

Carriers Combined Load

Marine Insurance Policy



CARRIERS COMBINED LOAD POLICY

Insurers

The Policy is underwritten by QBE Insurance (Australia) Limited, ABN 78 003 191 035, AFS Licence No. 239545 of 82 Pitt Street, Sydney.

About QBE Australia

QBE Insurance (Australia) Limited is a member of the QBE Insurance Group (ASX: QBE). QBE Insurance Group is Australia's largest international general insurance and reinsurance group, and one of the top 25 insurers and reinsurers worldwide. The company has been operating in Australia since 1886 and continues to provide industry-leading insurance solutions that are focused on the needs of intermediaries and their clients.

QBE is a household name in Australian insurance, backed by sizeable assets, and well known as a strong and financially secure organisation.

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CARRIERS COMBINED LOAD POLICY

Section 1 – Definitions

When used in this policy, the following words have a special meaning assigned to them, as follows:

| Word or Term | Meaning |
|-------------------------------|---|
| Accidental | any occurrence or event which arises during the transit which results in loss or damage to the goods which is unintended and could not have been expected by a person who has actual knowledge of the means of transportation of the goods. |
| Approved terms and conditions | any written agreement defining or limiting your legal responsibility for goods in your care custody and control which has been declared and approved by us prior to the commencement of transit. This includes a consignment note, freight note or conditions of contract issued by you (or a principal contractor) that has been agreed to by the owner of the goods. |
| Conveying vehicle | any mode of transport used by you to transport the goods whether owned by you or a subcontractor. |
| Goods | <p>general cargo and other property specified in the policy schedule while in your care, custody or control.</p> <p>This policy does not cover (unless we have agreed and have specified it in the policy schedule) the transport of:</p> <ul style="list-style-type: none"> commercial bulk consignments (dangerous goods) as defined by Government authority: <ul style="list-style-type: none"> Liquid/Gas/Paste Goods in a container with a capacity exceeding 400 Litres; Solids in a container in an undivided quantity exceeding 450 kg. specialised bulk transport of motor vehicles, heavy machinery, livestock, refrigerated/perishable goods and household & personal effects including furniture, bloodstock, exotic birds (eg Ostriches, Emus) and stud or prize animals, cigarettes, tobacco and tobacco products, money, currency, notes, securities or negotiable documents, property owned by you |

| Word or Term | Meaning |
|-----------------------|--|
| Loading and unloading | <p>your loading or unloading of the goods as specified below:</p> <p>General Cargo:</p> <ul style="list-style-type: none"> Loading commences when the goods are picked up inside the warehouse/premises or place of storage for loading onto the conveying vehicle and terminates when the goods have been placed on the conveying vehicle. Unloading commences when the goods are being unloaded from the conveying vehicle and terminates when the goods are placed inside the warehouse/premises or place of storage. <p>Livestock:</p> <ul style="list-style-type: none"> Loading commences when the livestock proceed on to the loading ramp of the conveying vehicle from the ground or loading dock adjacent to the conveying vehicle and terminates when the livestock have been positioned on the conveying vehicle. Unloading commences when the livestock proceed on to the loading ramp and terminates when the livestock are positioned on the ground or loading dock adjacent to the conveying vehicle. <p>Motor Vehicles:</p> <ul style="list-style-type: none"> Loading commences when the motor vehicle's wheels/tracks are driven on to the loading ramps of the conveying vehicle from the ground or loading dock adjacent to the conveying vehicle and terminates when the motor vehicle have been positioned on the conveying vehicle. Unloading commences from the time the motor vehicle commences to drive off the loading ramps and terminates when the motor vehicle is parked on the ground or loading dock adjacent to the conveying vehicle. <p>Note: Where a Tilt Tray vehicle is used to convey goods, the above Motor Vehicle wording will also apply.</p> |

| Word or Term | Meaning |
|-----------------------------------|---|
| Loading and unloading (continued) | <p>Crane:</p> <ul style="list-style-type: none"> Loading commences when the goods are picked up by the crane hook from the warehouse/premises or place of storage for loading onto the conveying vehicle and terminates when the goods have been positioned on the conveying vehicle. Unloading commences when the goods are picked up by the crane hook and terminates when the goods are positioned inside warehouse/premises or place of storage |
| We, us or our | QBE Insurance (Australia) Limited, ABN 78 003 191 035 |
| You or your | you, the insured (carrier) specified in the policy schedule. |

Section 2 – The insurer

The Policy is underwritten by QBE Insurance (Australia) Limited, ABN 78 003 191 035, AFS Licence No. 239545 of 82 Pitt Street, Sydney.

Section 3 – This insurance contract

This policy wording contains all of the insurance cover available under your Carriers Combined Load Policy.

No Insurance for your Customers

The cover provided by this policy is intended to indemnify you for your responsibility for any loss or damage to goods which you are carrying in the normal course of transit. This policy does not provide insurance cover for your customers.

This Policy is divided into sections for:

- A. (i) Basic Cover - available for all carriers; (Section 5)
- (ii) Optional Additional Insured Events - Theft and Non-Delivery, Loading/Unloading; (Section 6)
- B. Carriers who have a freight contract for a Nominated Client or Commodity; (Section 7)
- C. Carriers Legal Defence Cover - Carriers using an approved consignment note. (Section 9)

Each of these sections provides a different type of cover. You can select the sections that you need in the application (proposal) form you give us.

The insurers do not automatically cover you under each section. You are only covered for the sections that you requested in the application form and are specified in your policy schedule.

Your policy schedule shows which sections you have selected and what you are covered for.

The insurers agree, subject to the terms, limitations, exclusions and conditions contained in or endorsed on or otherwise expressed in the policy, to provide insurance as described in this policy.

This insurance is in consideration of the insured named in the policy schedule:

- having paid or agreed to pay the premium to the insurers; and
- providing to the insurers a written application (proposal).

The policy wording, policy schedule (which expression includes any policy schedule substituted for the original policy schedule) and endorsements (if any) are to be read together.

Subcontractors used by you

When goods are entrusted to a subcontractor, the cover provided by this policy applies to the subcontractor.

Law and Practice

This policy is subject to Australian federal law and practice.

Section 4 – The transit

During the period of insurance, cover commences from the time the goods are entrusted into your care at the warehouse or premises for the purposes of transportation to a destination outside the premises. The vehicle must leave the warehouse or premises within 24 hours.

The transit terminates upon:

- delivery to the position designated by the receiver at the receiver's or other designated warehouse or premises, or
- delivery to any other warehouse or premises when the goods pass out of your care to the designated receiver of the goods, or
- delivery to any other warehouse or premises for the purpose of storage not incidental to transit,

whichever first occurs.

Section 5 – Basic cover - available for all carriers

We will indemnify you in relation to goods in the course of transit by you for either:

- responsibility for loss of or damage caused by an insured event for which you have assumed liability irrespective of legal liability or any terms or conditions of carriage, or
- any other legal liability for loss of or damage caused by an insured event.

Cover is limited to loss of or damage to the goods including all legal costs and legal expenses incurred by you with our consent or recoverable from you caused by an insured event occurring within the geographical limits specified in the policy schedule under the heading "Voyage From".

The insured event must occur during the "Period of Insurance" specified in the policy schedule.

Insured Events

This policy covers loss of or damage to the goods and/or death of livestock whilst contained in the conveying vehicle or your premises caused by:

- fire, lightning, hail or explosion,
- flood,
- collision of the conveying vehicle except with the curb or uneven road surface,
- collision, crashing or forced landing of aircraft,
- collapse of bridges or culverts causing damage to the goods on the conveying vehicle,
- hijack or armed hold up of a vehicle,
- jack-knifing, overturning and/or derailment of the conveying vehicle,
- impact of any object which is not on or part of the vehicle with the goods or livestock,
- malicious damage to goods on the conveying vehicle.

This cover excludes impact of the road surface and allied areas with the goods or livestock unless caused by an insured event specified above.

Where goods are being transported by sea, the insured events specified above are extended to include:

- stranding, sinking, burning, grounding, collision or contact of the vessel with any object other than water;
- any General Average and or Salvage contribution that you are required to pay;
- the risks of jettison, washing overboard and loss or damage caused by a General Average Sacrifice.

This policy includes the risks of death or humane killing of livestock that is necessary when caused by an insured event.

Where refrigerated goods are specified in the schedule, cover is extended to include deterioration of the goods following an insured event specified above.

When you are a subcontractor

- (a) When goods are in your care, custody or control as subcontractor in accordance with a specific freight contract with a principal carrier declared to us, cover is provided as above;
- (b) When goods are in your care, custody or control as subcontractor to another carrier, but you have not declared this contract to us, cover under this policy is restricted to your legal liability to the principal carrier or the owner of the goods for loss of or damage caused by an insured event.

Section 6 – Basic cover - optional additional insured events

Only when it is specified in the policy schedule that the policy includes the following additional insured events, cover is extended as follows:

Additional expenses

This Policy covers you for any liability that you incur as a result of additional expenses for loss of market, delay, consequential loss (excluding fines and penalties and pollution liability) incurred by any of your clients in respect of loss of or damage to goods directly caused by:

- fire lightning or explosion, flood, collision of the conveying vehicle;
- jack-knifing, overturning and/or derailment of the conveying vehicle;
- impact of the goods with any external object except when that object is on or part of the conveying vehicle.

There is no cover for impact of the goods or livestock with the road surface and allied areas unless caused by an insured event specified above or when the shedding of load clause applies.

Claims will be settled with you subject to a limit 20% of the limit of liability stated in the Policy Schedule for any one loss or series of losses caused by the one insured event.

Collapse of decks clause

This policy covers the risks of death or humane killing of livestock caused by the collapse of decks during the normal course of transit **provided that:**

1. the vehicle/trailer used for the transit is suitable for the size, weight and volume of the livestock being transported; and
2. the vehicle and trailer are fully registered and maintained in accordance with Government transport regulations.

Mismanagement/failure of refrigerating machinery

This Policy is extended to include deterioration of refrigerated goods due to variation in temperature caused by:

- accidental stoppage of the refrigerating machinery; or
- by mismanagement of the refrigerating machinery by you or your subcontractors

resulting in variation in temperature for more than 4 hours, unless a different period is specified in the Policy Schedule.

Rain water damage

This Policy covers you for your liability for accidental loss of or damage to goods caused by the goods being wetted by rainwater during transit provided that:

1. this Policy does not cover the goods during any period of incidental storage in any warehouse or other building
2. the vehicle and equipment used for the transit is suitable for the safe carriage of the goods
3. you take all reasonable steps to ensure that the goods are securely and adequately packed on the conveying vehicle.

This extension is subject to an excess of \$500 for any one loss or series of losses caused by the one insured event.

This Policy does not cover the goods during any period of incidental storage in any warehouse or other building.

Shedding of load

This Policy covers you for your liability for accidental loss of or damage to goods caused by the goods falling from your vehicle during the normal course of transit provided that:

1. the vehicle used for the transit is suitable for the size, weight and volume of the goods being transported;
2. you take all reasonable steps to ensure that the goods are securely and adequately packed on the vehicle.

This extension is subject to an excess of \$500 for any one loss or series of losses caused by the one insured event.

Theft (included only when specified in the policy schedule)

This policy covers theft of goods from the vehicle or from a building used for temporary storage during the ordinary course of transit provided that:

1. All doors, windows and other areas of the vehicle which are capable of being locked are securely locked when the vehicle is left unattended;
2. Where goods are temporarily stored in the normal course of transit, they are stored within a securely locked building.

Non-Delivery (included only when specified in the policy schedule)

This policy is also extended to include non-delivery of an entire package of goods other than theft in the circumstances described above.

Loading/Unloading - Accidental Damage Cover (included only when specified in the policy schedule) -

The insurance covers accidental loss of or damage to the goods (or injury to/death of livestock if specified in the policy schedule), caused during the loading or unloading of the goods as defined in section 1.

Refrigerated goods

This Policy is extended to include refrigerated goods which are covered for deterioration caused by a variation in temperature following accidental failure of the refrigerating machinery to perform its normal refrigeration cycle for a period of at least 4 consecutive hours (subject to the exclusions and general conditions in Section 11 and 12).

***Note this option is not available for Household & Personal Effects Carriers (Removalists).**

Section 7 – Carriers who have a freight contract for a nominated client or commodity

We will indemnify you in relation to goods in the course of transit by you where you accept responsibility for loss of or damage caused by an insured event in accordance with a prearranged freight contract for:

- nominated client(s); or
- for a commodity that has been declared and agreed to by us,

as shown in the current policy schedule.

Cover is limited to loss of or damage to the goods caused by an insured event occurring within the geographical limits specified in the policy schedule under the heading “Voyage From”.

The insured event must occur during the “Period of Insurance” specified in the policy schedule.

Insured Events

1. Non-refrigerated goods

This policy covers accidental loss of or damage to the goods during transit, subject to the policy exclusions and general conditions listed in sections 11 and 12.

2. Refrigerated goods

This policy covers accidental loss of or damage to the goods during transit excluding deterioration of goods unless caused by variation in temperature following accidental failure of the refrigerating machinery to perform its normal refrigeration cycle for a period of not less than 4 consecutive hours or the period specified in the policy schedule, subject to the exclusions and general conditions listed in sections 11 and 12.

3. Livestock

This policy covers death of animals caused by accidental causes during transit, subject to the exclusions and general conditions listed in sections 11 and 12 and provided that the animals are:

- in a good state of health prior to loading,
- fit for travel.

This policy includes the risks of death or humane killing of livestock that is necessary when caused by an insured event.

Section 8 – Basic cover & nominated clients - additional benefits

Onforwarding Clause

We will pay all reasonable costs necessarily incurred in unloading, storing and forwarding the goods (excluding commercial bulk consignments of dangerous goods) by road to the original destination in Australia when caused by an insured event.

Subject to a limit of \$25,000 in total for any one loss or series of losses caused by the one event, unless otherwise specified in the policy schedule.

Livestock risks

Where livestock have been included in the interest insured specified in the policy schedule, the following additional benefits will apply:

Agistment expenses

This policy covers all reasonable costs and expenses necessarily incurred in maintaining the animals at agistment when caused by an insured event.

Subject to a limit of \$1,000 per animal and \$25,000 in aggregate for any one loss or series of losses caused by the one event, unless otherwise specified in the policy schedule.

Mustering costs

This policy covers all reasonable costs and expenses necessarily incurred for mustering of the animals at the scene of the accident when caused by an insured event.

Subject to a limit of \$1,000 per animal to a maximum of \$25,000 in total for any one loss or series of losses arising from one event, unless otherwise specified in the policy schedule.

Wandering off clause

This policy covers loss of animals due to “wandering off” from the scene of the accident caused by an insured event.

Subject to a limit of \$25,000 for any one loss or series of losses arising from one event, unless otherwise specified in the policy schedule.

Section 9 – Carriers legal defence cover - carriers using approved terms and conditions (consignment note)

The insurance cover provided by this section applies to transits:

- Where the consignor/owner accepts and signs your Approved Terms and Conditions (as previously defined) and they apply to the transit;
- Where by mistake, your Approved Terms and Conditions were not accepted and signed by the consignor/owner of the goods, but there is evidence that they had been accepted and signed by that same consignor/owner of the goods in the past and that there is an understanding that they apply to the transit.

We will indemnify you for all sums that you shall become legally liable to pay for compensation for loss of or damage to goods entrusted to your care under the terms of your Approved Terms and Conditions while in the course of transport provided:

1. The goods were in transit or were temporarily stored on or off vehicles in the ordinary course of transit;
2. The insured event occurs within the geographical limits specified in the policy schedule under the heading “Voyage From”;
3. The insured event occurs during the “Period of Insurance” specified in the policy schedule;
4. You have limited your liability for damage to the goods by obtaining the written agreement (e.g. signature) of the owner of the goods or their authorised representative to the Approved Terms and Conditions prior to transit.

This cover includes all legal costs and expenses incurred by you with our consent or recoverable from you in connection with an insured event.

This section (Section 9) does not apply to transits where:-

- (a) You intentionally choose not to use the Approved Terms and Conditions;
- (b) Through a mistake, your Approved Terms and Conditions were not accepted and signed, and you cannot provide evidence that they had been previously accepted and signed by that same consignor/owner of the goods and that there is an understanding that they apply to the transit.
- (c) You have varied, waived, altered or amended the Approved Terms and Conditions and have not obtained our approval of the changes.

In circumstances where this Section 9 does not apply, as above and Section 5 – Basic Cover has not been selected by you and specified in the policy schedule, we will provide cover for all sums that you shall become legally liable to pay for compensation for loss of or damage to goods entrusted to your care caused by the insured events detailed in Section 5 – Basic Cover (excluding optional extensions detailed in Section 6)

Section 10 – Additional features - applicable to all sections

Acquired Companies

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

- you hold a controlling interest or have agreed to accept responsibility for insurance;
- you advise us of the existence of the company or firm not later than 30 days from the date of signing the purchase contract or date of formation;
- you declare to us the estimated gross freight earnings, type of goods carried and past claims history;
- you agree to the additional conditions and premium required by us.

Personal property

This Policy covers you for loss of or damage to the personal property, owned by you or for which you are legally responsible, including that of your employee(s) caused by fire, flood, collision and/or overturning of the conveying vehicle, including theft following forcible and violent entry into your securely locked vehicle, provided these losses are not recoverable under any other policy of insurance. The most we will pay is a limit of \$2,000 for any one loss or series of losses caused by the one insured event.

