

Vero Marine Simply Cargo Wording

V02.0911



**Note: individual policies may not include all the coverage sections
shown in this sample wording**

Schedule



Vero Marine Insurance, an operating division of Vero Insurance New Zealand Limited ("the Company"), in consideration of the payment of the agreed premium by or on behalf of the Assured, will insure against loss damage liability or expense in the manner so provided in this Policy.

This insurance is evidenced by the Schedule, the Institute Clauses, other similar Clauses and Additional Clauses (together, the "Policy").

The Company permits the Assured, or their duly authorised agents, to issue Certificates of Insurance. Insurance cover provided by this Policy so sold or assigned to third parties is limited to the printed clauses of those certificates.

Policy No

The Assured ... and any subsidiary company owned and/or under the control of the named Assured; any duly authorised agent of the named Assured; any entity for whom they have instructions to insure or are responsible for arranging insurance for.

To cover all sendings on and after
("the attachment date")

Policy Limits

This Marine Open Policy is for an open amount but the Company's maximum liability shall not exceed

The Company's liability in respect of any one accident or series of accidents arising from the same event shall not exceed any of the maximum amounts specified above unless as a result of the operation of the Accumulation Clause incorporated in this Policy.

Policy Sub-Limits

Further, the Company's maximum liability under the following Clauses shall not exceed any one accident or series of accidents arising from the same event.

Subject-Matter

...

Other Subject-Matter is held covered at rates of insurance premium, and/or terms and conditions to be specifically agreed. However, for any Subject-Matter to be so held covered, the Company must be advised within 15 days of the Assured becoming aware of the need to provide insurance under this Policy. In any event, for any liability for any claim to be accepted by the Company, the Company must be notified prior to any loss being known by the Assured, any consignee or assignee.

Insured Transit

by approved vessel or aircraft or conveyance.

Basis of Valuation

Exports

Imports

Local

In the event of loss, damage or arrival before declaration of value it is agreed that the basis of valuation shall be the prime cost of the Subject-Matter insured, plus the expenses of and incidental to shipping, the freight for which the Assured is liable, the charges of insurance and the percentage as provided in the basis of valuation.

The prime cost is the cost of the Subject-Matter insured at or about the time of shipment. The usual evidence is 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.

Deductible

No deductible shall apply to claims under the General Average Clause or the "Both to Blame Collision" Clause or Duty of Assured Clause in the Clauses incorporated in this Policy.

Other than the above, or as otherwise provided in this Policy, the deductible(s) stated in the schedule shall be deducted from each and every claim under this Policy.

Other than in respect of the deductibles applicable under the Clauses specified above (signified by *), which only apply to claims under each respective clause and are cumulative on any other deductible, where more than one deductible applies to any claim, the highest deductible shall prevail.

For the purposes of this clause, all loss or damage occurring during any one Insured Transit, as stated in the Schedule, resulting in a claim(s) payable under this Policy shall be treated as one claim.

Claims

In the event of loss or damage for which the Company may be liable, immediate notice must be given to the Company or the Company's Claims Agent.

Claims Agent contact details can be found on the Certificates of Insurance or on the Company's web site

<http://www.veromarine.co.nz>

Any party intending to claim under this Policy or any Certificate of Insurance has a legal duty to minimise any loss or damage to the Subject-Matter insured, or any expense incurred arising from such loss or damage. Further, any party intending to claim or who is a party to the commercial sales transaction involving the Subject-Matter insured must preserve all rights of recourse against transport operators who may be liable under the terms of the contract of transportation. This includes, but is not limited to, notifying the transport operator that damage has been discovered within a certain set period of time, as set out in the contract of transportation or by national or international law or convention and that the Subject-Matter insured is available for inspection by the transport operator.

The Company's Cargo Claims Procedure and Initial Notice of Claim document are to be found at the back of this Policy. These documents are also available on the Company's web site.

Claims are payable either in New Zealand or as agreed, in New Zealand currency or other currency. When claims settlement is required in overseas currency the rate of exchange to be used is the bank selling rate applicable on the day on which the claim is ready for settlement.

Cancellation

This Policy is always open from the attachment date stated in the Schedule, subject to cancellation by either the Assured or the Company on giving written notice as follows:

- i) 48 hours notice in respect of risks covered by Institute War Clauses and Institute Strikes Clauses on sendings to or from the United States of America
- ii) 7 days notice in respect of risks covered by Institute War Clauses and Institute Strikes Clauses other than on sendings to or from the United States of America
- iii) 60 days notice in respect of other risks.

Where there is mutual agreement between the Assured and the Company, cancellation may be effected other than as stated above. In the event that such agreement is sought by either party to the contract, the agreement must be in writing and signed by an authorised representative of the respective parties.

The notice of cancellation will commence from midnight on the day it is issued, but cancellation will not apply to Subject-Matter insured in respect of which the Insured Transit has already commenced at the time the cancellation takes effect.

Jurisdiction and Law & Practice

Any Institute Clause incorporated in this Policy or appearing on any Certificate of Insurance shall be subject to English Law and Practice.

Any dispute, of whatever nature, arising out of or in relation to any other clause incorporated in or matter relating to this Policy shall be determined by court proceedings issued in New Zealand. New Zealand courts shall have exclusive jurisdiction to hear and determine any such Proceedings and resolve any such dispute.

Clauses

Any reference in this Policy to "the Underwriters" or "Insurer" shall be deemed to be reference to the Company, "Peril" to Risk, "Insured" to Assured and "Voyage" to Transit.

The phrase "non-'temperature sensitive' cargo" means cargo that is not, in the normal course of trade or commonly adopted cargo handling practice, transported in temperature controlled or insulated conditions.

The Institute Clauses and other similar Clauses are those current at the inception of this contract. Should such Clauses be revised during the currency of this contract and provided that the Company shall have given at least 30 days notice, then the revised Institute Clauses, or other similar Clauses, shall apply to any Insured Transit attaching subsequent to the date of expiry of that notice.

Contribution

Any liability under this Policy in respect of any destruction of or damage to the Subject-Matter of this insurance shall not exceed its rateable proportion having regard to other insurances, whether marine or fire and whether or not such other insurances are exempted from contributing either by the existence of this insurance or any other. This clause shall not apply in respect of claims payable under the Debris Removal Clause, Difference in Coverage Clause, Extended Attachment Clause or Seller's Interest Clause incorporated in this Policy.

Signed by a duly authorised representative for and on behalf of the Company this xxth day of xx xxxx.

Signature

(Schedule continued)

General Cargo Section

Clauses Applicable to General Cargo

By Surface Transport

- Institute Cargo Clauses (A)
- Institute War Clauses (Cargo) (sendings by Post)
- Institute War Clauses (Cargo)
- Institute Strikes Clauses (Cargo)
- Institute Classification Clause
- Institute Replacement Clause
- Institute Replacement Clause - Proportional Valuation
- Institute Replacement Clause - Obsolete Parts Endorsement
- Deck Cargo Clause
- Machinery Extended Delivery Clause
- Mechanical and/or Electrical Derangement Exclusion Clause
- Strikes Diversion Expenses Clause

By Airfreight

- Institute Cargo Clauses (Air) (excluding sendings by Post)
- Institute War Clauses (Air Cargo) (excluding sendings by Post)
- Institute War Clauses (Cargo) (sendings by Post)
- Institute Strikes Clauses (Air Cargo)
- Institute Replacement Clause
- Institute Replacement Clause - Proportional Valuation
- Institute Replacement Clause - Obsolete Parts Endorsement
- Machinery Extended Delivery Clause
- Mechanical and/or Electrical Derangement Exclusion Clause

Only applicable to imports of non-'temperature sensitive' cargo

- Concealed Damage Clause

(Schedule continued)

Frozen Product Section

Clauses Applicable to Frozen Product

Frozen Food (Excluding Frozen Meat)

By Surface Transport

Institute Frozen Food Clauses (A) (Excluding Frozen Meat)
Frozen Food Extension Clauses
Institute War Clauses (Commodity Trades)
Institute Strikes Clauses (Frozen Food) (Excluding Frozen Meat)
Institute Classification Clause
Loading and Unloading Clause
Strikes Diversion Expenses Clause
Unseaworthiness of Vessel or Craft Clause

By Airfreight

Air Cargo Clauses – Frozen and/or Chilled Product
Institute War Clauses (Air Cargo)(excluding sendings by Post)
Institute Strikes Clauses (Air Cargo)
Loading and Unloading Clause

Frozen Meat

By Surface Transport

Institute Frozen Meat Clauses (A) (not suitable for chilled, cooled or fresh meat)
- with Clause 4.8 amended by the addition of "occurring prior to the Subject-Matter insured being loaded into the conveyance at the freezing works or cold store at the place named herein for the commencement of the transit", after "therefrom"
- with Clause 8.1.2 as the attachment clause
IMTA Frozen Meat Extension Clauses (For use only with the Institute Frozen Meat Clauses (A) 1/1/86)
Institute War Clauses (Commodity Trades)
Institute Strikes Clauses (Frozen Meat) (not suitable for chilled, cooled or fresh meat)
- with Clause 3.11 amended by the addition of "occurring prior to the Subject-Matter insured being loaded into the conveyance at the freezing works or cold store at the place named herein for the commencement of the transit", after "therefrom"
- with Clause 5.1.2 as the attachment clause
Institute Classification Clause
Loading and Unloading Clause
Strikes Diversion Expenses Clause

By Airfreight

Air Cargo Clauses – Frozen and/or Chilled Product
Institute War Clauses (Air Cargo)(excluding sendings by Post)
Institute Strikes Clauses (Air Cargo)
Loading and Unloading Clause

(Schedule continued)

Chilled Product Section

Clauses Applicable to Chilled Product

Chilled Food (Excluding Chilled Meat)

By Surface Transport

Chilled Food Clauses (A) (Excluding Chilled Meat)
Chilled Food Extension Clauses
Institute War Clauses (Commodity Trades)
Chilled Food Seafreight Strikes Clauses (Excluding Chilled Meat)
Institute Classification Clause
Loading and Unloading Clause
Strikes Diversion Expenses Clause
Unseaworthiness of Vessel or Craft Clause

By Airfreight

Air Cargo Clauses – Frozen and/or Chilled Product
Institute War Clauses (Air Cargo) (excluding sendings by Post)
Institute Strikes Clauses (Air Cargo)
Loading and Unloading Clause

