

Marine Cargo Open Policy

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Introduction

We are committed to complying with the Fair Insurance Code as published by the Insurance Council of New Zealand.

This means **We** will:

- (a) provide insurance contracts which are understandable and show the legal rights and obligations of both **Us** and the policyholder;
- (b) explain the meaning of legal or technical words or phrases;
- (c) explain the special meanings of particular words or phrases as they apply in the **Policy**;
- (d) manage claims quickly, fairly and transparently
- (e) clearly explain the reason(s) why a claim has been declined;
- (f) provide policyholders with a written summary of **Our** complaints procedure as soon as disputes arise and advise them how to lodge a complaint and tell them about the Insurance and Financial Services Ombudsman Scheme.

Section 1: Coverage

In consideration of the payment of the premium and in reliance on the written proposal and any other underwriting information provided, which will be deemed to be incorporated into and to be the basis of this **Policy**, **We** will indemnify **You**, subject to the **Policy** terms, as follows.

1.1 Marine Cargo

We will indemnify **You** for **Loss to Goods** as described in the **Schedule** whilst in transit within the geographical limits specified in the **Schedule** and during the **Period of Insurance**.

The below Institute Clauses apply as appropriate to the type of **Goods**, and mode of transport.

Any reference to "the Underwriters" in the Institute Clauses shall be read as a reference to **Us**. Should such clause(s) be revised during the **Period of Insurance** and **We** have given at least 30 days' notice in writing to **You**, the revised Institute Clauses shall apply to all risks attaching subsequent to the expiry date of that notice.

The clauses below may have been amended by the terms of this **Policy**.

1.2 Clauses Applicable to Transportation as General Cargo By Road, Rail or Sea

Institute Cargo Clauses (A)

Institute Cargo Clauses (B) Applies only when noted on the **Schedule**

Institute Cargo Clauses (C) Applies only when noted on the **Schedule**

Institute War Clauses (Cargo)

Institute Strikes Clauses (Cargo)

1.3 Clauses Applicable to Transportation by Air

Institute Cargo Clauses (Air) excluding sendings by post.

Institute War Clauses (Air Cargo)

Institute Strikes Clauses (Air Cargo)

1.4 Clauses Applicable to Transportation Under Temperature Controlled Refrigeration

Institute Frozen Food Clauses (A)

Institute Frozen Meat Clauses (A)

Institute War Clauses (Commodity Trades)

Institute Strikes Clauses (Frozen Foods)

Institute Strikes Clauses (Frozen Meat)

Institute Classification Clause

Institute Frozen Food Clauses (A) (Excluding Frozen Meat) Applies only when noted on the **Schedule**

Institute Frozen Food Clauses (A) (Excluding Frozen Meat) Amended to read chilled where appropriate and applies only when noted on the **Schedule**

Frozen Food Extension Clauses (For use only with the Institute Frozen Food Clauses A) Applies only when noted on the **Schedule**

Institute Frozen Meat Clauses (A) –24 Hours Breakdown (Not suitable for chilled, cooled or fresh meat) Applies only when noted on the **Schedule**

Frozen Meat Extension Clauses – IMTA (For use only with the Institute Frozen Meat Clauses (A) Applies only when noted on the **Schedule**

Institute Strikes Clauses (Frozen Food) (Excluding Frozen Meats). Applies only when noted on the **Schedule**

Institute Strikes Clauses (Frozen Meats) (Not suitable for chilled, cooled or fresh meat). Applies only when noted on the **Schedule**

1.5 Clauses Applicable to All Transits

Institute Classification Clause

Institute Replacement Clause

Institute War Clauses (Sendings by Post)

Additional Coverage Clauses (Refer Section 2)

1.6 Costs and Expenses

In addition to the applicable **Limit of Indemnity** or any specified sub-limit, **We** will pay **Costs and Expenses** necessarily and reasonably incurred in relation to a claim for **Loss** which there is cover under this **Policy**.

1.7 Excess

The applicable **Excess** noted in the **Schedule** shall apply to each and every claim.

No **Excess** shall apply to the “*General Average and Salvage Charges Clause*”, or any “Both to Blame Collision” Clause or “*Duty of Assured (Sue and Labour) Clause*” in any operative Institute Clause.

1.8 Limit of Indemnity

- (a) **Our** maximum liability in respect of any claim, or any series of claims, arising out of one **Event**, will not exceed the **Limit of Indemnity** stated in the **Schedule** (plus GST where applicable), or any specified sub-limit, provided that:
- (i) immediately after **We** have paid the **Limit of Indemnity**, or the sub-limit in any applicable Additional Coverage Clause, in respect of any judgment or settlement, **Our** liability in relation to **Costs and Expenses** will cease; and
 - (ii) if a payment exceeding the **Limit of Indemnity** has to be made to dispose of a claim, **Our** liability in relation to **Costs and Expenses** will be limited to the same proportion as the **Limit of Indemnity** bears to the amount required to dispose of the claim.

Section 2: Additional Coverage Clauses

2.1 Acquired Companies Clause

This **Policy** covers any company acquired by **You** provided:

- (a) **You** hold a controlling interest in such company or **You** have agreed to accept responsibility for its insurance; and
- (b) **You** advise **Us** of **Your** interest in such company not later than 60 days from the date of attachment of **Your** interest; and
- (c) **You** declare to **Us** the turnover or value of sendings, type of **Goods** to be insured and past claims and then pay such additional premium as **We** may require.

2.2 Aircraft

Wherever the words "ship", "vessel", "seaworthiness", "shipowner", or "vessel owner" appear in this **Policy**, they include also the words "aircraft", "airworthiness" and "aircraft owner"; and "owner" for the purposes of describing any carrier shall include "operator".

2.3 Airfreight Clause - (Machinery)

In the event of **Loss** to **Goods** this **Policy** covers the cost of air freighting damaged parts to manufacturers for repair and return, or the air freighting of replacement machine(s) and/or parts from suppliers to destination notwithstanding that the **Goods** were not originally despatched by air freight.

Cover under this clause is limited to the lesser of the amount specified in the **Schedule** for any one **Event** or the insured value of the **Goods**.

2.4 Brands Clause

In the event of **Loss** to any **Goods** bearing a brand or trademark which in any way carries or implies a product guarantee or warranty of quality, the salvage value of the **Goods** is to be determined after removal of all brands and trademarks. Where the **Goods** are in containers from which brands or trademarks cannot be removed, the salvage value is to be determined after the **Goods** have been transferred to plain containers.

Where it is reasonably impractical to remove or destroy all evidence of **Your** and/or the manufacturer's and/or overseas consignor's connection with the salvaged **Goods**, **We** agree to consult with **You** in respect of the action to be taken.

This clause is subject to the *Control of Damaged Property Clause* below.

2.5 Change of Destination Clause

This **Policy** will continue to insure the **Goods** in the event of a change of destination.

You must report any such change to **Us** as soon as the change becomes known to **Your** Insurance Manager (or equivalent) and must pay any additional premium, if required, at rates to be agreed.

