

Goods in Transit Insurance**Product Disclosure Statement & Policy Wording**

1. Product Disclosure Statement

About Your Policy

This Product Disclosure Statement ("PDS"), this Policy (as set out below), any endorsements, or other documentation that may be issued or provided from time to time, set out the contract between the Insurer and the Insured and should be read as one document. Any word or expression to which a specific meaning has been given shall have the same meaning wherever it may appear unless otherwise specifically stated.

Throughout this Policy wording and PDS the Insured can also be referred to as "You" or "Your" and the Insurer as "We", "Us" or "Our".

You should read this PDS and this Policy carefully to determine Your rights and duties and what is and is not covered. If You think that any details contained in these documents are not correct or if You need to change anything, You should tell Us.

You agree to pay Us the Premium (if any) and comply with the responsibilities described in this Policy.

Insurers and the underwriting arrangement

Access Underwriting Management Pty Ltd, AFSL 306931 ABN 38 119 008 301 has been authorised by Chartis in terms of a binder arrangement to act as its agent and not as your agent in entering into contracts on its behalf (but not to provide Financial Product Advice or to administer claims).

About Chartis Australia

This insurance is issued by:-

Chartis Australia Insurance Limited

ABN 93 004 727 753

AFSL 381686 Chartis issues/insures this product pursuant to an Australian Financial Services Licence ("AFSL") granted to Us by the Australian Securities and Investments Commission. Chartis prepared this Product Disclosure Statement. All Retail Clients are required to be provided with a PDS provided by the product issuer/Insurer.

Retail Clients

A "Retail Client" means an individual or small business. Small Business means:

1. A manufacturing entity with 100 employees or fewer
2. A non-manufacturing entity employing 20 individuals.

Date Prepared

This PDS was prepared on 1st March 2011.

What is the Product Disclosure Statement?

This PDS contains information about key benefits and significant features of this Goods in Transit Insurance. The purpose of this PDS is to assist You in Your purchasing decision and ability to compare this product with other insurance. This document also contains important information about Your rights and obligations including the Duty of Disclosure and the Cooling Off Period for Retail Clients.

Goods in Transit Insurance**Product Disclosure Statement & Policy Wording**

The terms and conditions of this insurance are contained in the Policy wording.

Based on the information provided by You when You applied for this insurance and subject to You having paid the required premium (if any), We agree to insure You during the period whilst Your goods are in transit.

Important Information

Conditions, Exclusions and other Terms

Depending on the circumstances, You may have to comply with certain conditions, there may also be limitations on the amount We will pay You, and sometimes there may be no cover under this Policy.

Below is a summary of the important provisions of this Policy. However, please read this Policy carefully for full details about lodging a claim, the benefits, terms, conditions, exclusions and definitions that apply to this Policy.

Summary of Cover

This Goods in Transit insurance (within Australia) Policy is designed to cover a single transit movement of goods or merchandise (new and second-hand) as well as the packing where necessary for commercial purposes. This Policy includes the following cover:

- Generally for new goods, all risk cover for accidental physical loss or damage occurring during the course of the insured transit.
- For Second-hand Items, Factory Seconds, Food, Beverages & Perishables cover is provided if there is a defined event causing the loss including fire, explosion, lightning or flood and theft occurring during the course of the insured transit.

However, Section 3 of the Policy wording excludes certain types of goods such as livestock, documents, manuscripts, cash equivalents and precious stones.

The amount We will pay out for a loss is generally determined as the lesser of

- the cost of repairing or reinstating the goods to a condition equal to but no better or more extensive than its condition immediately prior to the loss or damage, or
- the cost of replacing the goods with similar items of the same age and condition or as near as possible to the age and condition, or
- the original purchase price of the goods.

However please read Section 5 carefully which contains additional conditions and terms as to the calculation of the amount We may pay out. These terms and conditions may impact the amount which is actually paid out by Us.

Settlement may include the costs of the associated freight and insurance.

Section 8 of this Policy lists the General Conditions that apply to cover under the Policy.

Section 10 of this Policy contains a General Definition Section.

There are some circumstances where cover cannot be provided. Please take special note of the exclusions specified in Section 7. The exclusions include any loss or damage arising from inherent vice or wear and tear. There may be other exclusions found in other sections of this Policy.

The PDS and the Policy also contains important information about Your rights and obligations including information about Privacy and the General Insurance Code of Practice.

Change of Risk or Circumstances

You should advise Us as soon as practicable of any change to Your circumstances or goods to be covered under the Policy such as but not limited to changes in quality or quantity of the goods, the location of the goods, the destination of the goods or the mode of transport.

Cooling Off Period

You may return the Policy to Us within 14 days of acceptance provided that no claim has arisen or the Carrier accepts or collects the goods for transit, whichever occurs earlier.

If You are entitled to return the Policy within the 14 day period We will cancel the Policy and refund in full premium You may have paid (if any).

Subrogation

This Policy contains provisions which enable us to assume any rights of recovery You or any other insured person may have against a third party in respect of a covered loss.

Code of Practice

Chartis is a signatory to the General Insurance Code of Practice. This aims to raise the standards of practice and service in the insurance industry, improve the way the claims and complaints are handled and help people better understand how general insurance works. Information brochures on the Code are available on request.

Privacy

Chartis is bound by the National Privacy Principles. The National Privacy Principles apply to any personal information collected by Us.

Purpose of Collection

We collect personal information about You for the purposes of underwriting and administering Your Policy and to advise You of Our products. Failure to provide relevant information or failing in Your duty of disclosure may result in Us either declining cover, cancelling the cover, reducing the level of cover, not being able to administer this Policy, process any claim or You may breach Your duty of disclosure.

Disclosure

In the course of administering Your Policy We may disclose Your information to:

- another member of the Chartis group of companies or other entity to which Chartis is related either in the Commonwealth of Australia or overseas;
- contractors or third party providers providing services related to the administration of Your Policy;
- banks and financial institutions for the purpose of obtaining payments under this Policy;
- in the event of a claim assessors, lawyers, third party administrators, emergency providers, medical providers, retailers, travel carriers; and
- third party service providers to enable Us to advise You of Our insurance products or services.

We will only disclose Your personal information to these parties for the primary purpose for which it was collected or to enable Us to advise You of Our insurance products or services. In some circumstances We are entitled to disclose Your personal information to third parties without Your authorisation such as law enforcement agencies or government authorities.

Any calls You may make to Us or any assistance provider may be recorded for quality assurance training and verification purposes.

By providing Your personal information and paying the premium (if any), You consent to the use of Your personal information as stated in the PDS.

Access to Your Information

You may gain access to Your information by submitting a written request to Us. In some circumstances We may not permit access to Your personal information. Circumstances where access may be denied include where it would compromise the privacy of other individuals, or where it would be unlawful.

Complaints

We have established an internal dispute resolution process for handling customer complaints and an access and correction procedure. Both procedures are generally free of charge however We reserve the right to charge for access requests in limited circumstances.

If You feel You have a complaint about Our information privacy principles, require assistance in lodging a privacy complaint or You wish to gain access to Your information, You may write to:

The Privacy Manager
Level 12, 717 Bourke Street,
Docklands VIC 3008
Email: Australia.privacy.manager.@chartisinsurance.com

Your complaint will be reviewed and You will be provided with a written response. If it cannot be resolved, Your complaint will be referred to Our Internal Disputes Resolution Committee who will respond within 15 business days. In either case the matter will be reviewed by a person or persons with appropriate authority to deal with the complaint.

Should Your complaint not be resolved by Our internal dispute resolution process, You may take Your complaint to the Privacy Commissioner for review of the determination.

Dispute Resolution Process

We are committed to handling any complaints about Our products or services efficiently and fairly.

If You have a complaint:

- contact Temando Pty Limited at www.temando.com/support and complete the relevant form.
- if Your complaint is not satisfactorily resolved You may request that Your matter be reviewed by management by writing to:

The Compliance Manager
Chartis Australia Insurance Limited
GPO Box 9933 Melbourne, VIC 3001
You can also telephone us on 1800 030 886.

- if You are still unhappy, You may request that the matter be reviewed by Our Internal Dispute Resolution Committee. We will respond to You with the Committee's findings within 15 business days.
- if You are not satisfied with the finding of the Committee, You may be able to take Your matter to the insurance industry's independent dispute resolution body. This external dispute resolution body can make decisions with which We are obliged to comply.

Goods and Services Tax (GST)

The amount of premium payable for this Policy also includes an amount on account of GST.

The sums insured under this Policy exclude GST.

When We make a payment under this Policy for the acquisition of goods, services or other supplies We will reduce the payment by the amount of any input tax credit that You are or would have been entitled to if You made a relevant acquisition.