Chilled Meat

By Surface Transport

Chilled Meat Clauses (A) (not suitable for Frozen Meat)
- with Clause 4.8 amended by the addition of "occurring prior to the Subject-Matter insured being loaded into the conveyance at the freezing works or cold store at the place named herein for the commencement of the transit", after "therefrom".
- with Clause 8.1.2 as the attachment clause
Chilled Meat Extension Clauses
Institute War Clauses (Commodity Trades)
Chilled Meat Seafreight Strikes Clauses (not suitable for Frozen Meat)
- with Clause 3.11 amended by the addition of "occurring prior to the Subject-Matter insured being loaded into the conveyance at the freezing works or cold store at the place named herein for the commencement of the transit", after "therefrom".
- with Clause 5.1.2 as the attachment clause
Institute Classification Clause
Loading and Unloading Clause
Strikes Diversion Expenses Clause

By Airfreight

Air Cargo Clauses – Frozen and/or Chilled Product
Institute War Clauses (Air Cargo) (excluding sendings by Post)
Institute Strikes Clauses (Air Cargo)
Loading and Unloading Clause

(Schedule continued)

Additional Clauses

Additional Clauses Applicable to all Sections

Accumulation Clause
Acquired Company Clause
Additional Expenses Clause
Aircraft Clause
Brands Clause
Consolidation and Other Handling Clause
Contamination Clause
Control of Damaged Property Clause
Currency Devaluation Clause
Damage by Fumigation Clause
Debris Removal Clause
Declarations Clause
Deliberate Damage - Pollution Hazard Clause
Destination Clause
Difference in Coverage Clause
Duty Clause
Errors and Omissions Clause
Expediting Expenses Clause
Extended Attachment Clause
General Average, Salvage Charges and "Both to Blame Collision" Clause
Insolvency or Financial Default Clause
Institute Radioactive Contamination, Chemical, Biological, Bio-Chemical and Electromagnetic Weapons Exclusion Clause
U.S.A. & Canada Endorsement for the Institute Radioactive Contamination, Chemical, Biological, Bio-Chemical and
Electromagnetic Weapons Exclusion Clause
Insufficiency or Unsuitability of Packing Clause
Labels Clause
Mutually Acceptable Surveyors Clause
New Zealand Goods and Services Tax Clause
Packing Clause
Progress Claim Payments Clause
Proof of Quantity Clause
Refused or Returned Subject-Matter Insured Clause
Repacking Clause
Sanction Limitation and Exclusion Clause
Segregation Clause
Seller's Interest Clause – Only Applicable to Exports
Shelf Life Expiry Exclusion Clause
Spontaneous Combustion Clause
Survey Reports Clause
Termination of Transit Clause (Terrorism)
Waiver of Abandonment Clause
Waiver or Release Clause
War and Strikes Premium Clause

(End of Schedule)

Accumulation Clause

Where the Subject-Matter insured accumulates at a transshipping port or on a connecting conveyance, by reason of any interruption or variation in transit beyond the control of the Assured, this Policy is extended to cover such accumulation in value to the extent that each of the Policy Limits stated in the Schedule is increased to a maximum of twice its value.

When the Assured become aware of any incident or occurrence that could bring this clause into operation they must promptly notify the Company.

In no case whatsoever shall the Policy Limits exceed NZD10,000,000 as a result of the operation of this clause.

Acquired Company Clause

This Policy is extended to include any company acquired by the Assured named in the Schedule provided

- a) The Assured have a controlling interest in that company
- b) The Subject-Matter is not otherwise insured
- c) The Assured notify the Company, as soon as possible and in any event within 30 calendar days of acquisition, where the Subject-Matter to be insured is materially different in nature to that currently insured
- d) The Assured supply to the Company, as soon as possible and in any event within 30 calendar days of acquisition, all information required to enable the Company to properly assess the new exposure
- e) The Assured pays or agrees to pay such additional premium as is required by the Company.

Additional Expenses Clause

Where a claim is payable under this Policy for loss of or damage to the Subject-Matter insured, this Policy will also pay all costs incurred by the Assured for the use of external experts or labour (or as specifically agreed prior to incurring of any such cost):

- a) For the purpose of substantiating any claim for rebate of duty or sales tax (or both) *and*
- b) In preparing or obtaining documentation in support of such claim.

The Company's maximum liability under this clause shall not exceed the sum specified in the Policy Sub-Limits section of the Schedule.

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

Aircraft Clause

Where the words "ship", "vessel", "watercraft", "seaworthiness", "shipowners", "vessel owner" or "bill of lading" appear in this Policy or its attachments, they are deemed to include also the words "aircraft", "airworthiness", "aircraft owner" or "air waybill". "Owner", for the purposes of describing any carrier in this Policy or its attachments, is deemed to include "operator".

Brands Clause

Where a claim is payable under this Policy for loss of or damage to the Subject-Matter insured which bears a brand or trademark that carries or implies a guarantee, the salvage value of the Subject-Matter insured is to be determined after the removal of all brands and trademarks.

Where the Subject-Matter insured is in containers from which brands or trademarks cannot be removed, the salvage value is to be determined after the Subject-Matter insured has been transferred to plain containers.

Where it is impractical to remove all evidence of the brand or trademark, the Company agrees to consult with the Assured in respect of the action to be taken.

Concealed Damage Clause

This Clause is only applicable to imports of non-'temperature sensitive' cargo.

Where a claim for loss or damage is payable under this Policy and the Subject-Matter insured was not immediately unpacked on being delivered to the Assured at the final destination, this Policy will pay such claims provided that:

- a) The case or container is opened and the loss or damage is discovered within 60 days of delivery; *and*
- b) The packaging, case or container did not show any sign of loss, damage or staining; *and*
- c) The packaging, case or container is retained by the Assured for inspection by the Company.

In no case shall this clause extend to include any loss, damage or expense occurring after the Subject-Matter insured was delivered to the Assured at the final destination.

Consolidation and Other Handling Clause

Where the Subject-Matter insured is stopped prior to its arrival at its final destination for the purpose of consolidation, deconsolidation, packing, repacking, containerisation, de-containerisation, distribution or redistribution at the premises of any consolidator(s) or handler(s) it will continue to be covered under this Policy for a period no longer than 14 days in total after which the cover provided by this clause will terminate.

Subject to the Assured notifying the Company promptly and requesting an extension of cover, this will be granted subject to an additional premium for each additional 30 days or part thereof, at rates to be agreed, to a maximum of 60 days.

Nothing in this clause shall override any clause in any Institute Clauses or any similar Clauses that regulates the length of time the Subject-Matter insured may continue in the ordinary course of transit from discharge from the overseas vessel or aircraft.

Contamination Clause

Where, at the time of the loss, the Subject-Matter insured is insured under the Institute Cargo Clauses (A) or similar all risks clauses, this Policy covers loss of or damage to the Subject-Matter insured reasonably attributable to the risk of contamination during the Insured Transit.

Cover under this Contamination Clause is subject to the Deck Cargo Clause below.

Control of Damaged Property Clause

In the event of a claim being payable under this Policy for loss of or damage to the Subject-Matter insured, the Assured may retain control of all damaged Subject-Matter insured but must, wherever practicable, recondition and sell same after the removal of all brands, labels and trademarks. The proceeds of any such sale will be distributed between the Assured and the Company in an equitable manner.

If the Assured considers the disposal or sale of the damaged Subject-Matter insured would be detrimental to its interest or in breach of its agreement with any trade association, the damage will be treated as a constructive total loss. In this event, after consultation with the Company, the Assured may destroy the damaged Subject-Matter insured. Where the Assured and the Company agree that the damaged Subject-Matter insured be destroyed, the Company will be entitled to deduct an allowance for salvage from the claim settlement. The allowance is to be equal to the amount to which the Company would have been entitled had the Subject-Matter insured been sold in accordance with the above paragraph.

Currency Devaluation Clause

This Clause is only applicable to imports.

Where, between the time of the declaration under this Policy and termination of the declared transit, the New Zealand currency fluctuates and devalues against the currency of purchase, to an extent greater than 5%, the declaration is deemed to be automatically adjusted to reflect the new rate of exchange.

Damage by Fumigation Clause

Where the Subject-Matter insured is fumigated by order of a properly constituted authority and fumigation is not ordinarily required by that authority or where it is ordinarily required and the authority requires that the Subject-Matter insured be fumigated a second time and loss or damage occurs to the Subject-Matter insured, this Policy extends to cover direct loss or damage caused by the fumigant or the fumigation process.

However, this Policy does not extend to cover such loss or damage arising from insufficient or inadequate packing, preparation or stowage carried out by the Assured, or markings or incorrect paperwork prepared by the Assured.

The Assured agrees to provide all necessary assistance to the Company in pursuing its rights of recovery.

Debris Removal Clause

Where some or all of the Subject-Matter Insured is either a total loss or a constructive total loss and when no economic salvage is possible, this Policy extends to cover:

- 1) Costs incurred in the removal of the Subject-Matter insured (including any packaging) from any site, carrying conveyance, or scene of accident, for the purposes of the destruction, rendering, processing for safe disposal or dumping of debris of the Subject-Matter insured or damaged Subject-Matter insured; and
- 2) Any additional storage costs or demurrage for which the Assured may be liable arising from any period of time such destruction etc. takes to execute,

With the following provisos:

- a) A claim is payable for loss or damage to the Subject-Matter insured under this Policy; and
- b) The extension of cover under this clause will not operate until any cover available under any other policy of property or liability insurance is exhausted, whether held in the name of the Assured as first party or as third party; and
- c) The Company will not be liable under this clause for any clean up expenses for which the Assured may be liable under any pollution statute.

'Debris', for the purposes of this clause, means product that has been physically rendered beyond salvage. Nevertheless, product that is salvageable but unsellable because of the operation of the Brands Clause will be considered 'debris' and, as such, cover under this clause shall be extended as per 1) and 2) above.

The Company's maximum liability under this clause shall not exceed the sum specified in the Policy Sub-Limits section of the Schedule.

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

Deck Cargo Clause

Whilst the Subject-Matter insured is on the weather deck of a vessel or craft, and not packed in a fully enclosed ISO container of solid wall and roof construction, this Policy excludes any cover for loss damage or expense caused by water from any source or in any form.

However, this clause extends to cover

- 1 Water damage reasonably attributable to
 - 1.1 Fire or explosion
 - 1.2 Vessel or craft being stranded grounded sunk or capsized
 - 1.3 Overturning or derailment of land conveyance
 - 1.4 Collision or contact of vessel craft or conveyance with any external object other than water
 - 1.5 Discharge of cargo at a port of distress
 - 1.6 Earthquake volcanic eruption or lightning
- 2 Water damage caused by
 - 2.1 General average sacrifice
 - 2.2 Jettison or washing overboard
- 3 Total loss of any package lost overboard or dropped whilst loading on to, or unloading from, vessel or craft.

Nevertheless, the Institute Cargo Clauses (A) or equivalent shall apply in respect of the Subject-Matter insured where the Assured has issued specific written instructions to the carrier requiring under-deck stowage and the carrier has acknowledged and agreed to such instructions but the contracting or actual carrier has not followed those instructions.