2.6 Claims

Payable either in New Zealand or at destination, in New Zealand or overseas currency. The rate of exchange to be used is the rate on the day of settlement.

2.7 Concealed Damage Clause - (non-temperature sensitive cargo only)

Where a claim for **Loss** is payable under this **Policy** and the **Goods** were not immediately unpacked on being delivered to **You** at the final destination, **We** will pay such claims provided that:

- (a) the packaging, case or container is opened not later than 60 days after arrival at the final destination; and
- (b) the packaging, case or container at the time of arrival into the warehouse or place of storage showed no outward sign of damage, impact, staining or alteration or breach whether wilful or accidental; and
- (c) the packaging, case or container is retained by **You** for inspection by **Us**.

In no case shall this clause extend to include any **Loss** that occurs after arrival at the warehouse or place of storage at destination.

2.8 Consolidation and Other Handling Clause

Where **Goods** are stopped in transit short of final destination for the purpose of consolidation, deconsolidation, packing, repacking, containerisation, decontainerisation, distribution, or redistribution at the premises of any consolidator or handler, the **Goods** will continue to be insured under this **Policy** for a period not exceeding 60 days after arrival at those premises.

Subject to notice being given to **Us** and an additional premium being paid, the **Goods** will continue to be insured for an additional period beyond 60 days if required.

2.9 Container Demurrage Charges Clause

This **Policy** covers demurrage charges and/or late penalties assessed against **You** for the late return of containers if containers are retained by **You** at **Our** instruction for inspection by **Our** Surveyor in investigation of a **Loss** recoverable under this **Policy**.

The time period for which **We** shall be liable for said charges and/or penalties shall commence when **We** instruct **You** to retain the containers and end when **Our** Surveyor instructs **You** to return them.

Insurance provided under this clause is limited to the amount specified in the **Schedule**.

2.10 Container Liability Clause

- (a) This **Policy** covers the cost of repair or replacement of any container where there is **Loss** to such container within the voyage limits set out in the **Schedule** and:
 - (i) the container is in **Your** care or custody or of **Your** employees or agents when the **Loss** occurs; or
 - (ii) **You** are legally liable for the **Loss** pursuant to the terms of a contract **You** entered into for the hire of the container for the purpose of transporting **Goods** covered by this **Policy**.
- (b) In no case shall this clause insure:
 - (i) **Loss** to any container that occurs after the end of the “free” period specified by the hirer or owner of the container for the return of containers to that party’s nominated place of return, and after which detention or demurrage charges will be payable;
 - (ii) **Loss** to any container where **Your** legal liability arises solely because **You** fall within the definition of “Merchant” or similar in any bill of lading or other transport document where clauses 1(a) and (b) above do not apply.
- (c) It is a condition of this clause that its existence shall not be disclosed to the hirer or owner of any container or to the holder of any certificate of insurance issued under this **Policy**.
- (d) Insurance provided under this clause is limited to the amount specified in the **Schedule**.
- (e) For the purposes of this clause, “container” includes “flat rack”.

2.11 Control of Damaged Property Clause

In the event of **Loss** to **Goods**, **You** retain control of all damaged **Goods** however must, wherever practicable, recondition and sell the **Goods** after removal of all brands and trademarks where appropriate.

If **You** consider that disposal or sale of damaged **Goods** would be detrimental to **Your** commercial interest, or if the sale or disposal would be in breach of **Your** agreement with any trade association, the damage will be treated as a constructive total loss. **You** must then dispose of the damaged **Goods** to the best advantage or they must be destroyed in the presence of a representative of **Yours** and **Ours** or as otherwise agreed. Where **You** elect to destroy the damaged **Goods** the estimated salvage value of the damaged **Goods** will be taken into account and deducted from any claim payments made by **Us**.

2.12 Debris Removal Clause

This **Policy** covers the costs of disposal, removal or destruction of the **Goods** in consequence of a claim recoverable under the terms of this **Policy**, over and above the insured value of the **Goods** however subject to the limit set out in the **Schedule**.

In no case shall this **Policy** cover any liability, cost or expense arising in respect of pollution, contamination or pollution clean-up costs; or any fines or penalties howsoever incurred.

2.13 Deliberate Damage – Pollution Hazard

Whilst the **Goods** are on board a waterborne **Conveyance**, this **Policy** covers **Loss** to the **Goods** caused by any governmental or other legally competent authority acting for the public welfare to prevent or mitigate a pollution hazard or threat of a pollution hazard.

It is a condition of this clause that the **Event** creating the situation which requires such action be taken would have resulted in a claim under this **Policy** if the **Goods** had sustained **Loss** as a direct result of the **Event**.

2.14 Devaluation Clause – Imports into New Zealand only

Where, between the time of making declaration under this **Policy** and termination of the declared Transit, New Zealand currency loses value against the currency of purchase by more than 5%, the declaration shall be automatically adjusted to reflect the new rate of exchange.

2.15 Difference in Coverage Clause

When the **Goods** are imported into New Zealand having been purchased on “Cost Insurance Freight” or similar terms, this **Policy** covers the difference between the insurance arranged by the seller or others and the insurance provided by this **Policy**. Consignments to be insured by this clause are to be valued and declared at the basis of valuation as per the seller’s or others insurance.

In such cases **We** will be subrogated to all **Your** rights and remedies against the supplier and any other parties.

In no case shall the insurance provided by this clause be construed so this **Policy** contributes in double insurance.

2.16 Duty Clause – Imports into New Zealand only

This **Policy** covers the increased value of the **Goods** resulting from payment of duty or other taxes at the port or place of destination.

This clause is subject to the same terms and conditions as the insurance on the **Goods**, and pays the same percentage of **Loss** (excluding charges and expenses) as may be paid thereon, however but excluding claims in respect of:

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

In ascertaining the amount of the claim recoverable under this clause, credit shall be given for any rebate or refund of duty or other tax that may become allowable.

It is a condition of this clause that:

- (i) the **Goods** are at **Your** risk of **Loss** both at the time of the **Loss** and when duty is incurred; and
- (ii) **You** must first attempt, in writing, to recover the duty or taxes from the Customs Department or equivalent.

In no case will liability under this clause increase the **Policy** limits expressed in the **Schedule**.

2.17 Earthquake Clause – Applicable to Frozen or Chilled Meat

The earthquake exclusion clause in the –

- Institute Frozen Meat Clauses (A)
- Institute Strikes Clauses (Frozen Meat) is amended to read –

“Loss on shore in New Zealand caused directly or indirectly by earthquake or volcanic eruption, including but not limited to fire resulting from either of them.”

2.18 Errors and Omissions Clause

This **Policy** will not be prejudiced by any innocent breach of general warranty within this standard wording, or any delay, deviation or change of voyage by the carrier, or omission or error, including but not limited to any omission or error in the description of the **Goods**, vessel, **Conveyance**, voyage or route, provided always that **We** must be advised of the circumstances as soon as the true circumstances are known to **You**.

