

**CHUBB FREIGHT LOSS
INDEMNITY**

ANNUAL POLICY

CHUBB FREIGHT LOSS INDEMNITY Policy

Section 1 - Carriers Legal Liability

In consideration of Chubb Insurance Company of Australia Limited (hereinafter called the Company) receiving payment of premium for the period of insurance shown in this policy or during any subsequent period for which the Company receives premium the Company will indemnify the Insured and/or Sub-Contractors for all sums which the Insured and/or Sub-Contractors may become legally liable to pay and shall pay in respect of loss or damage to goods and/or merchandise of every description, which the Insured has contracted to carry under the Insured's normal conditions of carriage whilst in transit within Australia, on rail and/or road vehicles including trailers whether attached or unattached to prime movers, owned and/or operated and/or chartered by the Insured and/or by Sub-Contractors or whilst:

Cover commences on all contracts of carriage entered into on and after the commencement of the period of insurance shown in this policy.

The term "Insured" is extended to include the Insured's servants, agents and persons who work for the Insured under a contract requiring them to supply their own vehicles and who engage in delivery of goods.

Limit of Liability

The liability of the Company under this policy shall be limited to the amount stated in the Schedule any one loss or series of losses arising out of one event.

Section 2 - Physical Loss or Damage

This insurance covers any physical loss of and/or damage to customers goods in the care, custody or control of the Insured but always subject to the Policy Exclusions set out below:

Section 3 - Extensions of Cover

1. Sub-contractors used by you

When the merchandise is entrusted to a sub-contractor by the Insured subject to the Insured's contract of carriage the cover provided by this policy applies to the sub-contractor

2. When you are a sub-contractor

When merchandise is in your care, custody or control as a sub-contractor to another carrier, cover under the policy is restricted to your legal liability to reimburse the principal carrier or the owner of the merchandise for loss of or damage caused by an insured peril.

3. Acquired Companies

This insurance 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 14 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.

4. On forwarding Clause

We will pay all reasonable costs necessarily incurred in unloading, storing and forwarding the goods to the original destination in Australia following an insured event.

Subject to a limit of \$5,000 in total for any one loss or series of losses caused by the one event.

5. Packaging

We will cover loss of or damage to packaging whilst carried in transit caused by an insured event subject to a limit of \$5,000 any one loss or series of losses arising out of one event, unless otherwise specified in the Policy schedule.

“Packaging” means packing materials, shipping containers, crates, pallets or similar receptacles belonging to you or for which you are responsible, providing they are not insured under any other policy.

6. Removal of Debris / Clean-up Costs

In the event of loss and/or damage by an insured peril to the merchandise Insured and notwithstanding the Company's liability to pay a total loss, it is agreed the cover provided by this insurance extends to include the cost of removal and/or disposal of damaged and/or deteriorated and/or contaminated interest limited to A\$20,000 any one incident. Provided always that this extension will only cover costs incurred that relate to the merchandise Insured and that such costs are not recoverable under any other policy of insurance.

Where bulk dangerous goods are carried the removal of debris / clean-up costs benefit does not apply.

7. Additional Expenses Clause

This insurance is extended to include additional expenses for loss of market, delay and / or consequential loss (excluding fines, penalties and pollution liability) incurred by the insured in respect of loss of or damage to merchandise but limited to \$10,000 any one occurrence or series of occurrences arising out of the same event.

In no case shall our aggregate liability under this clause and elsewhere herein exceed the limit of liability expressed in the policy schedule.

Section 3 - Exclusions applying to Sections 1, 2 &3

This insurance does not cover (unless agreed and we have shown it in the policy schedule) the transport of:

- ❑ Commercial bulk liquid and / or gas consignments;
- ❑ Explosives;
- ❑ Dangerous Goods as defined under the Dangerous Goods Act
- ❑ Bloodstock, exotic birds and stud or prize animals;
- ❑ Cash, bank notes, currency, bullion, securities, negotiable documents;
- ❑ Jewellery valued in excess of A\$1,000
- ❑ Property owned by you;
- ❑ Live plants, trees and the like.

This insurance does not cover loss of or damage to merchandise or any related expense arising from any of the following:

- ❑ Where 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,
- ❑ When the vehicle is being driven by a driver who is not licensed under the applicable law to drive the vehicle. This exclusion shall not apply if unknown to insured nominated in the schedule.
- ❑ Loss of or damage to merchandise whilst the Insured Vehicle is being driven by or is in the charge of any person:
 - under the influence of any illegal substance (mind altering or otherwise) or intoxicating liquor; or
 - in whose blood the level of alcohol, as shown by analysis of the person's breath or blood, is equal to or in excess of that level at which it is an offence to drive or be in charge of a motor vehicle under the law of the state or territory in which the analysis is conducted; or
 - who fails or refuses to provide a specimen or sample of their breath, their blood or their urine for the purpose of analysis when called upon to do so by a member of the police force or other authorised person.

unless the above circumstances are outside of the control of "the Principal Contractor".

In the event a claim is paid under this clause, Insurers retain the right to pursue recovery against the driver at fault.