Declarations Clause

The Assured is bound to declare, without exception, consignments coming within the terms of this Policy, as and when required. The Company is bound to accept such declarations but its maximum liability shall not exceed the Policy Limits stated in the Schedule. However, the Company will not be relieved of liability by reason of any late declaration or no declaration providing the Assured makes the declaration immediately upon becoming aware that it has not been made.

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

- a) Declaration Basis - the insured is required to declare to the Company, without exception, 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(s) stated in the Schedule. The premium due on such declarations will be calculated by the Company and debited to the account of the Assured at the close of each month or as agreed.
- b) Annual Declaration Basis - the Assured is required to declare, in writing, to the Company, the estimated total insurable value, in accordance with the basis of valuation(s) stated in the Schedule, of all the 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 the account of the Assured. The premium amount debited is the Deposit Premium.

At the completion of each twelve-month period the Assured is required to declare to the Company the actual insurable value, in accordance the basis of valuation(s) stated in the Schedule, of all the consignments that come within the terms of this Policy. The premium owing on such declaration will be calculated by the Company and the Deposit Premium paid for the period deducted. The Assured is required to 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 the Assured, in writing, to the Company no later than thirty days after the commencement of the period.

Deliberate Damage - Pollution Hazard Clause

This Policy is extended to insure against loss of or damage to such Subject-Matter caused or directed by any Government 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 occurrence creating the situation which requires such action be taken would have resulted in a claim under this Policy if the Subject-Matter insured had sustained loss or damage as a direct result of the occurrence.

Destination Clause

The Subject-Matter insured will continue to be covered in the event of a change of destination and until arrival at the final destination, irrespective of the destination named in the Certificate of Insurance or Declaration or whether it is landed at a port or place other than that stated in the Bill of Lading.

Nothing in this clause shall override any clause in any Institute Clauses or any other similar Clauses incorporated in this Policy that regulates the length of time the Subject-Matter insured may continue in the ordinary course of transit from discharge from the overseas vessel or aircraft.

Difference in Coverage Clause

When Subject-Matter is imported, having been purchased under contractual terms where the duty (whether by contract or trade custom) to effect insurance for the entire transit is with the seller, this Policy will insure the difference between the insurance arranged by the seller, or their agents and the insurance in this Policy.

The consignments insured by this clause are to be valued and declared, and an insurance premium paid thereon as may be required by the Company, at the same basis of valuation as provided under the insurance arranged by the seller or their agents.

Duty Clause

This Clause is only applicable to imports.

Where the Subject-Matter insured attracts increased value by reason of payment of duty or other taxes at the port or place of destination, this Policy will pay such increased value provided:

- a) A claim is payable under this Policy for loss of or damage to said Subject-Matter insured; *and*
- b) The Assured had an insurable interest at the time of such loss or damage.

Excluding claims in respect of:

- a) Total loss of whole or part of the said Subject-Matter prior to the duty or other taxes becoming payable; *and*
- b) General average, salvage and/or salvage charges arising from any casualty occurring prior to the duty or other taxes becoming payable.

It is a condition of this clause that the Assured has, in writing, attempted to recover the duty or other taxes from the Customs Service or their equivalent.

Settlement will be in the same percentage as that applicable to the physical loss or damage claim.

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

Errors and Omissions Clause

This insurance shall not be prejudiced by an inadvertent omission or error, incorrect valuation or incorrect description of the Subject-Matter insured, risk, vessel or voyage, provided notice is given to the Company immediately on discovery of any such error or omission.

In no case shall any of the clauses, conditions or limits, in particular the Policy Limits, be altered by the operation of this clause.

Expediting Expenses Clause

Where a claim is payable under this Policy for loss of or damage to the Subject-Matter insured, this Policy will also pay all reasonable additional costs incurred to expedite repair, replacement or restoration of the lost or damaged Subject-Matter insured.

The Company's maximum liability under this clause shall not exceed the sum specified in the Policy Sub-Limits section of the Schedule.

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

Extended Attachment Clause

This Clause is only applicable to imports.

Where the Subject-Matter insured is purchased on contractual terms that transfer risk after the goods leave the seller's warehouse or place of storage for the commencement of the international transit, this Policy attaches in accordance with the Duration clause of the applicable Institute or similar clause.

In the event of any loss or damage for which a claim is payable under this Policy by the application of this clause, the Assured agrees to use all necessary means to first recover the full amount of the loss or damage from the exporter, or his insurer, in accordance with the contractual terms, before calling on this Policy for payment.

Nothing in this clause is to be construed as a waiver of subrogation by the Company in connection with the loss or damage and the Assured agrees to provide all necessary assistance to the Company in pursuing rights of recovery.

General Average, Salvage Charges and "Both to Blame Collision" Clause

Irrespective of the insured value, this Policy covers general average and salvage charges in full, and any contribution in full for which the Assured is legally liable under a "Both to Blame Collision" clause arising from a contract of affreightment.

Insolvency or Financial Default Clause

The exclusion clause pertaining to insolvency or financial default contained in the Institute Clauses, or other similar Clauses, incorporated in this Policy is deleted and replaced by:

In no case shall this insurance cover loss damage or expense caused by insolvency or financial default of the owners managers charterers or operators of the aircraft or vessel where, at the time of loading the Subject-Matter insured on board the aircraft or vessel, the Assured are aware, or in the ordinary course of business should be 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 hereunder who has bought or agreed to buy the Subject-Matter insured in good faith under a binding contract.

