you, your* means the person, legal entity, company or companies noted as the named insured in the *schedule*, including any named *co-assured* and

- any subsidiary company, including subsidiaries thereof, of the named insured or any named *co-assured* in the *schedule* and any other organisation under the control of the named insured or any named *co-assured* in the *schedule* and over which it is exercising active management
- any new organisations acquired by the named insured or any named *co-assured* in the *schedule*, during the *period of insurance*, through consolidation, merger, purchase of the assets of or assumption of control and active management, provided such acquisition or assumption is reported to *us* within 90 days after it is effected and provided further such acquisition is endorsed onto this policy
- any director, officer or employee acting in the course of their employment.



## Our agreement

Subject to the prior payment of, or *your* agreement to pay, the premium set out in the *schedule*, we agree with *you* 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.

## Section One – what you are insured for

1. Subject to the limits, terms and conditions of this policy, we will pay all sums which *you* are liable to pay following an *occurrence* happening during the *period of insurance* and arising out of *your insured operations* for:

### 1.1 Cargo liability

physical loss or damage to *cargo* and *consequential loss* resulting from such loss or damage.

### 1.2 Third party liability

liability to *third parties* for:

#### 1.2.2 property damage liability

Physical loss or damage to property of any *third party* including ships, locomotives, rolling stock and equipment and *consequential loss*, *delay* or *demurrage* resulting from such physical loss or damage

#### 1.2.3 personal injury liability

*Personal injury* to any *third party* including *consequential loss* resulting from such *personal injury* (including any claim for indemnity brought against *you* by a subrogated insurer/claimant pursuant to any Workers' Compensation or Employers' Liability Insurance of any such injured person).

### 1.3 Fines and penalties

Provided always that the statute, regulation or law that is breached relates to the importation or exportation of *cargo*, the importation or exportation of equipment (other than equipment owned by *you* or equipment in the process of acquisition or disposal by *you*), immigration, security or anti terrorism, work place safety or pollution, we will pay:

1.3.1 fines, other penalties or fiscal charge imposed by a government or authority, provided that such liability arises from an unintentional breach of the statute, law or regulation by *you* or *your* contractors;

1.3.2 *your* loss arising from confiscation by a government or authority of any property of any person, including *your* equipment, as a consequence of *your* breach of any statute, law or regulation in the circumstances described in clause 1. 3.1 (including any breach by a person employed or contracted by *you*).

However, we will not indemnify *you* in respect of fines and penalties as set out in clause 5.3.

### 1.4 Pollution liability

1.4.1 any compensation to *third parties* for *personal injury* or physical loss or damage to property arising from any *pollution incident*;

1.4.2 any expense or cost incurred in removing, preventing, mitigating or cleaning up any pollutant following a *pollution incident*;

1.4.3 any fine or penalty that arises from any *pollution incident* unless a competent court or tribunal determines that it is illegal or contrary to public policy for *you* to be insured against such liability or loss.

However, cover is specifically excluded for any *sub-surface operations liability* or *contaminated land liability*.

### 1.5 Errors and omissions

liability to *third parties* for financial loss, *consequential loss*, wrongful delivery of *cargo*, *delay* or *demurrage* arising from an error or omission.



## Limit of liability

2. Our liability to indemnify you for any losses, damages or liabilities as a result of an *occurrence* will not exceed the limit of liability shown in the *schedule*.

Unless otherwise stated in the *schedule* our liability to indemnify you for any losses, damage or liability as the result of an *occurrence* arising out of cargo or other property in your care, custody and control is limited to \$1,000,000.

Our total aggregate liability any one *period of insurance* to indemnify you for any losses, damages or liabilities in respect of or in any way related to *valuable cargoes* is \$250,000.

Unless otherwise stated in the *schedule*, total aggregate liability any one *period of insurance* to indemnify you for any losses, damages or liabilities in respect of or in any way related to a *pollution incident* is \$1,000,000.

Unless otherwise stated in the *schedule*, total aggregate liability any one *period of insurance* to indemnify you for any liabilities in respect of or in any way related to a *errors and omissions* is \$500,000.

Unless otherwise stated in the *schedule*, total aggregate liability any one period of insurance to indemnify you for any losses, damages or liabilities in respect of or in any way related to property or equipment damage under any *temporary hire agreement* is \$100,000.

Unless otherwise stated in the *schedule*, our total aggregate liability any one *period of insurance* to indemnify you for any liabilities in respect of or in any way related to *finances and penalties* is \$500,000.

