

### **New Carrier's Combined Package**

The FSRA legislation has imposed many changes on the insurance industry. As discussed in previous newsletters, we have been seeking solutions for Carriers who are required to accept responsibility for loss or damage to their Customers goods.

Under FSRA, Carriers are not allowed to arrange insurance for their customers unless they hold an AFSL or have been appointed an authorised representative of an AFS Licensee.

This raises an important question in regards to Carriers who accept full liability for damage to customer's goods under specially agreed contracts. In the past, we have insured those Carriers under our Carrier's Combined Package – Nominated Clients.

Our legal review reconfirms that our policy must clearly express the intention to insure the liability accepted under the Carrier's contact with their Customers, rather than insuring the goods themselves.

It also makes it clear that the owner of the goods is not a party to the policy and that the Carrier has not 'arranged' or sold the insurance.

**This new product is included under the Carrier's Combined Package as "Carrier's Indemnity".**

A summary of the main points:

- € The policy insures the Carrier's contractual liability to specific named customers.
- € The Carrier must have agreed in advance to indemnify the customer for loss or damage to their goods during transit.
- € The policy still covers the same perils including accidental physical loss or damage to goods other than livestock and death of livestock.
- € The policy is for the benefit of the Carrier only. The Carrier is not authorised to provide financial services (as defined in the Corporations Act 2001) on our behalf.
- € The owner of the goods is not an insured under the policy, is not responsible for the premium and has no contractual right to claim under the policy.
- € The policy does not cover goods owned or leased by the Carrier or their employees or goods used by the Carrier or any relative for personal, domestic or household purposes.

We have also updated the policy to include the Institute Radioactive Contamination, Chemical, Biological, Bio-Chemical and Electromagnetic Weapons Exclusion Clause 10/11/03. (Refer our April 2004 newsletter for more detail.)



This is a summary only and it is important that you read the full policy (available on our website: [veronationalmarine.com.au](http://veronationalmarine.com.au)).

**What if your Carrier clients are approached to insure customer goods that are not subject to a specially agreed contract of carriage and they do not hold an AFS Licence?**

Our Premium Generator system is available for you to handle these types of calls quickly and efficiently.

Premium Generator's unique ability to handle one-off and annual cargo policies in one-step with a minimum of paperwork saves you time and increases your profit.

If you are not already familiar with this system, information can be found on our website or by contacting your local Vero Branch.

A combination of our Carrier's Indemnity Policy and Premium Generator will enable you to meet the needs of your Carrier clients.

**The Team at  
Vero National Marine**