2.19 Exhibition Risk Clause

This **Policy** is extended to include:

- (a) Goods, which for the purpose of this clause includes stands, fixtures, fittings and exhibition equipment while at exhibition premises. Cover while at exhibition premises attaches during unpacking, assembly, awaiting and on exhibition, dismantling and repacking until lifted for removal from the exhibition fair or show premises, at which time the cover under this clause will terminate.

- (b) incurred expenses arising from the inability of the exhibitor to exhibit the Goods as a direct result of Loss recoverable under clause 1 to a limit of \$10,000 any one Loss and in the aggregate during the Period of Insurance however excluding any consequential loss absolutely
- (c) theft or pilferage from an unattended stand(s) is excluded
 - (i) during the opening hours of the event
 - (ii) outside the opening hours of the event unless following forcible entry into and/or exit from the exhibition site;

However:

In the event of the **Goods** remaining on exhibition, fair or show premises for a period exceeding 30 days, from and including date of arrival, the cover provided by this Clause will terminate unless **You** pay an additional premium at a rate to be agreed.

In the event of the **Goods** being sold from the exhibition, cover terminates at the time of lifting for removal from the premises.

Cover does not include **Loss** arising from demonstration, use or testing or damage to the **Goods**.

Cover under this clause is subject to the **Excess** and Sub Limit specified in the **Schedule** any one **Event** and is in addition to the sum insured.

2.20 Expediting Expenses Clause

In the event of **Loss** to the **Goods**, this clause insures all costs incurred to expedite repair, replacement or restoration of the **Goods**.

The costs insured under this clause include, but are not limited to, payments made for holiday, overtime or weekend work, and for airfreight or other express freight.

Insurance provided under this clause is limited to the amount specified in the **Schedule**.

2.21 Extended Attachment (Pre-FOB Clause – Imports into New Zealand Only)

Where **Goods** are imported by **You** from any place other than a CIS country and are purchased on contractual terms that transfer risk in the **Goods** at a port (including ship's rail), airport or place in the country of export, this insurance attaches when the **Goods** are first moved from any warehouse or place of storage for the purpose of commencing international transit.

In the event of any **Loss** for which a claim is payable under this clause **You** agree to use all reasonable means to first recover the full amount of the **Loss** from the exporter in accordance with the terms of purchase before calling on this **Policy** for payment.

Nothing in this clause is to be construed as a waiver of subrogation by **Us** in connection with the **Loss**.

2.22 Final Destination Clause

Provided the **Goods** remain in the ordinary course of transit, this **Policy** insures the **Goods** until arrival at the final destination, irrespective of the destination appearing in the certificate of insurance or declaration, or whether the **Goods** have landed at a port or place other than that stated in the bill of lading.

Nothing in this clause shall override the "*Duration Clause*" of the relevant Institute Clauses.

2.23 Fraudulent Bills of Lading Clause

This **Policy** covers **Loss** to **Goods** resulting from the innocent acceptance of any fraudulent bill of lading by **You** or by **Your** agents or shippers.

2.24 Fumigation Clause

This **Policy** covers **Loss** caused by a fumigant or any fumigation process if, by order of a properly constituted authority exercising powers conferred by statute or regulation:

- (a) the **Goods** are fumigated when such is not normally required, or
- (b) the **Goods** having been normally fumigated once, are required by the relevant authority to have a subsequent fumigation.

This clause does not cover **Loss** arising from or in any way connected to insufficient packing, stowage, markings or inadequate or incorrect paperwork, or **Loss** caused through fumigation where any fumigation was only required for one or more of those reasons.

You agree to subrogate to **Us** any recourse **You** may have for recovery of such **Loss**.

2.25 General Average and Salvage Charges Clause

This **Policy** insures general average and salvage charges in full even if the insured value is less than the contributing or actual value of the **Goods**.

2.26 Insolvency or Financial Default Clause

The exclusion clause, "Loss damage or expense arising from insolvency or financial default of the owners, managers, charterers or operators of the vessel" in the Institute Clauses incorporated in this **Policy** is deleted and replaced by:

"**Loss** caused by insolvency or financial default of the owners, managers, charterers or operators of the vessel where, at the time of loading of the **Goods** on board the vessel, **You** were aware that such insolvency or financial default could prevent the normal prosecution of the voyage.

This exclusion shall not apply where this insurance has been assigned to the party claiming under this **Policy** who has bought or agreed to buy the **Goods** in good faith under a binding contract.

In any case where **Loss** has been caused by insolvency or financial default of the owners, managers, charterers or operators of the vessel in circumstances where this exclusion does not apply, this **Policy** covers additional expenses incurred by **You** in forwarding the **Goods** to their original or substitute destination.

Should the cost of forwarding the **Goods** to a substitute destination exceed the cost of forwarding them to the original destination the amount payable will be limited to the cost of forwarding the **Goods** to the original destination.

Provided that:

- (a) cover under this clause is limited to the amount specified in the **Schedule**;
- (b) this clause is subject to an **Excess** of 10% of the aggregate of all claims any one **Event** but shall not exceed 10% of the limit under this clause.

2.27 Insufficiency or Unsuitability of Packing

Goods are agreed by **Us** to be sufficiently and suitably packed and prepared if:

- (a) the packing and preparation is in accordance with the usual custom of the trade; or
- (b) any insufficiency or unsuitability of packing or preparation has not arisen through **Your** fault or with **Your** knowledge or consent.

For the purpose of this clause, "packing" includes stowage in any container or liftvan.

Nothing in this clause is to be treated as a waiver of subrogation of any right of recovery or indemnity against any person or entity.

2.28 Jurisdiction Clause

This **Policy** is subject to New Zealand law and practice. All references in the Institute Clauses to English law and practice are amended accordingly. All disputes arising out of or in relation to this **Policy** shall be determined by court proceedings in New Zealand. The New Zealand Courts shall have exclusive jurisdiction to hear and determine any such proceedings.

2.29 Labels Clause

In the event of **Loss** to labels, capsules or wrappers by an insured risk, **We** will pay the cost of new labels, capsules or wrappers and the cost of reconditioning or relabelling (or both) the **Goods**. If new labels, capsules or wrappers are not or cannot be obtained, the **Goods** shall be treated as a constructive total loss.

You must dispose of such property to the best advantage or have it destroyed in the presence of a representative of our respective representatives or as otherwise agreed.

This clause is subject to the *Control of Damaged Property Clause* above.

2.30 Loading and Unloading Clause

Notwithstanding anything to the contrary in the Institute clauses, provided that **Loss** within the scope of this **Policy** is not otherwise insured, this insurance:

- (a) attaches from the time the subject-matter insured is first moved within any warehouse or place of storage for the purpose of commencing the transit; and

- (b) terminates on final delivery in any warehouse or place of storage at final destination after all movement directly related to the transit is completed.

2.31 Mutually Acceptable Adjusters

Where **We** wish to appoint a loss adjuster, assessor, or surveyor in respect of any claim lodged under this **Policy** by **You**, the appointee is to be mutually acceptable to **You** and **Us**.

