

# LCIS Transit Policy for Artists

## Marine Cargo Wording 2015

Distinctive. Choice.





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# Introduction

## **WHO IS JARDINE LLOYD THOMPSON?**

Jardine Lloyd Thompson is one of Australia's largest General Insurance Brokers, a group totally committed to service and the fulfilment of our clients' needs. The group offers a diverse range of products and services to all areas of industry and the wider community in all parts of Australia.

## **WHO IS THE INSURER?**

This insurance policy is underwritten by the Insurer specified in the Policy Schedule.

### **About QBE**

The QBE Insurance Group is one of the top 25 global insurers and reinsurers as measured by net earned premium, with operations in all key global insurance markets. The QBE Insurance Group Limited is the Australian listed holding company with its head office in Sydney and offices in 49 countries. Our successful performance over many years demonstrates our risk management credentials, track record of business stability, and the skill and expertise of our people.

### **About Marine Specialty Risks**

Marine Specialty Risks (MSR) was established in March 2009 when QBE formed a specialist marine unit within the Australian Operations.

Since then, MSR has focused on delivering specialist underwriting, claims & risk management services to clients across the country. MSR business development, underwriting and claims staff are now located in most states.



# Agreement

In return for payment of the premium by the *Insured*, this contract is to insure the Interest Insured specified for the transits and on the conditions named herein.

This contract does not cover the interest of any other person, but this shall not prevent a transfer of the insurance by the *Insured* or Assignee.

**Interest Insured:**

Principally consisting of but not limited to: Artworks, Statues, Paintings, Ceramics, Furniture, Glass, Jewellery, Metal, Textiles, Wood, Electrical and/or Electronic Equipment and other materials belonging to Accredited Members of Craftsouth Inc.



## Law and Practice

This policy is subject to Australian law and practice. If there is a dispute about the terms and conditions of this policy, both parties agree to submit to the jurisdiction of any court of competent jurisdiction within Australia.

Where requested by the *Insured*, the Insurer will nominate an agent within the jurisdiction in which proceedings are begun by the Insured to accept service of any notice, summons or process. If proceedings are begun against Insurer on any disputes about this policy, the Insurer agrees to be bound by the final decision of the Court (or any appeal).

Further, under any statute of any state, territory or district of the United States of America, which so provides, the Insurer designates the Superintendent, Commissioner or Director of Policy (or other successors in office) as their true and lawful attorney. Any lawful process in any action, suit or proceeding instituted by or on behalf of the Insured arising out of this policy may be served on that officer. The Insurer designates its accredited representative in the United States of America as the person to whom that officer is authorised to mail this process or a true copy of it.

To the extent that this policy covers risks governed by the Marine Insurance Act 1909 the policy will be subject to the provisions of the Act. To the extent that this policy covers other risks it will be subject to the Insurance Contracts Act.



# Definitions

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

## **Period of insurance**

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

## **Schedule**

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

## **Goods**

Means the insured goods including packaging and labels.

## **We, Us, Our**

*We, Us* and *Our* means Your Insurer

## **You, Your, Insured, Assured**

*You, Your, Insured, Assured* means the *Insured* as named in the *schedule* or as otherwise defined in the policy.

## **FOB (only by sea)**

Free on board.(named port of shipment) Insurance to be covered by the buyer (the seller up to the ship).

## **CIF (only by sea)**

Cost, insurance and freight. (named port of destination) Insurance must be covered by the seller (in favour of the buyer) to the port of destination complying with at least Institute Cargo Clauses (C) or similar clauses (further transports by the buyer).

## **CFR (only by sea)**

Cost and freight. (named port of destination) Insurance to be covered by the buyer (the seller up to the ship).



# Conditions of Cover

Cover under this policy is subject to the following Conditions of Insurance, Institute Clauses and Additional Clauses, and other clauses where specified in the Policy Schedule:

## 1. Conditions of insurance

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

- 1.1 Any reference in the conditions of insurance to Institute clauses is to the clauses published by the International Underwriting Association of London current at the effective date of this policy.
- 1.2 Any reference to 'English law and practice' is amended to 'Australian law and practice' wherever it appears.

## 2. Limits on cover

Further to any limitations to the cover set out in the applicable conditions of insurance, this insurance is limited to the limit of liability stated in the schedule.