“Personal property” means:

Bedding, CB/UHF and scanner radios, food/drink and its containers (eg. thermos-flasks, eskies and mobile fridges), clothing and personal accessories, footwear, mobile telephones, pagers, portable radio, radio cassette and portable compact disc players, and wallet BUT EXCLUDING money, credit cards, watches and jewellery. Claims for compact-discs and audio tapes are limited to \$300 for any one loss or series of losses arising from the one insured event.

Miscellaneous Equipment

This policy is extended to cover loss of or damage to miscellaneous equipment while carried in your vehicle caused by the following insured events:

- fire,
- flood,
- collision of the conveying vehicle except with the curb or uneven road surface,
- jack-knifing, overturning of the conveying vehicle,
- theft following forcible and violent entry into a secured locked vehicle.

Subject to a limit of \$25,000 for any one loss or series of losses caused by the one event, unless otherwise specified in the policy schedule and provided the costs are not recoverable under any other policy of insurance.

“Miscellaneous Equipment” means webbing straps, tarpaulins, ropes and chains, trolleys, gates and dogs belonging to you or for which you are responsible.

Packaging

This policy covers your legal liability for loss of or damage to packaging while carried in transit caused by an insured event. Subject to a limit of \$50,000 for any one loss or series of losses caused by the one event, unless otherwise specified in the policy schedule and provided the costs are not recoverable under any other policy of insurance.

“Packaging” means packing materials, shipping containers, crates, pallets, or similar receptacles belonging to you or for which you are responsible.

Removal of Debris/Clean-up Costs

The insurers will pay all reasonable costs and expenses incurred in removing and disposing/cleaning-up of the accident site of damaged goods caused by an insured event, subject to a limit of \$50,000 for any one loss or series of losses caused by the one event.

This additional benefit does not apply to bulk dangerous goods.

Accumulation

In the event of accumulation of goods during transport or transshipment beyond the Policy limits of liability due to interruption of transit and or other circumstances beyond your control, the Policy limits of liability shown in the Policy Schedule will not apply provided that the accumulation of the goods beyond such limits is outside your control and you give us immediate notice as soon as the circumstances are known to you.

The most we will pay under this clause is limited to double the limits of liability shown in the Policy Schedule for each and every loss or occurrence or series of losses or occurrences arising out of the same event.

Resecuring

This Policy covers you for any liability that you incur as a result of all reasonable costs and expenses incurred in resecuring the goods where there has been movement of the goods in transit, which makes resecuring necessary, even though there may be no claim resulting from the incident provided these circumstances were outside the your control and you could not be reasonably be expected to have knowledge of them in the normal course of your business.

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

Section 11 – Policy exclusions - applicable to all sections

The exclusions set out in this section apply to all sections of this policy.

This policy does not cover any loss, damage or liability:-

1. to property other than the goods specified in this policy.
2. to goods carried in a vehicle which is unsafe or unroadworthy unless that condition of the vehicle could not reasonably have been detected by you or it did not contribute to the loss.
3. to goods when the vehicle is carrying a load in excess of that for which it was designed unless the overloading could not reasonably have been detected by you.
4. to goods when the vehicle is being driven by a driver who is not licensed under the applicable law to drive the vehicle unless you did not know and could not reasonably have known that the driver was unlicensed.
5. to goods when the vehicle is being driven by a person whose faculties are impaired by a drug or intoxicating liquor or who has a concentration of alcohol in his or her blood in excess of that permitted by law for a driver of a motor vehicle unless you did not know and could not reasonably have known that the driver was so affected.

This exclusion will not apply to the extent that there are any statutory provisions to the contrary.

6. to goods out of any wilful act or acts committed by you or someone with your knowledge or connivance.
7. to goods as a result of delay, loss of market, loss of profits or any consequential loss.
8. to goods as a result of reduction in value of goods due to repairs.
9. to goods as a result of electronic, electrical or mechanical failure unless there is visible external physical damage which occurred during transit caused by an insured event.
10. to goods directly or indirectly caused by war, acts of war (whether war be declared or not), rebellion, revolution, nationalisation, requisition, destruction or damage by or by the order of any government, public authority or local authority.
11. from any fine or penalty.
12. from aggravated, exemplary or punitive damages.
13. from ordinary leakage, ordinary loss in weight or volume, or ordinary wear and tear of the goods;
14. from insufficiency or unsuitability of packing or preparation of the goods ("packing" shall include stowage, or restraint of the goods on your vehicle).
15. from inherent vice or nature of the goods (except for refrigerated goods due to variation in temperature as provided in Sections 5 & 7);
16. to animals caused by inoculation and/or its after effects, infectious diseases, rejection, abortion, loss/death of foetus, loss of use or delay;

