

Marine Household Goods & Personal Effects Transit Insurance Policy

INSURANCE AGREEMENT

The **Insured** must pay the premium by the due date. If the premium is unpaid by this date, or the payment is dishonoured, this policy will not operate and there will be no coverage.

In consideration of payment of the premium and in reliance upon the application, declaration and any other underwriting information, which will be deemed to be incorporated into and be the basis of the policy, and subject to the provisions of the policy, the **Insurer** will indemnify the **Insured** as follows.

A. INSURING CLAUSE

*Cover is provided under either Option 1 or Option 2, as set out on the **Schedule**. However, goods that are not professionally moved are restricted to Option 1 – Limited Cover only.*

OPTION 1 LIMITED COVER

This policy covers **Accidental Loss to Insured Property** occurring during the **Transit** as a direct result of:

1. fire;
2. flood; or
3. **Accident** to, or overturning of, the conveying vehicle.

OPTION 2 ACCIDENTAL LOSS

This policy covers **Accidental Loss to Insured Property** occurring during **Transit** caused by an external and physical event.

B. EXTENSIONS

The cover provided by this policy is extended as detailed below. This cover is subject to the terms and conditions of this policy.

ACCOMMODATION COSTS

The cover provided by this policy extends to cover the necessary and reasonable costs of alternative accommodation and other expenses incurred resulting from a claim covered under this policy that prevent the **Insured** from resuming normal accommodation.

This policy does not cover costs which would have been incurred irrespective of the claim. The maximum amount payable under this Extension is a daily rate of NZ\$500 up to a maximum period of 14 consecutive days. The cover provided by this Extension is in addition to the **Sum Insured**.

CONSOLIDATION AND OTHER HANDLING

This policy is extended to cover the **Insured Property** if they are stopped prior to their destination at the premises of any consolidator or handler for the purpose of:

1. consolidation or deconsolidation;

2. packing or repacking;
3. containerisation or de-containerisation; or
4. distribution or redistribution.

This clause will operate for a period of no more than 90 days from the first stoppage unless the **Insurer** agrees to an increase in time in writing.

EXPEDITING EXPENSES

The cover provided by this policy extends to cover the airfreight and incidental costs of expediting the:

1. repair; and/or
2. replacement,

of damaged **Insured Property** covered under this policy.

The maximum amount payable under this Extension is NZ\$5,000. The cover provided by this Extension is in addition to the **Sum Insured**.

LIABILITY

The cover provided by this policy extends to cover any payments the **Insured** is legally liable to make in connection with **Insured Property** during the **Transit**:

1. for general average and salvage charges where:
 - (a) the contract of carriage; or
 - (b) governing law and practice,make the **Insured** liable for such payments, and
2. for the **Insured's** proportion of liability under the contract of carriage "Both to Blame Collision" Clause. Where this applies the **Insurer** will also indemnify the **Insured** for legal costs and expenses reasonably and properly incurred by the **Insured** in defending the liability.

The maximum amount payable under this Extension for legal costs and expenses is NZ\$7,500, which is in addition to the **Sum Insured**. Any other payments made under this Extension are part of and not in addition to the **Sum Insured**.

MECHANICAL AND ELECTRICAL DERANGEMENT

The cover provided by this policy extends to cover the reasonable and necessary repair or replacement costs arising directly from electrical and mechanical failure and / or malfunction of the **Insured Property**. An excess of 15% of the value of the item with a minimum of NZ\$50 each item (including GST) applies to this Extension. The cover provided by this Extension is part of and not in addition to the **Sum Insured**.

MOULD AND MILDEW

Notwithstanding Exclusion 'Losses Not Insured' sub paragraphs 2.2 and 2.3, the cover provided by this policy is extended to cover **Loss** and protection costs arising from mould or mildew caused by climatic and/or atmospheric changes. The maximum amount payable under this Extension is \$25,000. The cover provided by this Extension is part of and not in addition to the **Sum Insured**.

NATURAL DISASTER

The cover provided by this policy extends to cover the difference between the Earthquake Commission Cover (EQCover) and the actual cost of reinstatement for **Natural Disaster Damage** that occurs to **Insured Property**, provided:

1. payment shall not include the amount of any excess applicable to the EQCover; and
2. the combined total of any payments by EQCover, and by this Extension shall not be more than the **Sum Insured** shown in the **Schedule**.

Payment shall not apply if, for any reason, the EQCover is not paid or payable by the Earthquake Commission.

This Extension applies only when the **Transit** commences, terminates and is solely within New Zealand. The cover provided by this Extension is part of and not in addition to the **Sum Insured**.

PAIRS AND SETS

In the event of **Loss** or damage to any item of **Insured Property** that forms part of a pair or set, the cover provided by this policy extends to cover the **Loss** in value of the undamaged item if the damaged item cannot be replaced, repaired or restored.

The maximum amount payable under this Extension is the **Sum Insured** of the pair or set. The cover provided by this Extension is part of and not in addition to the **Sum Insured**.

PROFESSIONAL AND BUSINESS EQUIPMENT

The cover provided by this policy extends to cover tools and equipment, including text books and reference material used for professional purposes and business use provided such equipment forms part of a household removal. The maximum amount payable under this Extension is \$5000. The cover provided by this Extension is part of and not in addition to the **Sum Insured**.

PROTECTION COSTS

The cover provided by this policy extends to cover reasonable costs the **Insured** incur(s) for the defence, safeguarding and recovery of **Insured Property** where such expenses would prevent or minimise a claim that is or would be covered under this policy. The cover provided by this Extension is part of and not in addition to the **Sum Insured**.

STORAGE

The cover provided by this policy extends to cover **Accidental Loss** to **Insured Property** occurring during storage at a professional storage facility or carrier's warehouse or carrier's store for the period specified in the application. In addition, this policy will cover any additional periods of storage provided that the **Insured**:

1. notifies the **Insurer** prior to the commencement of the additional storage;
2. accepts in writing the terms, conditions and additional premium required by the **Insurer** for the cover; and
3. pays the additional premium when due.

WORKS OF ART/ANTIQUES

The cover provided by this policy extends to cover the **Loss** in **Insured** value of works of art and antiques following restoration or repairs as a result of a claim under this policy.

The most the **Insurer** will pay is the **Sum Insured** of the item or NZ\$10,000 per item, whichever is lesser. **Losses** payable under this Extension are in addition to the cost of restoration or repair. The cover provided by this Extension is part of and not in addition to the **Sum Insured**.

C. BASIS OF SETTLEMENT METHOD OF INDEMNITY

At the **Insurer's** option, the **Insurer** will settle claims by payment, repair or replacement based on:

1. the replacement value for furniture, furnishings and household appliances less than 10 years old; and
2. the replacement value less an allowance for depreciation for all other items.

MAXIMUM PAYABLE

The most the **Insurer** will pay is the **Sum Insured**, plus any amount payable under any Extension stated to be in addition to the **Sum Insured**.

SETTLEMENT OF ANY CLAIM

All **Sums Insured** are in New Zealand dollars and are GST exclusive unless otherwise specified in the **Schedule**.

EXCESS

Option 1 – Limited Cover

An excess of NZ\$250 (inclusive of GST) will apply to each individual consignment, unless otherwise stated in the **Schedule**. The excess is to be borne by the **Insured** and will remain uninsured.

Option 2 – Accidental Loss

An excess of NZ\$250 (inclusive of GST) will apply to each individual consignment, unless otherwise stated in the **Schedule**. The excess is to be borne by the **Insured** and will remain uninsured.

D. EXCLUSIONS

CYBER ATTACK

This policy does not cover **Loss** cause by the use or operation, as a means of facilitating harm, of any computer, computer system, computer software programme, malicious code, computer virus or process or any other electronic system.

DECK CARGO CLAUSE

This policy does not cover **Loss** caused by water of any kind when the **Insured Property** is transported on the deck of a vessel or craft. This clause does not apply if the **Insured Property** is transported in fully enclosed ISO containers of solid wall and roof construction.

LOSSES NOT INSURED

This policy does not cover any:

1. **Loss**, protection costs or liability arising from the **Insured's** wilful misconduct.
2. **Loss** or protection costs arising from:
 - 2.1 delay, confiscation or detention by Customs or other officials or authorities;
 - 2.2 mould, mildew, moths, insects, rats, vermin, inherent vice or nature of the **Insured Property**, or gradual deterioration or wear and tear;
 - 2.3 climatic and/or atmospheric changes; or
 - 2.4 cancellation or frustration of the journey.

NUCLEAR, WAR RISKS AND TERRORISM

This policy does not cover **Loss** to, protection costs or liability in respect of the **Insured Property** in connection with:

1. war, civil war, revolution, rebellion, insurrection, or civil strife arising there from or any hostile act by or against a belligerent power, capture, seizure, arrest, restraint or detainment (piracy excepted), and the consequences thereof or any attempt thereat, derelict mines, torpedoes, bombs or other derelict weapons of war (while the **Insured Property** is on the land);
2. an **Act of Terrorism** or person acting on political motive (while the **Insured Property** is not in the ordinary course of **Transit**); or
3.
 - 3.1 ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel;
 - 3.2 the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof;
 - 3.3 any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter;
 - 3.4 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; or
 - 3.5 any chemical, biological, bio-chemical, or electromagnetic weapon.

SANCTION LIMITATION AND EXCLUSION CLAUSE

The **Insurer** shall not be deemed to provide cover or 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 the **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, United States of America, Australia or New Zealand.

USED OR SECOND-HAND GOODS

When the **Insured Property** is used or second-hand, this policy does not cover:

1. rust, oxidisation and discolouration unless proximately caused by entry of sea, lake or river water into the place of storage; or
2. in respect of **Insured Property** packed by the **Insured**, claims for:
 - 2.1 missing items, unless a valued list of each and every item to be **Insured** is provided by the **Insured** prior to **Transit**; or
 - 2.2 scratching, chipping, denting and any **Loss** arising from the **Insured Property** being insufficiently or unsuitably packed.

E. CLAIM CONDITIONS NOTIFICATION

As soon as the **Insured** is aware of any **loss** or liability that is likely to result in a claim under any section of this policy the **Insured** or the **Insured's** agent must:

1. notify the **Insurer** immediately at the address below, or give notice to and obtain a Survey Report from the **Insurer's** survey representative at the port of discharge or destination or, if the **Insurer** does not have a representative, to the nearest Lloyd's Agent;
2. take prompt steps to minimise and avoid any further **Loss** or liability; and
3. take reasonable steps to obtain details of any other person, property or vehicle involved, and any witnesses.

Notice to **Insurer**: Calling from New Zealand: 0800 99 88 44

Calling from outside New Zealand: +900 99 88 111 or +64 9 303 3232

By Email: claimsnoticenewzealand@bhspecialty.com By Mail: For street address, log on to: www.bhspecialty.com/claims/claims-new-zealand

CLAIM CO-OPERATION

The **Insured** must not:

1. dispose of any property that the **Insured** intends to make a claim on under this policy;
2. start any repairs without the **Insurer's** permission unless it is necessary to prevent further **Loss** or liability;
3. admit responsibility for any liability; or
4. say or do anything that may prejudice the **Insurer's** ability to defend any claim made against the **Insured** or make recovery for the **Loss** from any other person who may be responsible for it.

F. GENERAL CONDITIONS APPLICATION FORM AND INVENTORY

It is a condition precedent to indemnity under this policy that a World Moving inventory and insurance application must be completed for each **Transit**.

BENEFITS OF INSURANCE

This insurance shall not apply for the benefit of the carrier or other bailee.

COMPLIANCE

The **Insured** must comply with all the terms of this policy before the **Insurer** will pay any claim.

CONSTRUCTIVE TOTAL LOSS

No claim for constructive total **loss** shall be recoverable unless the **Insured Property** is reasonably abandoned either on account of their actual total **loss** appearing to be unavoidable or because the cost of recovering, reconditioning and forwarding them to the intended destination would exceed their value on arrival.

GOVERNING LAW AND JURISDICTION

The law of New Zealand applies to this policy and the New Zealand Courts have exclusive jurisdiction.

UNDER INSURANCE

The **Insured's** insurance policy contains a provision making it 'subject to average'.

This provision will have effect only if the **Insured Property** is underinsured at the time of **Loss**. If the **Insured Property** is underinsured at the time of **Loss**, the following rules apply:

1. If the **Insured** suffer a total **Loss**, the provision will have no effect.

2. If the **Insured** suffer a partial **Loss**, the maximum amount the **Insured** can recover will bear the same proportion to the **Insured's** actual **loss** as the amount for which the property is insured bears to the full value of the property.
3. Whatever the **Insured's loss**, in no case will the **Insured** be entitled to recover more than the amount for which the property is insured.

"Example: The **Insured's** property is worth \$20,000. The **Insured** covers it for \$10,000. The **Insured** suffers a **Loss** of \$5,000. If the **Insured's** policy is 'subject to average' the maximum amount that the **Insured** may recover will be \$2,500."

G. DEFINITIONS

The definitions apply to the plural and any derivatives of the words.

For example, the definition of 'accident' also applies to the words 'accidentally', 'accidental' and 'accidents'.

Accident means an event that is sudden, unintended and unexpected by the **Insured**.

Act of terrorism includes any unlawful act, or preparation in respect of action, or threat of action designed to influence or coerce the government de jure or de facto of any nation or any political division therefore, or in pursuit of political, religious, ideological, or similar purposes to intimidate the public or a section of the public of any nation by any persons whether acting alone or on behalf of or in connection with any organisation(s) or government(s) de jure or de facto, and that:

1. involves violence against one or more persons, or
2. involves damage to property, or
3. endangers life other than that of the person committing the action, or
4. creates a risk to health or safety of public or section of the public, or
5. is designed to interfere with or disrupt an electronic system.

Insured means the person(s) shown as the **Insured** in the **Schedule**.

Insured Property means household goods and personal effects belonging to the **Insured**, or hired by the **Insured** and for which the **Insured** is responsible in the course of **Transit** as cargo, but excluding:

1. cash, notes, bonds, securities of any kind, documents, watches, jewellery and the like;
2. perishable or frozen food, livestock, motor vehicles, motor cycles, caravans, trailers, personal watercraft, boats, outboard motors, and any accessories or spare parts attaching to or forming part of any of these items;
3. any one article exceeding NZ\$10,000 unless specified; or
4. stamp, coin, medal and other collections or group of items whose collective value is enhanced by being part of that group.

Insurer means Berkshire Hathaway Specialty Insurance Company (incorporated in Nebraska, USA).

Loss means physical loss or physical damage.

Natural Disaster Damage means damage that results directly from:

1. earthquake, subterranean fire, volcanic eruption, tsunami, geothermal activity, or fire caused by any of these, or
2. measures taken under proper authority, following an event listed in 1. to:

- (i) avoid its spreading, or
- (ii) reduce its consequences.

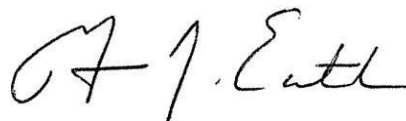
Schedule means the invoice document issued by World Moving and Storage

Sum Insured means the amount stated in the inventory attached to the **Schedule** for each item of **Insured Property**, and the amount stated in the **Schedule** for all **Insured Property** combined, up to a maximum of NZ\$500,000, unless agreed differently by the **Insurer** prior to **Transit**.

Transit means transport from one house to another while the **Insured Property** is in the ordinary course of its journey including, before arrival at the house of destination, storage at a professional storage facility or carrier's warehouse or carrier's store for periods during the journey which, in aggregate, do not exceed 30 days. This includes packing and unpacking only where performed by a professional removal company.



Ralph Tortorella, Secretary



Peter Eastwood, President

For and on behalf of Berkshire Hathaway Specialty Insurance Company

This policy is issued by Berkshire Hathaway Specialty Insurance Company (NZ Company No. 5737531, FSP 445946), which is licensed by the Reserve Bank of New Zealand to carry on general insurance business in New Zealand, and which holds a financial strength rating of A++ from AM Best and AA+ from Standard & Poor's.