## 3. Basis of valuation

- 3.1 for shipments involving imports or exports the Goods is agreed to be valued as stated in the schedule
- 3.2 for transits commencing and terminating within the same country:
  - 3.2.1 when stated as invoice value in the schedule the agreed value is the invoice cost or value, plus any costs incidental to the insured transit that are not covered by the invoice
  - 3.2.2 if there is no invoice, the value is the market value or the cost, at the time of the commencement of the insured transit of replacing the Goods with similar goods of the same age and condition.

## 4. Notification of material change

You must notify us as soon as possible of any material change in the risk covered by this policy.



## 5. Variation of war and strikes rates

Insurers right to cancel insurance of war and/or strikes risks or to increase the war and/or strikes rates or to change the conditions of insurance are not prejudiced by the war and strikes premium under this policy having been prepaid at the rates current at the commencement of each period of insurance.

Insurers have the right to apply higher rates on, or to charge on a 'hold covered' basis, voyages or flights to specific countries or areas. Any additional premium will be calculated by applying the difference between prepaid and amended war and/or strikes rates to actual declared figures for the period/s applicable or, if not declared, on a pro-rata to annual premium basis for the annual period concerned.

## 6. Excess

In the event of a claim (other than a claim for total loss, general average or salvage) *you* must bear first the amount of any excess specified in the schedule or elsewhere in the policy wording.

## 7. Reasonable care

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

## 8. Third parties

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

## 9. Transfer

For shipments involving imports and/or exports, this policy permits transfer of the insurance by you or any assignee to another person and/or entity. For transits commencing and terminating within the same country, you may only transfer a right under this policy with the Insurers written consent.

## 10. Rights of subrogation

Insurers are entitled to exercise any rights you or any assignee may have against anyone else in relation to the Goods for which they have settled a claim under this policy. *You*, and anyone else entitled to claim under this policy, must cooperate fully with the Insurer in exercising those rights and must give the Insurer any information or assistance they may require.

## Institute Clauses

### Shipments by Sea and Inland Transits within Australia other than by Air or Post:

Institute Cargo Clauses (A)

Institute War Clauses (Cargo) - *These clauses do not apply to shipments on land*

Institute Strikes Clauses (Cargo)

Institute Replacement Clause (applicable to machinery only)

### All shipments by sea

Institute Classification Clause



Cargo ISM Endorsement

Cargo ISM Forwarding Charges Clause

**Shipments by Air or Post as applicable:**

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

Institute Replacement Clause (applicable to machinery only)

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

Institute War Clauses (sendings by Post)

Institute Strikes Clauses (Air Cargo)

**All shipments:**

Institute War Cancellation Clause (Cargo)

Institute Radioactive Contamination, Chemical, Biological, Bio-Chemical and Electromagnetic Weapons Exclusion Clause

**1. Revision of Institute Clauses**

All Institute Clauses referred to in this policy are those current at the time cover under this policy attaches. Should any of these clauses be revised during the Period of Insurance, the Insurer will give the Insured thirty (30) days' notice of the revision. The revised clause will apply to all risks attaching after the end of the period of notice that begins at midnight on the day that the notice is issued by the Insurer.

**2. Additional Clauses**

Except to the extent that provision is already made (or more extensive cover is already provided) by this policy, the following additional clauses will form part of this policy. Headings have been included for ease of reference; however, the terms, conditions and exclusions of this policy are not to be interpreted by reference to these headings. However, should there be any doubt about the cover provided by these clauses, they will be interpreted in favour of the Insured.

**3. Customs Duty (Imports Only)**

This policy will cover any increased value of Goods purchased by the Insured due to payment of duty and taxes at destination. The increased value will attach from the time the duty and taxes are paid or become payable.

Excluding claims for:

1. total loss of whole or part of the Goods before the duty and taxes become payable;
2. general average contributions and salvage charges arising from any casualty occurring before the duty and taxes become payable; and
3. duty and taxes refunded or rebated by Customs authorities on lost or damaged Goods.

The Insured must take all reasonable steps to obtain a credit for duty and taxes paid or payable in respect of lost or damaged Goods.



#### **4. Loss of Information/data/media clause**

This policy is extended to include all claims for loss of information/data/media where there is external visible evidence of damage from an insured event. The amount payable will be the reasonable cost of rewriting the information or data provided these costs are not recoverable under any other policy or Insurance

#### **5. FOB. and CFR (C&F) Exports**

This policy will cover Goods sold on FOB, CFR (C&F) or similar terms of sale where the marine insurance for the overseas voyage or air transit is not covered by this policy.

Cover attaches as provided for in this policy and continues until the Insured's interest ends but not later than the time of loading on board the vessel or aircraft or at time of transfer of risk, whichever first occurs.

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#### **6. Fumigation Clause**

In the event of Goods insured hereunder being contaminated or being suspected of being contaminated during the course of transit the Insurer agrees to pay for the costs of fumigating the Goods. Any resultant loss &/or damage caused by such fumigation is recoverable hereunder. This clause excludes any shipment where fumigation is either customary or mandatory.

#### **7. General Average and Salvage Clause**

If there is a claim for general average contributions or salvage charges, the Goods will be considered as being insured for their full contributory value and the claim will be paid regardless of any policy Excess.

#### **8. Imports of Machinery & Equipment – Replacement by Airfreight Clause**

In the event of loss of or damage to insured machinery &/or equipment caused by an insured peril, the Insurer agrees to pay the additional costs of airfreighting the damaged machine, equipment &/or parts to manufacturers &/or repairers for repairs and return notwithstanding that the machinery &/or equipment was not originally despatched by airfreight.

The maximum the Insurer will pay under this clause is \$50,000 for any one loss or series of losses arising from the one event.

#### **9. ISPS Forwarding Charges Clause**

This insurance is extended to reimburse the Insured, up to the limit of the insured value for the voyage, for any extra charges properly and reasonably incurred in unloading, storing and forwarding the subject-matter 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 to such vessel not being certified in accordance with the ISPS Code as required under the SOLAS Convention 1974 as amended.

This clause does not apply to General Average or Salvage or Salvage Charges claims.

#### **10. Labels Clause**

If there is a claim for loss or damage to labels, the Insurer will pay for the cost of new labels and re-labelling and reconditioning the Goods, including the cost of airfreighting replacement labels where necessary.



### 11. Removal of Debris and Authorities' Costs Clause

In the event of loss and/or damage by an insured peril to the Goods and notwithstanding the Insurer's liability to pay a total loss, it is agreed the cover provided by this policy extends to include:

- (a) all costs of clean-up and/or disposal of damaged and/or deteriorated and/or contaminated Goods;
- (b) all costs other than fines & penalties levied by any recognised emergency service or any statutory authority including but not limited to police, ambulance, fire services and environmental protection services.

Provided always that this extension will only cover costs incurred that relate to the Goods and that such costs are not recoverable under any other policy of insurance.

The maximum the Insurer will pay under this clause is \$50,000 for any one loss or series of losses arising from the one event unless specified otherwise on the Policy Schedule.

### 12. Replacement of Packaging Clause

The Insurer will pay the cost of replacing packaging, which is lost or damaged during the transit, however:

- i. the loss or damage must be covered by this policy; and
- ii. the packaging must form an integral part of the Goods Sorting Charges Clause

Where the Insurer or its surveyor requires or recommends that packages &/or damaged goods be sorted in order to ascertain or assess the nature &/or extent of loss &/or damage; expenses arising from such sorting shall be recoverable hereunder.

The maximum the Insurer will pay under this clause is \$50,000 for any one loss or series of losses arising from the one event. This limitation shall not apply to costs incurred in the nature of sue and labour.

### 13. Strikes Diversion Expenses Clause

This policy will pay additional expenditure incurred by the Insured where shipowners, charterers or managers exercise a liberty granted to them by the contract of affreightment, where solely as a result of:

- i. strikes, riots, civil commotions, lockouts or labour disturbances; or
- ii. conditions arising there from making discharge in the normal course impossible;

the Goods are over-carried to (or discharged at) a port other than the port of discharge named in the contract of affreightment. However, the liberty must be exercised before the expiry of fifteen (15) days from midnight of the day on which the event listed under (a) above (that gave rise to the exercise of the liberty) ceases to be in active operation.

This additional expenditure will be paid irrespective of any other loss (whether total or partial) payable under this policy. The maximum the Insurer will pay is:

- i. \$50,000 for any one loss or series of losses arising from the one event; or
- ii. 20% of the insured value of the Goods;

whichever is the lesser, unless specified otherwise on the Policy Schedule.



#### 14. Delayed Unpacking Clause

Where cases or packages are not unpacked on delivery at the final warehouse or place of storage, any concealed loss or damage which is discovered when the Goods are unpacked shall be deemed to be recoverable hereunder, however:

- i. the loss or damage must be covered by this policy;
- ii. there must be no conclusive proof that the loss or damage did not occur during the transit;
- iii. the loss or damage must be discovered no later than ninety (90) days after delivery; and
- iv. packages showing outward signs of loss or damage on delivery must be immediately opened and inspected and any loss or damage reported to the Insurer.



## 15. Sealed Containers Clause

Where Goods are shipped in a shipping, road or airfreight container, a claim for theft, pilferage, shortage or non-delivery will still be valid even if the container's seal is intact at the unloading point; however, documentary evidence must be produced to substantiate the quantity loaded into the container.

If a loss occurs which is payable under this clause, the Insured agrees to use all reasonable means to first recover the full amount of the loss from the seller, packer or other responsible third party before claiming under this policy.

All rights of recovery against the seller, packer or any other third party to whom liability may attach are to be subrogated to the Insurer.



# Breach of Warranty & Exclusion Amendments

## 1. Insolvency Exclusion Clause

The Insolvency Exclusion Clause where appearing under "EXCLUSIONS" in the relevant Institute Clauses is deleted and replaced by the following:

"In no case will this policy cover loss damage or expense arising from insolvency or financial default of the owners managers charterers or operators of the vessel or aircraft.

However, this exclusion will not apply:

- i. if the Insured is unaware (or in the ordinary course of business would be unaware) at the time of loading the Goods on to the vessel or aircraft that this insolvency or financial default could prevent the normal completion of the transit; or
- ii. where the cover provided by this policy has been assigned to the party claiming under it who has bought or agreed to buy the Goods in good faith under a binding contract."

## 2. Insufficiency of Packing Exclusion Clause

The Insufficiency or Unsuitability of Packing Exclusion Clause where appearing under "EXCLUSIONS" in the relevant Institute Clauses does not apply to:

- i. inland transits within Australia by road, rail, air or post; and
- ii. shipments by sea between Australian ports where the Goods are being conveyed by a motor vehicle that is on board a roll-on roll-off vessel.

In respect to all other shipments the clause is deleted and replaced by the following;

"In no case will this policy cover loss damage or expense caused by insufficiency or unsuitability of packing or preparation of the Goods. For the purpose of this clause, "packing" is to include stowage in a container or other similar intermodal methods of unit load but only when the stowage is carried out before cover under this policy attaches or by the Insured or their servants.

However, despite the above exclusion, if a claim is made for loss or damage which is alleged to be caused by insufficiency or unsuitability of packing or preparation of the Goods, the Insurer agrees not to use this as a defence against the claim:

- (a) in any case where the packing or preparation was carried out by a party other than the Insured; and
- (b) where the insufficiency or unsuitability arose entirely without the Insured's privity or knowledge.

The Insured undertakes to follow all reasonable measures to pursue rights of recovery against sellers or other third parties responsible for the loss or damage. The above agreement is not to interfere with the Insurer's rights of subrogation against packers or their insurers."

Agreed to allow owner packed and clause 4.3 is amended to:

4.3 loss damage or expense caused by insufficiency or unsuitability of packing or preparation of the subject matter insured to withstand the ordinary incidents of the insured transit (for the purpose of these Clauses "packing" shall be deemed to include stowage in a container and "employees" shall not include independent contractors)

Warranted: Packing and stowage is to a standard where loss or damage is unintentional and could not be expected a person who has actual knowledge of the means of transport.





### 3. Unseaworthiness and Unfitness Exclusion Clause

The Unseaworthiness and Unfitness Exclusion Clause where appearing under "EXCLUSIONS" in the relevant Institute Clauses is deleted and replaced by the following:

"In no case will this policy cover loss, damage or expense arising from:

- a. unseaworthiness of vessel or craft or unfitness of vessel, craft or aircraft for the safe carriage of the Goods, where the Insured is aware of the unseaworthiness or unfitness at the time the Goods are loaded; or
- b. unfitness of container, liftvan or conveyance for the safe carriage of the Goods where loading is carried out before cover under this policy attaches or by the Insured or their employees.

However, exclusions a. and b. above will not apply where the cover provided by this policy has been assigned to the party claiming under it who has bought or agreed to buy the Goods in good faith under a binding contract.

The Insurer waives any breach of the implied warranties of seaworthiness of the vessel and fitness of the vessel or aircraft to carry the Goods to destination."



# Cover Attachment & Continuation Clauses

## 1. Accumulation Clause

Where there is an accumulation of Goods beyond the control of the Insured and the total value of such interests exceed the Limits described hereunder the Insurer agrees to cover such excess amount provided that the Insurer's liability shall not be more than double such Limits and the Insured provides notice to the Insurer immediately such circumstances are known.

## 2. Acquired Company Clause

This Policy will cover any company or subsidiary company, formed purchased or otherwise acquired by the Insured during the Period of Insurance. For this cover to apply, the Insured must:

- i. hold a controlling interest in the company or have agreed to accept responsibility for insurance; and
- ii. declare to the Insurer, as soon as practicable, the turnover or value of shipments, Goods to be insured and past claims, and pay any additional premium required.

## 3. Exhibitions and Display

This policy subject to existing cover terms and conditions, is extended to cover the goods while at any exhibition or premises for demonstration or display within Australia and/or Overseas, caused by an insured event covered by this policy, However, this insurance does not cover damage while the goods are being used, demonstrated or have movable parts.

Subject to a limit of \$100,000 any one event arising from the one insured event, unless otherwise declared and provided these costs are not recoverable under any other policy of insurance.

Theft claims are subject to forcible entry to the place of exhibition or display or forcible removal from the point of exhibition or display. Maximum period any one location 60 days..

## 4. Over-carried Goods Clause

If Goods are over-carried to a destination other than that to which they were consigned, this policy will continue to cover the Goods until their arrival at the intended destination.

## 5. Packers Clause

When required, the Goods shall be covered from time of leaving the Insured's or supplier's warehouse en route to packer's warehouse and whilst there for a period not exceeding 90 days prior to shipment or held covered.

## 6. Reconsigned or Reshipped Goods Clause

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

## 7. Refused Goods Clause

Where Goods insured hereunder are refused and/or declined by any consignee during the course of transit or at destination this insurance continues for a period of up to 90 days whilst they are stored awaiting return and/or re-forwarding to another destination.



## 8. Shut-out Goods

If Goods are 'shut out' from the vessel or aircraft and are at the risk of the Insured, this policy will cover the Goods while at a wharf or airport awaiting shipment and during any transit to another wharf or airport.

## 9. Transit Clause (as defined in the ICCA 1/1/2009 clauses)

The Transit Clause:

- 1) Clause 8.1 in the Institute Cargo Clauses (A), (B) and (C) whichever is applicable;
- 2) Clause 5.1 in the Institute Strikes Clauses (Cargo) and Institute Cargo Clauses (Air); and
- 3) Clause 3.1 in the Institute Strikes Clauses (Air Cargo);

is deleted and replaced by the following:

"If Goods are at the risk of the Insured, cover under this policy attaches from the time the Goods are first moved at the place of storage for loading directly on to the conveyance at the place where the transit begins. Cover continues during the ordinary course of transit and ends either:

- a) *For shipments by sea, air, road and rail* - when the Goods have been unloaded from the conveyance and placed directly on the ground or other position within:
  - the consignees' or other premises at the destination; or
  - any other premises whether before or at the destination, which the Insured elects to use either for storage other than in the ordinary course of transit or for allocation or distribution.
- b) *For sendings by post* - upon delivery by the postal authorities to the address on the postal package(s);

or on the expiry of (*does not apply to shipments by road and rail*):

- a) *For shipments by sea* - sixty (60) days after completion of discharge outside of the Goods from the overseas vessel at the final port of discharge;
- b) *For shipments by air* - thirty (30) days after unloading the Goods from the aircraft at the final place of discharge; or
- c) *For sendings by post* - twenty (20) days from the date of the notice of delivery sent by postal authorities to the addressee,

whichever first occurs."

### **Loading and Unloading: Australia Wide Shipments Only**

During the period of insurance:

cover commences from the time the goods are picked up inside the warehouse/premises or place of storage for loading on to the conveying vehicle.

cover terminates when the goods are placed and/or positioned inside the receiver's or other designated warehouse or premises.

