

# Carrier's Liability Policy Wording - Features and Benefits



September 2017

## **Plain English Wording**

The Vero Marine Carrier's Liability policy wording is a plain English wording. Cover is largely based on the liabilities within the Contract and Commercial Law Act 2017 that relate to the carriage of goods, with some additional covers included.

## **Optional sections**

The policy is in sections and cover is only provided for the relevant sections applicable to each individual insured. For example, a carrier contracts to carry most cargo on LCR terms but then agrees a declared terms contract for a particular client, XXX Ltd. The policy would provide cover for standard LCR contracts and also would include a Declared Terms section for the goods carried for XXX Ltd, provided we have the details of the contract with XXX Ltd.

## **Cover for goods carried at Owner's Risk**

We have included a section for goods carried at Owner's Risk. Even though a carrier has no liability to cargo owners for damaged/lost goods carried at Owner's Risk, a carrier may find themselves out of pocket insofar as Removal of Debris and/or Expediting Expenses charges subsequent to an accident. Such charges may be covered under the Vero Marine policy.

## **Automatic Maximum Limit of Liability**

The limit for the Carrier's Liability policy is automatically set at NZD 2,000,000 any one occurrence. In most cases this should be more than adequate, however, higher limits may be negotiated with your Vero Marine underwriter. Note that no discount to premium will be given should a client elect a lower limit.

## **Debris Removal and Clean-up Costs**

This extension is automatically included, up to a limit of NZD 50,000 *in addition to* the Policy Limit. It is triggered once a valid claim under the standard policy wording has been established. The extension covers the additional costs incurred in removing debris and subsequent clean-up (following an accident) of destroyed goods.

## **Expediting Expenses**

This extension is automatically included, up to a limit of NZD 50,000 *in addition to* the Policy Limit. It is triggered once a valid claim under the standard policy wording has been established. The extension covers the additional costs incurred in carrying any goods surviving an accident to their original destination.

## **Consequential Loss cover**

Cover for consequential loss is an automatic extension for LCR cover sections, up to a limit of NZD 50,000 any one loss *in addition to* the Policy Limit. This extension may be available on application for Declared Value and Declared Terms contracts. Consequential loss liability is only triggered in the event that the client is legally liable for consequential loss under their terms and conditions of trade. The Contract and Commercial Law Act 2017 is silent on the issue of Consequential Loss.

## **Intoxicating Liquor or drugs and inappropriate licences**

The policy includes an exclusion for any claims resulting from the actions of a driver whilst under the influence of liquor or drugs and those drivers operating without the appropriate licence. *This exclusion however, does not apply if the managers were unaware of the substance use or licence breach.*

## **Premium Structure**

A minimum company premium and standard minimum deductible applies, which makes the product ideal for owner-operator carriers that operate only on a local/town basis.