If, as a result of insolvency or financial default of the owners managers charterers or operators of the aircraft or vessel, the Assured incurs additional expenses in forwarding the Subject-Matter insured to the original or a substitute destination, this Policy will pay such additional expenses,

Provided that:

- a) In no case shall such additional expenses amount to more than it would have cost to forward the Subject-Matter insured to its original destination; and
- b) The Assured, in the ordinary course of business, could not have been expected to be aware, that such insolvency or financial default could prevent the normal prosecution of the voyage.

A deductible of 10% of the claim will be deducted from all claims payable under this clause.

The Company's maximum liability for such additional expenses shall not exceed the sum specified in the Policy Sub-Limits section of the Schedule.

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

Institute Radioactive Contamination, Chemical, Biological, Bio-Chemical and Electromagnetic Weapons Exclusion Clause –10/11/03

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
 - 1.5 Any chemical, biological, bio-chemical, or electromagnetic weapon.

U.S.A. & Canada Endorsement for the Institute Radioactive Contamination, Chemical, Biological, Bio-Chemical 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 underwriters' 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.

Insufficiency or Unsuitability of Packing Clause

The insufficiency or unsuitability of packing or preparation exclusion clause in the Institute Cargo Clauses (A), or other similar Clauses, incorporated in this Policy is deleted and replaced by the following:

In no case shall this insurance cover loss damage or expense caused by insufficiency or unsuitability of packing or preparation of the Subject-Matter insured to withstand the ordinary incidents of the insured transit where such packing or preparation is carried out by the Assured or their employees, unless in accordance with the Assured's usual custom and with the usual custom of the trade, or prior to the attachment of this insurance.

For the purpose of these Clauses "packing" shall be deemed to include stowage in a container and "employees" shall not include independent contractors.

Nothing in this clause is to be treated as a waiver of any subrogation rights.

Labels Clause

Where a claim is payable under this Policy for loss of or damage to the Subject-Matter insured affecting only labels, capsules or wrappers, the Company will pay the cost of new labels, capsules or wrappers and the cost of re-conditioning or re-labelling (or both) the Subject-Matter insured.

If new labels, capsules or wrappers are not available or cannot be obtained, the Subject-Matter insured is to be treated as a constructive total loss and the Assured must dispose of such Subject-Matter insured to the best advantage or have it destroyed in the presence of a representative of the Company and a representative of the Assured or as otherwise agreed.

Loading and Unloading Clause (applicable in respect of the Frozen and Chilled Product sections of this Policy)

Cover under this Policy is extended to include the Subject-Matter insured during loading and unloading as specified below.

Unless otherwise insured, cover under this Policy

- a) Attaches from the time the Subject-Matter insured is lifted from the ground or loading dock immediately adjacent to the conveyance; and
- b) Terminates when the Subject-Matter insured has been lifted from the conveyance and placed on the ground or loading dock immediately adjacent to the conveyance.

In all other respects, transit cover will terminate as provided elsewhere in this Policy.

Machinery Extended Delivery Clause

Unless otherwise insured, this Policy is extended to cover machinery insured under this Policy purchased by the Assured for their own use from arrival at the Assured's premises to terminate when the machine is sited on its final bed, including unloading from the delivery conveyance.

In the event that unloading and siting are not carried out in one uninterrupted movement cover will terminate in accordance with the Duration Clause contained in the relevant Institute Cargo Clause.

This extension excludes any loss damage or expense arising from assembling, dismantling, installation, construction and/or erection of the machine.

For the purposes of this clause, where machinery is named in the Subject-Matter in the Schedule, the Company's maximum liability for any one machine, conveyance or location shall not exceed the greater sum specified in the Policy Sub-Limits section of the Schedule. Otherwise the limit applicable to this clause for any one machine, conveyance or location is the smaller sum specified in the Policy Sub-Limits section of the Schedule. These limits apply to any one accident or series of accidents arising from the same event.

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

Mechanical and/or Electrical Derangement Exclusion Clause

In no case shall this Policy cover mechanical and/or electrical derangement to the Subject-Matter insured unless caused by a risk covered by this Policy resulting in visible loss of or damage to the Subject-Matter insured and/or its packaging.

Mutually Acceptable Surveyors Clause

Where the Company wishes to appoint an assessor or surveyor in respect of any claim lodged under this Policy by the Assured named in the Schedule, the appointee is to be acceptable to the Company and the Assured.

New Zealand Goods and Services Tax Clause

Where the Assured is required to pay GST upon receiving any indemnity payment under this Policy, the Company will reimburse the Assured for the cost of that tax.

Unless the Company is unable to recover that tax, any monetary limit stated in this Policy is exclusive of GST.

For the purpose of this clause, GST means tax payable under Section 5(13) of the Goods and Services Tax Act 1985 or under any statutory amendment to or re-enactment of the Section or Act.

Packing Clause

The rights of the Assured under this Policy will not be prejudiced by their acceptance of a Bill of Lading or delivery docket clausured "goods insufficiently packed" or similar.

Progress Claim Payments Clause

Where a claim is payable under this Policy for loss of or damage to the Subject-Matter insured, the Company may, at the request of the Assured, make progress claim payments.

The Assured must submit documentation satisfactory to the Company for as much of the loss or damage for which the progress claim payment is being sought, prior to such payment being made.

No payment will be made until the amount of loss is known to exceed the amount of any deductible applicable and the deductible will be applied to the first progress claim payment made.