The cover granted under this transit clause is subject to:

The conveying vehicle must depart for destination within 72 hours from the commencement of loading - if this period is exceeded cover ceases after 72 hours and recommences when the conveying vehicle actually departs for destination;



The placement or positioning of the goods within the ware-house or premises must be: directly associated with the transit and completed within 72 hours of the conveying vehicles arrival.

Cover excludes the risks of dismantling, re-assembly and testing of goods.

#### **10. Transhipment Clause**

Customary transhipment is covered whenever occurring. Other transhipment held covered in accordance with the conditions and exclusions of this Policy subject to prompt notice to the Insurer and an additional premium being paid if required.



# Claims Adjustment Clauses

## **Apportionment of Recoveries Clause**

Where a recovery is obtained by the Insurer from a carrier or other third party, such recovery shall be apportioned between the Insured and the Insurers in the same proportion as the respective parties hereto have borne such loss.

## **Brand and Trade Mark Clause**

If there is a claim for loss or damage to Goods which bear a brand or trademark:

- a) that identifies the Insured as the manufacturer owner or agent of the Goods; and/or
- b) where their sale will in any way imply that a guarantee attaches to the Goods;

the salvage value (if any) will be determined after removal of the brand or trademark. For packaging on which the brand or trademark cannot be removed, contents are to be transferred to plain bulk packaging, at Insurers' expense.

Where the salvage value cannot be agreed upon, the value of the damaged Goods will be established by allowing them to be offered for sale at public auction or by tender but subject to the Insured having the right to accept or refuse the highest bid offered. If it is not possible to destroy evidence of the Insured's connection with the damaged Goods, Insurers will waive their rights to take over the goods and will allow them to be destroyed.

It is agreed that any salvage shall not be disposed of by sale or auction without the written consent of the Insured.



# Additional Exclusions & Restrictions

## Deck Cargo Clause

Goods shipped on deck in ISO shipping containers or cargo carried on deck without the privity knowledge or consent of the Insured but subject to an under-deck bill of lading are covered in terms of the policy conditions.

Other on-deck cargoes covered on Policy conditions but excluding the risks of rust, oxidation, discolouration and sea-water damage.

## Second-hand Machinery - Replacement of Parts

If there is a claim for loss of or damage to any part or parts of a second-hand or used machine, the Insurer will not pay more than a proportion of the cost of replacing or repairing the part or parts lost or damaged. This proportion will be calculated by comparing the insured value of the machine with the value of a new machine, plus charges for forwarding and refitting if incurred.

The Insurer will pay customs duty and taxes if they are included in the insured value. Provided always that in no case shall liability of the Insurers exceed the insured value of the complete machine.

## Terrorism Exclusion

This policy/open cover 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:

- i. the causing, occasioning or threatening of harm of whatever nature and by whatever means;
- ii. putting the public or any section of the public in fear,

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

However this exclusion shall not apply to the extent of the provisions of the following clause:

## Termination of Transit Clause (Terrorism)

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

1. Notwithstanding any provision to the contrary contained in this policy or the clauses referred to therein, it is agreed that in so far as this policy covers loss of or damage to the Goods caused by any terrorist or any person acting from a political motive, such cover is conditional upon the Goods being in the ordinary course of transit and, in any event, SHALL TERMINATE:

either

1.1. As per the transit clauses contained within the policy,

or

1.2. on delivery to the consignee's or other final warehouse or place of storage at the destination named herein,



1.3. on delivery to any other warehouse or place of storage, whether prior to or at the destination named herein, which the Insured elects to use either for storage other than in the ordinary course of transit or for allocation or distribution,

or

1.4. in respect of marine transits, on the expiry of 60 days after completion of discharge overside of the goods hereby insured from the overseas vessel at the final port of discharge,

1.5. in respect of air transits, on the expiry of 30 days after unloading the Goods from the aircraft at the final place of discharge,

whichever shall first occur.

2. If this policy or the clauses referred to therein specifically provide cover for inland or other further transits following on from storage, or termination as provided for above, cover will re-attach, and continues during the ordinary course of that transit terminating again in accordance with clause 1
3. This clause is subject to Australian law and practice.

#### **Transits in Insured's own Vehicles**

This policy will not cover theft from the Insured's own motor vehicle(s) when left unattended unless:

- a) all doors and other points of access are securely locked with all keys removed and all windows closed, and alarm activated if the motor vehicle is alarmed;
- b) all Goods are kept out of sight as far as is practical;
- c) notice is given to the Police within twenty-four (24) hours of any theft occurring; and
- d) the motor vehicle is parked in securely locked premises (building, garage, or compound with secure walls or fences and gates) outside normal business hours.



# Special Conditions & Exclusions for Antiques, Artworks Etc.

**Important note:** The following additional clauses apply to transits of Antiques Artworks and interests of a similar nature for which the Insured is responsible to insure.

## 1. Antiques and Works of Art Clause

The Insurer will not be liable for loss or damage or expense:

- a) caused by delay, confiscation or detention by Customs or other officials or authorities; or
- b) arising from wear and tear, moths or vermin.

## 2. Average Clause

If the total value of the Goods covered by this policy at the time of any loss is greater than the insured value, the Insurer will only pay a proportion of the loss calculated by comparing the insured value to the total value.

## 3. Depreciation in Value

If there is a claim for damaged Goods that can be repaired, the Insurer will not pay:

- a) more than the reasonable cost of repair;
- b) for any depreciation in value as a consequence of the repair; or
- c) more than the insured value of the damaged Goods.

## 4. Pairs and Sets Clause

Where an insured item consists of an article or articles in a pair or set, the Insurer will not pay more than:

- a) the value of the article or articles that may be lost without reference to any special value that they may have as part of the pair or set; or
- b) a proportionate part of the insured value of the pair or set.

## 5. Exclusions

5 A. This policy will not cover:

1. accompanied baggage or articles being worn or used by the Insured or any other person during the insured transit;
2. bank notes, coins, shares, bonds, deeds, stamps, securities and the like, travellers cheques and tickets; and
3. jewellery, watches, personal trinkets, pens and alcoholic beverages.

5 B. Mechanical or electronic derangement

This policy excludes mechanical, electrical or electronic breakdown or malfunction of the Goods where there is no external evidence that an insured event has occurred.



# General Conditions

## 1. Annual Declarations

As soon as possible after the end of the Period of Insurance, the Insured must declare the total value (see "Bases of Valuation") of all shipments made during that period without exception and the estimated value of shipments for the following period.

## 2. Errors and Omissions

Unintentional errors or omissions in the making of declarations and/or issuing of certificates shall not invalidate this insurance provided steps be taken to rectify these as soon as they come to the notice of the Assured. Always subject to cover terms and limitations.

## 3. Deposit Premium

Where the premium is a deposit premium it is calculated by applying the agreed rate to the estimated value of shipments to be made during the Period of Insurance. It is adjusted at the end of each period by applying the agreed rate to the total value of actual shipments made during that period. Any difference between the adjusted premium and the deposit will be paid by or refunded to the Insured subject to any minimum premium that applies.

## 4. War and Strikes Premium

The Insured to pay additional premium for war and strikes cover on all shipments at the current scale rate advised by the Insurer and which is applicable on the date of departure from the place where cover under this policy attaches.

## 5. War and Strikes Rate Amendment

The Insurer's right to cancel insurance of war and/or strikes risks or to increase the war and/or strikes rates or to change the conditions of insurance is not prejudiced by the war and strikes premium under this policy having been prepaid at the rates current at the commencement of each annual period of insurance. The Insurer has the right to apply higher rates on or to charge on a "hold covered" basis, voyages or flights to specific countries or areas. Any additional premium will be calculated by applying the difference between prepaid and amended war and/or strikes rates to actual declared figures for the period/s applicable or, if not so declared, on a pro-rata to annual premium basis for the annual period concerned.

## 6. Cancellation of the Policy

### **Imports/exports and Australian coastal shipments by sea: Annual Policies Only**

Either party giving thirty (30) business days notice in writing may cancel this policy. However, war and strikes risks (as defined in the relevant Institute War Clauses and Institute Strikes Clauses) may be cancelled by either party giving seven (7) days notice (forty eight (48) hours for strikes risks on shipments to and from the USA) in writing.



## **Inland transits within Australia: Annual Policies Only**

### **Cancellation by the Insured:**

The Insured may cancel this policy at any time by writing to the Insurer. The Insurer will then refund the premium paid for the time remaining on the policy, less ten per cent (10%) of the annual premium to cover their costs including any non-refundable government charges.

### **Cancellation by the Insurer:**

If the Insurer is entitled to cancel this policy, thirty (30) business days written notice will be given to the Insured and the premium paid for the time remaining on the policy will be refunded to the Insured.

