

Postal Contractors Policy

Postal Contractors Policy Conditions Section 1 – Meanings of Special Words in this Policy

In this policy certain words have special meanings. They have the same meanings wherever they appear. These words are:

“**you**” or “**your**” means the Insured Carrier named in the schedule, and, if included in the schedule, includes subcontractors as defined below.

“**we**” or “**our**” or “**us**” or “**insurer**” means Chubb Insurance Company of Australia Limited A.B.N. 069 003 710 647 A.F.S. 239778 Marine a division of the insurer.

“**cartage conditions**” means the terms and conditions contained in your consignment note and/or your cartage contract agreements with your customers, if approved by us prior to the commencement of transit.

“**customer**” means Australia Post. Australia Post is not an insured party under this policy, is not a person to whom the insurance cover provided by this policy extends, is not responsible for the premium, has no contractual right to claim under this policy, and cannot cancel this insurance or vary its terms.

“**conveyances**” means any road vehicle owned and/or operated by you and/or subcontractors acting on your behalf, and any rail, air, or sea transport services used to convey the goods and/or merchandise to the intended destination.

“**excess**” means the amount you must pay towards a claim, as specified in the schedule. The excess applies to any one claim or series of claims arising from any one insured event.

“**goods**” and/or “**merchandise**” (**hereinafter referred to as “goods”**) means customer’s goods, as detailed in the schedule, including all retail and sales packaging carried by you, **but does not include** livestock.

“**limit of liability**” means the amount specified in the schedule.

“**policy**” means this policy wording, the current schedule, and any endorsement, all of which are to be read together.

“**premium**” means the premium specified in the current schedule, any adjustment in accordance with the Policy Conditions and any Government or other charges specified in the schedule.

“**subcontractor**” means any person or company to whom you have given the goods for carriage. Where you are acting as a subcontractor to a principal carrier, this means you are carrying goods on behalf of the principal carrier.

Section 2 – Agreement

2.1 This insurance is for your benefit only. You are not authorised to provide any financial services on our behalf. For the purposes of this Clause, “financial services” includes selling, arranging or offering insurance issued by us or giving financial product advice (as defined in section 766B of the Corporations Act 2001 (Cth)) on our behalf.

2.2 We agree to provide you with the insurance as described in this policy, for the period of insurance shown in the schedule and for any subsequent period where renewal may be agreed, and in return you agree to pay us the premium by the dates advised to you.

2.3 We will also insure the goods (of the kind described in the schedule) carried by, or (if included in the schedule) your legal liability for the goods carried by, **any company formed or purchased by you** during the period of insurance, subject to the terms and exclusions and limits of liability of this policy, *provided that* you:

- have a controlling interest in such company(s), and
- provide details to us within thirty days of formation or purchase, and
- pay such additional premium as may be agreed by the date advised to you.

We must approve the cartage conditions of such companies within the said 30 days of formation or purchase.

Section 3 – The Insured Transits

3.1 The insured transits are only those specified in the schedule and commencing within the period of insurance shown in the schedule. Each insured transit:

3.1.1 **commences**, in respect of each item of goods, when the item is first moved by you for the specific purpose of loading on to the conveying vehicle for transit to a destination outside the premises,

3.1.2 **terminates**, in respect of each item of goods, when each item of goods is delivered by you to the intended destination either in the receiver's premises or such other place as the receiver may instruct,

3.1.3 **excludes** any period of dismantling, erection, commissioning, testing, or storage other than storage as required for transhipment or on-carriage, and

3.1.4 **includes** any period where the goods are “**shut out**” from the intended destination for a period up to but not exceeding 21 days.

Section 4 – The Insured Events

4.1 Subject to the terms, conditions and exclusions of this policy, we will insure your contractual liability to Australia Post where, before the insured transit commenced, you contracted in writing to indemnify Australia Post for loss or damage to the goods during transit.

4.2 We will pay you or any other party directed by you, for:

4.2.1 accidental physical loss of or damage to the goods (excluding livestock),

4.2.2 unexpected deterioration of temperature controlled goods,

4.2.3 loss or damage to the goods caused by strikers, locked-out workers or persons taking part in labour disturbances, riots, or civil commotions,

4.2.4 malicious damage to the goods, unless caused or directed by you or the customer,

4.2.5 loss or damage to the goods resulting from insufficiency or unsuitability of packing or preparation of the goods (excluding temperature controlled goods), unless such insufficiency or unsuitability of packing or preparation of the goods was caused, directed or agreed by you, the consignor, or the customer,

4.3 If the insured transit is by sea or air, Clause 4.2 is extended to include:

4.3.1. physical loss of or damage to the goods caused by washing overboard; jettison; collision, grounding, sinking, capsizing of the vessel; or General Average Sacrifice

4.3.2 physical loss or damage to the goods caused by war or warlike activities which means invasion, act of foreign enemy, hostilities (whether war is declared or not), civil war, rebellion, revolution, insurrection, or civil strife following any of these whilst the goods are on board the carrying vessel or aircraft,

4.3.3 indemnity for any General Average and or Salvage contribution that you have accepted liability to pay under any Bill of Lading or similar document.

Section 5 – How Much we will Pay

5.1 Claims under this policy **are not subject to the application of average or underinsurance.**

5.2 Subject to the policy terms, conditions, exclusions, and the maximum limit of liability as shown in the schedule, and the provisions of Section 7, we will **pay you or any other party directed by you**, the lesser of:

5.2.1 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

5.2.2 the invoice value of the goods whilst in transit, or

5.2.3 if there is no invoice value, the cost of replacing the goods with similar goods of the same age and condition, or as near as possible to that age and condition, or

5.3 If the loss or damage only relates to labels or packaging, we will only pay the cost to recondition and/or replace such labels or packaging.

5.4 If we agree to pay a claim, we will also pay you the following **additional benefits** (if the customer is required to pay these costs):

5.4.1 clean up and disposal costs at any accident site, where there is a legal or contractual obligation to pay same, up to a limit of \$25,000 any one accident or series of accidents arising from any one insured event,

5.4.2 reasonable costs paid to avoid or minimise any further loss of, or damage to, the goods

5.4.3 the reasonable costs and expenses incurred in cleaning up or decontaminating your premises or the customer's premises following the delivery or return of salvaged goods, plus the cost of transport for

removal and disposal of those goods, up to a limit of \$25,000 any one accident or series of accidents arising from any one insured event.

Section 6 – Exclusions

6.1 The Institute Radioactive Contamination, Chemical, Biological, Bio-Chemical and Electromagnetic Weapons Exclusion Clause (Clause 6.2) and the Transit and Terrorism Clause (Clause 6.3) shall be paramount and shall override anything contained in this insurance inconsistent therewith. In the event of conflict between these two Clauses, the Institute Radioactive Contamination, Chemical, Biological, Bio-Chemical and Electromagnetic Weapons Exclusion Clause (Clause 6.2) shall prevail.

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

In no case shall this insurance cover loss damage liability or expense directly or indirectly caused by or contributed to by or arising from

6.2.1 ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel

6.2.2 the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof

6.2.3 any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter

6.2.4 the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter.

The exclusion in this Sub-Clause 6.2.4 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.

6.2.5 any chemical, biological, bio-chemical, or electromagnetic weapon.

6.3 Transit and Terrorism Clause

Notwithstanding any provision to the contrary contained in this policy or the clauses referred to therein, it is agreed that in so far as this policy covers loss of or damage to the goods insured caused by terrorism, such cover is conditional upon the goods insured being in the ordinary course of transit and, in any event **shall terminate either:**

6.3.1 as per Section 3 or

6.3.2 on delivery to any other warehouse or place of storage, whether prior to or at the intended destination, which is used either for storage other than in the ordinary course of transit or for allocation or distribution, whichever shall first occur.

For the purposes of this insurance, "terrorism" means any act(s) of any person(s) or organisations(s) involving:

- the causing, occasioning or threatening of harm of whatever nature and by whatever means,
- putting the public or any section of the public in fear,

in circumstances in which it is reasonable to conclude that the purpose(s) of the person(s) or organisation(s) concerned are wholly or partly of a political, religious, ideological or similar nature.

"Terrorism" shall also include steps taken to prevent, suppress, control or reduce the consequences of any actual, attempted, anticipated, threatened, suspected or perceived terrorism.

6.4 This insurance **does not cover** loss, damage or liability:

6.4.1 to goods **owned or leased** by you or your employees or goods **used by you or a relative** for personal, domestic or household purposes,

6.4.2 resulting from **any illegal activity** of which you have knowledge,

6.4.3 due to **inherent vice or nature of the goods**,

6.4.4 resulting from **delay**,

6.4.5 that existed or occurred prior to the commencement of the insured transit,

6.4.6 resulting from an act of **war**, whether or not war has been declared, whilst the goods are not on board a ship, vessel or aircraft.

6.5 This insurance **does not cover:**

6.5.1 **theft of the goods from a vehicle unless there is evidence of forcible entry into a locked vehicle**,

6.5.2 **loss of market, loss of profit or consequential loss of any description**, even if caused by an insured event,

6.5.3 **mechanical, electrical and/or electronic breakdown, derangement, or malfunction of the goods** where there is no evidence of external damage to the goods caused by an insured event

Section 7 – Claims

7.1 When an event occurs which may give rise to a claim under this policy, there are certain procedures you and your subcontractors must follow to protect the goods and your potential recovery action, if any, against third parties. **You must:**

7.1.1 immediately **take all reasonable measures** to avoid or minimise any further loss of, or damage to, the goods. The reasonable cost in doing this will be reimbursed by us.

7.1.2 **tell us** as soon as possible all of the details (including the time and location of the loss) and any circumstances known to you that will assist us in investigating that loss. This information should be provided to us in writing, including the cartage condition(s), and all supporting documentation such as the invoice(s), and letters of demand from the customer(s).

We may wish to appoint a surveyor to report to us on aspects of the loss. **You should co-operate** with the surveyor, as this will assist swift consideration of the claim.

7.1.3 report the matter to the **Police** or appropriate Government Authority as required by law.

7.2 **Notwithstanding the payment provisions contained in this policy, we will pay you or another party agreed with you (“payee”):**

7.2.1 where the customer or payee **cannot** claim an input tax credit in respect of the cost of repairs or replacement to make good the loss, the amount(s) payable as detailed in the policy, including the amount of any Goods and Services Tax (GST) due in respect of the payment, or

7.2.2 where the customer or payee **can** claim an input tax credit in respect of the cost of repairs or replacement to make good the loss, the amount(s) payable as detailed in this policy, less any input tax credits available to the customer or payee in respect of the payment.

The terms “GST” and “input tax credits” have the meaning given to them in A New Tax System (Goods and Services Tax) Act 1999.

7.3 All claims we pay under this policy will have any **excess deducted** prior to settlement.

7.4 **You authorise us to act in your name** and undertake to give us reasonable assistance in settling or negotiating any claim under this policy or any **recovery action** we may take against any third party who may have caused the loss or damage.

7.5 If we have paid a claim we may exercise our right to possession of the **damaged or recovered property**.

Section 8 – Premiums

8.1 The premium payable for this policy is based on an agreed premium per contract held by you with Australian Post

Section 9 – Cancellation

9.1 You may cancel the policy at any time by giving us written notification.

9.2 We may only cancel this policy when permitted to do so by the Insurance Contracts Act 1984 or other legislation.

9.3 Upon cancellation we will calculate and pay you any return premium due, after deduction of any minimum premium. However, if the cancellation is due to insolvency or takeover of your company, consideration will be given to reducing the minimum premium depending on the circumstances, claims, and our exposure during the policy period. Any additional premium payable by you on cancellation of the policy is payable to us by the date advised to you.

Section 10 – Law & Practice

This policy is subject to Australian law, including the Insurance Contracts Act 1984. It is also subject to Australian jurisdiction.

Section 11 – Your Duty of Disclosure

You have a legal duty of disclosure to us whenever you apply for, change or renew an insurance policy.

What you must tell us

You have a general duty to disclose to us everything that you know, or could reasonably be expected to know, is relevant to our decision whether to insure you, and, if we do, on what terms.

However, your duty does not require you to disclose anything:

- that diminishes the risk to be undertaken by us,
- that is common knowledge,
- that We know or, in the ordinary course of our business, ought to know, or
- as to which compliance with Your duty is waived by Us.

Your general duty applies to renewals and changes

Your general duty applies in full when you renew an insurance policy or change an existing policy (including when you extend or reinstate it).

Your general duty is limited for new policies

When you apply for a new policy your duty of disclosure applies, but you do not need to disclose something to us unless we specifically ask you about it. However, you must be honest in answering any questions we ask you. You have a legal duty to tell us anything you know, and which a reasonable person in your circumstances would include in answering the questions. We will use the answers in deciding whether to insure you and anyone else to be insured under the policy, and on what terms.

Who needs to tell us

It is important that you understand you are disclosing to us and answering our questions for yourself and anyone else you want to be covered by the policy.

If you do not tell us

If you do not answer our questions honestly or do not properly disclose to us, we may reduce or refuse to pay a claim or may cancel the policy. If you act fraudulently in answering our questions or not disclosing to us, we may refuse to pay a claim or treat the policy as never having existed.

Section 12 – Privacy Statement

We respect your Privacy

Privacy Statement

The Privacy Act 1988 (Cth) (as amended) now applies and requires us to inform you that:

Purpose of collection

We collect personal information (*this is information or an opinion about an individual whose identity is apparent or can reasonably be ascertained and which relates to a natural living person*) from or about you, for the purposes of:

- providing insurance services to you,
 - evaluating your application for insurance,
 - evaluating any request for amendment to any insurance provided,
 - issuing, administering and managing the insurance provided following acceptance of an application; and
 - investigating and, if covered, managing claims made in relation to any insurance you have with us or other companies within Chubb Insurance Company of Australia Ltd
- The personal information collected can be used or disclosed by us for a secondary purpose related to those purposes listed above, but only if you would reasonably expect us to use or disclose the information for this secondary purpose. However for sensitive information, the secondary purpose must be directly related to the purposes listed above.

Disclosure

When necessary and in connection with the purposes listed above, we may disclose your personal information to, and/or receive some personal information from:

- other companies within the Chubb Insurance Company of Australia Ltd ,
- your insurance intermediary or our agent,
- Government bodies, loss assessors, claims investigators, reinsurers,
- other insurance companies, mailing houses, claims reference providers, legal and other professional advisers,
- other service providers, hospitals, medical and health professionals.

Consequences if information is not provided

If you do not provide us with the information we need we will be unable to consider your application for insurance cover, administer your policy or manage any claim under your policy.

Access

You can request access to the personal information we hold about you by contacting us at Chubb Insurance Company of Australia Ltd, 14th Floor, 330 Collins Street, Melbourne, Victoria, 3000 .

In some circumstances we may not agree to allow you access to some or all of the personal information we hold such as when it is unlawful to give it to you. In such cases we will give you reasons for our decision.

**Policy issued by Chubb Insurance Company of Australia Ltd ABN 069 003 710 647
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