
Section 7 – Goods in Transit

This section is subject to the General Conditions contained in the **Policy Booklet**.

Specific Definitions

The meaning of some of the important words and terms used in Section 7 only, are shown below.

Building means any building at the **Premises** owned by **you** or which **you** occupy, site shed, container, storage facility, office premises, accommodation, building or facility situated on a work or construction site.

Goods means tools of trade, **Stock in Trade**, plant and other machinery that **you** buy, sell or use in connection with the **Business**.

In Transit means from the time the **Goods** commence to be loaded at the place of dispatch and continues during the normal course of transit, until delivered and unloaded at the place of destination.

Cover Provided

If your **Schedule** indicates that **you** have taken out insurance under Section 7, **we** will pay **you** for **Damage to Goods** for which **you** are legally responsible which occurs while they are **In Transit** anywhere in Australia during the **Period of Insurance**.

We will not pay **you** in respect of any of the matters set out in the Specific Exclusions listed below or the General Exclusions contained in the **Policy Booklet**.

Basis of Settlement

If **you** have a valid claim under Section 7, **we** will at our option pay for or **Reinstate** the **Goods** on the basis set out below.

1. Property

Where **Goods** are:

- a) lost or destroyed, their replacement by similar **Goods** to a condition equal to but not better or more extensive than its condition at the time of the loss or destruction; or
- b) **Damaged**, the repair and/or restoration of the **Property** without deduction for depreciation.

We are not bound to replace, restore or repair exactly or completely but only as circumstances permit and in a reasonably sufficient manner.

2. Our Limit of liability

Our liability is limited to the **Sum Insured** in respect of **Goods** and/or any specified item stated in the **Schedule** less the **Excess** shown.

Additional Benefit

The cover provided under Section 7 will extend to cover **Damage to Goods** when they are temporarily removed from the vehicle transporting the **Goods** to any **Building**.

Specific Exclusions

We will not pay **you** under Section 7 in the following circumstances, other than to the extent stated.

1. **We** will not pay if the **Damage** was caused directly or indirectly by:
 - a) the actual process of cleaning, dyeing, repairing, altering, restoring, renovating, modifying or maintaining the **Goods**;
 - c) wear, tear, fading, breakage of fragile articles, scratching or marring, gradual deterioration or developing flaws, normal upkeep or making good, want of lubrication or upkeep, or lack of proper maintenance of the **Goods**;
 - d) the action of birds, moths, termites or other insects, or vermin;
 - e) rust or corrosion, mildew, mould, wet or dry rot, oxidation, contamination, disease, inherent vice or latent defect, adjusting or servicing operations;
 - f) the action of light, shrinkage, evaporation, variation in temperature or other atmospheric conditions;
 - g) loss of weight, change in flavour, colour, texture or finish of the **Goods**;
 - h) smoke, smut, sludge, or chemicals from industrial or agricultural operations dust, sand, mud or smog, but **we** will pay for sudden and unforeseen **Damage** resulting therefrom;
 - i) scratching or breakage of lenses, mirrors, prisms, slides, or plates;
 - j) over winding, denting or internal **Damage** of clocks, watches or scientific instruments;

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- k) unexplained inventory shortages or disappearance resulting from clerical or accounting errors, shortages in supply or delivery of materials or goods;
 - l) any fraudulent or dishonest acts of **your Employees**;
 - m) mechanical, electrical or electronic breakdown, failure or derangement unless it occurs as a result of loss or damage to **Goods**;
 - n) electrical or magnetic injury, disturbance or erasure of electronic recordings;
 - o) data processing or media failure or breakdown, or malfunction of the processing system;
 - p) failure of, error, or omission in design, plan, specification or during testing;
 - q) the **Good's** own spontaneous fermentation or heating;
 - r) theft of **Goods** whilst contained in an unattended and unlocked motor vehicle or caravan; or
 - s) any form of consequential loss.
2. **We** will not pay for **Damage** to:
- a) money, securities of any kind, bonds, title deeds, documents, manuscripts, or **Business** books;
 - b) valves, transistors, or batteries in radios, tape recorders, calculators and the like;
 - c) any pictures or paintings through cracking;
 - d) sporting equipment while in use or course of play;
 - e) glass;
 - f) musical instruments, equipment or apparatus if **you** are engaged in or in any way connected with any form of professional entertaining;
 - g) jewellery, precious stones, precious metals or bullion;
 - h) mobile phone(s), laptop computers or video cameras, unless it is specified in the **Schedule**;
 - i) tools of trade while being used; or
 - j) **Goods** if that **Damage** is covered under any other Section of this **Policy**.

Specific Conditions

If Section 7 forms part of **your Policy**, **you** must follow the Specific Conditions noted below otherwise **we** may not pay **your** claim under Section 7.

1. Security for the Vehicle Transporting Goods

The **Vehicle** (including any fixed carrying compartment) transporting **Goods** must:

- a) be fully enclosed and capable of being securely locked;
- b) have all windows, doors and openings securely locked when it is left unattended.
- c) have an alarm that is operational and activated when it is unattended.

2. Security for the Building where Goods are Temporarily Stored

Any **Building** where **Goods** have been temporarily removed to must be fully enclosed and securely locked at all times.