If this policy is cancelled, the Insured may be asked to declare the actual value of all consignments made during the Period of Insurance so that the premium can be adjusted.

Cancellation will be effective from the end of the period of notice that begins at midnight of the day that notice of cancellation is issued by or to Insurers. It will not apply to transits where cover under this policy has attached before cancellation becomes effective.

### **Single Transit Risks Only:**

No refund of premium will apply where the risk has commenced as per the terms and conditions contained herein.

The risk has been bound and is in force and thus premium is deemed to be earned.



# Claims Procedure

If there is any loss or damage which may result in a claim under this policy, the Insured and their servants and agents must:

- (a) take reasonable measures to avert or minimise any loss or damage; and
- (b) ensure that all rights against carriers, bailees or other third parties are properly preserved and exercised.

The Insurer will (in addition to any claim payable under this policy) reimburse the Insured for any charges properly and reasonably incurred to minimise any loss or damage.

The Insured or their agent must:

1. apply immediately for survey by carrier's or other bailee's representatives if there is any apparent loss or damage and claim on the carriers or other bailees for any actual loss or damage found at the survey;
2. claim immediately on the carriers, Port Authorities or other bailees for any missing packages;
3. when delivery is made by container, ensure that the container and its seals are examined immediately by their responsible official; if the container is delivered damaged or with seals broken or missing or with seals other than as stated in the shipping documents, the Insured or their agent must clause the delivery docket accordingly and keep all defective or irregular seals for identification later;
4. give notice in writing to the carriers or other bailees as soon as practicable if the loss or damage was not apparent at the time of taking delivery; and
5. in no circumstances, except under written protest, give clean receipts where Goods are in doubtful condition.

The consignees or their agents should make themselves familiar with the regulations of the Port Authorities at the port of discharge.

Failure by the Insured or their agents to comply with any of these requirements may entitle the Insurer to reduce the amount of (or refuse to pay) any claim.

## How to Make a Claim

If there is loss or damage which may result in a claim under this policy, the Insured must provide the Insurer with notice of the loss or damage as soon as practicable.

To enable claims to be dealt with promptly, the Insured or their agents must submit all available supporting documents without delay, including (if they are relevant) a copy of:

1. shipping invoice, shipping specifications, weight notes and packing list (if any);
2. bill of lading, air waybill or other contract of carriage (both sides);
3. claim made against the carriers or other bailees and any reply received from them;
4. any other communication received from the carriers or other bailees;
5. receipt given to vessel's agent or other bailees;
6. landing account and weight notes at destination; and
7. quote for repairs.



### **Payment of Claim**

All claims will be adjusted and paid according to the "Bases of Valuation".

### **After a Claim has been paid**

After a claim has been paid under this policy (either in total or in part), the Insurer has the right to take over any legal right of recovery that the Insured has. If the Insurer does this, it will be for their benefit and at their expense if the Insured has been fully reimbursed. The Insured must provide full co-operation.

If any lost or stolen Goods (for which the Insurer has paid a claim) are later found or recovered, the Insurer must be informed immediately. The Insurer has the right to retain the Goods including any proceeds if they are sold, if the Insured has been fully reimbursed.

If any party pays or reimburses the Insured for any lost or damaged Goods for which the Insurer has paid a claim, this payment must be refunded to the Insurer as soon as it is received.

### **Goods and Services Tax**

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

Taxable Percentage is the insured's entitlement to an Input Tax Credit on the Premium as a percentage of the total GST on that Premium.

(a) Where the Insurer makes a payment under this Policy for the Acquisition of goods, services or other Supply, the amount of the payment will be reduced by the amount of any Input Tax Credit that the Insured is, or will be, entitled to in relation to that Acquisition, whether or not the Insured makes that Acquisition.

(b) Where the Insurer makes a payment under this Policy as Compensation instead of payment for the Acquisition of goods, services or other Supply, the insurer will reduce the amount of the payment by the amount of any Input Tax Credit that the insured would have been entitled to had the payment been applied to acquire such goods, services or other Supply.

Any GST amount paid by the insurer shall be in addition to the limit of liability specified in the Schedule.

No payment shall be made to the insured for any GST liability that they may acquire upon settlement of a Claim if the insured has not informed the Insurer of its correct Taxable Percentage.