Where You are registered for GST You must tell us Your correct input tax credit entitlement. Any fines or penalties arising from Your incorrect advice are payable by You.

2. Insuring Agreement

In consideration of the Insured paying the Insurer the agreed Premium (if any) and in reliance upon the statements made to the Insurer, including any consignment note setting out the details of the Insured Transit, and the material incorporated therein the Insurer agrees to provide insurance in the manner hereinafter provided.

3. Insured Goods

- 3.1. Except as provided in Section 3.2 below, this Policy covers Goods during the ordinary course of an Insured Transit performed by a Carrier within Australia for the Risks Covered as more specifically set out in Section 6.
- 3.2. Notwithstanding anything contained or implied in this Policy to the contrary, in no case shall this Policy cover loss of or damage to the Goods, consisting of the following intangible items, items or interests:
 - 3.2.1 deeds and/or securities and/or treasury notes and/or tickets and/or vouchers and/or stamps and/or duty stamps and/or any other cash equivalents whatsoever
 - 3.2.2 designs and/or patterns and/or plans and/or manuscripts and/or any other documents whatsoever
 - 3.2.3 electronic data or computer software that is stored on computers or stored on other hardware
 - 3.2.4 livestock and/or bloodstock and/or other living creatures
 - 3.2.5 money of every description
 - 3.2.6 Precious Metals, Precious Stones and Semi-precious Stones. This does not serve to exclude the insurance of items made from or containing Precious Metals, Precious Stones and Semi-precious Stones.

4. Insured Transit

- 4.1 Cover under this Policy commences from the time the Goods are accepted by the Carrier for transit at the origin address specified on the consignment note.
- 4.2 Cover under this Policy ceases either
 - 4.2.1 from the time the Goods are accepted by the consignee or their representative at the delivery address specified on the consignment note
 - or
 - 4.2.2 if the consignee or their representative are not available to accept delivery or decline to accept delivery of the Goods, or the Carrier is unable to effect delivery at the specified delivery address, then cover ceases upon the Goods being delivered to and/or left at an alternative place or premises that is either specified by the consignee or their representative, or at another place or premises elected by, and at the sole discretion of, the Carrier.

5. Basis of Loss Settlement

- 5.1. The amount payable to the Insured by the Insurer in respect of loss recoverable under this Policy for Goods as a result of the risks covered under Section 6 and subject to the terms, conditions, limitations and the maximum limit of liability as set out in 5.7 is the lesser of
- 5.1.1 the cost of repairing or reinstating the Goods to a condition equal to but no better or more extensive than its condition immediately prior to the loss or damage, or
 - 5.1.2 the cost of replacing the Goods with similar items of the same age and condition or as near as possible to the age and condition, or
 - 5.1.3 the original purchase price of the Goods.
- 5.2. Settlement shall include the costs of the associated freight and insurance.
- In respect of partial loss of Goods, the Insurer's liability for the costs of freight and insurance shall be the same proportion of such costs as the loss amount bears to the total insured value of the Goods.
- 5.3. Where any Good consists of or is made up of more than one item in a pair or set, this Policy shall not pay more than the value of the one item of the pair or set which may be lost or damaged without reference to any special value which such article may have as part of such pair or set, nor more than a proportionate part of the insured value of such pair or set. In no case shall the liability of the Insurer exceed the insured value of the complete set.
- 5.4. In the event of loss of or damage to any part of a Second-hand item caused by a risk covered under Section 6.1 of this Policy, the amount recoverable shall not exceed such proportion of the cost of replacement or repair of such part as the insured value bears to the value of a new item, plus additional charges for transport and refitting the new part, if incurred.
- 5.5. All amounts insured by this Policy, together with any claim settlement under this Policy, exclude any and all mandatory fiscal charges and/or taxes, including GST. In relation to claims and/or policies that attract any mandatory fiscal charges and/or taxes, if there is a shortfall between the component of the claim covering the mandatory fiscal charges and/or taxes and the amount of input tax credit to which the Insured is entitled, the Insurer shall pay this shortfall in addition to the claims settlement.
- 5.6. The amount payable under this Policy for the acquisition of goods, services or other supplies will be reduced by the amount of any input tax credit that the Insured is or would have been entitled to if the Insured made a relevant acquisition.
- If the Insured is registered for GST the Insured has an obligation to notify the Insurer of any input tax credit entitlement. Any fines or penalties arising from the provision of incorrect advice in this regard are payable by the Insured.
- 5.7. Notwithstanding anything contained or implied to the contrary in this Policy, in no case shall the liability of the Insurer and/or the maximum amount payable to the Insured exceed an amount of AUD100 000,00.

6. Risks Covered

6.1 **Second-hand Items, Factory Seconds, Food, Beverages & Perishables:**

Subject always to the Policy Exclusions (see Section 7), cover in respect of Goods which are Second-hand Items, Factory Seconds, food, beverages and all Goods of a perishable nature is only against accidental physical loss of or damage to the Goods caused by either

- 6.1.1 fire
- 6.1.2 explosion
- 6.1.3 flood
- 6.1.4 earthquake volcanic eruption or lightning
- 6.1.5 theft, pilferage or non-delivery
- 6.1.6 collision of the carrying conveyance with another conveyance or fixed structure (excluding roads)
- 6.1.7 overturning or derailment of land conveyance
- 6.1.8 malicious damage by a third party
- 6.1.9 impact damage to the Goods during loading and unloading operations

occurring during the course of an Insured Transit.

6.2 **All Other Goods:**

Subject always to the Policy Exclusions (see Section 7), cover in respect of all other Goods (**not falling under Section 6.1**) is against all risks of accidental physical loss of or damage to the Goods occurring during the course of an Insured Transit.

7. Exclusions

Notwithstanding anything contained or implied in this Policy to the contrary, in no case shall this Policy cover any actual or alleged loss damage liability or expense directly or indirectly caused by or contributed to by or arising from:

- 7.1 the neglect or wilful misconduct or wrongful act or omission of the Insured or the wilful act of a third party which was committed with the Insured's express or implied knowledge connivance or consent
- 7.2 inherent vice or latent defect or nature of the Goods
- 7.3 evaporation and/or ordinary loss of weight or volume
- 7.4 ordinary leakage, wear and tear or gradual deterioration of the Goods
- 7.5 pre-existing damage to the Goods
- 7.6 delay, even if the cause of the delay is a risk specified in Section 6.
- 7.7 the mechanical and/or electrical and/or electronic breakdown or malfunction or impairment of the Goods unless there are outward visible signs of damage to the Goods or its packaging and the cause of such damage is a risk specified in Section 6.
- 7.8 the rusting, oxidisation, discolouration and/or pitting of the Goods howsoever caused
- 7.9 the insufficient or inadequate or improper packing and/or labelling and/or addressing of the Goods if performed by the beneficiary of this insurance
- 7.10 dampness or dryness of atmosphere and/or changes in atmospheric or climactic conditions and/or extremes of temperature
- 7.11 moulds, moth, insects, rats or other vermin

(Continued ...)

- 7.12 any indirect and/or consequential and/or financial or economic loss or damages whatsoever suffered by any party
- 7.13 confiscation or requisition or embargo or nationalisation or destruction by any government or public or local authority
- 7.14 war, civil war, revolution, rebellion, insurrection or civil strife arising therefrom, or any hostile act by or against a belligerent power; confiscation or expropriation; capture, seizure, arrest, restraint or detainment and the consequences thereof or any attempt thereat; derelict mines, torpedoes, bombs or other derelict weapons of war
- 7.15 ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel; the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof; any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter; the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter; any chemical, biological, bio-chemical, or electromagnetic weapon
- 7.16 any terrorist act or any person acting from a political or ideological motive; strikers, locked-out workmen, or person taking part in labour disturbance, riots or civil commotions
- 7.17 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
- 7.18 any act of any person acting on behalf of, or in connection with any organisation which carries out activities directed towards overthrowing or influencing by force of violence any government whether or not legally constituted.
- 7.19 Motor Vehicles and boats of any kind (note, this does not mean car parts, which can be covered).

8. General Conditions

8.1 Australian Law & Practice

This Policy is subject to and governed by and construed in accordance with Australian law and the Australian courts shall have exclusive jurisdiction in any dispute arising hereunder.

8.2 Subrogation

8.2.1 When a claim is settled, the Insurer has a right to pursue recovery rights against the Carrier or any third party who caused loss or damage to the Goods. The Insured agrees the Insurer may act in its name in such recovery action and will if necessary assign and subrogate to the Insurer all rights and claims against the Carrier or any third party and permit suit to be brought in the Insured's name but at the Insurer's expense.