17. from strikes, lock-outs, labour disturbances, riots or civil commotions or caused by strikers, locked out workmen or persons taking part in labour disturbances, riots or civil commotions;

18. from the failure of the you or your servants to take all reasonable precautions to ensure that the goods are kept in refrigerated, or, where appropriate, properly insulated and cooled space (for refrigerated goods).

19. to property (except for the insured goods) caused by the operation of a lifting device.

In no case shall this insurance cover loss, damage, liability or expense directly or indirectly caused by or contributed to by or arising from:

- ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel
- the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof
- any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter
- 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
- any actual or alleged liability whatsoever for any claim or claims in respect of loss or losses directly or indirectly arising out of, resulting from or in consequence of asbestos.
- any chemical, biological, bio-chemical or electromagnetic weapon.

In addition, the following clause shall be paramount and shall override anything else contained in this insurance.

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

- (a) as per the Section 4: The transit, or
- (b) on delivery to any other warehouse or place of storage, whether prior to or at the intended destination, which you elect to use either for storage other than in the ordinary course of transit or for allocation or distribution, whichever shall first occur.

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

- the causing, occasioning or threatening of harm of whatever nature and by whatever means, and/or

- 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 political, religious, ideological or similar nature

“Terrorism” shall also include steps taken to prevent, suppress, control or reduce the consequences of any actual, attempted, anticipated, threatened, suspected or perceived terrorism.

Section 12 – General conditions - applicable to all sections

The insurance cover provided by this policy is subject to the following additional conditions.

We are liable to you for loss or damage covered by this policy whether assumed by you or for which you are legally liable. This liability does not create an interest in this policy on behalf of any person in relation to any loss or damage for which you have accepted liability under this policy. You, not us, are responsible for any liability that you have accepted that is caused by an insured event or any other event that has caused you to be liable during the course of transit of goods by you.

You may not represent to any person that you are able to arrange insurance cover under this policy or otherwise on behalf of us. If you make any such representation we may refuse to pay a claim and treat the Policy as never having been affected.

Alteration of Risk

If you do or omit to do something which materially changes the risk that increases the chances of future loss, you must give us immediate notice in writing.

Authorisation

We may give to and obtain from any other insurers, any insurance reference bureaus and any credit reporting agencies any information relating to your credit or insurance history, as well as insurance claims information obtained during the course of this contract.

Due care

At all times, you must take appropriate care in:

- the handling, moving and storing of goods in your care, custody or control
- issuing and obtaining agreement to the Agreed Terms and Conditions (where applicable).

Premium calculation

Premium calculation of this policy will be on the basis agreed at inception or the current policy period.

This will either be:

(a) Adjustable on Actual Gross Freight Earnings

or

(b) Adjustable on the Number of Operating Vehicles.

(Available only for Section 5)

Premium Adjustment

As agreed on inception and specified in the policy schedule:

(a) Adjustable on Actual Gross Freight Earnings

If the policy schedule shows a deposit premium (freight earnings), the deposit premium is calculated at the commencement of each period of insurance based on estimated gross freight earnings provided by you.

You are required to declare to us your actual gross freight earnings within one month of the end of a period of insurance and we may require actual gross freight earnings to be verified by an auditor appointed by us.

We will pay the cost of the audit but you may have to reimburse us this cost if the actual gross freight earnings declared have been understated. You agree to supply all necessary information and assistance to the auditor.

The premium payable is calculated on the actual gross freight earnings during the period of insurance being adjusted at the agreed rate(s).

The difference between the premium for the actual gross freight earnings and the deposit premium will be paid by or refunded to you but always subject to a minimum of 75% of the deposit premium being retained by us.

For the purpose of the premium calculation, gross freight earnings means the total gross income derived by you during the period of insurance out of the carriage of goods whether as principal, subcontractor or through subcontractors without deduction of any cost, payments to others or expenses of any kind.

(b) Adjustable on the number of operating vehicles (Section 5 only)

If the policy schedule shows a deposit premium (vehicles), the deposit premium is calculated at the commencement of each period of insurance based on the number of vehicles declared by you.

