

Vero Marine Buildings in Transit Policy Wording

CB*01 0417

Buildings in Transit - Schedule

Building Insured:	Xxxx <i>Description of structure being moved. If the Building Insured consists of separate structures, or is divided into sections for transit, the value of each unit should be noted here.</i>
Maximum Sum Insured:	NZD x,xxx,xxx <i>per building insured</i> <i>The sum of the Going-in Value, Removal Costs and Additional Professional Costs; plus a maximum of 10% for the Insured's costs of administration, etc.</i>
Policy Sub-Limits	
Debris Removal Costs:	NZD 10,000 <i>If not otherwise insured under a Contractors' All Risks insurance, or similar</i>
Expediting Expenses:	NZD 5,000 <i>If not otherwise insured under a Contractors' All Risks insurance, or similar</i>
Policy Deductible:	NZD xx,xxx <i>per event</i>
Optional Extension	
Separated Structures:	Not Insured

Buildings in Transit - Clauses

Definitions

Throughout this policy, whenever the following words are used in italics, this is what they mean.

- **"Additional Professional Costs"** means the *costs* of professional fees incurred. These *costs* are discretionary *costs* incurred by the *Insured*, and include architects', surveyors' fees and legal fees.
- **"Building Insured"** means the Building described in the Schedule. For any period during the term of this policy, if the Building or part of the Building are capable of being someone's home as a 'residential building' within the section 2(1) definition of residential building in the Earthquake Commission Act 1993, this policy is subject to both Fire Services and Earthquake and War Damage levies.
- **"Company"** means Vero Marine Insurance, an operating division of Vero Insurance New Zealand Ltd.
- A **"constructive total loss"** occurs when
 - prior to delivery to the destination site, when the expenses of repair to the *Building Insured*, or part of the *Building Insured*, and the costs of completing the transit, less any salvage, exceeds the *Sum Insured*
 - on or after delivery to the destination site, the *Building Insured*, or part of the *Building Insured*, is lost or damaged to the extent that the expenses of repair exceeds the *Sum Insured*
 - when an actual total loss appears unavoidable.

To establish a claim for *constructive total loss* the *Insured* must tender a notice of abandonment to the *Company*. The *Company* is not obliged to accept abandonment, but when a *constructive total loss* is conceded, the *Company* agrees to place the *Insured* in a similar position in relation to a claim under this policy.

- **"Costs"** mean expenses the *Insured* has incurred or for which the *Insured* is contractually liable and can provide as documentary evidence to the *Company*.
- An **"event"** is defined as something that happened at a particular time, at a particular place and in a particular way, and from which physical loss or damage occurs.

Negligence is not an *event* itself, but a negligent act or omission may result in an *event* occurring. Where negligent actions or omissions are mutually exclusive and which result in physical loss or damage, the resultant loss that occurs may be treated as arising from separate *events*. Where negligent actions or omissions further or contribute to existing physical loss or damage, the resultant loss that occurs may be treated as arising from separate *events*.

When physical loss or damage is attributable to a natural disaster (as defined in the Earthquake Commission Act 1993) a series of *events* arising from any one such cause during any period of 72 consecutive hours will be treated as one *event*.

“Going-in Value” means the value of the *Building Insured* at its original site evidenced by purchase receipts or independent valuation, not including the value of the land, structures and building services left behind.

- **“Insured”** means the owner(s) of the *Building Insured*, and any contractor to whom benefit of this insurance has been provided for in their written contract with the *Insured*, and whose name and interest has been declared to the *Company* prior to the commencement of this insurance; all for their respective rights and interests.
- **“In transit”** means from the time the *Building Insured*, or a section of the *Building Insured*, is first moved or lifted by mechanical means from its permanent or temporary foundations on to a conveyance for transit, and ends when the *Building Insured*, or a section of the *Building Insured*, has been moved or lowered by mechanical means from the conveyance on to temporary or permanent foundations so that they bear its weight.
- **“Removal Costs”** means the *costs* of preparing the *Building Insured* and its original site for transit, the *costs* of transit, the *costs* of preparing the destination site for access, and the *costs* of preparing the destination site for receiving the *Building Insured* e.g. structural piles, building services. *Removal Costs* can include:
 - the *costs* of labour, surveys, and the professional mover’s *costs* and profit for preparation, transit, and arrival
 - private, local council, transit authority permissions
 - any regulatory and compliance *costs*, building fees
 - the *costs* of this insurance.

Removal Costs do not include any physical work done that can be used for any other existing or future structure.
- **“Sum Insured”** means the sum of *Going-in Value*, *Removal Costs* and *Additional Professional Costs*. In addition, it can also include an allowance for the *Insured’s* administration *costs*, limited to 10% of the sum of the *Going-in Value*, *Removal Costs* and *Additional Professional Costs*.

