



Howden
General Property in Transit
Policy (CA2505 1.1)
Policy

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IMPORTANT INFORMATION

Your Duty of Disclosure

Before entering into a contract of insurance with *SALT* and *Underwriters*, the *Insured* has a duty under the **Insurance Contracts Act 1984** (Cth) and the **Marine Insurance Act 1909** (Cth) (as applicable) to disclose to *SALT* and *Underwriters* every matter that the *Insured* knows, or could reasonably be expected to know, that is relevant to *SALT* and *Underwriters*' decision on whether to provide insurance and, if so, on what terms.

The *Insured* has the same duty of disclosure when it renews, extends, varies or reinstates a contract of insurance. This duty of disclosure applies until the contract of insurance is entered into (or renewed, extended, varied or reinstated, as applicable).

This duty however does not require disclosure of any matter that:

- diminishes the risk;
- is of common knowledge;
- *SALT* and *Underwriters* know or should know in the ordinary course of their business as an insurer;
- *SALT* and *Underwriters* indicate they do not want to know.

Non-Disclosure

If the *Insured* fails to comply with their duty of disclosure *SALT* and *Underwriters* may:

Where the **Insurance Contracts Act** applies

- reduce their liability under the contract in respect of a claim, cancel the contract or both;
- if the non-disclosure is fraudulent, have the option to void the contract from its beginning.

Where the **Marine Insurance Act** applies

- avoid the contract from its beginning.

General Insurance Code of Practice

The Insurance Council of Australia Limited has developed the General Insurance Code of Practice ("the Code"), which is a voluntary self-regulatory code. The Code aims to raise the standards of practice and service in the insurance industry.

Lloyd's has adopted the Code on terms agreed with the Insurance Council of Australia. For further information on the Code please visit www.codeofpractice.com.au

The Code Governance Committee (CGC) is an independent body that monitors and enforces insurers' compliance with the Code. For more information on the Code Governance Committee (CGC) go to www.insurancecode.org.au

Privacy Statement

At *SALT* we are committed to compliance with the **Privacy Act 1988** (Cth). We use *your* personal information to assess the risk of and provide insurance, and assess and manage claims. We may also use *your* contact details to send *you* information and offers about products and services that we believe will be of interest to *you*. If *you* don't provide *us* with full information, we may not be able to provide insurance or assess a claim. If *you* provide *us* with information about someone else, *you* must obtain their consent to do so.

We provide *your* information to the *Underwriters* we represent when we issue and administer *your* insurance. When providing a quotation or insurance terms, we will tell *you* if the *Underwriters* are located overseas and, if so, where they are. We are part of Howden Group Holdings Limited and may provide your information to UK based Group entities who provide us with business support services. We may also provide *your* information to *your* broker and *our* contracted third-party service providers, but will take all reasonable steps to ensure that they comply with the Privacy Act.

Our Privacy Policy contains information about how *you* can access the information we hold about *you*, ask *us* to correct it, or make a privacy related complaint. *You* can obtain a copy from *our* Privacy Officer by email (infoau@saltmarine.insure) or by visiting *our* website (www.saltmarine.insure).

By providing *us* with *your* personal information, *you* consent to its collection and use as outlined above and in our Privacy Policy.

SECTION 1: PREAMBLE

In consideration of the premium paid or agreed to be paid by the *Insured*, *Underwriters* agree to insure the *Subject-matter* against physical loss or damage in accordance with the terms and conditions specified in this *Policy* and arising during the *Period of Insurance*. Cover under this *Policy* is only available in respect of those sections taken out by the *Insured* as indicated in the *Schedule* attached to this *Policy*.

The *Policy*, *Schedule* and any subsequent endorsements that may be issued shall be read together as one contract and any word or expression to which a specific meaning has been attached in any part of the *Policy* shall bear the same meaning wherever it may appear.

Words in italics have the meaning as set out in Definitions Section 2, wherever they appear. Words in singular include plural, and vice versa. Headings have been included for ease of reference only and the terms and conditions of this *Policy* are not to be construed or interpreted by reference to them.

SECTION 2: DEFINITIONS

2.1 Basis of Valuation

means the agreed basis, stated in the *Policy* or *Schedule* for declaring values of the *Subject-matter Insured* as well as calculating how much *Underwriters* will pay the *Insured* in the event of loss or damage.

2.2 Conveyances

means any vessel, aircraft, postal service, rail and/or road transport (including *Insured's* own vehicles where advised) as declared and used to transport the *Subject-matter Insured*.

2.3 Deductible

means the amount specified in the *Schedule* or elsewhere in the *Policy* to be borne by the *Insured* in respect of all claims arising from any one accident or occurrence.

2.4 Goods and Services Tax, GST and Input Tax Credit

For the purpose of this *Policy* reference to 'GST', 'Goods and Services Tax' and 'Input Tax Credit' shall have the meanings attributed to them under the A New Tax System (Goods and Services) **Tax Act 1999** (Cth).

2.5 Institute Clauses

means and refers to the clauses published jointly by the Lloyd's Market Association (LMA) and the International Underwriting Association of London (IUA). Unless otherwise expressed to the contrary in the *Policy*, reference to Institute Clauses are those current at the inception of this *Policy*.

