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Goods in Transit Policy

1 INTRODUCTION

Thank you for purchasing insurance from The New India Assurance Company Limited.

1.1 *Your insurance policy:*

Your insurance policy consists of:

- **Your** proposal and any other information **you** supplied **us**, and
- This policy wording, and
- The policy **schedule**

1.2 *Premium*

Once **you** have paid, or agreed to pay, the premium, **we** will insure **you** on the terms set out in this policy.

1.3 *Your duty of disclosure*

When arranging this insurance, **you** must tell **us** everything **you** know (or could be reasonably expected to know) that a prudent insurer would want to take into account in deciding:

- Whether to accept **your** proposal, and
- If so, on what terms.

Examples of what **you** must tell **us** include:

- Anything that increases the risk of a claim
- Any criminal offending or convictions
- Any previous insurance claims
- Any refusal by another insurer to insure **you** on standard terms, or to continue to insure **you** on standard terms.

You must also tell **us** this every time this policy renews, and when **you** make any changes to it.

If **you** fail to do this, **we** may avoid the policy back to when it started as if **you** were never insured at all.

2 GENERAL CARGO

You only have cover under this General Cargo section if it is shown in the **schedule**.

2.1 Insuring Clause

You have the Cover described below that is named in the **schedule**:

2.1.1 Cover 1 - All Risks

We will indemnify **you** against **accidental loss** to the **insured property**, occurring during the **period of insurance** in New Zealand.

2.1.2 Cover 2 - Named Perils

We will indemnify **you** against **accidental loss** to the **insured property** caused by the following perils:

- (a) Fire, or
 - (b) Theft, or
 - (c) An **accident** to the conveying vehicle or craft,
- occurring during the **period of insurance** in New Zealand.

2.1.3 Cover 3 - Single Peril

We will indemnify **you** against **accidental loss** to the **insured property** caused by an **accident** to the conveying vehicle or craft, occurring during the **period of insurance** in New Zealand.

2.2 Automatic Extensions

Where **you** are covered under Covers 1, 2 or 3 above, **you** are also indemnified for:

- 2.2.1 **Your** liability for general average and salvage charges according to the contract of carriage.
- 2.2.2 **Your** liability under the 'Both to Blame Collision' clause under the contract of carriage.
- 2.2.3 The cost of disposal, removal or destruction of the **insured property** following the **loss**, up to a maximum of \$5,000. This policy does not cover any cost or expense in connection with pollution or contamination, pollution clean up costs, fines or penalties.
- 2.2.4 Airfreight and incidental costs and charges incurred to expedite the repair or replacement of the **insured property** after a claim, up to a maximum of \$5,000.

- 2.2.5 The reasonable cost of safeguarding and recovering the **insured property**, where such costs prevent or minimise the **loss**.

2.3 Exclusions

Covers 1, 2 and 3 do not insure:

2.3.1 **Loss** of the **insured property** arising from:

- (a) insufficient or unsuitable packing, protection or preparation. This includes packing, protection or preparation carried out by **you**, or under **your** instruction, before the commencement of this policy
- (b) unfitness of the conveyance, container or lift van
- (c) dismantling, erecting and/or testing of the **insured property**
- (d) moths, vermin, wear and tear, gradual deterioration, ordinary leakage, ordinary loss in weight inherent vice or nature of the **insured property**
- (e) delay
- (f) confiscation or detention by officials or authorities
- (g) loss of originality and/or depreciation following repair
- (h) any hostile act by or against a belligerent power, capture, seizure, arrest, restraint or detainment (piracy excepted), and the consequences thereof or any attempt thereat
- (i) derelict mines, torpedoes, bombs or other derelict weapons of war whilst the **insured property** is on land

2.3.2 **Loss** directly or indirectly caused by any of the following:

- (a) War, invasion, act of foreign enemy, hostilities or warlike operations (whether war is declared or not), civil war, mutiny, rebellion, revolution, insurrection, military or usurped power,
- (b) Confiscation, nationalisation, requisition or destruction of, or damage to property by order of government, public or local authority (unless the order is given to control any **loss** that is covered by this section),
- (c) Nuclear power generation,
- (d) Nuclear weapons material,
- (e) Ionising radiations or contamination by radioactivity from any nuclear fuel, or from any nuclear waste from the combustion of nuclear fuel. Solely for the purpose of this exclusion, combustion shall include any self-sustaining process of nuclear fission.