2.32 On-Deck Shipments

Shipments on deck, other than those packed in a fully enclosed International Standards Organisation shipping container of solid wall and roof construction, are insured on terms agreed with **Us** in advance, at an additional premium to be agreed.

2.33 Over-Carried Clause

Should any **Goods** be over-carried, this **Policy** covers such **Goods** until they are returned to the port or place of destination.

2.34 Packing Clause

Your rights under this **Policy** will not be prejudiced by the acceptance of bills of lading or delivery dockets marked "Goods insufficiently packed" or any similar wording.

2.35 Paramount Clause

In the event of any conflict or inconsistency between any clauses of this **Policy**, the **Schedule** and the Marine Insurance Act 1908, the clause most favourable to **You** will prevail.

2.36 Progress Claim Payments Clause

In the event of **Loss** giving rise to a claim under this **Policy**, **We** will, at **Your** request make progress claim payments on submission by **You** of complete documentation for as much of the **Loss** as is known at the time the request is made.

No progress claim payment will be made until the amount of **Loss** is known to exceed the amount of any **Excess**. The **Excess** will then be deducted from the first progress claim payment made. **Your** right to full recovery under this **Policy** in respect of the **Loss** will not be prejudiced by acceptance of a progress claim payment.

2.37 Proof Of Quantity

In respect of all shipments (including container shipments), **We** agree that a clean bill of lading or shipper's load and count are to be taken as conclusive proof that the full quantity of the **Goods** was shipped in an undamaged condition.

2.38 Refused or Returned Shipments Clause

Where the consignee refuses to take or accept delivery of **Goods** shipped by **You** or to accept and return the **Goods** to **You**, cover ceases as per the duration provisions of Institute Clauses or similar.

This Clause reattaches cover for the **Goods** when the ordinary course of transit recommences under the **Policy** as a new transit but only whilst at **Your** risk and for the same risks as the original transit:

- (a) until delivery is eventually effected to either original consignee or another third party, or
- (b) if returned, until delivered to **You**. The insured value will be adjusted by the removal of the **Policy** plussage and by the addition of any additional freight or charges incidental to shipping incurred by **You**.

Where the **Goods** are held in intermediate storage pending onward or return transit, **You** must advise **Us** promptly to allow storage cover to be discussed and negotiated. No storage risk cover shall attach in the event of non-compliance with this requirement.

2.39 Repacking Clause

This **Policy** covers the cost of repacking, relabelling, rebagging, recartoning or reconditioning (including sterilisation or any similar hygiene process) of the **Goods** necessary to avert or minimise an insured **Loss** where the cost is incurred by reason of an insured risk, whether or not the **Goods** have sustained damage.

Insurance provided under this clause is limited to the amount specified in the **Schedule**.

2.40 Replacement Clause for Used Machinery

In the event of **Loss** to any part or parts of an insured machine caused by a risk insured by this **Policy** the sum recoverable shall not exceed such proportion of the cost of replacement of the part or parts lost or damaged as the insured value bears to the value of a new machine, plus additional charges for forwarding and refitting the replacement part or parts if incurred provided always that in no case shall **Our** liability exceed the insured value of the complete machine.

2.41 Sealed Container Clause

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

- (a) a clean bill of lading evidencing the shipment of the package or item in the container; and
- (b) a copy of the discharge tally sheet or claused delivery notes to substantiate the **Loss**.

2.42 Segregation Clause

This **Policy** covers **Your** costs and/or legal liability for others' costs for the reasonable expenses of sorting damaged product from good product, to the extent that such costs are incurred for proving the amount of **Loss**.

Insurance under this clause is limited to the amount specified in the **Schedule**.

2.43 Seller's Interest Clause (exports only)

It is warranted that the existence of the insurance provided by this clause shall not be disclosed to the buyer(s), customer or any other party interested in the consignment.

This extension will only apply to **Goods** that are exported under a contract of sale that does not require **You** to arrange transit insurance for the **Goods** for the buyer's benefit and **You** make a provisional declaration of all such exports of **Goods** within the voyage range of this **Policy** at the commencement of each **Policy** period for which seller's interest premium is charged.

Consignments sold by **You** on FOB or CFR or equivalent Incoterms shall be subject to the following pre-FOB and contingency cover:

- (a) Cover for **Loss** to the **Goods** commences in accordance with the "*Duration Clauses*" of the relevant Institute Clauses or other similar Clauses incorporated in this insurance, and continues during the ordinary course of transit and terminates when the risk in the **Goods** transfers to the buyer(s), as agreed.
- (b) Thereafter cover re-attaches from the time of the happening of any one of the following:
 - (i) the buyer(s) fails or refuses to accept the shipping documents, or
 - (ii) **You** exercise a lien on the **Goods** or interrupt their transit or suspend the sale contract whilst in transit when this is reasonable to safeguard **Your** interests, or
 - (iii) the buyer(s) fails or refuses to accept the **Goods** where such failure or refusal arises:
 - 1. from or in connection with any error or omission on **Your** part with respect to the contract of sale, or
 - 2. from the failure or the inability of the buyer(s) to obtain authority to import the **Goods** where it is necessary under the **Regulations** of the country of import in force at the date of the sale contract to obtain due authority to import the **Goods** and/or pay for them as contracted and invoiced.
- (c) In any event, cover as described in (1) above, applies while **You** have a financial interest in the **Goods** but only to the extent of that financial interest.
- (d) Cover under this clause is subject to the following conditions:
 - (i) **You** must use all reasonable and usual care, skill and forethought and take all practical measures including those required by **Us** to prevent or minimize a **Loss** and to enforce the contract of sale.
 - (ii) **You** must immediately advise **Us** in the event of any of the contingencies in (2) above.
 - (iii) any monies payable or paid are not assignable without **Our** written consent.
 - (iv) Evidence of the terms and conditions of the contract of sale must be submitted in substantiation of any claim. Subject to the provisions set out below, this clause covers **Your** interest in the **Goods** sold by **You** and insurance on those **Goods** is arranged by the buyer.
 - (v) **You** have declared to **Us** all exports of the **Goods** within the voyage range of this **Policy** where **You** do not have a contractual responsibility to arrange or provide transit insurance for the buyer's benefit.
 - (vi) the **Loss** is not recoverable from credit insurers.
- (e) Nothing in this clause is to be construed as a waiver of **Our** right of subrogation to any right of recovery that **You** may have against any person or entity.

2.44 Shut Out Clause – Imports and Exports only

In the event of **Goods** being 'shut out' from a vessel, this **Policy** covers the **Goods** while waiting on the wharf, quay or pier and during transfer to and whilst at another wharf, quay or pier and onforwarding by another vessel, subject to **You** notifying **Us** as soon as **You** become aware of such **Event**.

2.45 Strikes Diversion Expenses

This Policy is extended to reimburse the additional expenditure **You** incur by reason of:

- (a) the exercise by the shipowners or charterers of any liberty granted by the legally binding contract of affreightment; and
- (b) where such additional expense is incurred solely in consequence of strikes, riots, civil commotions, lockouts or labour disturbances or caused solely as a direct consequence of these conditions; and
- (c) the **Goods** are overcarried to or discharged at a port other than their port of discharge under the contract of affreightment; and
- (d) such expenditure was incurred irrespective of any other **Loss**, whether total or partial, recoverable under the terms of any other insurance on the **Goods**.

