

# Simply Cargo Policy wording - Features and Benefits

July 2014

The Simply Cargo policy has been designed in a simple plain English format to cover all sendings from a particular date until such time as the policy is cancelled.

## Integrated Workflow

Streamlined integration within Vero Marine - when an Underwriter provides a written quotation using our computer system, the information flows through from the quotation to the policy wording Schedule. This allows for fast Policy production.

## Clear Sections format

The wording provides comprehensive Cargo Cover in logical sections.

Frozen / Chilled Cargo appears in the wording as separate sections, with clear cover applying to each.

Chilled Cargo - The market method of amending Institute Frozen Clauses (designed for large refrigerated holds of ships in the 1980s) has been abandoned. There were always issues with Institute Clauses concerning whether machinery breakdown included a malfunction or incorrect temperature setting.

Extended Cargo contains separate and specific cover for Frozen and Chilled product. There are dedicated clauses for Frozen / Chilled Air Cargo, which give temperature variation cover, and a delay cover.

## Schedule

All main Policy Limits, Sub Limits of the additional covers, and standard deductibles are included in one place.

## Sub-Limits

Whilst still being confined to the overall policy limits, certain clauses contain sub-limits for any one accident or series of accidents arising from the same event as follows:

Additional Expenses Clause	NZD 50,000	
Debris Removal Clause	NZD 50,000	
Expediting Expenses Clause	NZD 50,000	
Insolvency or Financial Default Clause	NZD 50,000	
Machinery Extended Delivery Clause	NZD 50,000	<i>(unless machinery is specifically insured when Sub-Limit is NZD 250,000)</i>
Segregation Clause	NZD 50,000	
Strikes Diversion Expenses Clause	NZD 50,000	

## Subject-Matter Insured

Subject-Matter includes its presentation packaging materials if applicable.

## Voyages/Insured Transits

Wide choice including provisions for local transits within, and exports/imports to/from, Australia. Note though that our Insured must be New Zealand-based.

## Basis of Valuation

Various Bases of Valuation are then set out depending on the individual requirements of the policy. For example:

- **CIF, i.e. Cost, Insurance and Freight** - The seller contracts for and pays the costs and freight to bring the goods to the port of destination.
- **FOB, i.e. Free on Board** - The risk of loss or damage passes when the goods are on board the vessel. The buyer bears all costs from that moment.
- **Assured's own machinery and plant Consigned for Repair or return from repair**
- **Ex-works** - The seller delivers when it places the goods at the disposal of the buyer at the seller's premises.
- **Sales**
- **Stock Transfer**
- **Purchases by the insured**
- **Samples and Promotional Material**

**Note:** *This is a summary only. Please refer to the Policy Document for the full conditions and exclusions.*

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## **Vero Marine Clauses to further improve the cover offered**

**Accumulation Clause:** Covers additional costs when the subject-matter inadvertently accumulates in value at transshipping port or on connecting conveyances up to twice the Policy Limits with a maximum of NZD10,000,000.

**Acquired Company Clause:** An extension to cover an acquired business.

**Additional Expenses Clause:** An extension to cover preparing documentation in support or substantiating a claim using external labour or experts.

**Brands Clause:** Protects a brand or trademark that carries or implies a guarantee in the event of loss or damage (works in conjunction with the Control of Damaged Property clause below).

**Consolidation Clause:** Provides cover whilst goods are being consolidated or deconsolidated and the like for a limited period short of final destination.

**Contamination Clause:** If loss or damage during transit is reasonably attributable to the risk of contamination then the policy will respond.

**Control of Damaged Property Clause:** In the event of loss the client will remain in control of the subject-matter.

**Currency Devaluation clause:** In the event of the NZ dollar fluctuating or devaluing against the currency of purchase by more than 5% the declaration will be automatically adjusted to reflect the new rate of exchange. This clause applies to NZ imports only.

**Damage by Fumigation Clause:** Covers loss or damage caused by fumigation process carried out by order of a properly constituted authority.

**Debris Removal Clause:** Where at least some of the subject-matter is either a total loss or a constructive total loss with no economic salvage possible, this clause covers additional demurrage, storage, and removal of the subject-matter for destruction, rendering, processing for safe disposal or dumping of debris up to the specified policy sub-limit.

**Deck Cargo Clause:** Rather than restricting the cover to (B) or (C) Clauses, cover is expanded for deck cargo to Institute Cargo Clauses (A) or equivalent Institute all risk clause, excluding water damage unless from certain specified causes.

The restrictions do not apply where specific instructions for under-deck stowage have been issued and agreed but the actual/contracting carrier has not followed them.

**Declaration Clause:** Includes late or no declaration being given at the time of shipment.

**Deliberate Damage - Pollution Hazard Clause:** Extends to cover loss or damage caused or directed by any Government or legally competent authority acting for the public welfare to prevent or mitigate a pollution hazard or threat from the same.

**Destination Clause:** Covers the Assured in the event of a change in destination.

**Difference in Coverage Clause:** Covers the difference in the insurance purchased by the seller under contract and this policy. This clause applies to imports only.

**Duty Clause:** Where the Assured attracts increased value by reason of duty or other taxes at destination this policy will pay such increased value.

**Errors and Omission Clause:** Provides cover for inadvertent omission or error, incorrect valuation or incorrect description of the subject-matter, risk, vessel or voyage provided notice is given to the company.

**Expediting Expenses Clause:** Provides additional costs to expedite repair, replacement or restoration of the lost or damaged subject-matter.

**Extended Attachment Clause:** Covers the subject-matter insured when the risk transfers after the goods leave the seller's warehouse or place of storage for the commencement of the international transit. This clause applies to imports only.

**Insolvency or Financial Clause:** In certain circumstances this policy covers additional expenses in forwarding the subject-matter on account of insolvency or financial default of the shipping company or airline.

**Insufficiency or Unsuitability of Packing Clause:** The exclusion clause in the Institute Cargo Clauses is replaced by this clause which modifies the exclusion so that it only applies in certain circumstances.

**Label Clause:** Provides for damage solely to labels, capsules or wrappers. The company will pay the cost of new labels, capsules or wrappers and the cost of re-conditioning or relabelling. If new ones cannot be obtained then the subject-matter will be treated as a constructive total loss.

**Loading and Unloading:** (For Frozen or Chilled Product) Cover attaches from the time that the subject-matter is lifted from the ground or loading dock immediately adjacent to the conveyance and terminates when the goods have been lifted from the conveyance and placed on the ground immediately adjacent to the conveyance.

**Machinery Extended Delivery Clause:** The policy covers machinery for unloading from the delivery conveyance and being sited on its final bed if carried out in one uninterrupted move.

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**Mutually Acceptable Surveyors Clause:** Surveyors and assessors must be acceptable to both the Assured and the Company.

**Packing Clause:** The rights of the Assured will not be prejudiced by a Bill of Lading or deliver docket being clausued "goods insufficiently packed" or similar.

**Progress Claim Payments Clause:** Where a claim is payable under the policy, the Company may, at the request of the Assured, make a progress payment.

**Refused or Returned Subject-Matter Insured Clause:** When the consignee refuses to take or accept delivery or to accept and return the subject-matter cover ceases. This clause provides for cover to then reattach for the subsequent transit.

**Repacking Clause:** When repackaging, re-labelling, re-bagging, re-baling, re-cartoning (including sterilization or similar hygiene process) this clause will cover such costs.

**Segregation Clause:** This clause will cover reasonable expenses of sorting damaged from undamaged subject-matter.

**Sellers Interest Clause:** Covers consignments sold under FOB or CFR or equivalent Incoterms for the time the goods are the responsibility of the Assured, reattaches if certain occurrences take place. In any event, cover applies during the ordinary course of transit whilst the Assured has a financial interest in the subject-matter insured, but only to the extent of that financial interest.

**Spontaneous Combustion Clause:** Provides cover in connection with spontaneous combustion.

**Strikes Diversion Expenses Clause:** This clause covers the reimbursement of additional expenses incurred by the Assured where the shipowners or charterers have taken action allowed by the Bill of Lading and purely because of strikes, riots, civil commotions, lockouts or labour disturbances. Such expenses must also be due to the subject-matter being overcarried or discharged at a port other than the one originally contracted to.

**Survey Reports Clause:** Survey reports are deemed to be joint property of the Assured and the Company.

**Unseaworthiness of Vessel or Craft Clause:** (applicable to Frozen and Chilled Food only) The exclusion clause in the Institute Clauses is replaced by this clause which modifies the exclusion so that it only applies in certain circumstances.

**Waiver of Abandonment Clause:** Measures taken by the Assured with the object of saving, protecting or recovering the subject-matter shall not be considered as a waiver or acceptance of abandonment.

**Waiver of Release Clause:** The policy will not be invalidated by the Assured's innocent 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.