2.3.3 **Loss** directly or indirectly caused by, resulting from or in connection with:

- (a) An **act of terrorism** regardless of any other cause or event contributing concurrently or in any other sequence to the loss, damage, death, injury, illness, liability, cost or expense.
- (b) Any action taken in controlling, preventing, suppressing or in any way relating to an **act of terrorism**.

2.4 Basis of Settlement

2.4.1 Packaging

- (a) After delivery of the **insured property**, you must open up the packaging and examine the contents within 15 days.
- (b) If a **loss** has occurred **you** must arrange for a survey, and notify **us** as soon as possible.
- (c) Any packaging showing external damage, wetting and/or staining must be opened immediately and all possible steps must be taken to minimise any **loss**. All packaging materials must be retained by **you** until **we** authorise disposal.

2.4.2 Method of indemnity

We will indemnify **you** by whichever of the following options **we** choose:

- (a) **we** will pay the cost of repairs to restore the property to the condition it was in immediately prior to the **loss** (**you** will be asked to contribute to this cost if the repairs will substantially improve the item), or
- (b) **we** will replace the **insured property** with property of similar condition, or
- (c) **we** will pay the lesser of:
 - (i) the **market value**, and
 - (ii) the sum insured
 for the **insured property**.

2.4.3 Labels

In the event of a **loss** affecting labels only, **we** will only pay the cost of new labels and the cost of re-labelling.

2.4.4 Machinery

- (a) In the event of **loss** to any part of a machine, **we** will only pay:
 - (i) in respect of new machinery, the cost of replacement or repair of the damaged part, excluding any duty unless the full duty was included in the calculation of the premium.

(ii) in respect of used machinery, such proportion of the cost of replacement of the part damaged as the insured value bears to the value of a new machine.

(b) **We** also pay any additional charges for forwarding and refitting the replacement part or parts if incurred.

(c) In no case shall **our** liability exceed the insured value of the complete machine.

2.4.5 *Constructive Total Loss*

There will be a constructive total loss only when the cost of recovering repairing and forwarding the **insured property** to the destination named in the **schedule** will exceed its **market value** on arrival.

2.4.6 *Excess*

The **excess** shown in the **schedule** will be deducted from the amount of the **loss**.

2.4.7 *EQ Cover*

If any **insured property** is covered under the Earthquake Commission Act 1993, this policy only pays in excess of the cover under that Act.

2.4.8 *Maximum amount payable*

The most **we** will pay under Covers 1, 2 or 3 is \$250,000 in total for any one transit.

3 **LIVESTOCK**

You only have cover under this Livestock section if it is shown in the **schedule**.

3.1 **Insuring Clause**

You have the Cover described below that is named in the **schedule**:

3.1.1 **Cover 1 - Multiple Perils**

We will indemnify **you** against the following occurring to your **livestock** during the **period of insurance** in New Zealand:

(a) Death as a direct result of an external violent **accident**

(b) Theft

(c) Slaughter for humane reasons following an external violent **accident**

(d) Escape as a direct result of:

- fire or explosion
- vessel or craft being stranded, sunk or capsized
- aircraft crashing or being forced to land
- overturning or derailment of land conveyance
- collision or contact of vessel, craft or conveyance with any external object other than water.

3.1.2 Cover 2 - Restricted Perils

We will indemnify **you** against the death of your **livestock** during the **period of insurance** in New Zealand caused by:

- (a) Fire, or
- (b) Flood, or
- (c) **Accident** to, or overturning of, the conveying vehicle.

