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Vero Marine Contact List  
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# The Navigator

October 2008

Due to popular demand, Vero Marine is delighted to introduce the return of The Navigator newsletter, our technical marine insurance publication providing useful advice to our customers.

## A Bit of a Facelift

By now you will be familiar with the new look and feel of our website, which recently had a complete overhaul alongside some of the other Vero specialist brands. Our website is now easier to navigate and information is more accessible.

Since the new design was released some further changes have been implemented, including quicker and easier access to our online systems: Premium Generator and Electronic Certificate System. They now have direct 'Log In' links from the Homepage (see below) as well as the Popular Links and On Line sections.

Our Single Transit wordings are now available in PDF format directly from our Sales Support staff. Please contact them on: 0508 856 856 to obtain your requested wordings electronically (N.B Single Transit wordings are automatically included with every policy bound through the Premium Generator System).

If you have any feedback on our website or online systems, please email: [melanie\\_rose@veromarine.co.nz](mailto:melanie_rose@veromarine.co.nz).

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Welcome to Vero Marine

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## CIF Imports into New Zealand

We receive a number of queries regarding clarification of insurance cover for imported goods under Cost, Insurance & Freight terms.

Unless otherwise stated in the Contract of Sale, the insurance cover afforded under a CIF (Cost, Insurance & Freight) import into New Zealand will continue until final delivery.

As an example, for goods imported under CIF Auckland terms of sale where the final import destination is Hamilton:

- the freight is prepaid up to arrival in Auckland. The New Zealand buyer has to pay the freight charges to move the goods from Auckland to Hamilton.
- the insurance cover is in place (unless otherwise specifically agreed between buyer and seller) until delivery in Hamilton, subject to the terms and conditions of the insurance certificate.

If there is any doubt regarding the nature of the insurance cover in place, we recommend that New Zealand clients refer initially to the contract of sale. If doubt still prevails, we suggest that the New Zealand buyer refers directly to their overseas seller for clarification.

*Please note: if a client imports on CIF terms, the seller overseas is responsible for arranging insurance and any claim falls against his policy.*

# Fire Service Levies & Earthquake Levies Calculations



Levy calculations can be tricky at times and a little confusing as to when they should be applied. We have therefore put together a calculation guide below for you to keep as a handy reference tool.

## Fire Service Levies

TYPE	WHEN APPLICABLE	CALCULATION
<b>Transit</b>		
Local HHGPE	Payable on Sum Insured (up to a maximum of NZ\$20,000)	Sum Insured (up to NZ\$20,000 max) x 0.076% ÷ 365 x no. of days in transit (minimum of 7 days)
Local Non-HHGPE (one-off transits)	Payable on full Sum Insured	Full Sum Insured x 0.076% ÷ 365 x no. of days in transit (minimum of 7 days)
Local (annual transits)	Payable on annual turnover, i.e amount on risk, for one week	Turnover x 0.076% ÷ 365 x 7 days
Livestock	N/A as exempt	N/A as exempt
International	N/A as exempt	N/A as exempt
Pre-FOB	N/A as exempt	N/A as exempt
<b>Storage (additional to Transit FSL amount) NB: FSL is only payable if storage is not in the 'ordinary course of transit' as per the Institute Clauses</b>		
Local HHGPE	Payable on Sum Insured (up to a maximum of NZ\$20,000)	Sum Insured (up to NZ\$20,000 max) x 0.076% ÷ 52 x no. of weeks in store (min 1 week)
Local Non-HHGPE (one-off transits)	Payable on full Sum Insured	Full Sum Insured x 0.076% ÷ 52 x no. of weeks in store (min 1 week)
Local Non-HHGPE (annual transits)	Either: a) Payable on Storage limit or b) Payable on values of stock declared (but only if premium calculated the same way)	a) Storage limit x 0.076% (may be pro-rata if only in store for specified period) b) Stock values x 0.076% pro-rata for months declared
<b>Builders Risks</b>		
Where Sum Insured represents Estimated Completed Value	Sum Insured is the Indemnity Value	Sum Insured x 0.076% less 50%, then adjusted pro-rata for the period of the insurance contract
<b>Boats And Other Watercraft</b>		
A ship or anything in a ship, <b>except</b> while ship is on land	N/A as exempt	N/A as exempt
Trailer craft	Payable on the vessel's value	Sum Insured x 0.076%
Moored craft	Payable on the vessel's value when on land	Sum Insured x 0.076% pro rata for period on land
<b>Trailers</b>		
Trailer (3.5 tonnes or less)	Flat rate as per motor vehicle	\$6.08
Trailer exceeding 3.5 tonnes	Payable on trailer Sum Insured	Sum Insured x 0.076%