In no case shall **We** be liable for any claims unless the liberty referred to in (1) above is exercised while strikes, riots, civil commotions, lockouts or labour disturbances are in active operation, and up to 15 days from midnight of the day on which the same cease to be in active operation.

Our liability under this clause shall be limited to 20% of the insured value of the **Goods** up to a maximum of the sum specified in the **Policy** Sub-Limits section of the **Schedule**.

An **Excess** of 10% of the claim will apply.

Nothing in this clause shall be construed as increasing the **Policy** limits stated in the **Schedule**.

2.46 Survey Fee Clause

Where the **Policy** requires **You** to appoint a Claims Settling Agent and/or surveyor whenever **You** become aware of any **Loss** likely to result in a claim under this insurance, but subsequent investigation reveals that a claim will not result, **We** agree to pay for, or reimburse **You**, for fees incurred.

2.47 Survey Reports Clause

All survey and analytical reports shall be the joint property of **You** and **Us**.

2.48 Termination of Transit Clause (Terrorism) 2009

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

- (a) Notwithstanding any provision to the contrary contained in this **Policy** or the Clauses referred to therein, it is agreed that in so far as this **Policy** covers **Loss** to the **Goods** caused by any act of terrorism being an act of any person acting on behalf of, or in connection with, any organisation which carries out activities directed towards the overthrowing or influencing, by force or violence, of any government whether or not legally constituted or any person acting from a political, ideological or religious motive, such cover is conditional upon the **Goods** being in the ordinary course of transit and, in any event, shall terminate either;
 - (i) as per the transit clauses contained within the **Policy**, or
 - (ii) on completion of unloading from the carrying vehicle or other **Conveyance** in or at the final warehouse or place of storage at the destination named herein,
 - (iii) on completion of unloading from the carrying vehicle or other **Conveyance** in or at any other warehouse or place of storage, whether prior to or at the destination named herein, which **You** or **Your** employees elect to use either for storage other than in the ordinary course of transit or for allocation or distribution, or
 - (iv) when **You** or **Your** employees elect to use any carrying vehicle or other **Conveyance** or any container for storage other than in the ordinary course of transit,or
 - (v) in respect of marine transits, on the expiry of 60 days after completion of discharge overseaside of the **Goods** from the overseas vessel at the final port of discharge,
 - (vi) 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.

- (b) If this **Policy** or the Clauses referred to therein specifically provide cover for inland or other further transits following on from storage, or termination as provided for above, cover will re-attach, and continues during the ordinary course of that transit terminating again in accordance with Clause 1.

2.49 Waiver or Abandonment Clause

Measures taken by **You** or **Us** with the object of saving, protecting or recovering the **Goods** shall not be considered as a waiver or acceptance of abandonment or otherwise prejudice the rights of either party.

2.50 Waiver or Release Clause

This **Policy** will not be invalidated by **Your** acceptance of any waiver or release of liability contained in a contract of carriage, charter, bill of lading, receipt from any carrier, or receipt from any owner or operator of any vessel, terminal, or storage facility; provided that the acceptance is made innocently and prior to **You** becoming aware of any occurrence of **Loss** to which the waiver release applies.

2.51 War & Strikes Premium Clause

You are to pay additional premium for war and strikes risks on every declaration, at the premium rates advised by **Us** at the commencement of risk.

Section 3: Exclusions

We will not indemnify **You** for any claim in respect of or alleging:

3.1 Climatic Changes

Loss arising from normal atmospheric or climatic changes during the transit.

3.2 Contagious Diseases – Applicable to Frozen or Chilled Meat

Condemnation or deterioration of or damage to **Goods** caused by contagious diseases of any nature or by the notice of outbreak of such disease anywhere in the world whether at the time of such condemnation or damage, the **Goods** are within New Zealand or anywhere in the world.

3.3 Institute Cyber Attack Exclusion Clause 10/11/2003

- (a) Subject only to clause 5.14(b) below, in no case shall this contract cover loss damage liability or expense directly or indirectly caused by or contributed to, by or arising from the use or operation, as a means for inflicting harm, of any computer, computer system, computer software programme, malicious code, computer virus or process or any other electronic system.
- (b) Where this clause is endorsed on policies covering risks of war, civil war, revolution, rebellion, insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power, or terrorism or any person acting from a political motive, Clause 5.14 shall not operate to exclude losses (which would otherwise be covered) arising from the use of any computer, computer system or computer software programme or any other electronic system in the launch and/or guidance system and/or firing mechanism of any weapon or missile.

3.4 Institute Radioactive Contamination, Chemical, Biological, Bio-chemical and Electromagnetic Weapons Exclusion Clause 10/11/2003

Loss damage liability or expense directly or indirectly caused by or contributed to by or arising from:

- (a) ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel;
- (b) the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof;
- (c) any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter;
- (d) 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;
- (e) any chemical, biological, bio-chemical, or electromagnetic weapon.

3.5 U.S.A. & Canada Endorsement for The Institute Radioactive Contamination, Chemical, Biological, Biochemical and Electromagnetic Weapons Exclusion Clause 10/11/03

This policy is subject to the Institute Radioactive Contamination, Chemical, Biological, Bio-Chemical

And Electromagnetic Weapons Exclusion Clause 10/11/03 (RACCBE). The inclusion of RACCBE in this policy is material to underwriter's willingness to provide coverage at the quoted terms, conditions and rates.

It is the intent of the parties to give maximum effect to RACCBE as permitted by law.

In the event that any portion of RACCBE may be found to be unenforceable in whole or in part under the law of any state, territory, district, commonwealth or possession of the U.S.A., or any province or territory of Canada, the remainder shall remain in full force and effect under the laws of that state, territory, district, commonwealth or possession, province or territory. Further, any such finding shall not alter the enforceability of RACCBE under the laws of any other state, territory, district, commonwealth or possession of the U.S.A., or any province or territory of Canada, to the fullest extent permitted by applicable law.

3.6 Mechanical or Electrical Derangement

Loss to **Goods** due to mechanical and/or electrical derangement unless caused by a risk covered by this Policy resulting in visible loss of or damage to the Goods and/or its packaging.

3.7 Sanction Limitation (LMA 3100)

To provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose **Us** to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or **Regulations** of the European Union, United Kingdom or United States of America.

3.8 Secondhand or Used Goods

Loss caused by:

- (a) rust, oxidation and discoloration unless proximately caused by entry of sea, lake or river water into the vessel, craft, hold, **Conveyance**, container, liftvan or place of storage;
- (b) scratching, chipping and denting, unless proximately caused by any package or container being dropped whilst loading onto or unloading from the vessel, craft or **Conveyance**.

3.9 Shelf Life Expiry

Loss caused by any process of maturing, ripening or aging unless directly caused by a risk insured by this **Policy**.