3.2 Automatic Extensions

Where **you** are covered under Covers 1 or 2 above, **you** are also indemnified for:

- 3.2.1 **Your** liability for general average and salvage charges according to the contract of carriage.
- 3.2.2 **Your** liability under the 'Both to Blame Collision' clause under the contract of carriage.
- 3.2.3 The cost of disposal, removal or destruction of the **livestock** following the claim, up to a maximum of \$5,000. This policy does not cover any cost or expense in connection with pollution or contamination, pollution clean up costs, fines or penalties.
- 3.2.4 The reasonable cost of safeguarding and recovering the **livestock**, where such costs prevent or minimise the claim.

3.3 Exclusions

Covers 1 and 2 do not insure:

- 3.3.1 Loss or death of the **livestock** arising from:
 - (a) the **livestock** being in a prurient state
 - (b) the **livestock** being in an unfit condition to travel
 - (c) delay
 - (d) confiscation or detention by officials or authorities
 - (e) transits that commence outside New Zealand

- (f) any hostile act by or against a belligerent power, capture, seizure, arrest, restraint or detainment (piracy excepted), and the consequences thereof or any attempt thereat
- 3.3.2 Loss or death of the **livestock** directly or indirectly caused by any of the following:
- (a) War, invasion, act of foreign enemy, hostilities or warlike operations (whether war is declared or not), civil war, mutiny, rebellion, revolution, insurrection, military or usurped power,
 - (b) Confiscation, nationalisation, requisition or destruction of, or damage to property by order of government, public or local authority (unless the order is given to control any loss or death that is covered by this section),
 - (c) Nuclear power generation,
 - (d) Nuclear weapons material,
 - (e) Ionising radiations or contamination by radioactivity from any nuclear fuel, or from any nuclear waste from the combustion of nuclear fuel. Solely for the purpose of this exclusion, combustion shall include any self-sustaining process of nuclear fission.
- 3.3.3 Loss or death of the **livestock** directly or indirectly caused by, resulting from or in connection with:
- (a) An **act of terrorism** regardless of any other cause or event contributing concurrently or in any other sequence to the loss, damage, death, injury, illness, liability, cost or expense.
 - (b) Any action taken in controlling, preventing, suppressing or in any way relating to an **act of terrorism**.

3.4 Basis of Settlement

3.4.1 Code Compliance

You must ensure that the transportation of the **livestock** complies with all laws and official codes of practice for the transport of **livestock**.

3.4.2 Method of indemnity

We will indemnify **you** by paying the lesser of:

- (a) the **market value**, and
- (b) the sum insured

for the **livestock** lost.

3.4.3 Excess

The **excess** shown in the **schedule** will be deducted from the amount of the claim.

3.4.4 *Maximum amount payable*

- (a) The most **we** will pay under Covers 1 or 2 is \$250,000 in total for any one transit.
- (b) The most **we** will pay under Covers 1 or 2 is \$25,000 in relation to any one animal lost.

4 **FRESH, CHILLED AND FROZEN PRODUCT**

You only have cover under this Fresh, Chilled and Frozen Product section if it is shown in the **schedule**.

4.1 **Insuring Clause**

You have the Cover described below that is named in the **schedule**:

4.1.1 **Cover 1 - Multiple Perils**

We will indemnify **you** against **accidental loss** of the **product** during the **period of insurance** in New Zealand, but excluding **loss** resulting from temperature variation, unless this arises from:

- (a) breakdown of the refrigerating machinery for a period of more than 4 consecutive hours
- (b) fire or explosion
- (c) earthquake or volcanic eruption
- (d) vessel being stranded, grounded, sunk or capsized
- (e) overturning or derailment of land conveyance
- (f) collision or contact of vessel, craft or conveyance with any external object other than water
- (g) discharge of cargo at a port of distress.

4.1.2 **Cover 2 - Restricted Perils**

We will indemnify **you** against **accidental loss** of the **product** during the **period of insurance** in New Zealand caused by:

- (a) Fire, or
- (b) Flood, or
- (c) **Accident** to, or overturning of, the conveying vehicle.

