

# State Carriers Transit Liability Policy Change Summary

## Some important updates to your Carriers Transit Liability insurance

We've made some changes to the State Carriers Transit Liability Policy. This document highlights the key changes to the policy. There are a number of other changes which provide more transparency and clarity of intent, and we have also updated and introduced some new automatic benefits and an optional benefit.

The policy has also been updated to reflect the change from the Carriage of Goods Act 1979 to the Contract and Commercial Law Act 2017 – where references to the 2017 Act have been made, the scope of cover remains the same as under the previous policy.

These changes will be effective from your next annual policy renewal date.

## What do you need to do?

Check out the key changes to your policy outlined below. Since not every change is listed here, it's important that you review this summary alongside your new policy wording. You can find your new policy wording at [state.co.nz/businesspolicy-documents](https://state.co.nz/businesspolicy-documents)

If you have any questions about these changes, please contact us at [state.co.nz/contact-us](https://state.co.nz/contact-us) or on **0800 80 24 24**.

What's changed	Where to find this in the new wording
<p><b>The following automatic extensions are new:</b></p> <p><b>3.2 Removal of debris</b></p> <p>Following an event giving rise to liability for damaged goods covered under the policy, we will also cover the costs incurred to recover, reload or transport goods to nearest place of safety, clean up and remove debris.</p> <p>Cover under this extension is available only after cover under other policies is exhausted.</p> <p>The most we'll pay under this extension is \$50,000.</p> <p>This is included within the policy sum insured.</p> <p><b>3.3 Consequential loss</b></p> <p>Following an event giving rise to liability for damaged goods covered under the policy, we will also cover the insured's liability for consequential loss incurred by owner of goods.</p> <p>The most we'll pay under this extension is \$50,000.</p> <p>This is included within the policy sum insured.</p> <p><b>3.4 Invalidation</b></p> <p>Covers liability that would otherwise be excluded under the policy wording, where the insured did not know of the excluded driving or act or omission.</p>	3. Automatic extensions
<p><b>The following optional extension is available to be purchased:</b></p> <p><b>4.1 Declared value risk or declared terms</b></p> <p>Covers insured for liability when the insured has contracted to carry goods under declared value contracts provided certain conditions are met, including providing us with details of the risk and terms.</p> <p>The most we'll pay under this extension is up to the nominated sum insured.</p> <p>This is included within the policy sum insured.</p>	4. Optional extensions
<p><b>The following clause is updated:</b></p> <p><b>Defence costs</b></p> <p>Defence costs are limited to \$1,000,000 for any one event and are payable in addition to the policy sum insured.</p>	5. Basis of settlement

**The following exclusions are new:**

**6.6 Excessive loads**

Excludes cover due to loading/operating a vehicle against manufacturer's specifications or loading/operating a vehicle, its ancillary plant or machinery against law.

**6.7 Fines and penalties**

Excludes cover for any fines, penalties or punitive, aggravated, liquidated or exemplary damages.

**6.9 Gradual damage**

Excludes cover arising out of gradual deterioration.

**6.10 Incorrect statement or omissions**

Excludes cover related to an incorrect statement or omission from the any of the insured's documents evidencing the contract of carriage.

**6.11 Intentional or reckless acts**

Excludes cover due to an intentional or reckless act or omission.

**6.13 Sanctions**

Excludes cover to the extent it would expose the insurer to any sanction.

**6.14 Seepage and pollution**

Excludes cover due to seepage, pollution or contamination.

**6.15 Ship navigation or operation**

Excludes cover arising out of managing, operating or navigating a ship or aircraft in which the insured is an interested party (owns, charters, lessees, finances or has legal or equitable interest).

**6.21 Work time rules**

Excludes cover due to breach of rules or regulations relating to work time or log book rules (does not apply to theft or illegal conversion of the vehicle).

**The following exclusion is updated:**

**6.17 Types of goods not covered**

Excludes cover for tobacco and tobacco products (in addition to other goods listed in the policy).

6. Exclusions

**The following clauses are updated:**

**7.6 Minimise the loss**

Includes the provision for a pro forma claim/initial notice of loss to any actual carrier who may be responsible under the Contract and Commercial Law Act 2017 for the loss or may have been in possession of the goods within 10 days of notification of the loss.

**7.9 Other insurance**

No cover is available under the policy if cover is available to any extent under any other insurance policy. We'll not contribute to any claim under any other policy. Previously, we paid the amount of any loss over and above the limit payable by the other insurance.

**7.15 Subrogation**

Outlines how any recoveries obtained will be allocated.

7. Claims conditions

**The following clauses are new:**

**8.1 Assignment**

The insured may not assign the policy without our prior written approval.

**8.9 Comply with the policy**

Clarifies that if insured or anyone covered under the policy breaches any of the conditions of the policy we may decline the claim either in whole or in part, and/or declare either this policy or all insurance the insured has with us to be of no effect and to no longer exist.

**The following clause is updated:**

**8.11 Reasonable care**

Clarifies that the following additional requirements now form a part of this policy condition:

- comply with customer instructions around obtaining signatures on delivery receipts
- ensure that the carrying vehicle is suitable for the purpose of use and what is required if vehicle is left unattended.

8. General conditions

What's changed	Where to find this in the new wording
<p><b>The following clause is removed:</b></p> <p><b>Premium adjustments and declaration</b></p> <p>This clause is no longer required as the renewal or quote terms offered will set out whether the deposit premium is minimum and whether it requires any adjustment.</p>	8. General conditions
<p>The definition of 'you' has been replaced with 'insured'.</p> <p>It includes:</p> <ul style="list-style-type: none"> <li>• the person or entity shown as the insured in the schedule,</li> <li>• any existing subsidiary company incorporated in New Zealand,</li> <li>• any other organisation incorporated in New Zealand and where the insured exercises more than 50% of management control and is exercising active management,</li> <li>• any director, executive officer, employee or partner of above or any entity referred to above, but only while acting in that capacity.</li> </ul>	9. Definitions