3.10 Terrorism

Loss or liability arising from:

- (a) terrorism: and/or
- (b) steps taken to prevent, suppress, control or reduce the consequences of any actual, attempted, 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 will not apply to:

- (c) Any **Loss**, liability or expense arising from the operation, ownership, management or chartering of:
 - (i) vessels, craft and units whilst offshore, afloat, under construction or repair, in dock or whilst in store ashore;
 - (ii) seawalls, wharves, piers, jetties, docks, berths, pontoons and associated dockside equipment all whilst within the confines of the port, terminal, shipyard, harbour or marina.
- (d) Cargo in the ordinary course of transit per Termination of Transit Clause (Terrorism) 2009.

3.11 Tool of Trade

Loss to **Goods** caused by those **Goods** being used as a tool of trade and/or while functioning and/or while working for the purpose of its intended use

3.12 Unexplained Disappearances

Loss of Goods caused by unexplained disappearances and/or shortages revealed by the taking of an inventory, or clerical or accounting errors.

3.13 Unseaworthiness of Vessel or Craft Clause

The “*Unseaworthiness and Unfitness Exclusion Clause*” appearing in the Institute Clauses incorporated in this **Policy** is deleted and replaced by the following:

- (a) In no case shall this **Policy** insure **Loss** arising from:
 - (i) unseaworthiness of vessel or craft or unfitness of vessel or craft for the safe carriage of the **Goods**, where **You** are privy to such unseaworthiness or unfitness, at the time the **Goods** are loaded therein.
 - (ii) unfitness of container liftvan or land **Conveyance** for the safe carriage of the **Goods**, where loading therein is carried out prior to attachment of this insurance or by **You** or **Your** Employees.
- (b) Where this insurance has been assigned to the party claiming under this **Policy** who has bought or agreed to buy the **Goods** in good faith under a binding contract, Exclusion 1.1 above shall not apply.
- (c) **We** waive any breach of the implied warranties of seaworthiness of the ship and fitness of the ship to carry the **Goods** to destination unless **You** or **Your** agents or employees are privy to such unseaworthiness or unfitness.

3.14 Weather Damage to Unattended Goods

Loss to Goods caused by exposure to weather conditions where the **Goods** are not normally left in the open unless reasonable precautions have been taken to protect them from those conditions. Provided that this exclusion will not apply where the exposure to weather conditions occurs without **Your** knowledge or consent.

Section 4: Conditions of insurance

4.1 Allocation of Costs

If **Costs and Expenses** are incurred in respect of both a claim insured under this **Policy** and a matter which is not insured under this **Policy**, **We** shall be liable to pay only a fair proportion of such **Costs and Expenses**. In the event that **You** and **We** are unable to agree on a fair proportion, legal counsel, mutually agreed upon by both parties and whose decision shall be final, shall determine what is a fair proportion.

4.2 Basis of Valuation

Unless otherwise specified in the **Schedule** or agreed in writing prior to transit commencing, the basis of valuation for the purpose of declarations and the settling of claims shall be:

Imports and Exports

- (a) General Cargo Exports
The prime cost of the **Goods** at the time of transit, plus the expenses of shipping including documented incidental shipping costs, the freight for which **You** are liable, plus the costs of insurance, plus 10% or the percentage specified in the contract of sale providing such percentage does not exceed 25% of the C&F value.
The basis of valuation for Free Into Store (FIS) or Delivered Duty Paid (DDP) contracts or similar shall be the value of the Goods insured shown on the Certified Invoice.
- (b) General Cargo Imports
The Free on Board (FOB) value of the **Goods** at the time of the transit plus the costs of insurance and overseas freight incurred by **You** plus 10%, plus added Duty, if applicable.
- (c) **Your** Machinery and Plant
The current market valuation of the machinery and/or plant insured at the time of the transit plus shipping costs, insurance and freight for the export and re-import, if incurred by **You**.

New Zealand Local Sendings

- (a) General Cargo
The selling price to the purchaser or purchase price from the seller plus insurance, freight and incidental shipping charges incurred by **You**, if not already included.
- (b) **Your** stock transfers
The indemnity value, being the costs of raw materials and the costs of manufacture of the **Goods** at the time of **Loss** plus any additional costs of local storage and shipping incurred by **You**.
- (c) **Your** Machinery and Plant

The current market valuation of the machinery and/or plant insured at the time of the transit plus shipping costs, insurance and freight for the consignment and return, if incurred by **You**.

All Transits

Second-hand **Goods** and returned **Goods**.

Notwithstanding anything in this **Policy** to the contrary the basis of valuation shall be the indemnity value plus shipping costs insurance and freight incurred by **You**.

Agreed value prior to Declaration

In the event of **Loss**, or arrival occurring before a declaration of value is made, it is agreed that the basis of valuation shall be the prime cost of the **Goods** plus the expenses of and incidental to shipping, the freight for which you are liable, the charges of insurance and the percentage as provided in the basis of valuation.

The prime cost is the cost at or about the time of shipment substantiated by an invoiced price current at the time of the **Loss**. In the absence of any invoice at the time of the **Loss**, the prime cost shall be the market price at the time and place of the **Loss**.

4.3 Cancellation

- (a) **You** may cancel this **Policy** at any time by giving notice to **Us**. **We** will refund to **You** on a pro rata basis the amount of the unexpired premium already paid subject to any applicable minimum premium.
- (b) **We** may cancel this **Policy** after sending at least 30 days' notice to **You**.
- (c) War and Strikes Risks may be cancelled by either party giving 7 days' notice, or 48 hours' notice in respect of shipments to or from the United States of America.
- (d) Notices of cancellation shall be in accordance with Condition 4.13 (Notices by Us) paragraph 5.13(b) and 5.13(c). **We** will refund on a pro rata basis the amount of any unexpired premium already paid.

4.4 Certificates of Insurance

When **You**, or a third party on **Your** behalf, are provided with the facility to self-issue certificates of insurance, any certificate issued must strictly conform to the terms, conditions and limits of this **Policy**. **You** agree to indemnify **Us** for any claim which **We** are required to pay because of a certificate being issued that does not conform to the terms, conditions and limitations of this **Policy**. For the avoidance of doubt, the only terms of cover that may be recorded on any certificate are such Institute clauses as set out in Section 1 of this **Policy** as are relevant to the nature of the **Goods** and means of transport.

4.5 Claims Notification

You must advise in writing as soon as practicable and provide all information to **Us** of any Event or circumstances, which might give rise to a claim under this **Policy**.

4.6 Conduct of Claims

- (a) **You** must use best endeavours to preserve all property, products, appliances and plant and all other things which may assist in the investigation of a claim or in the exercise of rights of subrogation.
- (b) In so far as may be reasonably practicable, and subject to **Your** duty to minimise **Loss**, no alteration or repair will be effected without **Our** written consent until **We** have had an opportunity of inspection.
- (c) In the event of a **Loss**, or the likelihood of a **Loss**, **You** must promptly take all reasonable steps to prevent **Loss** from arising or continuing out of the same or similar conditions.
- (d) **You** must give all information, co-operation and assistance as **We** may require in the prosecution, defence or settlement of any claim, including any available counterclaim.
- (e) (**You** hereby waive all claims to legal privilege that might otherwise have existed as between **You** and solicitors retained by **Us** to act on **Your** behalf, in respect of such information.