4.2 Automatic Extensions

Where **you** are covered under Covers 1 or 2 above, **you** are also indemnified for:

- 4.2.1 **Your** liability for general average and salvage charges according to the contract of carriage.
- 4.2.2 **Your** liability under the 'Both to Blame Collision' clause under the contract of carriage.
- 4.2.3 Airfreight and incidental costs and charges incurred to expedite the repacking or replacement of the **product** following a covered claim, up to a maximum of \$5,000.
- 4.2.4 The cost of disposal, removal or destruction of the **product** following the claim, up to a maximum of \$5,000. This policy does not cover any cost or expense in connection with pollution or contamination, pollution clean up costs, fines or penalties.
- 4.2.5 The reasonable cost of safeguarding and recovering the **product**, where such costs prevent or minimise the claim.

4.3 Exclusions

Covers 1 and 2 do not insure:

- 4.3.1 **Loss** arising from:
 - (a) **Your** failure to take all reasonable precautions to ensure the **product** is kept in refrigerated or properly insulated and/or ventilated and/or cooled space
 - (b) the absence, shortage or withholding of equipment, power, fuel, coolant, refrigerant or labour of any description whatsoever resulting from any strike, lockout, labour disturbance, riot or civil commotion
 - (c) the natural process of maturing and/or ageing of the **product**
 - (d) insufficient or unsuitable packing, protection or preparation. This includes packing, protection or preparation carried out by **you**, or under **your** instruction, before the commencement of this policy
 - (e) a conveyance, container or lift van that is not fit for the purpose
 - (f) inherent vice or nature of the **product**
 - (g) delay or loss of market
 - (h) confiscation or detention by officials or authorities
 - (i) transits that commence outside New Zealand
 - (j) any hostile act by or against a belligerent power, capture, seizure, arrest, restraint or detainment (piracy excepted), and the consequences thereof or any attempt thereat

4.3.2 **Loss** directly or indirectly caused by any of the following:

- (a) War, invasion, act of foreign enemy, hostilities or warlike operations (whether war is declared or not), civil war, mutiny, rebellion, revolution, insurrection, military or usurped power,
- (b) Confiscation, nationalisation, requisition or destruction of, or damage to property by order of government, public or local authority (unless the order is given to control any **loss** that is covered by this section),
- (c) Nuclear power generation,
- (d) Nuclear weapons material,
- (e) Ionising radiations or contamination by radioactivity from any nuclear fuel, or from any nuclear waste from the combustion of nuclear fuel. Solely for the purpose of this exclusion, combustion shall include any self-sustaining process of nuclear fission.

4.3.3 **Loss** directly or indirectly caused by, resulting from or in connection with:

- (a) An **act of terrorism** regardless of any other cause or event contributing concurrently or in any other sequence to the loss, damage, death, injury, illness, liability, cost or expense.
- (b) Any action taken in controlling, preventing, suppressing or in any way relating to an **act of terrorism**.

4.4 **Basis of Settlement**

4.4.1 *Method of indemnity*

We will indemnify **you** by paying the lesser of

- (a) the market value, and
- (b) the sum insured

for the **product** lost.

4.4.2 *Constructive Total Loss*

There will be a constructive total loss only when the cost of recovering, reconditioning and forwarding the **product** to the destination named in the **schedule** will exceed its **market value** on arrival.

4.4.3 *Labels*

In the event of a **loss** affecting labels only, **we** will only pay the cost of new labels and the cost of re-labelling.

4.4.4 *EQ Cover*

If any **insured property** is covered under the Earthquake Commission Act 1993, this policy only pays in excess of the cover under that Act.

4.4.5 *Excess*

The **excess** shown in the **schedule** will be deducted from the amount of the **loss**.

4.4.6 *Maximum amount payable*

The most **we** will pay under Covers 1 or 2 is \$250,000 in total for any one transit.

5 **CLAIMS CONDITIONS - applicable to all sections**

5.1 *Making a claim on this insurance*

You must:

- (a) Tell **us** as soon as **you** are aware of any claim covered under this policy
- (b) Complete **our** claim form in full if requested
- (c) Allow **us** to investigate and inspect the claim
- (d) Provide any other information or assistance which **we** need
- (e) Give **us** permission to obtain personal information which relates to **your** claim held by any other party
- (f) Forward to **us** all relevant information and correspondence
- (g) Provide a statutory declaration to verify the claim if **we** request it
- (h) Lay a complaint with the Police if **you** suspect a crime has been committed,
- (i) Minimise **your** claim, and try to avoid any further claim,
- (j) Take reasonable steps to obtain details of any other person, property or vehicle involved, and any witnesses.

You must not:

- (a) Dispose of any property that **you** intend to claim for under this policy
- (b) Start any repairs without **our** permission unless it is necessary to prevent the claim escalating
- (c) Say or do anything which may prejudice **our** ability to recover the claim from any other person who may be responsible for it.

5.2 *After you have made a claim*

After **you** have made a claim:

- (a) **We** may take over in full any legal right of recovery that **you** have.

- (b) If any lost or stolen property for which **we** have paid a claim is later found or recovered, **you** must:
- Tell **us** immediately, and
 - Hand the property over to **us** if **we** request it.
- (c) **You** must reimburse **us** if **you** receive any money from any person ordered to make reparation to **you**.

5.3 *Dishonest or fraudulent claims*

If **your** claim is dishonest or fraudulent in any way, **we** may decline your claim, wholly or partially and, at **our** discretion, declare that this policy is unenforceable from the date of the dishonest or fraudulent act.

6 **GENERAL CONDITIONS - applicable to all sections**

6.1 *Comply with the policy*

You must meet the following before **we** are obliged to pay **you**:

- 6.1.1 **You** must comply with all the policy terms, and
- 6.1.2 All statements and answers, whether by **you** or anyone else, must be true when **you**:
- Apply for this insurance, and
 - Notify **us** about any change in circumstances, and
 - Make any claim.

These conditions apply to anyone else entitled to claim under the policy.

6.2 *Cancellation*

- 6.2.1 **You** may cancel the policy by giving **us** notice. **We** will refund to **you** the unexpired portion of any premium **you** have already paid to **us**.
- 6.2.2 **We** may cancel this policy at any time by giving notice to **you**. It will be effective from 4.00pm 14 days after the notice is given. The 14-day period starts on the day the notice is delivered or posted. **We** will refund to **you** the unused portion of any premium **you** have already paid to **us**.

6.3 *Change in circumstances*

- 6.3.1 **You** must tell **us** immediately, after the start of the policy, if there is a material fact that **you** know that would:
- Increase in the risk insured, or
 - Alteration in the risk insured.

What we may do if circumstances change

After **you** have told **us** about a change in the risk insured, **we** may amend **your**:

- Premium payable, and/or
- Terms and conditions of this policy.

Those changes will be effective immediately.

What we may do if you do not tell us of changed circumstances

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

- Declare this policy unenforceable, or
- Completely or partially refuse any subsequent claim.

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

6.4 *Double insurance*

6.4.1 **You** must notify **us** immediately of any other insurance policy that covers any of the risks covered under this policy.

6.4.2 If any other insurance policy exists, **we** will only pay over and above the limit payable under that other policy.

6.5 *Goods and Services Tax*

6.5.1 All sums insured in this policy include GST.

6.6 *Governing Law*

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

6.7 *Insurance Law Reform Acts*

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

6.8 *Notices*

6.8.1 Notices from **you** to **us** must be delivered personally, posted or emailed to **us**.

6.8.2 Notices from **us** to **you** must be delivered personally, posted or emailed to **your** last known postal address

6.9 *Take reasonable care*

6.9.1 **You**, and anyone else covered under this policy, must take reasonable care to avoid circumstances that may result in a claim.

6.9.2 **Your** claim will not be covered if **you** are reckless or grossly irresponsible.

