

CARRIER'S TRANSIT LIABILITY INSURANCE POLICY



INSURANCE AGREEMENT

OUR AGREEMENT

You agree to pay **us** the premium. In exchange, **we** agree to insure **you** as set out in this policy document.

WHAT YOU ARE INSURED FOR

1. CARRIERS LIABILITY

You are insured for **your liability** for **property damage** occurring during the **period of insurance** to **goods you** contract to carry in connection with the **business** while:

1. in transit anywhere in New Zealand (including any loading and unloading), and
2. temporarily housed (either on or off the carrying conveyance) in the normal course of transit, BUT NOT at any store, warehouse or holding pen owned or occupied by, or under the control of, **you**, unless solely for the purpose of an "incidental service" as defined by the Carriage of Goods Act 1979.

Subcontractors and Actual Carriers

You are insured for **your liability** to pay for the **property damage** to **goods** carried by a subcontractor or actual carrier on **your** behalf, provided the subcontractor's or actual carrier's conditions of contract are no more extensive than **yours**.

This extension does not insure the subcontractor's or actual carrier's **liability**.

2. DEFENCE COSTS

You are insured for all legal costs and legal expenses necessarily and reasonably incurred by **you** to defend any legal action that if proven, would be covered by this policy.

AUTOMATIC EXTENSIONS

1. SAVING OR ATTEMPTING TO SAVE LIFE OR PROPERTY IN PERIL

If **you** choose to waive the defence available to **you** under Section 14(d) of the Carriage of Goods Act 1979 which excludes **your** liability in relation to **property damage** in certain circumstances, where that liability would otherwise have been covered under 'What You Are Insured For 1. Carrier's Liability' above, **you** are insured for that **property damage**.

In respect of claims made against **you** where this waiver applies, **we** will provide cover:

- 1.1 as set out under the heading 'Basis Of Settlement', and
 - 1.2 as set out under the heading 'What You Are Insured For 2. Defence Costs'.
- 'Exclusion 1. Types of Liability Not Covered 1.' does not apply to this extension.

2. REMOVAL OF DEBRIS

You are insured for costs **you** reasonably and necessarily incur to:

- 2.1 recover, reload or trans-ship any **goods** covered by this policy to the nearest place of safety, and
 - 2.2 cleanup and remove debris of the **goods**,
- provided a claim for **property damage** has been accepted under this policy.

The most **we** will pay under this extension is \$10,000.

This is in addition to the Maximum Payable under the Basis of Settlement.

OPTIONAL EXTENSION

This Optional Extension only applies when specified in the **schedule**.

1. CONSEQUENTIAL LOSS

You are insured for all sums **you** become **liable** to pay for consequential loss incurred by the owner of the **goods**, arising out of **property damage** for which a claim is payable under 'What You Are Insured For 1. Carrier's Liability' above.

The most **we** will pay under this extension for any **event** is \$50,000.

This is in addition to the Maximum Payable under the Basis of Settlement.

'Exclusion 1. Types of Liability Not Covered 6.' does not apply to this extension.

BASIS OF SETTLEMENT

- | | |
|---------------------------|---|
| 1. MAXIMUM PAYABLE | The most we will pay under 'What You Are Insured For 1. Carrier's Liability' is the amount specified in the schedule for any event . |
| 2. POLICY LIMITS | All Sums Insured are in New Zealand dollars. |
| 3. EXCESS | For each event , the excess amount in the schedule will be deducted from the amount of your claim. |

EXCLUSIONS

- | | |
|--|---|
| 1. TYPES OF LIABILITY NOT COVERED | <p>You are not insured for any of the following:</p> <ol style="list-style-type: none"> 1. liability arising out of a contract entered into by you, which is greater than that specified in the Carriage of Goods Act 1979, 2. liability arising from a motor vehicle being driven by you, or anyone with your permission, while the driver: <ol style="list-style-type: none"> 2.1 has a proportion of alcohol in his or her breath or blood which exceeds the legal limit, or 2.2 is under the influence of any other intoxicating substance or drug, or 2.3 is not the holder of a motor driver's licence for the appropriate class and use (if such is required when driving the vehicle) which is in full force and effect. If the licence has been issued subject to any condition, it shall be deemed to be not in full force and effect if the holder is driving it in breach of that condition.
This exclusion 2.3. does not apply if the driver has had, and is not disqualified from holding or obtaining, and actually obtains such a licence without a further driving test, or if any vehicle is being used for the purpose of teaching a learner driver to drive if all the requirements of the law in that connection are being complied with, 3. liability caused by the carrying conveyance being driven in an unsafe manner or condition which you, or anyone driving with your permission, knew, or ought to have known, about, 4. liability arising from your wilful misconduct, or 5. liability caused solely by the electrical or mechanical malfunction of the goods, or 6. liability for loss of market, or delay or consequential loss of any kind. |
| 2. TYPES OF GOODS NOT COVERED | <p>This policy does not insure liability for property damage to:</p> <ol style="list-style-type: none"> 1. jewellery, gold and silver articles, precious stones, bullion, cash, banknotes, deeds, bonds, bills of exchange and other documents representing money. 2. any of the following: <ol style="list-style-type: none"> 2.1 aircraft of any kind including helicopters, 2.2 accessories in or on any aircraft or helicopter, 2.3 household goods and personal effects carried for the purpose of household removal, 2.4 office furniture carried for the purpose of office removal. |
| 3. NUCLEAR, WAR RISKS AND TERRORISM | <p>You are not insured for liability, prosecution or expense of any type in connection with:</p> <ol style="list-style-type: none"> 1. war, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power, 2. confiscation, nationalisation, requisition, destruction or damage to property by any government or public or local authority, 3. an act of terrorism or a person acting with a political motive, 4. 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. |

MANAGING YOUR CLAIM

A. YOUR OBLIGATIONS

1. **ADVISE US** If **you** become aware of any situation that is likely to give rise to a claim, **you** must contact **us** immediately.
2. **MINIMISE THE LOSS** **You** must take all reasonable steps to minimise the claim and avoid any further **property damage** or **liability** arising.
3. **PROVIDE FULL INFORMATION** When **you** make a claim **you** consent to **your** personal information in connection with the claim being:
 - 3.1 disclosed to **us**, and
 - 3.2 transferred to the Insurance Claims Register Limited.**You** must:
 - (a) give **us** free access to examine and assess the claim, and
 - (b) send any relevant correspondence or documents to **us**, and
 - (c) complete a claim form or statutory declaration to confirm the claim if **we** request it, and
 - (d) provide any other information, proof of ownership or assistance that **we** may require at any time.
4. **BE TRUTHFUL** If **your** claim is dishonest or fraudulent in any way, **we** may:
 - 4.1 decline **your** claim either in whole or in part, or
 - 4.2 declare this policy or all policies **you** have with **us** to be unenforceable from the date of the dishonest or fraudulent act.
 This is at **our** sole discretion.
5. **DO NOT ADMIT LIABILITY** **You** must not:
 - 5.1 admit **you** are **liable**, or
 - 5.2 do or say anything that may prejudice **our** ability to defend the claim against **you** or take recovery action in **your** name.

A. MANAGING YOUR CLAIM

1. **SUBROGATION** Once **we** have accepted any part of **your** claim under this policy, **we** may assume **your** legal right of recovery.
You must, at **our** expense, fully co-operate in the enforcement of this right by **us**.
2. **DEFENCE OF LIABILITY CLAIMS** After **you** have made a claim, **we** have the sole right to act in **your** name and on **your** behalf to defend, negotiate or settle the claim as **we** see fit (this will be done at **our** expense).
We may appoint **our** own lawyers to represent **you**. They will report directly to **us** and **you** agree to waive in **our** favour the legal professional privilege to **your** communications with them.
3. **DISCHARGE OF LIABILITY CLAIMS** **We** may elect at any time to pay **you**:
 - 3.1 the maximum amount payable under the policy, or
 - 3.2 any lesser sum that the claim against **you** can be settled for.
 Once **we** have paid this (plus any defence costs already incurred) our responsibility to **you** under the policy is met in full.

GENERAL CONDITIONS

A. HOW WE ADMINISTER THIS POLICY

1. **CANCELLATION AND MODIFICATION**
 - 1.1 By You
You must ask **us** to cancel or modify this policy at any time. **We** must agree in writing to any modification before it will take effect.

1.2 By Us

We may cancel or modify this policy by advising **you** (or **your** Agent) by letter, fax, or email. Cancellation or modification will take effect at 4:00pm, on the 7th day after the date of **our** advice. **We** will refund the proportion of unused premium paid, calculated from the date of cancellation.

2. OTHER INSURANCE

You must notify **us** as soon as **you** know of any other insurance policy that covers **you** for any of the risks covered under this policy.

If **you** or anyone else who is covered under this policy can claim under any other insurance, **we** will only pay over and above the limit payable by the other insurances.

3. GST

All amounts in this policy include GST.

4. PREMIUM ADJUSTMENTS AND DECLARATIONS

4.1 If **you** carry **goods** at 'limited carrier's risk', the deposit premium for this policy has been calculated as a percentage of the estimated gross income derived from such contracts of carriage. If, at the end of the **period of insurance** the actual gross income exceeds the estimated income on which the deposit premium was calculated, then the annual premium shall be adjusted and the difference paid by **you**, and **we** shall retain, in any case the deposit premium paid.

You shall keep accurate records containing all relevant particulars and shall allow **us** to inspect them. **You** shall within one calendar month after each anniversary of the commencement of this policy, or after its earlier termination, provide **us** with such particulars and information as **we** may require.

4.2 If **you** carry **goods** 'at declared value risk' **you** shall declare to **us** monthly every contract and the value of the **goods** carried, which shall in no case exceed the invoice value to consignees. The appropriate premium rate shall be applied to each declaration and be paid by **you** monthly.

B. LAWS AND ACTS THAT GOVERN THIS POLICY

1. ACTS OF PARLIAMENT

Where this policy refers to any Act of Parliament, it also includes any sub-ordinate legislation made under it, and any other subsequent Acts or regulations.

2. GOVERNING LAW AND JURISDICTION

The law of New Zealand applies to this policy and the New Zealand Courts have exclusive jurisdiction.

3. INSURANCE LAW REFORM ACTS

The exclusions and conditions in this policy are subject to **your** rights under the Insurance Law Reform Acts 1977 and 1985.

C. YOUR OBLIGATIONS

1. COMPLY WITH THE POLICY

You (and any other person or entity **we** cover) must comply with the conditions of this policy at all times. If **you** fail to comply, **we** may not pay **your** claim.

2. PROVIDE ACCURATE INFORMATION

You must make sure all statements and representations that are made to **us**, at any time, either by **you** or anyone else, are truthful and complete.

3. REASONABLE CARE

You must take reasonable care at all times to avoid circumstances that could result in a claim. **Your** claim will not be covered if **you** are reckless or grossly irresponsible.

4. CHANGE IN CIRCUMSTANCES

You must tell **us** immediately if there is a material:

4.1 increase in the risk insured, or

4.2 alteration of the risk insured.

Once **you** have told **us** of the change, **we** may then cancel or alter the premium and/or terms of this policy.

If **you** fail to notify **us** about a change in the risk insured, **we** may:

(a) declare this policy unenforceable, or

(b) decline any subsequent claim either in whole or in part.

These actions will be taken from the date **you** knew, or ought to have known, of the increase or alteration in the risk insured.

Information is 'material' where we would have made different decisions about either:
 (i) accepting your insurance, or
 (ii) setting the terms of your insurance,
 if we had known that information. If in any doubt, notify us anyway.

DEFINITIONS

The definitions apply to the plural and any derivatives of the words.

For example, the definition of 'accident' also applies to the words 'accidentally', 'accidental' and 'accidents'.

accident	An event that is sudden, unintended and unexpected by you .
act of terrorism	Includes any unlawful act, or preparation in respect of action, or threat of action designed to influence or coerce the government de jure or de facto of any nation or any political division therefore, or in pursuit of political, religious, ideological, or similar purposes to intimidate the public or a section of the public of any nation by any persons whether acting alone or on behalf of or in connection with any organisation(s) or government(s) de jure or de facto, and that: (a) involves violence against one or more persons, or (b) involves damage to property, or (c) endangers life other than that of the person committing the action, or (d) creates a risk to health or safety of the public or section of the public, or (e) is designed to interfere with or disrupt an electronic system.
business	the business named in the schedule .
event	Any one event or series of events arising from one source or original cause.
goods	goods, baggage, and chattels of any description, including animals and plants.
liable	legally liable pursuant to the Carriage of Goods Act 1979, but only by virtue of the following kinds of contract as specified in Section 8: • at limited carrier's risk, • at declared value risk.
period of insurance	the period of cover referred to in the schedule .
property damage	accidental physical loss or accidental physical damage to goods .
schedule	the latest version of the Schedule we issued to you for this policy.
we	NZI, a business division of IAG New Zealand Limited. <i>We may also use the words 'us', 'our' or 'company' to describe NZI.</i>
you	the person(s) shown as the Insured in the schedule . <i>We may also use the word 'insured' to describe you.</i>



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NZI MARINE CARRIERS TRANSIT LIABILITY INSURANCE POLICY

Underwritten by NZI, a business division of IAG New Zealand Limited

IMPORTANT: PLEASE EXAMINE THIS POLICY AND IF IT DOES NOT MEET YOUR REQUIREMENTS, KINDLY RETURN IT AT ONCE TO YOUR BROKER OR AGENT OR TO OUR OFFICE OF ISSUE.

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