4.7 Conditions Precedent

It is a condition precedent to **Our** liability to indemnify **You** under this **Policy** that:

- (a) Conditions 4.5 (Claims Notification), 4.6 (Conduct of Claims), 4.11 (Fraud), 4.13 (Material Change) and 4.17 (Reasonable Care) are adhered to
- (b) if any property is lost or if theft, pilferage, fraud, dishonesty or malicious damage is suspected, the police are notified within 72 hours of **You** becoming aware of the event; and
- (c) **You** promptly take all reasonable steps to prevent further damage.

4.8 Constructive Notice/No Waiver

- (a) Except as provided by statute, notice to any agent or broker or knowledge possessed by any agent, broker or other person will not constitute notice to Us.
- (b) The terms of this **Policy** will not be waived or changed, except by written agreement with **Us**.

4.9 Declarations

You must declare, consignments coming within the terms of this Policy, as and when required. **We** are bound to accept such declarations but **Our** maximum liability shall not exceed the **Limit of Indemnity** stated in the **Schedule**. However, **We** will not be relieved of liability by reason of any late declaration or no declaration providing **You** make the declaration immediately upon becoming aware that it has not been made.

Premium due may be debited and charged by either of the following:

(a) Declaration Basis

You must declare to **Us** at the time of sailing/departure or as near to that time as practicable, all consignments that come within the terms of this **Policy**, in accordance with the Basis of Valuation stated in the **Schedule**. The premium due on such declarations will be calculated by **Us** and debited to the **Your** account at the close of each month or as agreed.

(b) Annual Declaration Basis

You must declare, in writing, to **Us**, the estimated total insurable value, in accordance with the Basis of Valuation(s) stated in the **Schedule**, of all consignments that come within the terms of this **Policy**, for the twelve-month period immediately following the attachment date.

The estimated premium due on such declaration will be calculated and debited, as agreed, to **Your** account. The premium amount debited is the deposit premium.

At the completion of each twelve-month period **You** must declare to **Us** the actual insurable value, in accordance with the Basis of Valuation(s) stated in the **Schedule**, of all consignments that come within the terms of this **Policy**. The premium owing on such declaration will be calculated by **Us** and the deposit premium paid for the period deducted, **You** must pay any additional premium due.

For each subsequent twelve-month period the estimated insurable value, in accordance with the Basis of Valuation stated in the **Schedule**, of all consignments that come within the terms of this **Policy** must be declared by **You** in writing to **Us** no later than thirty days after the commencement of the **Period of Insurance**.

4.10 Defence of Legal Proceedings

- (a) **We** will not require **You** to defend any legal proceedings in respect of any **Claim** against **You**, nor will **You** require **Us** to defend, on **Your** behalf, any legal proceedings in respect of any such **Claim** unless legal counsel appointed by **Us** advises that such proceedings should be defended.
- (b) In formulating such advice, appointed counsel shall take into consideration the economics of the matter, having regard to the damages and costs which are likely to be recovered by the plaintiff, the likely costs of defence and the prospects of **You** successfully defending the action. The cost of counsel's opinion will be treated as part of the defence costs of any **Claim**.
- (c) In the event that counsel advises that, having regard to all the circumstances, the matter should not be defended but should be settled, provided that settlement can be achieved within certain limits which, in counsel's opinion, are reasonable, then **You** shall co-operate with **Us** to effect such settlement.
- (d) Provided always that if **You** do not agree with **Our** decision to settle a **Claim**, **You** can elect to contest the **Claim** at **Your** own expense but **Our** liability will not exceed the amount for which the **Claim** could have been settled in the opinion of counsel appointed.

4.11 Fraud

If any answers or statements in respect of any claim, or in any information provided to obtain, amend or renew this insurance, are false in any way, **We** will not provide any indemnity to **You** under this **Policy**.

4.12 Goods and Services Tax

Where, on receiving any indemnity payment under this **Policy**, **You** are liable to pay tax under section 5(13) of the Goods and Services Tax Act 1985 (or any re-enactment or substitute), **We** will indemnify **You** for the cost of that tax. The indemnity under this clause is in addition to the applicable **Limit of Indemnity**.

4.13 Material change

You will give immediate notice to **Us** of any material change to any of the facts or circumstances existing at the commencement of the **Period of Insurance**. **We** will be entitled to vary the **Policy** terms and/or charge an additional premium.

4.14 Notices by Us

- (a) Any notice given in writing by **Us** to **You**, or to the broker through which **You** arranged this **Policy** with **Us**, will be deemed to be notice to each Insured.
- (b) Any notices by **Us** may be effected by sending an email or letter to the last known contact address.
- (c) Any such notice will be deemed to have been received, if sent by email, at the time of transmission, and if sent by post, three business days after the date of posting.

4.15 Other Insurance

Upon giving notice of any claim, **You** will provide **Us** with written details of any other insurance that may cover or partially cover that claim.

In the event that **You** hold other insurance cover with another insurer in respect of any claim then the indemnity under this **Policy** shall not be available until the **Limit of Indemnity** under any other **Policy** has been exhausted.

4.16 Payment of Limit of Indemnity

At any time, **We** will be entitled to pay to **You** the balance of indemnity available up to the applicable **Limit of Indemnity**, or such lesser sum for which the claim can be settled. Upon such payment, **We** will have no further liability to **You** under this **Policy**, except for **Costs and Expenses** already incurred up until the time of payment.

4.17 Reasonable care

You will take all reasonable steps to avoid the happening of any **Loss** and, in particular, will ensure that:

- (a) all employees are properly trained and supervised;
- (b) every employee complies with all statutory obligations;
- (c) there are proper safety systems, equipment, practices and procedures in place, and that all employees use and comply with them at all times;
- (d) all plant is kept properly maintained.

4.18 Subrogation

- (a) If **We** make any payment under this **Policy** to or on behalf of **You**, whether in respect of any judgment, settlement, **Damages** or **Costs and Expenses**, **We** will be subrogated to all **Your** rights of recovery.
- (b) **You** will execute all papers and do all that is necessary to assist **Us** in the full exercise of such rights, including prosecuting proceedings in **Your** name at **Our** expense.
- (c) If **You** effect any recovery in respect of the claim, **You** will account to **Us** for the full amount received.

4.19 Words

Certain words in this **Policy** have a specific meaning. These words appear in **bold** and **You** will find the meaning listed in Section 5 'Definitions' of this **Policy**. Words importing persons will include companies and other legal entities. The singular includes reference to the plural and vice versa, and reference to any gender includes all other genders.

Section 5: Definitions

In this **Policy** unless specifically stated to the contrary:

5.1 Conveyance means:

The vessel, aircraft or land transportation used to transit the **Goods**.

5.2 Costs and Expenses means:

- (a) Any legal costs, disbursements, witnesses' costs, assessors or adjusters' costs or experts' costs incurred by **Us**, or by **You** with **Our** prior written consent.
- (b) **Costs and Expenses** does not include any costs of **Your** time including for the avoidance of doubt, any time spent in assisting **Us** or **Our** appointed lawyers with the defence or investigation of any claim

5.3 Event means:

Any one event or series of events arising from one source or original cause during the **Period of Insurance** which results in damage to **Goods**.

5.4 Excess means:

The proportion of the risk **You** retain for each claim as shown in the **Schedule**. **You** must pay the excess before **We** pay the remainder of the claim.

5.5 Goods means:

The Insured items, including their packaging, as declared by **You** and as noted on the current **Schedule**.

5.6 Loss, Losses means:

Physical loss or physical damage

5.7 Limit of Indemnity means:

The limit of indemnity noted in the **Schedule**.

5.8 Period of Insurance means:

The period of insurance stated in the **Schedule**.

5.9 Policy means:

This document, the **Schedule** and any endorsements issued by **Us**.

5.10 Regulations means:

Statutes, regulations or rules made under any Act of Parliament or any local authority bylaw or statutes.

5.11 Schedule means:

The current schedule issued by **Us**.

5.12 We, Us, Our means:

Ando Insurance Group Limited for and on behalf of the Underwriter(s) noted in the **Schedule**.

5.13 You, Your or Assured means:

- (a) The assured(s) named in the **Schedule**.
- (b) All subsidiaries incorporated in New Zealand, and any other organisation under the sole control of the insured named in the **Schedule** and which it actively manages as at the commencement of the **Period of Insurance** stated in the **Schedule**;
- (c) Entities covered by this **Policy** by virtue of the Acquired Companies clause.

Section 6: Referral Voyages Schedule

Voyages to or from the following countries must be referred to **Us** prior to shipment as special rates, terms and conditions may apply and in some instances insurance may not be available.

Afghanistan	Israel and the PA
Algeria	Jordan
Argentina	Kenya
Azerbaijan	Lebanon
Bangladesh	Libya
Bolivia	Madagascar
Burkina Faso	Mali
Burundi	Mauritania
Cameroon	Nepal
Central African Republic	Niger
Chad	Nigeria
Colombia	North Korea
Congo	Pakistan
Cote d'Ivoire (Ivory Coast)	Peru
Ecuador	Philippines
Egypt	Russia
Equatorial Guinea	Saudi Arabia
Eritrea	Somalia
Ethiopia	South Korea
Georgia	South Sudan
Guinea	Sudan
India	Syria
Indonesia	Ukraine
Iran	Yemen
Iraq	Zimbabwe

Section 7: Your Claim Process

7.1 In the Event of any Loss, Follow the Instructions Below

Report all claims to: Claims@ando.co.nz

+64 (0) 800 567 333

7.2 Exports

In the event of **Loss** the consignee should immediately contact the party nominated on the certificate of insurance for advice of a **Loss**.

7.3 Imports, Inland Transits, FOB, Sellers Interest

In the event of **Loss** it is essential that **We** are informed immediately in order that **We** may consider whether or not a survey is required to establish the extent of **Loss**. **You** should therefore contact **Us** and **We** will instruct **You** in the steps to be taken and the documentation required.

7.4 Your Duty

It is **You** and **Your** agents' duty in respect of any **Loss** to take any reasonable measures to avert or minimise that **Loss** and to ensure that all rights against carriers, bailees or other third parties are properly preserved and exercised.

7.5 Actions to be Taken in the Event of Loss or damage

- (a) Where damage is evident, always ensure **Your** employees or **Your** agents accept the **Goods** with a receipt which acknowledges the damage.
- (b) All **Goods** should be examined for hidden damage within five working days of receipt.
- (c) Upon discovery of damage, **You** should give immediate notice to **Us**.
- (d) Lodge an "Initial Notice of Claim" on all transport operators immediately damage becomes apparent. An "Initial Notice of Claim" advises those who handled the **Goods** or were responsible for its well-being that it has been damaged and is available for their inspection. In particular **You** should lodge this Notice on any transport operator or freight forwarder who issued or tendered a transport document (i.e. bill of lading, truck/rail consignment note, air waybill) to **You**.
- (e) Unless it is imperative to commence unpacking (i.e. to prevent further **Loss**), **You** should leave **Goods** in their container or packaging until a survey has been made. Where unpacking is necessary, retain packaging for the surveyors' inspection.
- (f) If the **Goods** were shipped in a container on an FCL basis and have suffered water damage, **You** must check the container for leaks. **You** should obtain independent verification prior to releasing the container.
- (g) If a survey is not required, **You** should continue to do everything necessary to reduce the **Loss** and safeguard the property.
- (h) Upon completion of the assessment of damage, lodge a valued claim against all those believed responsible for the damage. (A valued claim is a claim with an accurate value of **Loss**).
- (i) Always ensure full documentation is submitted to **Us** as soon as possible.

7.6 Required Claims Documentation

No claim will be payable under this **Policy** until **You** have supplied to us all relevant supporting documents, which may include:

- Original certificate of insurance/**Policy**.
- Original bill of lading, consignment freight notes, air waybill.
- Supplier's invoice for full shipment.
- Original or copy of the shipping invoices, together with the shipping specification and/or weigh notes.
- Packing lists, if applicable.
- Copy of "delivery" receipt, EWP ("Exception Without Prejudice" note), & Tally Notes.
- When **Goods** are received a delivery docket is usually signed. If **Goods** are damaged or missing the receipt given to the carrier should show **Goods** are damaged or missing: even "packaging" damaged.
- An EWP note acknowledges without admitting liability, that damage/ **Loss** has occurred.
- Copy of the Initial Notice of Claim on carriers (example on next page).
- This is a written notice of **Loss** of **Goods** given to transport operators or freight forwarders.

-
- Copy of all correspondence entered into with carriers and other parties regarding their liability for **Loss** or damage.
 - All container temperature charts (if applicable).

Call us: 09 377 1432
email: hello@ando.co.nz

Ando Insurance Group Limited.
PO Box 6649, Wellesley Street, Auckland 1141, New Zealand

INITIAL Notice of Claim – Notification to Transport Operators of Potential Claim

This form should be emailed to any transport operators or freight forwarders who issued the transport document (i.e. bill of lading, truck/rail consignment note, air waybill) to **You**.

For transits by sea, this form must be lodged within 3 days of delivery; for sendings by air this form must be lodged within 14 days of delivery.

Important – Do Not Delay!

To:	Date: / /
-----	-------------------------

From Company:	
Company address:	Contact person: Telephone: Fax: Email:
Location of Goods : The Goods may be examined at this address. Please advise us prior to attending as the insurance surveyor may wish to conduct a joint survey.	Contact person: Telephone: Fax: Email: (or paste your business card here)

We hold you responsible for loss of or damage to:

Transit Document No	Container No
Conveyance	
Transit From	
Transit To	
Estimate of Loss	Currency
Date of Discharge	Date of Loss

Yours faithfully

Name _____ Title _____