6.10 *Acts of Parliament*

6.10.1 Where this policy refers to any Act of Parliament, this includes any Statutory Regulations made under it. It also includes any Act or Regulations enacted in substitution.

6.11 *Separate insurance*

6.11.1 If more than one person or entity is named as 'Insured' in the **schedule**, then all the parties are insured separately (as though a separate policy had been issued to each person/entity).

6.11.2 However, the limits contained in this policy are the most **we** pay to all persons and entities combined.

6.12 *Headings*

6.12.1 Headings in this policy are for ease of reference only. They do not form part of the policy, and are not to be used as an aid to interpretation.

7 **DEFINITIONS - applicable to all sections**

7.1 These words (and any derivatives) marked in **bold** throughout the policy are defined as follows:

Accident means an event or omission that is unexpected and unintended from **your** point of view.

Act of terrorism means an act, including but not limited to the use of force or violence and threat of any person or group, whether acting alone or on behalf of or in connection with any organisation or government that from its nature or context is done for, or in connection with political, religious, ideological, ethnic or similar purposes or reasons, including the intention to influence any government and, or, to put the public or any part of the public in fear.

Excess means the amount stated in the policy or shown in the **schedule**.

Insured property means general cargo of every description, excluding:

- Cash, notes bonds and securities of any kind
- Precious metals
- Household goods and personal effects
- Buildings
- Live fish, birds, animals and plants
- Livestock and bloodstock
- Motor vehicles, motor cycles, boats, caravans, boat trailers and personal watercraft

- Perishable and temperature sensitive cargo
- Stamp, coin, medal and other collections or group of items whose collective value is enhanced by being a part of that group
- Any kind of watches or jewellery
- Goods where the transit commenced outside New Zealand

Livestock means any livestock excluding:

- bloodstock,
- any animal exceeding \$25,000 in value,
- any one transit where the combined value exceeds \$250,000

Loss means physical loss, physical damage or physical destruction.

Market value means the new replacement cost, less a fair allowance for depreciation based on age, use and condition.

Period of insurance (General Cargo section only) means:

- For **insured property** other than machinery:
 - From the time the **insured property** is uplifted from the ground or loading dock alongside the conveyance at the place shown in the **schedule**, and
 - During the ordinary course of its transit, and
 - Until delivery at the place shown in the **schedule** once the **insured property** has been lifted from the conveyance and placed on the ground alongside the conveyance, or if the **insured property** is not promptly removed from the conveyance at the final destination, until arrival of the conveyance at the final destination.
- For **insured property** that is machinery:
 - From the time the **insured property** is lifted from its bed at the place shown in the **schedule**. However, if it is not immediately placed on the land conveyance, then from the time it is loaded onto the land conveyance, and
 - During the ordinary course of its transit, and
 - Until the **insured property** is off-loaded from the land conveyance at the place shown in the **schedule** and taken to its final resting bed there. However, if it is not immediately taken to its final resting bed, then until it is placed on the ground beside the land conveyance at the place shown in the **schedule**.

Period of insurance (Livestock section only) means from the time the **livestock** is uplifted at the place shown in the **schedule**, and during the ordinary course of transit, and until delivery at the place shown in the **schedule**.

Period of insurance (Fresh, Chilled and Frozen Product section only) means:

- From the time the **product** is uplifted from the ground or loading dock alongside the conveyance at the place shown in the **schedule**, and
- During the ordinary course of its transit, and
- Until delivery at the place shown in the **schedule** once the **product** has been lifted from the conveyance and placed on the ground alongside the conveyance, or if the **product** is not promptly removed from the conveyance at the final destination, until arrival of the conveyance at the final destination.

Product means fresh, chilled or frozen product of any description, **excluding**:

- Non-temperature controlled product transported by sea
- Product that commenced transit outside New Zealand
- Product exceeding \$250,000 in value.

Schedule means the most recent schedule to this policy that **we** issued to **you**.

We/us/our means The New India Assurance Company Limited.

You means the person or entity named in the **schedule** as 'Insured'.