## Earthquake Levies (applicable to Personal Property only)

TYPE	WHEN APPLICABLE	CALCULATION
<b>Transit</b>		
Local HHGPE	Payable on Sum Insured (up to a maximum of NZ\$20,000)	Sum Insured (up to NZ\$20,000 max) x 0.05% ÷ 365 x no. of days (minimum of 7 days)
Local Non-HHGPE (including Livestock)	N/A	N/A
International	N/A	N/A
<b>Storage</b>		
Local HHGPE	Payable on Sum Insured (up to a maximum of NZ\$20,000)	Sum Insured (up to NZ\$20,000 max) x 0.05% ÷ 365 x no. of weeks in store (min 1 week) Add this to transit FSL amount
Local Non-HHGPE	N/A	N/A

HHGPE = Household Goods and Personal Effects

(Calculation table updated as at November 2009)

For future reference, this table is also available as a separate document in the [Information](#) section on our website.

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## Cargo Claims Procedures and Documentation

Under an All Risks policy based on Institute Cargo Clauses (A), the exact cause does not have to be established by the claimant, only that loss or damage has occurred. However, the claimant has to be able to prove that loss or damage has occurred during the insured transit period. Therefore, it's important to identify and document where loss or damage occurred during the insured transit. Cargo claims can be handled quickly and efficiently when these procedures are followed:

### Do not give a clean delivery receipt

If there is any apparent loss or damage, this must be noted on the delivery docket. If a digital camera is to hand, take photos of the consignment as it is delivered. If goods cannot be immediately examined upon delivery, we suggest that the delivery note be endorsed "delivered - contents unchecked."

### Immediately lodge an Initial Notice of Claim on the carrier

On discovery of loss or damage, immediate notice must be given in writing to all carriers or parties in the transit chain who could have been responsible for loss or damage to the cargo. It is an official notification that they may have a liability for lost or damaged goods. This notification alerts the carrier to instigate a search for missing goods. It must be issued to protect all rights of recovery as soon as loss or damage is discovered, otherwise these rights are prejudiced. Please refer to the enclosed link to download this form: [Initial Notice of Claim Form](#)

### All carriers must be given the opportunity to examine the damaged goods

The carrier has a responsibility to take care of cargo and in most cases can be held legally liable under the contract of affreightment up to a certain dollar limit per unit of goods carried. They have a right to examine the damage themselves.

### Documentation required:

- **Bill of Lading** - original or legible copy of both sides for sea shipments.
- **Air Waybill** for air sendings.
- **Consignment Notes** for road or rail transits.

These are a "receipt for the goods" and these and other transport documents provide evidence of the condition, quantity and weight of the goods and the date that they were transported. It also includes the conditions of carriage, usually on the reverse. If goods were received in a damaged condition, this may be noted on the documentation.

- **Suppliers' Invoices, Packing Lists**

These documents provide a detailed description of the goods as well as their value per item. This enables the actual claim calculation to be completed and the loss to be adjusted correctly. If the supplier's invoice is more than one page, we require all pages to adjust the claim.

- **"Claused" Receipts, EWP and Tally Notes**

"Claused" Receipts are dockets or receipts for goods which note possible or actual loss or damage to the goods. For example, if the goods are damaged or missing on delivery, the delivery receipt should note this. EWP ("Exception Without Prejudice") Notes acknowledge, without admitting liability, that damage has occurred to goods or their packaging before the goods have left the wharf area.

- **Initial Notification of Claim forms and all correspondence with carriers who may be liable for loss or damage, as noted above.**

- **Original Insurance Certificate**

An Insurance Certificate may not be available if the insured declares under an Open Annual cargo policy. If a Certificate of Insurance has been issued, it is legally a negotiable document and only the party that possesses it can claim under the insurance policy. This is why it is important to obtain the original document to avoid possible fraud and duplication of a claim both in New Zealand and overseas.



### Marine claim? We can fix that.

If you need any help with your marine claim or would like to discuss your marine claim with one of our claims consultants, please call us on 0508 856 856.

**In the next issue of The Navigator, we will cover in detail the role a surveyor plays in a marine claim.**