The Insured shall render all reasonable assistance in the prosecution of said suit.

8.2.2 Notwithstanding the Insured's rights to indemnity or subrogation, the Insured consents to the Insurer lodging a letter of demand with the Carrier for and on its behalf.

9. Claims

9.1 Claims Notification

The Insured must provide the Insurer with written notification of any occurrence that may give rise to a claim within 30 days or as soon as is practicable after the date of the occurrence. The following steps should apply:

The Insured must enter the Temando website at www.temando.com/support and complete the claim form. Once the form has been completed and you press the submit button, the claim form will automatically be directed to the Insurer with relevant documentation pertaining to your claim.

9.2 General Claims Provisions

- 9.2.1 The Insured shall exercise the utmost good faith in making any claim against this Policy.
- 9.2.2 The Insured shall take reasonable steps to prevent or minimise any loss or claim which may be recoverable under this Policy.
- 9.2.3 All rights against carriers and/or bailees and/or sub-contractors and/or other third parties are to properly preserved and exercised by the Insured.
- 9.2.4 In order to recover under this Policy that Insured must have suffered a pecuniary or economic loss by reason of the damage to or loss of Goods arising from a risk specified in Section 6.
- 9.2.5 It is a condition of this Policy that all losses resulting from theft or where theft may reasonably be suspected shall be reported to the police immediately.

10. Definitions

For the purposes of this Policy:

- 10.1 Words and expressions in the singular shall include the plural and vice versa.
- 10.2 Words importing the masculine gender only shall include the feminine gender and the words importing persons shall include individuals, partnerships, corporations and associations.
- 10.3 Descriptions in the headings and titles of this Policy are solely for reference and convenience and do not lend any meaning to this Policy or form any part of the terms and conditions of coverage.
- 10.4 Words that are not specifically defined in this Policy have the meaning normally attributed to them.
- 10.5 "Insured" means the natural person, person, corporation and/or other organisation who are bona fide owners of the Goods and/or who has suffered a pecuniary or economic loss by reason of the damage to or loss of Goods arising from a risk specified in Section 6.

Notwithstanding the foregoing, in no case shall this Policy cover the Insured or any beneficiary under this Policy where they are a citizen or instrumentality of the government or, any country(ies) against which any laws and/or regulations governing this Policy and/or the Insurer, its parent company or its ultimate controlling entity have established any embargo or other form of economic sanction which have the effect of prohibiting the Insurer to provide insurance coverage, transacting business with or otherwise offering economic benefits to the Insured or any other beneficiary under this Policy.

No benefits or payments will be made to any beneficiary who is declared unable to receive economic benefits under the laws and/or regulations governing this Policy and/or the Insurer, its parent company or its ultimate controlling entity.

- 10.6 "Carrier" means a courier or other transport company that Temando Pty Ltd has contracted to perform the carriage of the Goods from the origin address to the delivery address within Australia all as specified in the consignment note.
- 10.7 "Endorsement" means a written alteration to this Policy.

- 10.8 "Factory Seconds" means goods that may be scratched or dented or may contain cosmetic blemishes or may have sustained carton or packaging damage or may not be in the original packaging or may have been used for display or demonstration purposes.
- 10.9 "Goods" means all goods and merchandise including where applicable Second hand Items, Factory Seconds and packing where necessary for commercial purposes.
- (Continued ...)
- 10.10 "GST" means Goods and Services Tax.
- 10.11 "Insurer" means Chartis Australia Insurance Limited ABN 93 004 727 753 AFSL 381686 .
- 10.12 "Insured Transit" means the duration of cover provided by this Policy.
- 10.13 "Policy" means this document and Endorsement (if any) all of which are to be read together and any word or expression to which a specific meaning has been given shall have the same meaning wherever it may appear unless otherwise specifically stated.
- 10.14 "Precious Metals" means silver, gold, platinum, palladium, iridium, osmium, rhodium, and ruthenium.
- 10.15 "Precious Stones" means diamonds, emeralds, rubies and sapphires.
- 10.16 "Premium" means the amount (including an amount for GST) which may be payable by the Insured to the Insurer.
- 10.17 "Second-hand Items" means goods which are second-hand and/or used items and/or items which are not new.
- 10.18 "Semi-precious Stones" means amethyst, aquamarine, aventurine, carnelian, garnet, lapis lazuli, opal, pearls, rose quartz, topaz and tourmaline.