

FREQUENTLY ASKED QUESTIONS ABOUT INSURANCE

We strongly recommend you take out indemnity or replacement value insurance coverage on your valuable household goods and personal effects to cover them against loss or damage during transportation or whilst the goods are stored by the Removal Company. To assist you with your decision we have detailed below information on frequently asked questions about the need for insurance. **Please note these are advisory notes only and do not form part of the insurance contract, nor part of any insurance contract which may be offered.**

WHY SHOULD I TAKE OUT INSURANCE?

Regardless of any claim you may have against the Removal Company under the conditions outlined in the contract for removal and storage, there are many incidents or accidents in which the Company will not be liable to make good any loss or damage suffered by you to your household goods and personal effects. For example, although you may be entitled to compensation for loss or damage resulting from lack of due care and skill by the company, if the goods are damaged as a result of an accident that does not involve fault of the company or its representatives, the company will not be liable for any loss or damage to your goods sustained in the accident.

HOW CAN I ARRANGE INSURANCE?

You can take out insurance with an insurance company of your own choice or you may elect to take out insurance through the Removal Company. If you select to use the Company insurance, you must nominate and select the type of insurance in the quotation acceptance section of the contract. If you request the Company to arrange insurance, the premium calculated at the nominated rate will be added to the removal and storage charges. The Company will issue a document outlining the terms and conditions of the insurance coverage. You should read this document carefully prior to the removal of your goods. If you do not understand any of the conditions of insurance, you should immediately clarify these with the Company. **IMPORTANT:** You have a duty to disclose to the Company every matter known to you which you know (or could reasonably be expected to know) that may be relevant to the Company's decision to provide insurance to you. If you do not comply with this duty, the company may depending upon the circumstances and permitted by law, avoid or adjust the insurance cover or reduce the amount paid under any insurance claim.

HOW MUCH DOES INSURANCE COST?

If the Removal Company provides insurance, the rate for insurance is shown on the quotation acceptance section of the contract and the premium will be calculated on the insured value declared by you. Some factors in determining the premiums: -

- ◆ The amount to be insured which should represent the aggregate value of your entire household goods and personal effects to be transported or stored
- ◆ The type of insurance selected by you (indemnity or replacement)
- ◆ The distance the goods are transported or period for which the goods are stored
- ◆ The insurance cover selected (whether it is for all risks of physical loss or damage or a restricted or specified events cover (ie fire, flood collision and overturning cover))

Note: The normal type of insurance is indemnity value against all risks of physical loss or damage to the insured property.

HOW DO I SELECT THE AMOUNT TO BE INSURED?

It is important that you insure your valuable possessions for their full value (market value in the case of indemnity and new current value for replacement insurance). If the goods are under insured any claim will be treated on the basis of average, which means that any payment made in the event of a claim will be adjusted in the same proportion as the declared value bears to the market or replacement value of the goods. For example, if the goods are valued at \$1000 and you insure them for \$800, in the event of a claim you will only receive four-fifths of the value of the damage. As you have not declared the full value and paid the full premium you are considered your own insurer for the under insured proportion.

You should always declare the total value of your goods and remember when you are nominating replacement value insurance do not allow any depreciation in your estimation and ensure the values you nominate are current replacement values.

WHAT DOES INSURANCE COVER?

Normally your insurance policy should cover you against lost or damaged goods in the course of removal or storage. In the case of loss or totally destroyed goods, under indemnity insurance the insurance will provide for payment on the basis of current market value of the particular goods insured and replacement value will be assessed on what it will cost to replace the goods. In the case of damage both policies will generally cover the cost of repair of the goods.

DO INSURANCE POLICIES HAVE EXCLUSIONS OR LIMITATIONS?

MOST LIKELY YES. YOU SHOULD READ THE INSURANCE DOCUMENT CAREFULLY TO ENSURE YOU UNDERSTAND THE COVER PROVIDED AND ANY POLICY EXCLUSIONS AND/OR LIMITATIONS. IF YOU ARE UNSURE SEEK FURTHER CLARIFICATION FROM THE REMOVAL COMPANY.

Some common insurance exclusions have been listed below where loss or damage may be excluded or limited in your policy:

- Loss or damage to contents of owner packed items where the carton or container has not been externally damaged
- Loss or damage to antiques, fragile or valuable items or collections of items (normally valued over \$1000) unless specifically declared to the insurer
- Loss or damage due to corrosion, contamination, deterioration, mouldiness, infestation, electrical and/or electronic and/or mechanical derangement unless caused by physical external damage to the goods
- Loss of use of your goods or any other form of consequential loss including reduction in value or depreciation of any items because of repairs
- The special value of an article damaged as part of a pair or set, ie. the insurer may disregard its special value as part of the set in assessing the loss or damage and may not pay more than a proportionate part of the insured value of the pair or set
- Any loss or damage that is below the excess shown on the policy
- Loss or damage under replacement conditions where the age of the item has exceeded the limitations specified in the policy. ie the policy may restrict replacement value of items in excess of a specified period unless specifically agreed with the insurer

NOTE: If you only select insurance against the risks of "Fire, Flood, Collision &/or Overturning of the conveying vehicle you will only be covered against those specified risks.

IF YOU HAVE A CLAIM WHAT DO YOU DO?

If your property is lost or damaged during transit or storage always:

- Examine your consignment carefully at delivery and note all details of any lost or damaged items on the Removal Company's inventory or consignment dockets
- Take all reasonable precautions to prevent any further loss or damage
- Do not have your property repaired or replaced without the consent of the insurer or Company
- As soon as possible notify any loss or damage in writing (or by telephone and later confirmed in writing) to the Company within a reasonable time after the date of delivery or, in the case of loss the date upon which the goods would ordinarily have been delivered. Check your insurance document and clauses 8.5 and 9.3 of the Conditions of Removal and Storage to see the time within which claims should be made.

Please note that your insurance document may have more exclusions and/or limitations than under the Conditions of Removal and Storage. In some circumstances you may be able to recover under the Conditions of Removal and Storage more than the insurance company has paid you. Particularly see clause 8 of the Conditions of Removal and Storage and the provisions of section 74 of the Trade Practices Act. You should seek specialist advice to determine whether you have a claim.