Proof of Quantity Clause

In respect of all consignments of the Subject-Matter insured, the Company agrees that a clean Bill of Lading or shipper's load and count are to be taken as prima facie evidence that the stated quantity of the Subject-Matter insured was consigned.

Refused or Returned Subject-Matter Insured Clause

Where the consignee refuses to take or accept delivery of the Subject-Matter insured shipped by the Assured or to accept and return the Subject-Matter insured to the Assured, cover ceases as per the cover duration provisions of Institute Clauses or similar.

This clause reattaches cover for the Subject-Matter insured when the ordinary course of transit recommences under the Policy as a new transit but only whilst at the risk of the Assured, for the same risks as for the original transit

- 1) Until delivery is eventually effected to either original consignee or another third party, or
- 2) If returned, until it is delivered to the Assured. 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 the Assured.

Where the Subject-Matter insured is held in intermediate storage pending onward or return transit, the Assured agrees to advise the Company promptly to allow storage cover to be discussed and negotiated prior to any static risk cover attaching.

Repacking Clause

Where the Subject-Matter insured, requires repacking, re-labelling, re-bagging, re-baling, re-cartoning (including sterilization or any similar hygiene process) this Policy will pay such costs, even though the Subject-Matter insured may not have sustained any loss or damage, provided they are incurred to avert or minimize an insured loss by reason of the operation of a risk insured under this Policy.

Sanction Limitation and Exclusion Clause - 11/08/2010

No (re)insurer shall be deemed to provide cover and no (re)insurer shall be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose that (re)insurer 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.

Segregation Clause

Where a claim is payable under this Policy for loss of or damage to the Subject-Matter insured, this Policy will also pay the Assured's costs and/or their liability for others' costs, for the reasonable expenses of sorting damaged Subject-Matter insured from undamaged but only to the extent that such costs are incurred in proving quantum for the claim.

The Company's maximum liability under this clause shall not exceed the sum specified in the Policy Sub-Limits section of the Schedule.

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

Seller's Interest Clause – Only Applicable to Exports

- 1 It is a condition precedent to liability arising for cover given under this clause, that the existence of this clause is not conveyed to the buyer(s).
- 2 Consignments sold by the Assured on FOB or CFR or equivalent Incoterms shall be subject to the following pre-FOB and contingency cover:
 - 2.1 Cover for loss of or damage to the Subject-Matter insured commences in accordance with the Duration Clauses of the relevant Institute Clauses or other similar Clauses incorporated in this Policy, continues during the ordinary course of transit and terminates when the risk in the goods transfers to the buyer(s), as agreed.
 - 2.2 Thereafter cover re-attaches from the time of the occurrence of any one of the following:
 - 2.2.1 The buyer(s) fails or refuses to accept the shipping documents; or
 - 2.2.2 The Assured exercises a lien on the Subject-Matter insured or interrupts their transit or suspends the sale contract whilst in transit when this is reasonable to safeguard their interests; or
 - 2.2.3 The buyer(s) fails or refuses to accept the Subject-Matter insured where such failure or refusal arises:
 - 2.2.3.1 From or in connection with any error or omission on the part of the Assured with respect to the contract of sale; or
 - 2.2.3.2 From the failure or the inability of the buyer(s) to obtain authority to import the Subject-Matter insured 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 Subject-Matter insured and/or pay for them as contracted and invoiced.
- 3 In any event cover, as described in 2.1 above, applies whilst the Assured has a financial interest in the Subject-Matter insured but only to the extent of that financial interest.
- 4 Cover under this clause is subject to the following conditions:
 - 4.1 The Assured must use all reasonable and usual care, skill and forethought and take all practical measures including those required by the Company to prevent or minimize a loss and to enforce the contract of sale; and
 - 4.2 The Assured must immediately advise the Company of the occurrence of any of the contingencies in clause 2 above; and
 - 4.3 Any monies payable or paid are not assignable without the written consent of the Company; and
 - 4.4 That evidence of the terms and conditions of the contract of sale shall be submitted in substantiation of any claim.

Shelf Life Expiry Exclusion Clause

The Company shall not be liable for loss damage or expense arising from any process of maturing ripening or aging unless directly caused by a risk insured by this Policy.

Spontaneous Combustion Clause

This Policy is extended to include loss of or damage to the Subject-Matter insured, caused by its spontaneous combustion during the insured transit.

Strikes Diversion Expenses Clause

This Policy is extended to reimburse the additional expenditure incurred by the Assured 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) If the Subject-Matter insured is overcarried to or discharged at a port other than their port of discharge under the contract of affreightment; and
- d) Such expenditure being payable irrespective of any other loss, whether total or partial, recoverable under the terms of any other insurance on the Subject-Matter insured.

It is a condition of this clause that in no case shall the Company be liable for any claims unless the liberty referred to in (a) above is exercised within 15 days from midnight of the day on which said strikes, riots, civil commotions, lockouts or labour disturbances cease to be in active operation.

The Company's liability under this clause shall be 20% of the insured value of the Subject-Matter insured up to a maximum of the sum specified in the Policy Sub-Limits section of the Schedule.

A deductible of 10% of the claim will be applied to all claims payable under this clause. It is a condition precedent that for cover to operate under this clause this deductible must be uninsured and remain at the risk of the Assured.

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

Survey Reports Clause

At all times survey reports are deemed to be the joint property of the Assured and the Company.