## Additional cover

In addition to the limit of liability shown in the *schedule* this policy will also cover you for:

### 3. Defence and costs cover

- 3.1 *approved legal costs and expenses* incurred by you in the defence of any liability insured under this policy;
- 3.2 *approved legal costs and expenses* incurred by you with the reasonable expectation of avoiding or mitigating a potential liability insured under this policy including representation before any court, tribunal or investigative body;
- 3.3 *approved costs and expenses* incurred by you in disposing of *cargo* or property following an *occurrence*;
- 3.4 *approved costs and expenses* incurred by you in discharging your legal obligations in respect of quarantine, fumigation or disinfection of *cargo*, ships, rolling stock, containers or equipment as a result of an *occurrence*.

## Optional additional benefits

4. The *optional additional benefits* are only applicable to this policy if we have agreed to provide the cover to you, you have paid any additional premium required and the *optional additional benefit* is noted as being covered in the *schedule*. Otherwise such cover is excluded.

### 4.1 Tenant's legal liability

4.1.1 Your legal liability to compensate *third parties* for physical loss or physical damage to *premises* leased or rented by you as tenant where such physical loss or damage is caused following an *occurrence*.

4.1.2 This *optional additional benefit* does not cover or attach to any *premises* owned by you and leased or rented to any *third party* nor to any *premises* leased by you and sub-leased or rented to any *third party*.

### 4.2 Infringement of personal rights liability

Your legal liability to compensate *third parties* for false arrest, detention or imprisonment, libel, slander, defamation, eviction, invasion of privacy or any public or private nuisance.

### 4.3 Wreck removal liability

Your *approved costs and expenses* incurred by you in discharging your legal obligations to remove any *wreck* or *debris* following an *occurrence* for the purpose of avoiding or minimising a liability insured under this policy and provided that (at our discretion) such indemnity will be subject to a reduction to take into account any enforceable legal obligation of any *third party* to pay the costs and expenses of such removal of any *wreck* or *debris*.

## Section Two – What you are not insured for

5. 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.

### 5.1 General exclusions

This policy does not insure *you* for *your* legal liability:

- 5.1.1 for personal injury to any employee or worker arising out of, or in the course of, their employment in *your* business, to the extent that *you* are indemnified or entitled to be indemnified under a policy of insurance or self insurance arrangements in accordance with any workers' compensation or accident compensation legislation, or to the extent that *you* would have been entitled to be indemnified had *you* arranged insurance as required by such legislation
- 5.1.2 arising out of any provision of any workers' compensation legislation or industrial award or agreement or determination
- 5.1.3 for *personal injury* to any person arising directly or indirectly from:
- 5.1.3.1 exposure to noxious or inherently harmful substances (including but not limited to radioactive substances, asbestos, cadmium or hydrocarbons); or
- 5.1.3.2 repetitive stress, strain or cumulative trauma
- 5.1.4 for damage or loss to:
- 5.1.4.1 any *premises* occupied by *you* unless the appropriate tenant's legal liability' extension applies and is noted in the *schedule*; or
- 5.1.4.2 any property or equipment leased, hired, rented or borrowed by *you* unless such property or equipment is leased, hired, rented or borrowed by *you* under a *temporary hire agreement* and the damage or loss arises from *your* negligence
- 5.1.5 arising from the release of *cargo* without production by the person claiming release of the *cargo*, of the original Bill of Lading or other sea-carriage document
- 5.1.6 for damage or loss to *declared value cargoes* to the extent that any claim is increased by the declaration of value by *your* customer, their contractors or agents
- 5.1.7 for damage or loss to *valuable cargoes* unless:
- 5.1.7.1 *your* customer did not inform *you*, and *you* could not have reasonably known, that *you* were handling such *cargoes*, or
- 5.1.7.2 *you* handle such *valuable cargoes* only on the terms of *your contract* that has been previously approved by *us*, or
- 5.1.7.3 *you* agree with *your* customer, in respect of such *valuable cargoes*, the following condition, or one to the same effect:
- The customer shall have a clause in their bill of lading or other contract of carriage giving *you* the benefit of provisions therein excluding or limiting the customer's liability including any liability in negligence to the extent permissible by law and the customer undertakes to defend and indemnify *you* and hold *you* harmless against any claim by, or liability to, the customer or any other party to the extent that such claim or liability exceeds the lesser of:
- *your* liability under *your* contract with the customer; or
  - the liability that *you* would have incurred if *you* had been able to rely on the provisions in the bill of lading or other contract of carriage excluding or limiting the customer's liability and which would have applied had the scope of such bill of lading or contract of carriage included the services of *you*; and

- 5.1.8 *you* ensure that reasonable security measures are employed in the handling of such *valuable cargoes*
- 5.1.9 arising from the use, ownership or operation by *you* of any *vehicle* in circumstances in which the *vehicle* is required by law to have compulsory insurance against such liability
- 5.1.10 arising from the use, ownership or operation by *you* of any registered *vehicle*, such liability being for property damage unless such *vehicle* is being used as a *tool of trade*
- 5.1.11 arising from the ownership, operation, management, maintenance, lease, rental, charter or use by *you* of any vessel or water-borne craft or locomotive or rolling stock
- 5.1.12 arising from the disposal, treatment, storage, carriage or processing of waste materials, spoil or operation of any land-fill or similar facility by *you* or any *third party* or relating to any contamination of land (including any sub-surface land) (other than where arising from a sudden accidental event constituting a *pollution incident*) or any remediation of contaminated land (including any sub-surface land) (whether pursuant to an order or directive of any competent authority or otherwise)
- 5.1.13 assumed by *you* under contract, including liability for delay and payments under penalty clauses or liability arising under 'liability without fault' or 'performance guarantee' or 'declared value' or '*liquidated damages*' clauses or similar provisions or liability otherwise accepted by *you* under any express or implied contract BUT this exclusion will not apply to the extent that:
  - 5.1.13.1 *you* would incur legal liability in the absence of any specific contractual provision and as a result of *your* negligence;
  - 5.1.13.2 *we* have specifically agreed to insure the contractual liabilities assumed by *you*
- 5.1.14 incurred to any *third party* to the extent that any such liability is in excess of any statutory immunity or limit of liability or restriction of liability that would otherwise be available to *you*
- 5.1.15 incurred in relation to the provision, for a fee or payment in kind of any professional advice or advisory service
- 5.1.16 for loss or damage caused by or resulting from *you* deliberately or recklessly or wilfully exceeding the registered or rated capacity or 'safe working load' or any *overload* of any *carrying or lifting equipment*
- 5.1.17 arising from the *deliberate, reckless or wilful conduct* by *you* or *your contractors*
- 5.1.18 arising from the wrongful delivery of *cargo* to the extent that a competent court or tribunal determines that it is illegal for *you* to be insured against such liability; or for any criminal proceedings associated with any wrongful delivery of *cargo*
- 5.1.19 arising from any deliberate, reckless or wilful non-compliance with, or breach of the *ISPS Code* or any other relevant *security legislation*
- 5.1.20 arising from *construction activity*, or any other reclamation or demolition activities undertaken by *you* or third parties that would be covered under the scope of most industry standard 'Contract Works including Public Liability insurance' in respect of the property and liability interests associated with such activities
- 5.1.21 arising from erection, dismantling or movement of *carrying or lifting equipment* unless *our* prior written agreement has been obtained by *you* and *you* agree to pay any additional premium that *we* require
- 5.1.22 in respect of any goods or products sold by *you* including any *product liability*

- 5.1.23 arising in relation to any:
  - 5.1.23.1 trademark, copyright or patent infringement
  - 5.1.23.2 breach of directors' and officers' duties
  - 5.1.23.3 breach of fidelity obligations of employees, company directors, officers or company servants
  - 5.1.23.4 conduct of directors, officers, employees or company servants acting outside the course and scope of their employment, authority or contract as the case may be or
  - 5.1.23.5 fault, error or omission on *your* part in the course of administration of any superannuation, pension or employee benefits scheme
- 5.1.24 that *you* incur in respect of *dangerous cargo* to the extent that any such loss or liability arises from any *deliberate, reckless or wilful act* of *you*
- 5.1.25 arising from *you* performing any unlawful or illegal act or knowingly providing any services in respect of illegal trade or *contraband cargo*.

## 5.2 Infringement of personal rights exclusions

Notwithstanding optional additional benefit 4.2 'Infringement of personal rights liability', this policy does not cover any liability arising from:

- 5.2.1 the *deliberate or reckless or wilful breach* of any statute, law or regulation by *you* or *your* employee, officer or *contractor*;
- 5.2.2 any personal relationship between *you* and any *contractor*;
- 5.2.3 a contract entered into by *you*;
- 5.2.4 intentional publication of material or any utterance by *you* or *your contractors* with knowledge that such publication or utterance is false;
- 5.2.5 any advertising activity publication or utterance that promotes *your insured operations*;
- 5.2.6 repeating the same or similar act, utterance or publication of material made by *you* or *your contractors* prior to the commencement of the *period of insurance*;
- 5.2.7 any claim against *you* by any person claiming or asserting any breach by *you* of any discrimination, anti-vilification, harassment or equal opportunity or employment or similar legislation.

## 5.3 Fines and penalties exclusion

Except to the extent specifically stated in clause 1.3 of this policy, *your* liability is specifically excluded for fines and penalties arising from:

- 5.3.1 breach of any statute, law or regulation in respect of freight tariffs, fair trading or anti competitive behaviour
- 5.3.2 breach of any statute, law or regulation in respect of ownership, lease or operation of a mechanically propelled vehicle that is required to be licensed or permitted to be licensed for use on a public road
- 5.3.3 breach of any statute, law or regulation in respect of *overloading* any mechanically propelled *vehicle, carrying or lifting equipment* unless such breach relates to workplace safety regulations
- 5.3.4 breach of any statute, law or regulation caused by *deliberate or reckless or wilful conduct* by *you* or by *your servant, agent or contractor*
- 5.3.5 any fine, penalty, customs duty, sales tax, excise tax, similar financial charge or loss arising from confiscation, to the extent that a competent court or tribunal determines that it is illegal or contrary to public policy for *you* to be insured against such liability or loss
- 5.3.6 any fine, penalty or loss arising from any criminal conviction, to the extent that a competent court or tribunal determines that it is illegal or contrary to public policy for *you* to be insured against such liability or loss.

#### **5.4 War exclusion**

This policy excludes loss, damage, liability or expense directly or indirectly occasioned by, happening through or in consequence of:

- 5.4.1 war, civil war, revolution, rebellion, insurrection, civil strife arising therefrom or any hostile act by or against a belligerent power;
- 5.4.2 capture, seizure, arrest, restraint or detainment (barratry and piracy excepted) and the consequence thereof or any attempt thereat;
- 5.4.3 derelict mines, torpedoes, bombs or other derelict weapons of war.

#### **5.5 Nuclear exclusion**

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

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

#### **5.6 Terrorism exclusion**

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

- (a) terrorism and/or
- (b) steps taken to prevent, suppress, control or reduce the consequences of any actual, attempted, anticipated, threatened, suspected or perceived terrorism.

For the purpose of this clause, 'terrorism' means any act(s) of any person(s) or organisation(s) involving:

- (a) the causing, occasioning or threatening of harm of whatever nature and by whatever means;
- (b) 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 political, religious, ideological or other similar nature.

In accordance with the Terrorism Insurance Act 2003, this Terrorism exclusion does not apply to any loss, damage, liability or expense arising from any eligible terrorism loss arising or connected with any declared terrorist incident to the extent that such incident gives rise to an eligible terrorism loss and this policy (or any relevant part of this Policy) is an eligible insurance contract.

For the purposes of this policy the phrases 'eligible terrorism loss', 'eligible insurance contract' and 'declared terrorist incident' shall have the meaning ascribed to them in the Terrorism Insurance Act 2003.

## Section Three – General conditions

### 6. Deductible

Any claim recoverable under this policy will be subject to the deduction of the sum stated in the *schedule* in respect of *your* ultimate net loss resulting from any one *occurrence*.

### 7. Dangerous cargo

*You* must act diligently to ensure compliance with all regulations, laws and international conventions relating to the handling and storage of *dangerous cargo*.

### 8. Notification of material change

*You* must notify *us* in writing as soon as possible of any material change in the risk covered by this policy and pay any additional premium *we* may require.

### 9. Premium

This policy is in consideration of *your* payment of the minimum and deposit premium as stated in the *schedule*. If *your* actual *gross charges* for the *period of insurance* exceed the estimated *gross charges* on which the deposit premium was based, *you* agree to promptly pay any additional premium calculated by applying the agreed rate to the amount of such excess charges.

No deduction will be made from the *gross charges* in respect of any subcontracted work. *You* agree to keep a complete and accurate record of all *gross charges* for operations covered by this policy for examination by *us* or *our* representatives and *you* further agree to make an annual report of collected and uncollected charges to *us* within 30 days after the expiration of the *period of insurance*.

### 10. Rights of subrogation

In the event of a payment made under this policy to *you* or on *your* behalf, *we* shall be subrogated to all *your* rights of recovery against any person or organisation. At *our* request and *our* expense, *you* shall do all things reasonably required by *us* for the purpose of enforcing any rights and remedies or of obtaining indemnity from other parties to which *we* are entitled pursuant to this policy.

### 11. Cross liability

Subject to clause 12 'Joint insureds' where *you* are comprised of more than one party, each of the parties will be considered as a separate legal entity with the words '*you*' and '*your*' applying to each party in this same manner as if a separate policy has been issued to each party, provided that nothing in this conditions will result in an increase in *our* limit of liability in respect of any *occurrence* or *period of insurance*.

### 12. Joint insureds

Where *you* are comprised of more than one legal entity, information supplied to *us* will be deemed to have been furnished by or on behalf of all entities. Any information supplied to *us* or any omission or non-disclosure in relation to any renewal or endorsement of this policy will also be deemed to have been furnished, omitted or withheld on behalf of all entities.

### 13. Other insurance

Provided it is permitted by law, where two or more insurance policies have either been effected by *you* or effected on *your* behalf by another party covering the same risk, this policy will only cover the amount of the claim which exceeds the amount recovered under the other policy or policies, up to the limits provided for under this policy.

#### **14. What you should do in the event of a claim**

When an *occurrence* happens which may give rise to a claim under this policy, *you* must take reasonable care to prevent or minimise any loss, damage, liability or costs covered by this policy and ensure that all rights against other parties are properly preserved and exercised.

*You* must

- 14.1 advise *us* within 30 days of full particulars of every *occurrence*, circumstance, claim, writ, summons, proceedings, impending prosecution, inquest or the like known to *you*;
- 14.2 use *your* best endeavours to preserve any damaged or defective property which may prove necessary or useful by way of evidence (together with any relevant documentation or records) in connection with any claim and, so far as may be reasonably practicable, no alteration or repair shall be made to any watercraft, *premises*, machinery, fittings, equipment or plant until *we* have had an opportunity to inspect and have provided *our* consent;
- 14.3 retain and preserve from destruction any business documents and records that might foreseeably be connected with potential future claims, of a period for at least seven years;
- 14.4 not make any admission, offer, promise of payment in connection with any *occurrence* or claim under this policy without *our* written consent;
- 14.5 give to *us* all information and assistance as *we* may reasonably require in the prosecution, defence or settlement of any claim.

*We* must

- 14.6 have full discretion in the conduct of any negotiations or proceedings in connection with any claim.

#### **15. Claims control**

*We* are entitled (but not obliged) at *our* own cost to control or take over the conduct of the investigation, defence and/or settlement of any claim, suit or proceeding against *you* which is or is likely to be the subject of indemnity under this policy.

#### **16. Claims settlement**

In the event of a claim, *we* have the option of settling *your* loss by either payment, repair, reinstatement or replacement.

- 16.1 If *you* are liable for 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:
  - 16.1.1 where *we* make a payment under this policy for the acquisition of goods, services or other supply, *we* will reduce the amount of 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 in relation to that acquisition whether or not the acquisition is actually made;
  - 16.1.2 where *we* make a payment under this policy as compensation for the acquisition of goods, services or other supply, *we* will reduce the amount of 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 had the payment been applied to acquire such goods, services or supply.

#### **17. Assignment**

It is agreed that no assignment of this policy or any monetary sum which may be or may become payable under this policy is to be binding on or recognised by *us* unless a dated notice of such assignment signed by *you* and by the assignor in the case of subsequent assignment, is endorsed on this policy and the insurance with such endorsement is produced before payment of any claim or return of premium under this policy but nothing in this condition is to have effect as an agreement by *us* to the assignment of this policy in the event of a sale or transfer to a new management.



## **18. Cancellation**

- 18.1 *You* may cancel this policy at any time by notifying *us* in writing.
- 18.2 When the policy is subject to the Marine Insurance Act 1909, *we* may cancel this policy at any time by giving *you* 30 days notice in writing of the date from which cancellation is to take effect. The notification may be delivered personally or posted by certified mail to *you* at the address last notified to *us*. Proof of mailing will be sufficient proof of notification.
- 18.3 When the policy is subject to the Insurance Contracts Act 1984, *we* may cancel the policy subject to the provisions of that Act.
- 18.4 Within 30 days of the effective date of cancellation *you* must advise *us* of the actual *gross charges* figures 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 or allowed to *you* but subject to a retention by *us* of a minimum premium of 75 per cent of the proportionate part of the estimated annual premium for the period the policy has been in force.

## **19. Law and jurisdiction**

This policy is subject to Australian law and jurisdiction

**Zurich Australian Insurance Limited**  
ABN 13 000 296 640, AFS Licence No: 232507  
Head Office: 5 Blue Street, North Sydney NSW 2060

Client Enquiries  
Telephone: 132 687  
[www.zurich.com.au](http://www.zurich.com.au)