2.6 Insured, Assured, You or Your

means the *Insured* named in the *Schedule* entitled to the benefit of this *Policy* or as otherwise detailed in the *Policy*.

2.7 Limit(s) of Liability

means the amounts stated in the *Policy* or *Schedule* for which *Underwriters* will be liable in relation to any *Conveyance* and/or in any one location. If the total value at risk exceeds the Limit(s) of Liability provided by this *Policy* the *Insured* shall nevertheless report the full amount at risk to *Underwriters* and shall pay full premium thereon. Acceptance of such reports and premium shall not alter or increase the Limit(s) of Liability of *Underwriters*, but *Underwriters* shall be liable for the full amount of coverage up to, but not exceeding, the applicable Limit(s) of Liability.

Underwriters' liability with respect to coverage provided for sue and labour shall be in addition to the Limit(s) of Liability set out in the *Schedule*.

2.8 Period of Insurance

means the period of insurance stated in the *Schedule* and for such further periods as may be mutually agreed in writing.

- 2.9 Policy**
means this policy wording, the current *Schedule*, *Proposal* and any subsequent endorsements that may be issued, all of which are to be read together.
- 2.10 Proposal**
means the written application or proposal form made by the *Insured* to *SALT* and *Underwriters* or quotation slip submitted on the *Insured's* behalf upon which *SALT* and *Underwriters* relied in entering into this *Policy*.
- 2.11 SALT**
means SALT Marine Risks Australia Pty Ltd (ABN 19 628 080 731) T/as SALT Marine Risks Australia (*SALT*) as authorised representative of SALT Marine Risks Pty Ltd under AFSL 513974.
- 2.12 Schedule**
means the Schedule attached to this *Policy* or any Schedule subsequently substituted for it, duly signed, stamped and dated by an authorised representative of *SALT*.
- 2.13 Sendings**
means the value of the *Subject-matter Insured* received, consigned, transferred or otherwise moved during the *Period of Insurance* declared and valued in accordance with the *Policy Basis of Valuation*
- 2.14 Subject-matter Insured or Subject-matter**
means those goods and/or merchandise (including their retail packaging and labels, where applicable) as recorded in the *Schedule* and similar goods incidental to the *Insured's* usual business.

NOTE: The following are not covered by this *Policy* unless separately declared, agreed and recorded on the *Schedule* by *SALT* prior to inception of cover. Frozen and/or chilled meat, seafood or foodstuffs, livestock or bloodstock, live plants or trees, works of art or antiques, cigarettes and tobacco products, precious metals and stones, specie (including coin, banknotes, bullion, cheques, credit or other cards, sales vouchers, securities, shares, bonds, deeds, bills of exchange and the like) household goods and personal effects.
- 2.15 Turnover**
means the gross revenue of the *Insured's* business during the *Period of Insurance*.
- 2.16 Underwriters, Assurers, We or Us**
Means *SALT* on behalf of Certain underwriters at Lloyd's.

SECTION 3 PARAMOUNT CLAUSES

These clauses shall override anything contained in the *Policy* which is inconsistent with them.

- 3.1 Applicable Legislation**
To the extent that this *Policy* covers risks governed by the **Marine Insurance Act 1909** (Cth) the *Policy* will be subject to the provisions of that Act. To the extent that this *Policy* covers other risks it will be subject to the **Insurance Contracts Act 1984** (Cth).
- 3.2 Australian Law and Jurisdiction**
This *Policy* is governed by the laws of the Commonwealth of Australia and the State or Territory where the *Policy* was issued. Any disputes relating to interpretation shall be submitted to the exclusive jurisdiction of the Courts of Australia.
- 3.3 Cancellation**
The *Insured* may cancel this *Policy* at any time by notifying *SALT* in writing.

When the *Policy* is subject to the Insurance Contracts Act 1984 (Cth), *Underwriters* may cancel the *Policy* subject to the provisions of that Act.

When the *Policy* is subject to the Marine Insurance Act 1909 (Cth), *Underwriters* may cancel the *Policy* at any time by giving the *Insured* 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 the *Insured* at the address last notified to *SALT*. Proof of mailing will be sufficient proof of notification.

Cancellation will not apply to risks which have attached before the cancellation becomes effective.

Within 30 days of the effective date of cancellation the *Insured* must advise *SALT* of the actual figures for the period the *Policy* has been in force to enable *SALT* to calculate the premium due for this period. The difference between this premium and the deposit premium will either be paid by or allowed to the *Insured*.

3.4 Cancellation – War and Strikes

The cover against war and/or strikes (as defined in the relevant *Institute Clauses*) may be cancelled by either the *Insured* or *Underwriters* giving written notice as follows:

- a) **War Risks**; seven days
- b) **Strikes, Riots and Civil Commotions Risks**; seven (7) days

except for consignments to or from the United States of America; in respect of which notice of cancellation may be given by 48 hours notice in writing.

Notice of cancellation shall commence from midnight of the day when it is issued but cancellation shall not apply to any risks which have attached in accordance with the cover granted hereunder before the cancellation becomes effective.

3.5 Cargo ISM Endorsement

Applicable to shipments on board all vessels of 500 gross tons or more.

In no case shall this *Policy* cover loss, damage or expense where the *Subject-matter 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 *Subject-matter Insured* on board the vessel, the *Insured* were aware, or in the ordinary course of business should have been aware:

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

as required under the SOLAS Convention 1974 as amended.

This exclusion shall not apply where this 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 Communicable Disease Exclusion

Communicable Disease Exclusion (Cargo) JC2020-011 17/4/20

- a) 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.
- b) 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:
 - i) 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
 - ii) 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
 - iii) the disease, substance or agent can cause or threaten bodily injury, illness, damage to human health, human welfare or property.

3.7

Cyber Attack

Marine Cyber Endorsement LMA5403 11/11/19

- a) Subject only to paragraph c) 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.
- b) 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.
- c) 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 a) 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.

3.8

Radioactive Contamination

Institute Radioactive Contamination, Chemical, Biological, Bio-Chemical and Electromagnetic Weapons Exclusion Clause 10/11/03

- a) In no case shall this insurance cover loss damage liability or expense directly or indirectly caused by or contributed to by or arising from:
 - i) ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel
 - ii) the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof
 - iii) any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter
 - iv) 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
 - v) any chemical, biological, bio-chemical or electromagnetic weapon.

3.9

Sanction Limitation and Exclusion Clause

Underwriters shall not be deemed to have provided cover nor shall *Underwriters* be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose *Underwriters* to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom, United States of America or Australia.

3.10

Several Liability

The subscribing *Underwriters'* obligations under contracts of insurance to which they subscribe are several and not joint and are limited to the extent of their individual subscriptions. The subscribing *Underwriters* are not responsible for the subscription of any co-subscribing insurers who for any reason do not satisfy all or parts of their obligations.

3.11

Terrorism

Termination of Transit Clause (Terrorism) 2009

- a) 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 *Subject-matter* caused by:
 - i) 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

ii) 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:

- (a) as per the transit clauses contained within the *Policy*; or
- (b) 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 *Policy*; or
- (c) 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 *Policy*, which the *Insured* or their employees elect to use either for storage other than in the ordinary course of transit or for allocation or distribution; or
- (d) when the *Insured* 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
- (e) in respect of marine transits, 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; or
- (f) in respect of air transits, on expiry of 30 days after unloading the *Subject-matter Insured* from the aircraft at the final place of discharge;

whichever shall first occur.

b) 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 3.11 a) above.

3.12 War and Strikes Premium Variation

The rates and premiums agreed/charged for this insurance are inclusive of war and strikes cover, where applicable. It is agreed that in the event of a transit to, from or within the geographical areas listed as 'elevated' 'high' or 'severe' in the Global Cargo Watch List (GCWL) as produced by Exclusive Analysis Ltd see <http://watch.exclusive-analysis.com/jccwatchlist.html>, war and/or strikes risks in respect of such transits are held covered in accordance with the applicable war and/or strikes clauses contained in the *Policy* at rate(s) to be agreed. The applicable GCWL designated category for any particular transit/risk shall be that which is in force at the time the transit/risk commences. The *Insured* shall notify *SALT* and/or *Underwriters* as soon as it is aware that the transit will be to, from or within the said geographical areas.

SECTION 4: GENERAL CONDITIONS

4.1 Conditions of Cover

All *Subject-matter* will be insured subject to this *Policy* and the Conditions of Cover as specified in the *Schedule* and applicable to the method of transport.

4.2 Duty of Insured

It is a condition of this insurance that the *Insured*:

- a) shall act with reasonable despatch in all circumstances within its control; and
- b) will notify *Underwriters* as soon as possible of any material change in the risk covered by this *Policy*; and
- c) must take such measures as may be reasonable for the purpose of averting or minimising loss or damage to the *Subject-matter Insured*.

4.3 Basis of Valuation

Unless otherwise declared to and agreed by *Underwriters* prior to known loss, accident or arrival the *Subject-matter Insured* under this *Policy* is agreed to be valued as stated in the *Schedule*.

4.4 Premium and Declaration of Values

This insurance is subject to an agreed minimum and deposit premium advised at the inception of each *Period of Insurance* and based on either the estimated values of *Sendings* or *Turnover* provided to *SALT* and/or *Underwriters* by the *Insured*.

The *Insured* undertakes to keep accurate records of the actual value of *Sendings* or *Turnover* and to provide a statement of these (audited if requested) to *SALT* no later than 60 days after the end of the *Period of Insurance*.

The *Insured* agrees that declaration of value of *Sendings* will be calculated in accordance with the *Basis of Valuation* detailed in the *Policy* or as otherwise agreed with *SALT*

If the adjusted premium is 10%, or more, higher than the minimum and deposit premium paid then the *Insured* will pay *SALT* the difference. Where the difference between the estimated and actual value of *Sendings* or *Turnover* is less than 10% then no adjustment will be made and the original minimum and deposit premium will stand.

SECTION 5: ADDITIONAL BENEFITS

These clauses shall override the *Institute Clauses* where there is any inconsistency.

5.1 Accumulation

The *Limits of Liability* stated in the *Schedule* will not apply in the event of, or during, forced transhipment or after arrival of the overseas vessel at the port or place of discharge provided that any accumulation of the *Subject-matter Insured* during the ordinary course of transit beyond the *Limit of Liability* has not arisen from circumstances within the *Insured's* control.