Termination of Transit Clause (Terrorism) – 2009

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

- 1 Notwithstanding any provision to the contrary contained in the contract of insurance or the clauses referred to therein, it is agreed that in so far as the contract of insurance covers loss of or damage to the subject-matter insured 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 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 contract of insurance, or
- 1.2 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 in the contract of insurance,
- 1.3 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 in the contract of insurance, which the Assured or their employees elect to use either for storage other than in the ordinary course of transit or for allocation or distribution, or
- 1.4 When the Assured or their employees elect to use any carrying vehicle or other conveyance or any container for storage other than in the ordinary course of transit, or
- 1.5 In respect of marine transits, on the expiry of 60 days after completion of discharge overseaside of the subject-matter insured from the oversea vessel at the final port of discharge,
- 1.6 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 the contract of insurance 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.

For the purposes of this clause, reference to "the contract of insurance" shall be taken to be reference to the "Policy".

Unseaworthiness of Vessel or Craft Clause (applicable to the Frozen and Chilled Products sections of this Policy but only in respect of Frozen or Chilled Food)

The exclusion clause pertaining to unseaworthiness and unfitness contained in the Institute Clauses, or other similar Clauses, incorporated in this Policy is deleted and replaced by the following:

- 1 In no case shall this insurance cover loss damage or expense arising from
 - 1.1 Unseaworthiness of vessel or craft or unfitness of vessel or craft for the safe carriage of the Subject-Matter insured, where the Assured is privy to such unseaworthiness or unfitness, at the time the Subject-Matter insured is loaded therein
 - 1.2 Unfitness of container or conveyance for the safe carriage of the Subject-Matter insured, where the loading therein is carried out prior to the attachment of this insurance or by the Assured or their servants.
- 2 Where this insurance has been assigned to the party claiming hereunder who has bought or agreed to buy the Subject-Matter insured in good faith under a binding contract, exclusion 1.1 above shall not apply.
- 3 The Company waives any breach of the implied warranties of seaworthiness of the ship and fitness of the ship to carry the Subject-Matter insured to destination.

Waiver of Abandonment Clause

Measures taken by the Assured or the Company with the object of saving, protecting or recovering the Subject-Matter insured shall not be considered as a waiver or acceptance of abandonment or otherwise prejudice the rights of either party.

Waiver or Release Clause

This Policy will not be invalidated by the Assured's acceptance of waiver or release of liability contained in a contract of carriage, charterparty, bill of lading, waybill or receipt from any carrier or receipt from any owner or operator of any vessel, terminal or storage facility. However, this clause will not operate unless the acceptance is made innocently and prior to the Assured becoming aware of any occurrence of loss or damage to which the waiver or release applies.

War and Strikes Premium Clause

The Assured is to pay additional premium for war and strikes on every declaration, at the premium rates advised by the Company at the commencement of risk.

Cargo Claims Procedure

Vero Marine Insurance
P O Box 1759
Auckland
New Zealand

Tel +64 9 363-2600
Fax +64 9 363-2601
E-mail claims@veromarine.co.nz
Website <http://www.veromarine.co.nz>

Exports

In the event of loss or damage any claimant should *immediately* notify Vero Marine Insurance and obtain a Survey Report from Vero Marine Insurance's local Claims Agent. For a list of Claims Agents, refer to our website above. If Vero Marine Insurance has no local Claims Agent, application for a survey must be made to the nearest Lloyd's Agent, refer to <http://agency.lloyds.com>. The claimant should present all supporting documents as set out below in the section "Required Claims Documentation".

Imports, Inland Transits, FOB, CFR or Similar Terms of Sale, Sellers Interest

In the event of loss or damage where Vero Marine's liability may be involved it is essential that Vero Marine be informed *immediately* in order that they may consider whether or not survey is required to establish the extent of loss or damage. You should therefore contact Vero Marine who will instruct you in the steps to be taken and the documentation required.

Duties of the Assured and Consignee

It is the duty of the Assured and their servants and agents 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.

Actions to be taken In the event of Loss or Damage

- Where damage is evident, always ensure your servants or your agents only accept the goods with a claused receipt which acknowledges the damage.
- All goods should be examined for hidden damage within 3 working days of receipt.
- Upon discovery of damage, you should give immediate notice to Vero Marine.
- Lodge an "Initial Notice of Claim" on all transport operators immediately damage becomes apparent. An "Initial Notice of Claim" advises those who handled the cargo 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.
- 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.
- If the cargo is shipped in a container on an FCL basis and has suffered water damage, you must check the container for leaks. You should obtain independent verification prior to releasing the container.
- If a survey is not required, you should continue to do everything necessary to reduce the loss and safeguard the property.
- 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 or damage).
- Always ensure full documentation is submitted to Vero Marine as soon as possible.

Required Claims Documentation

To enable claims to be dealt with promptly, the Assured or their servants or their agents are advised to submit all available supporting documents without delay, including when applicable:

- Original certificate/policy of insurance
- 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 weight notes
- Packing lists, if applicable
- Copy of "delivery" receipt, EWP & 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 ("Exception Without Prejudice" note) acknowledges, without admitting liability, that the cargo is not in good order/condition
- Copy of the Initial Notice of Claim on carriers (example on next page)
 - ⇒ This is a written notice of loss or damage 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)

Initial Notice of Claim

Notification to Transport Operators of Potential Claim

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

For transits by sea, this form should 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
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From Company	
Company Address	Contact Person Telephone Fax

Location of Cargo Cargo 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 or paste your business card here
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We hold you responsible for damage to
--

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

Yours faithfully

NAME: TITLE: