



Berkshire Hathaway
Specialty Insurance

Marine Cargo Single Transit Insurance Policy Motor Vehicles, Watercraft and Commercial Goods

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

The **Insured** is covered for **Accidental Loss to Insured Property** occurring during the **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.

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.

DELAYED UNPACKING

The **Insured** is allowed, in the case of imports into New Zealand, a period of up to 30 days to open packaging after delivery to examine the contents.

All packaging is to be inspected and any **Loss** to be notified to the **Insurer** in accordance with Section E below.

Any packaging showing signs of external damage, wetting and/or staining must be opened immediately and all possible steps must be taken to minimise damage.

In the event of damage all packaging material must be kept until such time the **Insurer** authorises disposal.

DESTRUCTION/DISPOSAL/REMOVAL

The cover provided by this policy extends to cover reasonable costs which the **Insured** incurs (with **Insurer's** prior consent, such consent not to be unreasonably withheld) to destroy, dispose of or remove **Insured Property** damaged as a result of an event giving rise to a claim covered under this policy. The maximum amount payable under this Extension is NZ\$5000. This is in addition to the **Sum Insured** stated in the **Schedule**.

The **Insured** is not covered under this Extension for:

1. any liability;
2. any cost or expense arising in respect of pollution, contamination or pollution clean up; or
3. any fines or penalties.

EXPEDITING EXPENSES

The cover provided by this policy extends to cover 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. Any payments made under this Extension are 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 addition to the **Sum Insured**. Any other payments made under this Extension are part of and not in addition to the **Sum Insured**.

MACHINERY BED TO BED

If the **Insured Property** is machinery imported into, or transported within, New Zealand the **Transit** commences from the time the machinery is lifted from its bed at premises at the point of origin of the **Transit**. If the lifting movement is not continuous then the **Transit** does not commence until the machinery is lifted for loading onto the land conveyance.

Cover continues during the ordinary course of **Transit** and ceases upon the earliest of:

1. the machinery being placed safely on its final bed at the place shown in the application. If the machinery is not moved continuously from the land conveyance to its final bed, then cover ceases once the machinery is lifted from land conveyance and placed on the ground alongside the land conveyance;
2. expiry of 60 days after completion of discharge of the **Insured Property** from the overseas vessel or aircraft at the final port or place of discharge; or
3. when the **Insured Property** is placed in store for storage other than its ordinary course of **Transit**.

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**.

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.

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 commercial goods, excluding machinery; and
2. the replacement value less an allowance for depreciation for all other items, excluding machinery.

SETTLEMENT OF MACHINERY

In the event of **Loss** to any machine, the **Insurer** will not pay more than, at the **Insurer's** option:

1. in respect of new, unused machinery, the cost of replacement or repair of the damaged parts, excluding duty unless the duty is included in the **Sum Insured**; and
2. in respect of used machinery, the proportion of the cost of replacement of the damaged parts as the **Sum Insured** bears to the value of a new machine.

The **Insurer** will also pay any reasonable additional charges for forwarding and refitting the replacement parts if incurred. The **Insurer's** liability shall not exceed the **Sum Insured** of the complete machine.

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**. However, in no circumstances will the **Insurer** pay more than:

1. NZ\$500,000 for all the **Insured Property**; or
2. NZ\$50,000 for any item or set of artwork, picture(s) and/or antiques, for any one conveyance.

SETTLEMENT OF ANY CLAIM

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

EXCESS

The following excess will apply to each individual consignment and is to be borne by the **Insured**, unless otherwise stated in the **Schedule**:

1. Commercial Goods: Option 1 Limited Cover – NZ\$250
2. Commercial Goods: Option 2 Accidental Loss – NZ\$250
3. Motor Vehicles, Caravans, Trailers, Motorcycles and Watercraft – 1% of **Sum Insured**, with a minimum of NZ\$250. The excess will double if no pre-shipment report has been completed (or in the case of watercraft, if no pre-shipment photographs have been taken)

All excesses are inclusive of GST where applicable.

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, rats, vermin, inherent vice or nature of the **Insured Property**, or gradual deterioration or wear and tear;
 - 2.3 climatic and/or atmospheric changes;
 - 2.4 insufficient or unsuitable packing, protection or preparation. Packing includes stowage in a container or liftvan when such stowage is carried out prior to commencement of this insurance or by the **Insured** or anyone at the **Insured's** instruction;
 - 2.5 dismantling, erecting, installing and / or testing of the **Insured Property**;
 - 2.6 cancellation or frustration of the journey;
 - 2.7 insolvency or financial default of the owners, managers, charterers or operators of the vessel unless, at the time of loading the **Insured Property** on board the vessel, the **Insured** or World Moving & Storage Ltd were not aware of any such insolvency or financial default which could prevent the normal prosecution of the voyage; or
 - 2.8 mechanical and /or electrical derangement to the **Insured Property** unless caused by a risk covered by this policy resulting in visible **Loss** to the **Insured Property** and/or packaging.
3. **Loss** or protection costs arising from the:
 - 3.1 unseaworthiness of the vessel or craft or unfitness of the vessel or craft for the safe carriage of the **Insured Property**, where the **Insured** is privy to such unseaworthiness or unfitness at the time the **Insured Property** is loaded therein; or
 - 3.2 unfitness of the container liftvan or land conveyance for the safe carriage of the **Insured Property**, where the loading therein is carried out prior to the attachment of this insurance or by the **Insured** or the **Insured's** servants.

The **Insurer** waives any breach of the implied warranties of seaworthiness of the ship and fitness of the ship to carry the **Insured Property** to destination.
4. **Loss** to, protection costs or liability in respect of vehicles while they are being driven under their own power or while they are under tow except for the purpose of loading and/or unloading from the conveyance, or while the vehicle is parked or manoeuvred within the port, storage or warehouse area. The **Insured** are not covered for any third party liability.
5. in relation to motor vehicle, motor cycles, caravans, boats and boat trailers, **Loss** to audio equipment, telecommunications equipment, tools, spare tyres and/or similar items and/or parts and/or accessories, and/or marine electrical accessories unless such property is conveyed in an ISO fully enclosed solid roof and wall container or such property is lost together with the entire shipment.

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.

PERSONAL VEHICLES AND CARAVANS

This policy does not cover:

1. depreciation in the value of the **Insured Property** due to the inability of a repairer to match existing paintwork;
2. replacement of artwork, signs, or other paintwork not present on standard goods, unless such items are noted on the application form;
3. non-factory installed accessories not specifically declared and valued for insurance; or
4. **Loss** whilst the **Insured Property** is /are being operated under their own power or under tow, except when being moved within a wharf, airport area, cargo consolidation depot for the purpose of loading onto or discharging from the carrying vessel or aircraft or packing into or unpacking from an ISO container.

SANCTIONS 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, oxidation 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 covered 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 OF CLAIM

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** 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** do 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** intend 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

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

AVOIDANCE OF DELAY

The **Insured** must act with reasonable despatch in all circumstances within the **Insured's** control. The **Insured** must examine the **Insured Property** for any **Loss** as soon as possible after completion of the **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.

LABELS

In the event of damage to labels, capsules or wrappers the **Insurer** shall not be liable for more than the amount sufficient to pay the cost of new labels, capsules or wrappers, plus the cost of reconditioning the goods.

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."

VESSEL STOWAGE

Unless shipped in an ISO fully enclosed solid roof and wall container all vessels shipped on deck must be shrink-wrapped and contained in a purpose-built cradle attached to a flat-rack. The Deck Cargo Exclusion Clause does not apply to vessels shipped on deck which have been shrink-wrapped and contained in a purpose-built cradle attached to a flat-rack.

Vessels must be shipped in protected stowage. The **Insured** vessel is to be shipped at least one container row inside the extremities of the carrying ship and it is to be placed in a fore and aft orientation in relation to the carrying ship. If cargo does not meet these conditions, the excess will be doubled.

VEHICLE PRE-SHIPMENT

In the event of **Loss** to a vehicle the **Insured** must make available a pre-shipment report or photos showing the condition of the vehicle prior to **Transit**. If no photos or reports are available, the excess will double.

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 all general cargo, but excluding:

1. household goods and personal effects;
2. cash, notes, bonds and securities of any kind;
3. watches, jewellery and the like;
4. livestock and bloodstock;
5. live fish, birds, animals and plants;
6. perishable and temperature sensitive cargo;
7. aircraft and helicopters;
8. property shipped on deck, other than vessels or property shipped in ISO fully enclosed solid roof and wall containers;
9. stamp, coin, medal and other collections; and
10. precious metals.

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

Loss means physical loss or physical damage.

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

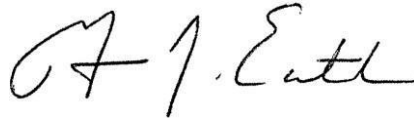
Insured Property, and the amount stated in the **Schedule** for all **Insured Property** combined.

Transit means the time the **Insured Property** is uplifted from the ground or loading dock alongside the conveyance at the place named in the application, continues during the ordinary course of **Transit** and ceases:

1. on delivery at the place shown in the application once the **Insured Property** has been lifted from the conveyance and placed on the ground alongside the conveyance;
2. on the expiry of 60 days after completion of discharge of the **Insured Property** from overseas vessel or aircraft at the final port or place of discharge;
3. when the **Insured Property** is placed in store for storage other than in the ordinary course of **Transit**; or
4. in the event the **Insured Property** is not promptly removed from the conveyance at the final destination, upon arrival of the conveyance at the final destination, whichever occurs first.



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.