If accumulation of the *Subject-matter Insured* beyond the *Limit of Liability* occurs at any other time because of interruption of the transit and/or circumstances beyond the *Insured's* control the *Underwriters* will, subject to prompt notice, extend cover up to but not more than:

- a) double the *Limit of Liability* for any one conveyance as stated in the *Schedule*; or
- b) \$10,000,000

whichever is the lesser.

5.2 Acquired Companies

This *Policy* will cover any company or entity formed or acquired by the *Insured* during the *Period of Insurance* in which the *Insured* has a controlling interest and accepts responsibility for arranging insurance provided the *Insured*:

- a) informs *SALT* of the formation or acquisition within 30 days;
- b) provides the same information in relation to the new company or entity previously provided to *SALT* when applying for or renewing this *Policy*;
- c) agrees to any additional conditions relating to the insurance in respect of the new company or entity; and
- d) pays any additional premium arising.

5.3 Assignment

This *Policy* does not cover the interest of any other parties, but this shall not prevent a transfer of this insurance in relation to imports or exports by the *Insured*, or any assignee, to another person and/or entity as part of the sale and in accordance with custom of trade.

5.4 Brands

In the case of damage to the *Subject-matter Insured* bearing embossed or indented brands or other permanent marking identifying the *Insured* as the manufacturer and carrying or implying the guarantee of the *Insured* then such damage shall be treated as a constructive total loss.

This extension in cover shall only apply where it is not reasonable to remove the embossed or indented brand or permanent marking and that sale of any damaged items will be detrimental to the *Insured's* good name. Subject to prior agreement by *Underwriters*, the *Insured* shall dispose of damaged items to best advantage or they shall be destroyed in the presence of both a representative of *Underwriters* and the *Insured*.

5.5 Buyer's Contingency Interest

In respect of goods purchased by the *Insured* on CIF or similar terms where the seller or supplier is responsible for arranging insurance to a level consistent with the scope and conditions provided under this *Policy* then *Underwriters* agree to pay those losses not recoverable under such *Other Insurance* coverage arranged subject to:

- a) the existence of this *Additional Benefit* is not disclosed to the seller or any third party; and
- b) all other terms and conditions of this *Policy*;
- c) all CIF shipments coming within the terms of this *Additional Benefit* to be declared to *Underwriters* and valued in accordance with *Policy* conditions and subject to an additional premium as agreed; and
- d) the *Insured* protecting and/or pursuing all legally enforceable means of recovery of the loss against their seller/supplier and their insurers in the first instance; and
- e) *Underwriters* to be subrogated to all the *Insured's* rights and remedies with the *Insured* agreeing to cooperate with *Underwriters* in pursuing recovery from the insurance provided by the seller/supplier.

5.6 Cargo ISM Forwarding Charges

Notwithstanding **Cargo ISM Endorsement** (Clause 3.5), this *Policy* is extended to reimburse the *Insured*, up to the limit of the sum insured for the insured transit, 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 hereunder following release of cargo 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 such vessel not being certified in accordance with the ISM Code; or
 - 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 or Salvage Charges, is subject to all other terms conditions and exclusions contained in the *Policy*.

5.7 Container

This *Policy* will cover the *Insured's* legal liability for physical loss of or damage to shipping containers, flatracks, tanktainers or similar units used for the transportation of the *Subject-matter Insured* and whilst in the *Insured's* care, custody and control to a limit of **\$25,000** any one loss or occurrence.

5.8 Container Demurrage Charges

This *Policy* is extended to cover demurrage and/or late penalties assessed against, and paid by the *Insured* for late return of containers when such containers are retained by the *Insured* upon instruction from *Underwriters* or the *Underwriter's* appointed surveyor for investigation of loss or damage which may be recoverable under the *Policy*. However, *Underwriters* shall not be liable for any demurrage charges which may be assessed against the *Insured* for delay caused by strike, lockout, stoppage or restraint of labour. The time period for which *Underwriters* shall be liable for the said charges shall begin at the time that *Underwriters* or their appointed surveyor instructs the *Insured* to retain the containers.

Cover under this clause is for the sole benefit of the *Insured* named in the *Policy* and is not assignable.

Subject to a limit of **\$50,000** any one claim.

5.9 Currency

Unless otherwise specified to the contrary, all amounts shown in the *Policy* and *Schedule* are deemed to be expressed in Australian currency.

5.10 Debris Removal / Clean Up Costs

This *Policy* is extended to cover, in addition to any other amount recoverable under this insurance, extra expenses reasonably incurred by the *Insured* for the removal and disposal of debris of the *Subject-matter Insured*, or part thereof, by reason of damage thereto caused by an insured risk, but excluding absolutely:

- a) any expenses incurred in consequence of or to prevent or mitigate pollution or contamination, or any threat of liability thereof; and/or
- b) the cost of removal of cargo from any vessel or craft.

In no case shall *Underwriters* be liable under this clause for more than 10% of the proportionate insured value under this *Policy* of the damaged *Subject-matter Insured* removed or **\$1,000,000**, whichever shall be greater.

5.11 Deck Cargo

Consignments shipped as deck cargo on the carrying vessel, with the knowledge and consent of the *Insured* and for which an on deck bill of lading or waybill is issued, are subject to Institute Cargo Clauses (B) CL.383 1.1.09 including the risks of jettison and loss overboard of whole or part of the deck cargo.

However, where consignments are shipped in fully enclosed standard I.S.O. containers, cover is subject to those conditions applying to under deck shipments even though such containers may be stowed on deck.

5.12 Delayed Unpacking

This *Policy* terminates in accordance with the transit clause forming part of the relevant *Institute Clauses* detailed herein. It is hereby understood and agreed that any claim will not be prejudiced by delay in arranging survey and shall be treated as having arisen during the ordinary course of transit provided that:

- a) such delay does not exceed 90 days after the termination of this insurance; and
- b) packages received with outward signs of damage, wetting or staining are immediately inspected and arrangements made for survey.

This clause only applies to claims made by the named *Insured* and does not apply to the benefit of any third parties.

5.13 Duty

Where the inclusion of duty is noted in the *Policy Schedule* and the value of duty declared to *Underwriters*, this *Policy* is extended to cover the increased value of the *Subject-matter Insured* by reason of payment of duty at the port or place of destination and to pay the same percentage of loss (excluding charges and expenses) as the original insurance but excluding claims in respect of:

- a) total loss of whole or part of the *Subject-matter Insured* prior to the duty becoming payable
- b) general average, salvage and/or salvage charges arising from any casualty occurring prior to the duty becoming payable.

In ascertaining the amount of claim recoverable credit shall be given for any release or refund of duty which may become allowable. Nothing in this clause shall increase the *Limit of Liability* shown in the *Schedule*.

5.14 Errors and Omissions

The *Insured* shall not be prejudiced by any unintentional error or omissions relating to declaration of shipments under the *Policy*, provided that such error or omission is notified to *SALT and Underwriters* as soon as it comes to the notice of the *Insured* and any premium deficiency arising as a result is paid by the *Insured*.

5.15 Exchange Rate

The exchange rate used by *SALT* for any currency conversions applicable to declarations made under this *Policy* will be the selling rate applicable on the date of the Bill of Lading or Air Waybill. Where a claim is presented in a currency other than Australian then the claim will be paid in Australian dollars at the selling rate applying at the date the loss or damage occurred.

5.16 Exhibition / Demonstration

This *Policy* covers the *Subject-matter Insured* while in transit to or from and during any exhibition, trade fair or display (other than at *Insured's* own premises) within the *Geographical Limits* specified in the *Schedule* to a limit of **\$200,000** any one event and for a period of up to thirty (30) days.

Underwriters shall not in any circumstances be liable for loss or damage to the *Subject-matter Insured*.

- a) caused by theft unless following forcible entry into a securely locked vehicle or secured site; or
- b) resulting directly from mechanical, electrical or manual operation of the *Subject-matter Insured* whilst being demonstrated or other purposes; or
- c) whilst in transit following the exhibition, unless properly packed and to no lesser standard as for the outward journey.

5.17 **Expediting Expenses**

The *Policy* is extended to indemnify the *Insured* for expenses reasonably incurred for express delivery (including airfreight) of replacement part(s) following loss or damage to the *Subject-matter Insured*, provided *Underwriters'* liability for such expenses shall not exceed **\$50,000** in respect of any one claim.

5.18 **FOB / CFR Pre-Shipment**

In respect of imports declared under this *Policy* and notwithstanding that the legal ownership under the contract of sale being on FOB, CFR or similar terms, it is agreed that where:

- a) the parties are unable to establish the point during the transit at which the loss event took place; or
- b) the *Insured* is unable to obtain compensation from the seller or other parties,

Underwriters will indemnify the *Insured* for loss or damage to the *Subject-matter Insured* on the same terms and conditions as this *Policy* from the time of departure from the seller's warehouse or premises, provided that:

- i) the *Insured* has used all reasonable measures to attempt to recover the loss from the seller; and
- ii) in the event of a claim being paid, *Underwriters* are subrogated to or assigned any right of recovery there may be under any other *Policy* covering the *Subject-matter Insured* prior to shipment.

5.19 **Fumigation and Decontamination**

Underwriters will cover the reasonable costs, charges and expenses of fumigation, decontamination or quarantine (including additional freight charges incurred) on arrival at destination where the *Subject-matter Insured* is:

- a) suspected of being infested, or actually infested; and
- b) ordered by authorities to be fumigated or decontaminated; and
- c) legally responsible for such costs.

Under no circumstances will *Underwriters* be liable for the costs of customary or mandatory fumigation, decontamination or quarantine costs and expenses (per Government Quarantine Regulations or similar statutory requirements).

5.20 **General Average and Salvage**

This *Policy* covers general average, salvage and salvage charges, adjusted or determined according to the contract of affreightment and/or governing law and practice, incurred to avoid or in the connection with the avoidance of loss recoverable hereunder.

For the purpose of claims for general average contribution and salvage charges recoverable hereunder the *Subject-matter Insured* shall be deemed to be insured for its full contributory value with any claims arising hereunder recoverable in full irrespective of any excess or deductible.

5.21 **Insolvency of Carriers**

The Insolvency Exclusion where appearing in the *Institute Clauses* forming part of this *Policy* is deleted and replaced by the following:

In no case shall this *Policy* cover loss, damage or expense caused by insolvency or financial default of the owners, managers, charterers or operators of the vessel or aircraft where the *Insured* is unable to show, prior to loading of the *Subject-matter Insured* on board the vessel or aircraft, that all reasonable practicable and prudent measures were taken by the *Insured* or their servants or agents, to establish the financial reliability of the party in default.

This clause shall not apply where this 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.

In addition, if the transit is interrupted or terminated due to the insolvency or financial default of the owners, managers, charterers or operators of the vessel or aircraft, whether or not loss or damage has been occasioned to the *Subject-matter Insured*, *Underwriters* will pay the extra costs of freight and/or storage to forward the *Subject-matter* to its intended destination or to return same to the place from which they were despatched up to a maximum of 10% of the insured value of the *Subject-matter Insured*.

5.22 Labels

In case of damage from risks insured against only affecting labels, *Underwriters*' liability shall be limited to an amount sufficient to pay the cost of reconditioning the labels or cost of new labels and re-labelling up to the insured value of the *Subject-matter Insured*.

5.23 Loss of Information / Data

Provided that there is visible external damage to the *Subject-matter Insured*, *Underwriters* will pay up to **\$25,000** any one loss or series of losses arising from an insured event and in the aggregate any one *Period of Insurance*, for the reasonable costs of rewriting the information, data or media held within the *Subject-matter Insured* providing that these costs are not recoverable under any other policy of insurance.

5.24 Over-carried

Where the *Subject-matter Insured* is over-carried, cover under this *Policy* is extended until such *Subject-matter Insured* is forwarded to original intended port of destination or an alternative destination agreed with *SALT*, subject to any additional premium that may be required.

5.25 Packers

This *Policy* shall also cover the *Subject-matter Insured* whilst in transit to and/or from and whilst on the premises of packers, consolidators, truckers, warehousemen or others for the purpose of packing or repacking, consolidation, deconsolidation, containerisation, de-containerisation or storage incidental to transit or similar up to a maximum of thirty (30) days or such other period with the prior agreement of *Underwriters*.

5.26 Presentation Packaging

Underwriters will pay for all reasonable costs of repairing or replacing any presentation or packaging associated with the *Subject-matter Insured* lost or damaged in transit provided that the presentation or packaging has been protected to withstand the ordinary incidents of the insured transit and where it is the established custom of the *Insured* to deliver the *Subject-matter Insured* in such original presentation or packaging.

5.27 Repacking / Resecuring Costs

Underwriters will pay for all reasonable costs and expenses for which the *Insured* is responsible and incurred in repacking or resecuring the *Subject-matter Insured* where same has moved in the course of transit making resecuring necessary, even though there may be no claim resulting from the incident, providing that these circumstances were outside the *Insured's* control and they could not reasonably be expected to know of them during the normal course of their business.

5.28 Sealed Containers

Claims for theft, shortage or non-delivery of a whole package or item shipped in a container will not be invalidated solely because the seals appear intact on delivery, provided *Underwriters* are given:

- a) documentary evidence the package or item was loaded into the container; and
- b) a copy of the discharge tally sheet or claused delivery notes,

to substantiate the loss.

5.29 Seller's Contingency Interest

- a) This *Policy* is extended to cover the *Insured's* interest as seller of the *Subject-matter* sold on FOB, CFR or similar terms despatched within the *Period of Insurance* and *Geographical Limits* specified in the *Schedule*.

- b) Cover under this clause is subject to the same conditions of insurance as would have applied had the sale been effected on CIF terms if one or more of the following contingencies occur:
- i) The buyer fails or refuses to accept the shipping documents;
 - ii) The buyer fails or refuses to accept the *Subject-matter*;
 - iii) The *Insured* exercising a lien on the *Subject-matter* interrupts their transit or suspends the sale contract whilst the *Subject-matter* is in transit, when this is reasonable to safeguard the *Insured's* interests.

Delay and/or deviation as a direct result of any of the above contingencies are held covered at an additional premium to be agreed.

- c) Cover under this clause terminates:
- i) As soon as the *Insured* receives payment in accordance with the terms of the contract of sale which, for the purposes of this insurance, is deemed to form part of this clause;
 - ii) When the buyer accepts the *Subject-matter*;
 - iii) At completion of sale or where the *Insured's* interest in the *Subject-matter* passes to another party;
 - iv) Sixty (60) days from the arrival of the vessel or aircraft at the port/airport of discharge;

whichever shall first occur.

- d) It is a condition of this clause that the *Insured* shall at all times exercise all reasonable and usual care, skill and forethought and take all practical measures which may be required by the *Underwriters* to prevent or minimise loss and to enforce the contract of sale.
- e) The *Insured* must notify *Underwriters* as soon as is reasonably practicable of the occurrence of any of the above contingencies.
- f) Claims in respect of loss or damage to the *Subject-matter* shall be payable hereunder only if and to the extent that the buyer fails to pay for such loss or damage.
- g) Upon settlement of any claims hereunder *Underwriters* to be subrogated to all the *Insured's* rights of recovery against any third party including the buyer.
- h) Any assignment of this insurance or any interest or claims hereunder shall discharge *Underwriters* from all liability whatsoever.
- i) It is a condition of this clause that the *Insured* shall not disclose the existence of this contingency insurance to the buyer(s) or any parties interested in the consignment.
- j) This clause to be for the benefit of the *Insured* only and not to be treated as double insurance.

5.30 Shut Out

In the event of the *Subject-matter Insured* being shut out from a vessel, this *Policy* extends to cover the *Subject-matter Insured* while waiting on the wharf, quay or pier or for the transfer to and whilst at another wharf, quay or pier and on-forwarding by another vessel, subject to the *Insured* notifying *SALT* as soon as they become aware of such an event.

5.31 Sorting Charges

This *Policy* will cover costs reasonably incurred by the *Insured* in separating shipping packages to ascertain the cause of loss or damage to the *Subject-matter Insured*. The costs incurred will be paid or reimbursed by *Underwriters* whether or not a claim under the *Policy* arises.

5.32 Strikes Diversion Expenses

This *Policy* will pay any reasonable additional expenditure incurred by the *Insured* by reason of the exercise by the shipowners, charterers or managers of any liberty granted by the contract of affreightment whereby solely in consequence of strikes, riots, civil commotions, lockouts or labour disturbances, or conditions arising therefrom, the *Subject-matter Insured* is over-carried to or discharged at a port other than the intended port of discharge under the contract of affreightment, such expenditure being payable irrespective of any other loss whether total or partial recoverable under the terms of this *Policy* provided however, that in no case shall *Underwriters* be liable for any claims unless the liberty referred to in this clause be exercised prior to the expiry of fifteen (15) days from midnight of the day on which the said strikes, riots, civil commotions, lockouts or

labour disturbances giving rise to the exercise of such liberty cease to be in active operation. *Underwriters* liability under this clause is limited to 20% of the insured value of the *Subject-matter Insured* or **\$50,000** whichever is the lesser any one loss or occurrence in addition to the insured value and is subject to a deductible of 10% of the amount recoverable for claims under this clause.

5.33

Tools of Trade

This *Policy* covers Tools of Trade (but excluding mobile phones, laptop/personal computers and the like) owned by the *Insured* or their employees limited to **\$25,000** in the aggregate for all claims occurring within Australia during the *Period of Insurance* caused by:

- a) fire, flood, collision and/or overturning of the conveying vehicle; or
- b) theft or pilferage of the tools following forcible entry into a securely locked vehicle or locked fixed carrying compartment; or
- c) theft of the conveying vehicle,

provided that:

- i) the vehicle and/or fixed carrying compartment is of a fully enclosed design capable of being securely locked at all times; and
- ii) windows, doors and openings of the vehicle or carrying compartment are securely locked when unattended and any alarms fitted to the vehicle are activated.

5.34

Traveller's Samples

This *Policy* covers the *Insured's* Traveller's Samples up to a limit of **\$25,000** in the aggregate for all claims occurring within Australia during the *Period of Insurance* caused by:

- a) fire, flood, collision and/or overturning of the conveying vehicle; or
- b) theft or pilferage of the Traveller's Samples following forcible entry into a securely locked vehicle or locked fixed carrying compartment; or
- c) theft of the conveying vehicle,

provided that:

- i) the vehicle and/or fixed carrying compartment is of a fully enclosed design capable of being securely locked at all times; and
- ii) windows, doors and openings of the vehicle or carrying compartment are securely locked when unattended and any alarms fitted to the vehicle are activated.

In the event of the *Insured's* employees being obliged to stay overnight at a hotel/motel, the Traveller's Samples remain covered provided the vehicle in which they are stored is locked and parked within the hotel/motel complex and not on the street.

SECTION 6: CLAIMS

These procedures are important and failure to comply with them may jeopardise a claim under this *Policy*.

6.1

Claims Procedure

Where circumstances arise which may give rise to a claim under this *Policy*, it is the duty of the *Insured*, their employees and agents, to take all reasonable measures for the purpose of averting or minimising the loss and to ensure that all rights against carriers, bailees or other third parties are properly preserved and exercised.

The *Insured* and/or their agents must:

- a) as soon as reasonably practicable claim on the carriers, port authorities or other bailees for any missing package;
- b) in no circumstances, other than under written protest, give clean receipts where the *Subject-matter Insured* is damaged or in doubtful condition. Make a note on the delivery receipt about identified loss or damage (e.g. 'one package missing', 'goods damaged', 'packaging water damaged'). If damage is suspected, then record this (e.g. 'packaging dented condition of contents unknown' or 'packaging re-taped');

- c) where there is suspicion of damage (such as re-taped packages indicating possible pilferage) undertake a detailed inspection as soon as possible following receipt. If damage is found this should be photographed and the packaging retained for possible future inspection;
- d) promptly apply for survey by carrier's or bailee's representatives if any loss or damage is apparent and claim on the carriers or bailees for any loss or damage found during that survey. Where circumstances call for it a joint survey with a surveyor nominated by *SALT* can be arranged;
- e) give notice, in writing, to the carriers or bailees within three (3) days of delivery if the loss or damage was not apparent at the time of taking delivery;
- f) as soon as reasonably practicable immediately advise *your* insurance broker or *SALT* (or *SALT*'s nominated claim survey/settling agent), what has happened and promptly send full details on the *Subject-matter Insured* and the following documentation:
 - i) original or copy of shipping invoices, shipping specifications and/or weight notes;
 - ii) original bill of lading, waybill, consignment note and/or other contract of carriage;
 - iii) delivery receipt and/or proof of delivery;
 - iv) landing account and weight notes at final destination;
 - v) documentary evidence of the extent of the loss or damage; and
 - vi) any correspondence with the carrier or bailee about their liability for loss or damage
- g) not authorise any repairs to the *Subject-matter Insured* without *SALT*'S consent.

6.2 Deductible

In the event of a claim (other than a claim for total loss, general average or salvage) the *Insured* must first bear the amount of any *Deductible* specified in the *Schedule* or elsewhere in the *Policy*.

6.3 Goods and Services Tax

If the *Insured* is liable for Goods and Services Tax (GST) in respect of the *Subject-matter Insured*, services or other supply which is the subject of a claim under this *Policy*, *Underwriters* will pay the *Insured* for that GST liability. However:

- a) where *Underwriters* make a payment under this *Policy* for the acquisition of goods, services or other supply, *Underwriters* will reduce the payment by the amount of any *Input Tax Credit* the *Insured* is, or will be, or would have been entitled to under the **Goods and Services Tax Act** in relation to that acquisition whether or not the acquisition is actually made; or
- b) where *Underwriters* make a payment under this *Policy* as compensation instead of payment for the acquisition of goods, services or other supply, *Underwriters* will reduce the payment by the amount of any *Input Tax Credit* the *Insured* would have been entitled to under the **Goods and Services Tax Act** had the payment been applied to acquire such goods, services or supply.

6.4 Other Insurance

Provided it is permitted by law, where more than one insurance policy has been effected by the *Insured* or effected on the *Insured*'s 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 of Liability* provided for under this *Policy*. The *Insured* is required to notify *SALT* of any other insurance covering either wholly or in part the *Subject-matter Insured* and provide full information and all reasonable assistance to *SALT* in pursuing recovery.

6.5 Rights of Subrogation

Underwriters shall, on payment of any loss hereunder, be subrogated to the extent of such payment to all rights of recovery by the *Insured* against any person or corporation, private or municipal, and the *Insured* shall assign all such rights of action to *Underwriters* or to any person acting on their behalf. The *Insured* further agrees to render all reasonable assistance in such action. *Underwriters* shall not be liable for any loss, which, without their consent, has been settled or compromised with any other party.

6.6

Complaints Procedure

It is *SALT Marine Risks Australia's* (SALT) intention to provide a first-class service. However, there may be occasions when the *Insured* may feel that this objective has not been achieved.

If you have any concerns or wish to make a complaint in relation to this *Policy*, our services or your insurance claim, please let us know and we will attempt to resolve your concerns in accordance with our Internal Dispute Resolution procedure.

Please contact SALT in the first instance:

SALT Marine Risks Australia Pty Limited

Complaints Officer

complaints@saltmarine.insure

www.saltmarine.insure

We will acknowledge receipt of your complaint and do our utmost to resolve the complaint to your satisfaction within 10 business days. If we cannot resolve your complaint to your satisfaction, we will escalate your matter to Lloyd's Australia who will determine whether it will be reviewed by their office or the Lloyd's UK Complaints team. Lloyd's contact details are:

Lloyd's Australia Limited

Level 32, 225 George Street, Sydney NSW 2000, Australia

ldraustralia@lloyds.com

+61 (0)2 8298 0700

A final decision will be provided to you within 30 calendar days of the date on which you first made the complaint unless certain exceptions apply.

You may refer your complaint to the Australian Financial Complaints Authority (AFCA), if your complaint is not resolved to your satisfaction within 30 calendar days of the date on which you first made the complaint or at any time. AFCA can be contacted as follows:

Australian Financial Complaints Authority

GPO Box 3, Melbourne VIC 3001

info@afca.org.au

www.afca.org.au

1800 931 678

Your complaint must be referred to AFCA within 2 years of the final decision, unless AFCA considers special circumstances apply. If your complaint is not eligible for consideration by AFCA, you may be referred to the Financial Ombudsman Service (UK) or you can seek independent legal advice. You can also access any other external dispute resolution or other options that may be available to you.

Lloyd's General Representative (Australia)

The *Underwriters* accepting this Insurance agree that:

- (i) if a dispute arises under this Insurance, this Insurance will be subject to Australian law and practice and the *Underwriters* will submit to the jurisdiction of any competent Court in the Commonwealth of Australia.
- (ii) any summons notice or process to be served upon the *Underwriters* may be served upon:

Lloyd's Underwriters' General Representative in Australia
Level 32, 225 George Street, Sydney NSW 2000, Australia

who has authority to accept service on the *Underwriters* behalf.
- (iii) if a suit is instituted against any of the *Underwriters*, all *Underwriters* participating in this Insurance will abide by the final decision of such Court or any competent Appellate Court.

www.saltmarine.insure

LLOYD'S
COVERHOLDER

Marine Annual Cargo Policy
CAH2505/1.0