The declaration of vehicles must include registration numbers. You must advise us during each period of insurance details of any additional or replacement vehicles within 14 days of purchase.

You are required to declare to us the actual number of vehicles operated by you at the end of the period of insurance within one month of expiry of the policy period.

The premium payable for the insurance is calculated on the number of vehicles operated by you during the period of insurance being adjusted with the agreed flat premium per vehicle.

The deposit premium is based on the number of vehicles at the beginning of the period and is adjusted on the basis of 50% of the difference between the number of operating vehicles at the end of the period of insurance compared to the number of operating vehicles at the beginning of the period of insurance and the difference will be paid by or refunded to you.

Duty of Disclosure – What you must tell us

Your duty of disclosure

Before you enter into a contract of General insurance with us, you have a duty, under both the Insurance Contracts Act 1984 and the Marine Insurance Act 1909, to disclose to us every matter that you know, or could reasonably be expected to know, that is relevant to our decision on whether to insure you and, if so, on what terms.

You have the same duty of disclosure to us when you renew, extend, vary or reinstate a contract of general insurance.

Your duty however does not require disclosure of matters:-

- that diminishes the risk;
- that is of common knowledge;
- that we know or should know in the ordinary course of our business as an insurer;
- which we indicate we do not want to know.

Non-disclosure

Where the Marine Insurance Act 1909 applies:

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

Where the Insurance Contracts Act 1984 applies:

If you fail to comply with your duty of disclosure we may be entitled to reduce our liability under the contract in respect of a claim or, in certain circumstances, we may cancel the contract. If your non-disclosure is fraudulent, we may also have the option of avoiding the contract from its beginning.

Underinsurance

We require you to insure for the full value or maximum potential risk. If you do not do so, and you are underinsured, we may pay you less in the event of a claim, calculated in accordance with either the Policy wording or the Marine Insurance Act 1909 where applicable, which takes into account the degree of underinsurance.

Privacy

Privacy legislation regulates the way private sector organisations can collect, use, keep secure and disclose personal information. We are bound by the Privacy Act 1988 (Cth.), when collecting and handling your personal information. QBE has developed a Privacy Policy which explains what sort of personal information we hold about you and what we do with it.

We will only collect personal information from or about you for the purpose of assessing your application for insurance and administering your insurance Policy, including any claims you make. We will only use and disclose your personal information for a purpose you would reasonably expect.

We may need to disclose personal information to our reinsurers, (who may be located overseas), insurance intermediaries, insurance reference bureaux, credit reference agencies, our advisers and those involved in the claims handling process (including assessors and investigators), for the purposes of assisting us and them in providing relevant services and products, or for the purposes of litigation. We may disclose personal information to people listed as co-insured on your Policy and

to family members or agents authorised by you. We may also disclose information to organisations which conduct customer service surveys on our behalf. We will request your consent to any other purpose.

By providing your personal information to us, you consent to us making these disclosures. Without your personal information we may not be able to issue insurance cover to you or process your claim.

You also have the opportunity to find out what personal information we hold about you and, when necessary, correct any errors in this information. Generally we will do this without restriction or charge. For further information about our Privacy Policy or to access or correct your personal information, please contact The Compliance Manager, QBE Insurance (Australia) Limited, GPO Box 82 Sydney NSW 2001. Telephone: (02) 9375-4656, Fax: (02) 8275 9022 or Email: compliance.manager@qbe.com.au

The General Insurance Code of Practice

QBE Insurance (Australia) Limited is a signatory to the General Insurance Code of Practice. The Code aims to:

- promote more informed relations between insurers and their customers; and
- improve consumer confidence in the general insurance industry; and
- provide better mechanisms for the resolution of complaints and disputes between insurers and their customers; and
- commit insurers and the professionals they rely upon to higher standards of customer service.

Dispute resolution

We will do everything possible to provide a quality service to you. However, we recognise that occasionally there may be some aspect of our service or a decision we have made that you wish to query or draw to our attention.

We have a Complaints and Dispute Resolution Procedure which undertakes to provide an answer to your complaint within 15 working days.

If you would like to make a complaint or access our internal dispute resolution service please contact your nearest QBE office and ask to speak to a dispute resolution specialist.

Preventing insurers right of recovery

Where another person is liable to compensate you for loss, damage or liability which is to be covered by your policy but you have agreed not to seek recovery of any monies from that person, the insurers will not cover you under this policy for that loss, damage or liability.

Third party interests

You must inform the insurers of the interests of all third parties (eg financiers, lessors) to be covered by this policy. The insurers protect the interest of third parties only if you have informed them and such interest(s) are noted in the contract.

Section 13 – Claims

Notification of claims

Following an event that is likely to give rise to a claim under this policy, you must take the following steps:-

1. Immediate action

Take all reasonable measures to avoid or minimise any loss, damage or liability (the reasonable and necessary cost of doing this will be payable by the insurers).

If theft is covered by this policy, inform the police as soon as possible after the theft is discovered.

2. Notification

- You must inform us of the event as soon as possible. We will not accept notification from any other person including any client nominated under clause 7.
- Submit to us full written particulars as soon as possible.
- Send to us all correspondence and documents relating to the event.
- Reject any claim made against you and deny any liability in writing in accordance with the terms and conditions of the consignment note (where you have not accepted responsibility) and advise us immediately.
- Provide or arrange for us to be provided with invoices, statements and other documents evidencing the amount of the loss.

3. What should not be done

- Do not admit liability .
- Do not repair or replace any goods until you have our approval.
- Do not dispose of the damaged goods without our approval.

4. When someone else may be liable

When someone else may be liable to you for the loss, damage or liability, you must:

- not agree to release that person from liability
- hold that person liable by delivering a notice of intention to claim
- inform us of the circumstances and let us have a copy of all relevant documents.

We may exercise all your legal rights relating to the loss or damage. We may prosecute or defend any legal proceedings in your name and use our discretion in the exercise of your (or their) legal rights.

How much we pay

1. Amount payable - for goods where you accept responsibility

The amount payable, at our option, will be either:

- the cost of repairing or replacing lost or damaged goods; or
- the actual value at the time of loss of the lost or damaged goods (i.e unless the goods were new, an amount for depreciation and wear and tear will be deducted from the claim). This amount will be subject to the limit of liability specified in the policy schedule.

2. Amount payable-legal defence

The amount payable for your legal liability for loss of or damage to all other goods for which you have not accepted responsibility caused by an insured event, will be either:

- the actual liability incurred; or
- the limit of liability specified in the policy schedule,

whichever is the lesser amount.

In addition, the insurers will pay all legal costs and legal expenses incurred by you with our consent or recoverable from you in connection with an insured event.

3. Pairs & Sets Clause

Where any item is part of a pair or set, the insurance will only pay for the part of the pair or set which is lost or destroyed even if it cannot be replaced with a matching item. The insured value of the goods shall be regarded as spread over the whole of the pair or set, divided in the proportions that it would cost to replace all the items making up the pair or set.

4. Limit of liability

Our liability is limited to the amount specified in the policy schedule for any one accident or series of accidents caused by the one event (excluding applicable additional benefits specified in Section 8).

In addition, we will pay all legal costs and expenses incurred by you with our consent or recoverable from you in connection with an insured event.

We will not be liable for any legal costs or expenses incurred by the nominated client which it is liable to pay as a result of loss or damage to the nominated client's goods.

5. Excess

The amount specified in the policy schedule as the excess will be deducted from each and every loss.

Unless otherwise stated in the policy schedule, no excess will apply to the insured events detailed in section 5 (except hail damage claims).

Miscellaneous claims conditions

(a) Automatic Reinstatement

When an amount is paid under this policy, the limit of liability is automatically reinstated to the amount specified in the current schedule, subject to payment of an additional premium (where applicable).

(b) Fraudulent claims

If any claim is fraudulent or false in any respect, to the extent permitted by law, we may refuse to pay the whole or part of the claim.

In the case of a fraudulent claim, we are entitled to cancel this policy.

(c) Payees

Amounts payable under this policy will only be paid to you and will discharge our liability under the policy for the loss.

Section 14 – How the Goods and Services Tax affects payments we make

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

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

When you are:

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

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

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

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

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

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

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

Taxable Percentage is your entitlement to an Input Tax Credit on your premium as a percentage of the total GST on that premium.

Section 15 – Cancellation

To cancel this policy

At any time, you may cancel this policy by giving us notice in writing.

We may cancel this policy only when permitted by the Insurance Contracts Act 1984 to do so.

Upon cancellation, we will refund a pro rata proportion of the premium received by us. When the premium is based on freight earnings or any other variable amount which is required to be declared to us, the refund of premium will be made after the freight earnings or other variable amount has been declared to us for the period during which this policy was operative.