Risks Covered

When policy is combined with a Vero Contractors' All Risks wording (where cover is to continue at destination):

This insurance covers accidental physical loss of or damage to the *Building Insured* caused and discovered whilst the *Building Insured* is *in transit* on land, sea or inland waters. Any such loss or damage does not include any existing damage; or any existing defect in design, material or workmanship.

When policy stands alone:

This insurance covers accidental physical loss of or damage to the *Building Insured* caused whilst the *Building Insured* is *in transit* on land, sea or inland waters. Any such loss or damage does not include any existing damage; or any existing defect in design, material or workmanship.

In all cases:

Whilst afloat, this insurance covers any General Average and salvage liability as cargo to salvors and other third parties.

Notwithstanding that the *Building Insured* may consist of separate structures, or one structure that has been divided into sections for transit, cover under this policy will only attach to each individual structure or section whilst *in transit*.

Note: An optional cover **Separated Structures** is available for those structures or sections not in transit between the Commencement and Termination Dates in the Policy Schedule.

Exclusions

In no case shall this insurance cover loss, damage or expense to the *Building Insured* caused by or attributable to or in consequence of

- the collapse or failure of temporary or permanent piles, foundations, packs, jacks or support structures, unless the collapse or failure happens immediately and is caused by violent impact with the *Building Insured*, whilst the *Building Insured* is *in transit*
- the *Building Insured* not being structurally sound to withstand the normal stress of transit, loading and unloading, including but not limited to the cracking or settlement of floors, cracking or breakage of glass, or loss or damage to fixtures, fittings or the *Building Insured’s* contents
- racking, movement, scratching, denting, chipping, grazing and/ or cracking of the *Building Insured* unless as a direct result of
 - the carrying conveyance overturning or becoming involved in a collision; and/or
 - the *Building Insured* sustaining an impact whilst *in transit*.
- rot, mould, mildew or any gradual deterioration, including that due to climatic conditions
- any part of the building or its fixtures or fittings being constructed of or including asbestos
- insects, vermin or the growth of plant material or fungi

- consequential loss, loss of use, loss due to delay, penalties, fines, liquidated damages;
- war, invasion, action of foreign enemy, warlike operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power
- confiscation, nationalisation, requisition, destruction by the order of government or a local authority

In no case shall this insurance cover

- the deductible shown in the Buildings in Transit Schedule which shall be the amount borne by the *Insured* in respect of each and every claim
- aggravated, punitive or exemplary damages; or liability of any nature whatsoever.

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

This clause shall be paramount and shall override anything contained in this insurance inconsistent therewith

- 1 In no case shall this insurance cover loss damage liability or expense directly or indirectly caused by or contributed to by or arising from
 - 1.1 ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel
 - 1.2 the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof
 - 1.3 any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter
 - 1.4 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.
 - 1.5 any chemical, biological, bio-chemical or electromagnetic weapon.

Additional Clauses

Cancellation Clause

This policy is always open from the attachment date stated in the Schedule, subject to cancellation by either the *Insured* or the *Company* on giving **60 days'** written notice.

Where there is mutual agreement between the *Insured* and the *Company*, cancellation may be effected other than as stated above. In the event that such agreement is sought by either party to the contract, the agreement must be in writing and signed by an authorised representative of the respective parties.

The notice of cancellation will commence from midnight on the day it is issued, but cancellation will not apply to the *Building Insured* if it is already *in transit* at the time the cancellation takes effect.

Claims

On discovery of loss or damage, details must be reported to the *Company*. Failure to do so in a reasonable time may prejudice a claim.

Vero Marine Insurance	Tel +64 9 363 2600	Email claims@veromarine.co.nz
PO Box 1759	Fax +64 9 363 2601	Website http://www.vero.co.nz/marine
Auckland		

No claim for *constructive total loss* shall be recoverable unless the *Building Insured* is reasonably abandoned, either on account of its actual total loss being unavoidable or as a result of the cost of repairing and/or forwarding the *Building Insured* to its intended destination exceeding the *Sum Insured* on arrival.

Any deadlocked dispute between the *Insured* and the *Company* as to whether the *Company's* agreement to abandonment is or is not reasonably withheld shall first be referred to the *Company's* independent external dispute resolution scheme nominated on the *Company's* website (<https://www.vero.co.nz/contact-us.html#tab3>).

In no case does the *Company* agree to assume any proprietary rights in the *Building Insured*, unless such an explicit offer is made to and accepted by the *Insured*.

Claims Settlement Clause

The *Sum Insured* is the maximum amount that shall be paid (less the deductible) to the *Insured* in the event of an actual total loss or a *constructive total loss*.

In addition, the *Company* is liable to reimburse any claims mitigation *costs* incurred with the *Company's* agreement; and (if insured) Debris Removal Costs and Expediting Expenses.

Otherwise, the *Company* shall reimburse the *Insured* for reasonable *costs* of repairs, less the deductible.

The Policy deductible shall apply to each separate *event*.

Contribution

Any liability under this policy in respect of any destruction of or damage to the *Building Insured* shall not exceed its rateable proportion having regard to other insurances, whether marine or fire and whether or not such other insurances are exempted from contributing either by the existence of this insurance or any other. This clause shall not apply in respect of claim payable under the Debris Removal and/or Expediting Expenses clauses incorporated in this cover.

Debris Removal

The *Company* will reimburse the *costs* of disposal, removal or destruction of the *Building Insured* in consequence of a claim recoverable under the terms of this insurance but not exceeding the amount specified in the Schedule. This clause is only activated if there is an agreed limit in the Schedule.

Declarations Clause

The *Insured* is bound to declare, without exception, consignments coming within the terms of this Policy, as and when required. The *Company* is bound to accept such declarations but its maximum liability shall not exceed the Maximum Sum Insured stated in the Schedule. However, the *Company* will not be relieved of liability by reason of any late declaration or no declaration providing the *Insured* makes the declaration immediately upon becoming aware that it has not been made.

Premium due may be debited and charged by either of the following methods:

- a) Declaration Basis - the *Insured* is required to declare to the *Company*, without exception, at the time of sailing/departure or as near to that time as practicable, all consignments that come within the terms of this Policy, in accordance with the *Sum Insured*. The premium due on such declarations will be calculated by the *Company* and debited to the account of the *Insured* at the close of each month or as agreed.
- b) Annual Declaration Basis – the *Insured* is required to declare, in writing, to the *Company*, the estimated total insurable value, in accordance with the *Sum Insured*, of all the consignments that come within the terms of this Policy, for the twelve-month period immediately following the attachment date.

The estimated premium due on such declaration will be calculated and debited, as agreed, to the account of the *Insured*. The premium amount debited is the Deposit Premium.

At the completion of each twelve-month period the *Insured* is required to declare to the *Company* the actual insurable value, in accordance with the *Sum Insured*, of all the consignments that come within the terms of this Policy. The premium owing on such declaration will be calculated by the *Company* and the Deposit Premium paid for the period deducted. The *Insured* is required to pay any additional premium due.

For each subsequent twelve-month period the estimated insurable value, in accordance with the *Sum Insured*, of all consignments that come within the terms of this Policy must be declared by the *Insured*, in writing, to the *Company* no later than thirty days after the commencement of the period.

Due Diligence

It is the duty of each *Insured* to exercise due diligence in the conduct of all operations relating to the *Building Insured* and in the utilisation of all safety practices and equipment considered prudent for all such operations. This duty includes but is not limited to the exercise of due diligence:

1. in the selection and employment of contractors; and
2. in relation to such precautions as may be reasonably required to prevent loss, damage, liability or expense in connection with the *Building Insured*.

In the event of any breach of this duty, the *Company* shall not be liable under this policy for loss damage liability or expense to the extent of the breach.

Expediting Expenses

The *Company* will reimburse the *costs* to expedite the repair of the *Building Insured* following physical loss or physical damage covered under this insurance, including (but not limited to) the costs of overtime, night work, work on public holidays and express freight but not exceeding the amount specified in the Schedule. This clause is only activated if there is an agreed limit in the Schedule.

Jurisdiction

Any dispute, of whatever nature, arising out of or in relation to any other clause incorporated in or matter relating to this Policy shall be determined by court proceedings issued in New Zealand. New Zealand courts shall have exclusive jurisdiction to hear and determine any such proceedings and resolve any such dispute.

Minimising Losses

It is the *Insured's* duty to ensure that all rights against carriers, bailees or other third parties are properly preserved and exercised. The *Company* will, in addition to any recoverable loss, reimburse the *Insured* for any charges properly and reasonably incurred in pursuance of these duties.

Measures taken by the *Insured* or the *Company* with the object of saving, protecting or recovering the *Building Insured* shall not be considered as a waiver or acceptance of abandonment or otherwise prejudice the rights of either party.

Optional Extension

Where noted as covered, the following Optional Extension applies:

Separated Structures

If the *Building Insured* consists of original separate structures, or separate physical sections after division for the purposes of transit, this policy extension covers those physical sections of the *Building Insured* whilst not *in transit*, either at the original site or at the destination for

- fire, theft and malicious damage
- earthquake, hydrothermal activity, volcanic eruption
- storm
- flood (but not whilst at its original site)

providing always that this Optional Cover operates only to the extent that the *Building Insured* is otherwise uninsured by any other property insurance.

Cover commences from the time the *Building Insured* is first physically divided into separate parts, or the first original separate structure commences *in transit*. Cover continues

- for a maximum of 30 days, or
- until cover under a separate Contractors All Risks policy commences, or
- until the last structure or section is no longer *in transit*,

whichever occurs first, unless otherwise agreed.

Cargo Claims Procedure

Vero Marine Insurance
P O Box 1759
Auckland
New Zealand

Tel +64 9 363-2600
Fax +64 9 363-2601
E-mail claims@veromarine.co.nz
Website <http://www.veromarine.co.nz>

Exports

In the event of loss or damage any claimant should *immediately* notify Vero Marine Insurance and obtain a Survey Report from Vero Marine Insurance's local Claims Agent. For a list of Claims Agents, refer to our website above. If Vero Marine Insurance has no local Claims Agent, application for a survey must be made to the nearest Lloyd's Agent, refer to <http://agency.lloyds.com>. The claimant should present all supporting documents as set out below in the section "Required Claims Documentation".

Imports, Inland Transits, FOB, CFR or Similar Terms of Sale, Sellers Interest

In the event of loss or damage where Vero Marine's liability may be involved it is essential that Vero Marine be informed *immediately* in order that they may consider whether or not survey is required to establish the extent of loss or damage. You should therefore contact Vero Marine who will instruct you in the steps to be taken and the documentation required.

Duties of the Assured and Consignee

It is the duty of the Assured and their servants and agents in respect of any loss to take any reasonable measures to avert or minimise that loss and to ensure that all rights against carriers, bailees or other third parties are properly preserved and exercised.

Actions to be taken In the event of Loss or Damage

- Where damage is evident, always ensure your servants or your agents only accept the goods with a claused receipt which acknowledges the damage.
- All goods should be examined for hidden damage within 3 working days of receipt.
- Upon discovery of damage, you should give immediate notice to Vero Marine.
- Lodge an "Initial Notice of Claim" on all transport operators immediately damage becomes apparent. An "Initial Notice of Claim" advises those who handled the cargo or were responsible for its well-being that it has been damaged and is available for their inspection. In particular, you should lodge this Notice on any transport operator or freight forwarder who issued or tendered a transport document (i.e. bill of lading, truck/rail consignment note, air waybill) to you.
- Unless it is imperative to commence unpacking (i.e. to prevent further loss), you should leave goods in their container or packaging until a survey has been made. Where unpacking is necessary, retain packaging for the surveyors' inspection.
- If the cargo is shipped in a container on an FCL basis and has suffered water damage, you must check the container for leaks. You should obtain independent verification prior to releasing the container.
- If a survey is not required, you should continue to do everything necessary to reduce the loss and safeguard the property.
- Upon completion of the assessment of damage lodge a valued claim against all those believed responsible for the damage. (A valued claim is a claim with an accurate value of loss or damage).
- Always ensure full documentation is submitted to Vero Marine as soon as possible.

Required Claims Documentation

To enable claims to be dealt with promptly, the Assured or their servants or their agents are advised to submit all available supporting documents without delay, including when applicable:

- Original certificate/policy of insurance
- Original bill of lading, consignment freight notes, air waybill
- Supplier's invoice for full shipment
- Original or copy of the shipping invoices, together with the shipping specification and/or weight notes
- Packing lists, if applicable
- Copy of "delivery" receipt, EWP & Tally Notes
 - ⇒ When goods are received a delivery docket is usually signed. If goods are damaged or missing the receipt given to the carrier should show goods are damaged or missing; even "packaging" damaged.
 - ⇒ An EWP note ("Exception Without Prejudice" note) acknowledges, without admitting liability, that the cargo is not in good order/condition
- Copy of the Initial Notice of Claim on carriers (example on next page)
 - ⇒ This is a written notice of loss or damage of goods given to transport operators or freight forwarders.
- Copy of all correspondence entered into with carriers and other parties regarding their liability for loss or damage
- All container temperature charts (if applicable)

Initial Notice of Claim

Notification to Transport Operators of Potential Claim

This form should be faxed to any transport operators or freight forwarders who issued or tendered the transport document (i.e. bill of lading, truck/rail consignment note, air waybill) to you.

For transits by sea, this form should be lodged within 3 days of delivery; for sendings by air this form must be lodged within 14 days of delivery.

IMPORTANT – DO NOT DELAY!

To	Date
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From Company	
Company Address	Contact Person Telephone Fax

Location of Cargo Cargo may be examined at this address. Please advise us prior to attending as the insurance surveyor may wish to conduct a joint survey.	Contact Person Telephone Fax or paste your business card here
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We hold you responsible for damage to
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Transit Document No.	
Conveyance	
Transit From	
Transit To	
Container No	
Estimate of Loss	Currency
Date of Discharge	
Date of Loss	

Yours faithfully

NAME:

TITLE: