

# Financial Services Guide (FSG)

Grace Worldwide (Australia) Pty Ltd can assist you to obtain insurance to protect your goods while they are in transit or storage.

This (FSG) describes the insurance services that Grace Worldwide (Australia) Pty Ltd (Grace, we, us, our) and Arthur J. Gallagher & Co (Aus) Limited (Gallagher) (ABN: 34 005 543 920) can provide to you. It covers the charges for those services, your rights as a client and how any complaints you may have will be dealt with.

## How we can help with your insurance

We hold a group transit and storage insurance policy. We can arrange for this policy to cover you. When we do this, we act on behalf of Gallagher, who acts on your behalf.

If you ask us to arrange insurance, we will give you a Product Disclosure Statement (PDS). This describes the main features of the policy.

Gallagher is a licensed insurance broker (AFS licence #238312) and is licensed to advise on and deal in general insurance. If you need advice or your insurance needs are different from the cover available in our policy, we can refer you to Gallagher on 1800 240 432 to assist you further. We are an authorised representative of Gallagher (AR # 259092).

## How we are paid

For arranging for you to be insured under our policy, we receive the difference between the amount you pay us for your insurance and the cost of the premium we pay for the policy (which is based upon our annual turnover) and the amount we pay under \$10,000 in respect of all claims. The amount you pay us is based on the value of the goods we are removing or storing on your behalf.

Our staff who arrange your insurance are paid a salary. In addition to this, they receive a commission of 0-4% of the amount you pay for arranging the policy to cover you.

Gallagher receive a commission of 0-20% of the premium from the insurer for arranging our policy. This forms part of the premium we pay to the insurer. Gallagher do not receive any additional amounts when we arrange for the policy to cover you.

## Complaints and disputes about our services

If you have a concern, complaint or dispute about the policy, contact the Gallagher Risk & Compliance Team on 1800 068 000 or at [complaints@ajg.com.au](mailto:complaints@ajg.com.au).

If you are not happy with their decision, you may take your complaint to the Australian Financial Complaints Authority (AFCA), an external dispute resolution. AFCA can be contacted on 1800 931 678.

For complaints about our removal services, we are a member of the Australian Furniture Removers Association (AFRA) and AFRA handles all such complaints or disputes. Contact the Executive Director at:

AFRA at:  
Unit 6/7 Packard Avenue,  
BAULKHAM HILLS NSW 2153  
T: 1800 671 806.

## Professional indemnity insurance

We and Gallagher together have professional indemnity insurance in place which covers us, and our employees for any errors or mistakes relating to our insurance services. This insurance meets the requirements of the Corporations Act and covers claims relating to us, our employees, or Gallagher's employees, even after they cease to act for Gallagher, provided that the insurer is notified of the claim when it arises and this is done within the relevant policy period.

## Privacy statement

We and Gallagher are committed to protecting your personal and sensitive information (together referred to as Personal Information). When we collect, hold, use, disclose, or otherwise handle your Personal Information we must comply with the Privacy Act 1988 (Cth), which includes the Australian Privacy Principles.

We and Gallagher use the information you provide to assist with your insurance needs. If you do not supply the Personal Information we request, we may not be able to provide our services to you. For example, we may not be able to arrange insurance cover or manage your claim. We provide your Personal Information to insurers or insurance intermediaries to allow them to determine whether to insure you and if so on what terms.

In facilitating the services outlined in this FSG, we may also need to provide your Personal Information to our outsourced providers. Occasionally this may involve providing your Personal Information to overseas recipients located in the United States of America, the United Kingdom, New Zealand, Singapore or India. Prior to disclosing your information to overseas recipients, we will, where required by law, take steps to ensure that the recipient does not breach the Privacy Act 1988 (Cth) and has sufficient practices and processes to protect your Personal Information.

For detailed information about how we handle your Personal Information, please see our Privacy Statement which is available on our website, [ww.ajg.com.au](http://ww.ajg.com.au). Our Privacy Statement also contains information about how you may access, update and correct the Personal Information you have provided to us or how you may make complaints in relation to the handling of your Personal Information and how we deal with your complaint.

This FSG was prepared on 31/1/19. Distribution of this FSG has been authorized by Arthur J. Gallagher & Co (Aus) Limited.

# CUSTOMER'S GOODS IN TRANSIT AND STORAGE INSURANCE

## PRODUCT DISCLOSURE STATEMENT (PDS)

### PART 1 – ABOUT YOUR INSURANCE

This Product Disclosure Statement (PDS) provides information about the main features of Customer Goods in Transit and Storage Insurance.

#### WHY SHOULD I TAKE OUT INSURANCE?

Regardless of any contractual rights you may have against any Company undertaking the removal of your goods, there are many circumstances where they will not be liable to make good any loss or damage to your goods, for example where the goods are damaged as a result of an accident that is not the Company's fault.

Customer Goods in Transit and Storage insurance can assist to fill this gap.

#### WHO TO CONTACT ABOUT YOUR POLICY

Your first point of contact about the policy should be Grace Removals. If we cannot answer your enquiry, you can contact our broker for whom we are an authorized representative. Arthur J Gallagher & Co (Aus) Ltd (Gallagher) can be contacted on their toll free customer enquiry line: 1800 068 000.

#### INSURER

For transit and storage claims, the first \$10,000 of any claim is paid by Grace Removals.

Above this amount, you are insured by Liberty Mutual Insurance Company (ABN 61 086 083 605).

#### SIGNIFICANT FEATURES AND BENEFITS OF THE POLICY

You may select from a number of alternative types of cover available under the policy for loss or damage to your goods.

#### TYPE OF RISKS

You have the option of "Grace Easycover" or "Grace Standard Cover". Both cover options insure you for most risks of loss or damage to your goods.

Alternatively, if you elect cover for storage only, this insures loss or damage to your goods during storage resulting from:

- Fire, lightning
- Aircraft
- Earthquake
- Storm and tempest, flood, water from fixed pipes or systems
- Riots, strikes and civil commotion
- Explosion and impact damage

#### BASIS OF SETTLEMENT

The cover insures your goods on a "Replacement Value" basis other than Motor vehicles, Caravans, Boats and Trailers which are insured for their "Market Value". Under Replacement Cost cover, if your goods are lost or totally destroyed, you receive the new replacement cost provided the goods are less than 10 years old. Under Market Value cover, you only receive the current market value of the goods (i.e. the replacement cost less an allowance for age, condition, wear, tear and depreciation). If the goods are damaged, both covers will cover the reasonable cost of repair.

#### LIMITS AND EXCLUSIONS FROM COVER

The table below summarises the limits on the covers provided.

Goods	Limitations/exclusions
Items more than 10 years old	Market value cover unless the item is listed and value declared on your Insurance Declaration.
Motor vehicles, caravans, boats and trailers	Market value cover only.
Office and factory goods	The lesser of Market Value and Declared Value (the amount you nominate on the insurance declaration), plus insurance, packing and freight if declared.
Pairs and sets	Only the lost or damaged parts payable.
Antique(s) – Works of Art	Reasonable cost of repair. Loss of Value not covered.
Owner packed cartons	Maximum of \$500 for loss or non delivery of a carton unless an itemized list of contents and values is provided before transit commences.
Motor vehicles being driven under their own power	Not covered unless being loaded or unloaded by your authorized representative of Grace Removals.
Valuables worth more than \$5,000	Limited to a maximum of \$5,000 unless specifically listed and valued on your Insurance Declaration.
Flood	Not covered by the policy if caused by water from or action by the Sea, Tidal wave, Storm surge or High water.
Terrorism	Transit cover only.
Various other risks	Refer policy wording – Other Excluded Risks.

These are the major exclusions and limitations in the policy; however, there may be others. You can check the policy wording in Part 2 of the PDS for full details.

#### COST OF THE POLICY

The amount you pay for the insurance depends on the value of the goods being removed or stored.

Other factors which determine the premium include:

- The type of insurance selected by you (transit or storage);
- The distance the goods are transported or the period for which the goods are stored; and
- The insurance cover selected.

The amount you pay includes any stamp duty and GST.

Our quotation for your transit insurance is firm. Grace Removals will give you one month's notice of any change in the storage insurance rate.

#### HOW DO I SELECT THE AMOUNT TO BE INSURED?

It is important that you insure your goods for their full value. This means that you should tell us about:

- For Replacement Cost Cover – The Cost to you to purchase new replacement items of the same type and quality (with no allowance for depreciation).
- For Market Value Cover – Replacement cost less an allowance for age, condition, wear and tear, and depreciation.
- If you have selected insurance Option A using the recommended minimum insured meterage values of AU\$2,500/AU\$3,500, you should carefully consider if the amount(s) is sufficient for your goods and we recommend you seek independent advice to the value of your goods if you are in any doubt.

If the declared value of the goods is less than 80% of their actual value at the time of the loss or damage, the amount of the claim will be reduced in the same proportion as the declared value bears to 80% of the actual value.

#### HOW YOU PAY FOR THE INSURANCE

The premium will be shown on the quotation for your Contract for Removal and Storage which Grace Removals will provide to you before your goods are removed. When you accept the quotation, Grace Removals will invoice you.

You pay for transit insurance when you pay your removal charges. Grace Removals will invoice you for storage insurance at the same time as the storage charges.

#### EXCESS

You do not pay an excess when claiming under this policy.

#### CONDITIONS

Some conditions apply to your policy. Full details are set out in the policy wording in Part 2 of this PDS. The significant conditions are summarized below:

#### DUTY OF DISCLOSURE

When you apply for insurance we rely upon the information you provide to decide whether to insure you, and anyone else to be covered, and on what terms. You must answer the specific questions we ask relevant to our decision to insure you. When answering our questions you must be honest. If you do not answer all questions honestly we may reduce or refuse a claim, or cancel the policy.

If you answer our questions fraudulently, we may refuse to pay a claim and treat the policy as never having existed.

You do not have to tell us about any matter that diminishes the risk that is common knowledge, that we should know or should know in the ordinary course of our business or which we indicate we do not want to know.

#### COOLING OFF

You may return the insurance contract up 20 days after the date of the invoice for the removal, storage and insurance (the cooling off period). However you may not return the insurance contract after the commencement of the work.

To return the contract, notify the removal company within the cooling off period. Any premium paid will be returned. The notification can be made by telephone or posted to the address detailed on the removal contract or invoice.

#### WHAT DO I DO IF I NEED TO MAKE A CLAIM?

The policy wording in Part 2 of this PDS has detailed instructions about how to make a claim.

#### FINANCIAL CLAIMS SCHEME

You may be entitled to payment under the financial claims scheme in the event that Liberty Mutual Insurance Company becomes insolvent. Access to the scheme is subject to eligibility criteria. Information about the scheme can be obtained from the Australian Prudential Regulation Authority (APRA) website at [www.apra.gov.au](http://www.apra.gov.au) and the APRA hotline on 1300 13 10 60

#### COMPLAINTS AND DISPUTES ABOUT THE POLICY

If you have a concern, complaint or dispute about the policy, contact the Gallagher Risk & Compliance Team on 1800 068 000 or at [complaints@ajg.com.au](mailto:complaints@ajg.com.au).

If you are not happy with their decision, you may take your complaint to the Australian Financial Complaints Authority (AFCA), an external dispute resolution services. AFCA can be contacted on 1800 931 678.

This PDS was prepared on 31/01/19

## Part 2 - CUSTOMERS' GOODS IN TRANSIT AND STORAGE INSURANCE

### POLICY WORDING

This insurance will be arranged on your behalf by Grace Worldwide (Australia) Pty Ltd as an authorised representative of insurance brokers, Arthur J Gallagher (Aus) Limited (AFSL 238312)

### **DEFINITIONS**

In this policy the following words have the meaning set out below:

**Grace Removals** - Grace Worldwide (Australia) Pty Ltd

**Customer** - Persons or entities who contract with the removal company to remove and/or store their goods.

**Customers' Goods** - Physical property which a customer has asked Grace Removals to move and/or store including household goods and personal effects of every description including antiques, works of art, jewellery, vehicles, boats, caravans and trailers; and office and factory contents of every description including computers and all ancillary equipment, plant and machinery.

**Transit** - All conveyances by road and/or rail and/or air and/or vessel to and from ports and or places anywhere in Australia or the world. Transit commences when goods are first moved and/or uplifted within the house, office or factory by Grace Removals for the purpose of transit and ceases when the goods are last moved by Grace Removals after delivery to their final destination or such other place as the receiver may instruct. Transit includes packing/unpacking of goods by Grace Removals at uplift or delivery and any storage which is incidental to the transit.

**Storage** - Any storage by Grace Removals of customers' goods at the customer's request in an authorized warehouse or compound by the removal company prior to, during or after transit.

### **Moves to Other Countries**

Insurance arranged by Grace Removals will automatically extend cover on your consignment for 30 days prior to the departure of your vessel/aircraft, for the duration of the voyage/flight and for 30 days after the arrival at our partner's warehouse overseas. If you require storage beyond this automatic period, please contact your removal consultant to arrange for an additional storage period required and policy extension premium.

### **INSURER**

This insurance is provided by: Liberty Mutual Insurance Company ABN 61 086 083 605.

### **RISKS COVERED**

Where the customer has requested Grace Removals to insure the customer's goods, depending on the risks and period of cover and basis of settlement selected by the customer and shown in the certificate of insurance, this policy insures the customer's goods as set out below:

**Grace Easycover and Standard Cover insures** loss or damage to the insured goods during transit from any external cause including accidental damage during packing, loading and unloading by Grace Removals or its representatives.

**Storage Only Cover** insures loss or damage to the customer's goods during storage resulting from:

- Fire, lightning;
- Aircraft;
- Earthquake;
- Storm and tempest, flood, water from fixed pipes or systems;
- Riots, strikes and civil commotion;
- Explosion and impact damage.

### **Additional Risks Covered**

In addition to the risks set out above, this policy insures the customer's goods for loss or damage caused by or as a result of:

- war (sea and air transit risks) and strikes, riots and civil commotions in the terms of Institute of London Underwriters' Clauses current at the time of shipment; and
- General Average and Salvage Charges adjusted or determined according to the removal contract and/or the governing law and practice, which are incurred to avoid or in connection with the avoidance of loss from any cause other than those excluded elsewhere in the policy.

### **BASIS OF SETTLEMENT**

If loss or damage occurs as a result of an insured risk, the insurer will pay, up to the declared value of any item (subject to the restrictions set out below):

#### **Replacement Cost**

In the event of damage, the reasonable cost of repairs or restoration. For any items totally lost or destroyed, full replacement cost provided that such items are no more than 10 years old or have been specifically declared and valued on the insurance declaration or removal contract. Regardless of which Basis of Settlement is selected, the insurer will only pay market value for the following items: goods more than 10 years old or which have not been declared; motor vehicles, boats, caravans and trailers.

#### **Market Value**

In the event of damage, the reasonable cost of repairs or restoration. For any items totally lost or destroyed, their replacement cost less a reasonable allowance for age, condition, wear and tear and depreciation.

#### **Office or Factory Goods, including Plant and Machinery**

For office and factory goods, including plant and machinery, the insurer will only pay: the lesser of the market value or the declared value of the goods at the time of loss; and agreed charges for insurance, packing and freight if declared.

#### **Pairs and Sets**

Where one or more articles in a pair or set (including lounge suites) are lost or damaged, the policy only covers the lost or damaged part or parts. The insurer will not pay more than a proportionate part of the insured value of the pair or set without reference to any special value which they may have as a pair or set or depreciation or loss of value. This limitation does not apply to Grace Easycover.

#### **Antique(s) – Works of Art**

For antique(s) and works of art, the insurer will only pay the reasonable costs of repair/restoration and will not pay any depreciation or loss of value caused by the loss or damage.

#### **Co-insurance**

If the declared value of the goods is less than 80% of their actual value at the time of the loss or damage, the amount of the claim will be adjusted in the same proportion as the declared value bears to 80% of the actual value.

#### **Excess**

Grace Removals will pay the first \$10,000 in respect of any one claim under this policy for transit and storage. The customer must contribute the Customer Excess shown in the removal contract or Product Disclosure Statement.

### **EXCLUSIONS FROM AND LIMITATIONS ON COVER**

#### **Motor Vehicles**

This policy does not cover motor vehicles while they are being driven under their own power unless they are being driven by an authorised representative of Grace Removals for the purpose of loading or unloading.

#### **Valuables**

In the event of loss or damage, this policy does not cover any value in excess of \$5,000 for each item or collection of items for any antique, curio, jewellery, plate, precious object, work of art, medal, money, coin, stamp, collection of items, fur, piece of precision equipment or professionally packed carton by Grace Removals unless specifically declared and valued on the list of items to be insured on the insurance declaration or removal contract.

#### **Owner Packed Cartons**

Any claim for loss or non-delivery to an Owner Packed carton which has not been specifically itemised and valued to Grace Removals prior to the commencement of the transit is limited to a maximum of \$500 any one carton.

#### **Other Excluded Risks**

This policy does not cover loss or damage or expense caused by:

- delay, loss of use of property or any other form of consequential loss of any description;
- loss of data of any description from computer hardware or software;
- confiscation or detention by customs or other official or authorities;
- wear and tear, moths, vermin, infestation, normal atmospheric or climatic conditions, corrosion, contamination or deterioration;
- inherent vice or nature of the subject matter or vibration;



mechanical, electrical or electronic breakdown or derangement of goods where there is no external evidence that an insured event has occurred;

- nuclear risks which means the use, existence or escape of nuclear weapons materials or ionizing radiation from or contamination by radioactivity from any nuclear fuel or nuclear waste from the combustion of nuclear fuel.

#### **Terrorism Exclusion**

This policy excludes any loss, damage, liability or expense arising from terrorism and/or steps taken to prevent, suppress, control or reduce the consequences of any actual, attempted, anticipated, threatened, suspected or perceived terrorism. For the purposes of this clause, terrorism means any act(s) of any person(s) or organization(s) involving the causing, occasioning or threatening of harm of whatever nature and by whatever means or putting the public or any section of the public in fear in circumstances in which it is reasonable to conclude that the purpose(s) of the person(s) or organization(s) concerned are wholly or partly of a political, religious, ideological or similar nature.

Notwithstanding any provision to the contrary contained in this policy, it is agreed that this policy covers loss or damage to the subject matter insured caused by any terrorist or any person acting from a political motive, from when the subject matter insured is first moved for the purpose of being conveyed to a destination outside the premises at which loading takes place and ends when the interest insured is last moved in being delivered at the destination, or at any earlier point where the ordinary course of transit is interrupted by the insured.

#### **CLAIMS PROCEDURES**

As soon as possible after the happening of any event which may give rise to a claim under the policy, the customer(s) must:

- Take all reasonable steps to prevent any further loss or damage;
- Note details of any loss or damage on Grace Removals inventory and/or condition report;
- Contact Intercept Loss Adjustors on 1300 816 977 or email enquiries@interceptlossadjustors.com.au
- Within 3 days of receipt of the goods, lodge a written claim with the removal company (using any form provided by the removal company).

The customer must not authorise the repair or replacement of the lost or damaged goods without the consent of Intercept Loss Adjustors or Grace Removals or the Insurer.

Intercept Loss Adjustors or Grace Removals or the Insurer, at their expense, may appoint a loss assessor to inspect damaged goods.

Intercept Loss Adjustors or Grace Removals may settle claims under this policy under instructions from the insurer. If the claim is for more than the amount detailed in the excess, Intercept Loss Adjustors or Grace Removals must send to the Insurer the inventory and/or condition report, removal contract and full details of the items lost or damaged.

#### **Reasonable Care**

The insured must take all reasonable care to prevent or minimize any loss or damage covered under the policy.

#### **Subrogation**

The insurer or the removal company is entitled to exercise any rights the insured may have against anyone else in relation to goods in respect of which the insurer has paid any amount under the policy. The insured and anyone else entitled to claim under the policy must co-operate fully with the insurer in exercising those rights and must give the insurer any information or assistance it may require.

#### **Salvage in the event of a constructive or total loss**

Where the insurer or the removal company pay a claim in full for an item under this policy as a constructive or total loss for either its declared or market value, the insurer or the removal company is entitled to take possession of the item and retain any salvage value. In the event that this clause is exercised it is agreed that the customer will have automatic first choice to purchase the salvaged item.

#### **SPECIAL CONDITIONS**

##### **Premium**

The amount payable by the customer for this insurance may be varied provided the customer receives one month's prior notice of any change.

#### **Duty of Disclosure**

Before entering into a contract of general insurance with an insurer, the insured has a duty, under the Insurance Contracts Act 1984, to disclose to the insurer every matter that the insured knows, or could reasonably be expected to know, is relevant to the insurer's decision whether to accept the risk of the insurance and, if so, on what terms.

The insured has the same duty to disclose those matters to the insurer before any renewal, extension, variation or reinstatement of a contract of general insurance.

The duty however does not require disclosure of matters:

- That diminish the risk to be undertaken by the insurer;
- That are common knowledge;
- That the insurer knows or, in the ordinary course of his business ought to know;
- As to which compliance with the duty is waived by the insurer.

#### **Non Disclosure**

If the insured fails to comply with the duty of disclosure, the insurer may be entitled to reduce its liability under the contract in respect of a claim or may cancel the contract. If the non-disclosure is fraudulent, the insurer may also have the option of avoiding the contract from its beginning.

#### **Goods and Services Tax**

If the insured is liable to pay goods and services tax (GST) in respect of any goods, services or other supply which are the subject of a claim under the policy the insurer will pay the insured for that GST liability. However, where the insurer makes a payment under this policy for the acquisition of goods, services or other supply the insurer will reduce the amount of the payment by the amount of any input tax credit the insured is or will be or would have been entitled under the Goods and Services Tax Act 1999 in relation to that acquisition whether or not the acquisition is actually made.

Where the insurer makes a payment under this policy as compensation for the acquisition of goods, services or other supply the insurer will reduce the amount of the payment by the amount of any input tax credit the insured would have been entitled to under the Goods and Services Tax Act 1999 had the payment been applied to acquire such goods, services or supply.

#### **Privacy**

Liberty Mutual Insurance Company is bound by the Privacy Act 1988 (Cth). Before providing us with any Personal or Sensitive Information ('Information') you should know that:

We collect, use, process and store Personal Information and, in some cases, Sensitive Information about you in order to comply with our legal obligation, assess your application and, if your application is successful, to administer the products or services provided to you, to enhance customer service and/or product options or manage a claim ('purposes').

If you do not agree to provide us with the information, we may not be able to process your application, administer your policy or assess your claims.

By providing us or your intermediary with your information, you consent to our use of this information which includes us disclosing your information where relevant for the purposes, to your intermediary, affiliates of Liberty Mutual Insurance Company, other insurers and reinsurers, our services providers, our business partners or as required by law within Australia or overseas. Liberty Mutual Insurance Company may obtain information from Government offices, and third parties to assess a claim in the event of loss or damage.

For further information about the Liberty Mutual Insurance Company Privacy Policy, a list of service providers and business partners that we may disclose your information to, a list of countries in which recipients of your information are likely to be located, details of how you can access or correct the information we hold about you or make a complaint or concerns about our privacy policy please refer to the privacy link on our web site – <http://www.liuaustralia.com.au/footer/privacy-policy/> or contact us by telephone on 02 8298 5800 or email us at [privacy.officer.ap@libertyiu.com](mailto:privacy.officer.ap@libertyiu.com)

This Policy Wording was prepared 310119