- ❑ As a result of delay, loss of market, inherent vice, loss of profits or any consequential loss, unless provided for under the Additional Expenses Clause in Section 3 Extensions of Cover and subject to the limit stated in that clause,
- ❑ Arising out of any wilful act or acts, committed by you or someone with your knowledge or connivance
- ❑ As a result of reduction in value of merchandise because of repairs,
- ❑ As a result of electronic, electrical or mechanical failure / derangement unless there is visible external physical damage which occurred during transit caused by an insured event,
- ❑ 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,
- ❑ Resulting in any fine or penalty, aggravated or exemplary or punitive damages,
- ❑ In relation to Motor vehicles, plant and equipment whilst being towed or moving under their own power on their own wheels unless for the purpose of loading or unloading as defined in the Policy.

Section 4 - General Conditions

1. Your duty of disclosure

Before entering into a contract of insurance, the Insured has a duty to disclose to the Company every matter that is known to the Insured and which will influence the Company in its decision whether to accept the risk, or if accepted, on what terms the risk should be insured. The Insured has the same duty to disclose such matters to the Company before the Insured renews, extends, varies or reinstates a contract of insurance.

- The Insured's duty however does not require disclosure of a matter:
- that diminishes the risk;
- that is of common knowledge;
- that the Company knows or in the ordinary course of its business as an Insurer, ought to know;
- as to which compliance with the duty of disclosure is waived by the Company

If the Insured fails to comply with the duty of disclosure, the Company may be entitled to cancel the contract of insurance or reduce its liability under the contract in respect of a claim. If the non-disclosure is fraudulent, the Company may also be entitled to avoid the contract from inception.

2. Authorisation given to the company by the Insured

The Company may give and obtain from any other insurers, insurance reference bureaus and credit reporting agencies any information relating to the Insured's credit or insurance history as well as insurance claims information.

The Company may examine the books and records of the Insured as far as they relate to the Interest Insured under this insurance at any time whilst this Policy is in force and for twelve months after termination.

3. Alteration of Risk

Should there be any change in the circumstances or nature of the risk which are the basis of this contract the Insured should give immediate notice thereof to the Company and no claim arising subsequent to such change shall be recoverable hereunder unless such change has been accepted in writing by the Company.

4. Reasonable Care

The Insured must take reasonable care in the handling, moving and storing of merchandise whilst in the Insured's care, custody or control.

5. Subrogation

The Insured shall, at the request of the Company or their agents, assign and subrogate to the Company at the time of payment and to an amount not exceeding the sum paid by the Company all their rights and claims against others and permit suit to be brought in the Insured's name but at the Company's expense. The Insured further agrees to render all reasonable assistance in the prosecution of said suit or suits.

6. Other Insurance

If in respect of any claim under this insurance the Insured is entitled to indemnity under any other Policy of Insurance, then the Company shall not be liable to pay or contribute under this insurance more than their rateable proportion of any compensation cost, charges and expenses.

The Insured shall, prior to commencement of this policy and at all times during the currency of the cover, keep the Company advised of any other insurance contract in existence.

7. Fraudulent Claims

If any claim under this policy is in any respect fraudulent or if any fraudulent means or devices be used to obtain any benefit under this policy or if any loss, destruction or damage be occasioned by the wilful act or with the connivance of the Insured, all benefits under this policy shall be forfeited.

9. Australian Jurisdiction

This policy is subject to Australian Law and the Jurisdiction of the Australian Court

Section 5 - Additional Conditions applying to the Policy

RADIOACTIVE CONTAMINATION EXCLUSION CLAUSE

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

1. In no case shall this insurance cover loss damage liability or expense directly or indirectly caused by or contributed to by or arising from:
 - 1.1 ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel
 - 1.2 the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof
 - 1.3 any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.

INSTITUTE EXTENDED RADIOACTIVE CONTAMINATION EXCLUSION CLAUSE

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

1. In no case shall this insurance cover loss damage liability or expense directly or indirectly caused by or contributed to by or arising from
 - 1.1 ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel
 - 1.2 the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof
 - 1.3 any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter
 - 1.4 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.

INSTITUTE CHEMICAL, BIOLOGICAL, BIO-CHEMICAL, ELECTROMAGNETIC WEAPONS AND CYBER ATTACK EXCLUSION CLAUSE

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

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

- 1.1 any chemical, biological, bio-chemical or electromagnetic weapon
- 1.2 the use or operation, as a means for inflicting harm, of any computer, computer system, computer software programme, computer virus or process or any other electronic system.

TERMINATION OF TRANSIT CLAUSE (TERRORISM)

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

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

either

1.1 As per the transit clauses contained within the Policy,

or

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

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

or

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

1.5 in respect of air transits, on the expiry of 30 days after unloading the subject-matter insured from the aircraft at the final place of discharge,

whichever shall first occur.

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

Section 6 - Claims

When an insured event happens which may give rise to a claim under this insurance the Insured must take the following steps:

1. Immediate action
 - To do everything reasonable to avoid or minimise any loss or damage
 - To report to the police any theft discovered
 - To inform the Company of the event by phone, fax or email
 - To submit to the Company full details of the occurrence, documentation and correspondence with the owners of the merchandise or any third party and of any other insurance covering the merchandise pertaining to the event as soon as possible.

2. Actions to protect rights in relation to the event
 - To reject liability in accordance with the Insured's contract of carriage and/or
 - To hold any third party liable for loss of or damage to the merchandise by a written notice

Section 7 - Cancellation

This insurance may be cancelled by the Insured at any time by giving the Company notice in writing.

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

Upon cancellation of this insurance, the Company will refund a pro-rata proportion of the premium received for the period of insurance. When the premium is based on estimated gross freight earnings which is required to be declared to us any refund applicable will only be made after the gross freight earnings has been declared for the period in which this insurance was in force.