# Motor Trade Insurance Policy

## Product Disclosure Statement and Policy Wording

vero

# Motor Trade Insurance Policy


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# Welcome to Vero

Supported by over 180 years of experience, Vero provides market leading insurance products and solutions to businesses of all sizes. From small start-ups right through to some of Australia's largest corporations, our focus is to help you succeed in business.

Through a strong network of brokers, agents and corporate partners, we offer insurance products in property, small business, commercial motor, professional indemnity, construction and engineering, liability, travel, marine and personal insurance.

At Vero, we cover the risks today so you can focus on your future.

Vero Insurance is a member of the Suncorp Group of companies.

## Who is the insurer?

This insurance is issued by AAI Limited ABN 48 005 297 807 AFSL 230859 trading as Vero Insurance.

## How to contact us

You may contact us by:

- Telephone: 1300 888 071
- Email: via the "contact us" page on our website www.vero.com.au
- Mail: Vero Insurance
  GPO Box 2068
  Adelaide SA 5001

# About your insurance policy

This **Product Disclosure Statement** (**PDS**) and Policy Wording is an important legal document that has been designed to help **you** get the most out of **your policy**.

**Your policy** is a legal contract between **you** and **us**. The contract is based on the information **you** gave **us** when **you** applied for the insurance, and any subsequent information which **you** have supplied.

**Your policy** is made up of the **PDS** and Policy Wording, any **Supplementary PDS (SPDS)** **we** may send **you**, any **endorsements** and the **policy schedule**. **You** should read all these documents together to tell **you** what **we** cover, what **we** exclude, what **we** pay to settle claims and other important information. **We** will provide cover under those Policy Sections specified in the **policy schedule** and for those Optional Insurances specified in the **policy schedule**.

The General Policy Conditions listed on pages 17 to 18, General Claims Conditions listed on pages 19 to 21 and General Exclusions listed on pages 21 to 22 apply to the whole **policy**. Unless otherwise expressly stated, these apply to each of the Policy Sections, including any Extra Covers, Additional Benefits or Optional Insurances in those Policy Sections. Specific conditions, definitions and exclusions also apply to individual Policy Sections and any Extra Covers, Additional Benefits or Optional Insurances in those Policy Sections.

Subject to **you** paying the premium by the due date, **we** agree to insure **you** during the **period of insurance**. The commencement date and expiry date of the **period of insurance** is specified in **your policy schedule**.

Some words used in this **PDS** have special defined meanings. These words are in **bold**. Most of the words **we** have defined are listed in the General Definitions on pages 23 to 27 or the Definitions of the applicable Policy Section.

# About this Product Disclosure Statement and Policy Wording

**We** are required to give **you** a **PDS** if **you** are insuring a **home building** under Policy Section 1 - Property Damage, Policy Section 2 - Theft or Policy Section 3 – Glass; insuring **vehicles** (not exceeding 2 tonnes) under Policy Section 11 – Commercial Motor; or insuring **customer vehicles** (not exceeding 2 tonnes) under Policy Section 12 – Customer Vehicles, and **you** are:

- an individual; or
- a small business, having:
  - in the case of a non-manufacturing business, less than 20 employees; or
  - in the case of a manufacturing business, less than 100 employees.

This **PDS** and Policy Wording has 7 parts:

- Part A contains the Policy Summary. **You** can use this summary to decide which Policy Sections **you** require.
- Part B contains information about **your** rights and responsibilities including, **your** duty of disclosure, information about premiums, cancellation and cooling off periods.
- Part C contains **our** Privacy Statement.
- Part D contains **our** complaints resolution procedure.
- Part E contains other information relevant to **your policy**.
- Part F contains information that only applies to some policyholders. This part only applies to **you** if **you** are insuring **vehicles** (not exceeding 2 tonnes) under Policy Section 11 – Commercial Motor, **customer vehicles** (not exceeding 2 tonnes) under Policy Section 12 – Customer Vehicles; or a **home building** under Policy Section 1 – Property Damage, Policy Section 2 - Theft or Policy Section 3 – Glass; and **you** are an individual or a small business.
- Part G contains the Vero Motor Trade Policy Wording for this insurance. It applies to all persons who take out this insurance.

To understand the terms and conditions of **your policy**, **you** must read 'About your insurance policy', Part B, C, D, E and Part G of the **PDS** and Policy Wording.

If **you** are an individual or a small business and **you** are insuring **vehicles** under Policy Section 11 – Commercial Motor, **customer vehicles** (not exceeding 2 tonnes) under Policy Section 12 – Customer Vehicles; or a **home building** under Policy Section 1 - Property Damage, Policy Section 2 - Theft or Policy Section 3 – Glass, **you** should also read the relevant sections of Part F.

# Part A: Policy Summary

The Vero Motor Trade Insurance Policy offers a range of insurance covers. These are listed below. Not all covers are available on their own and some are dependent on **you** taking out another cover as well. For covers **you** have selected please refer to "What we cover" and "What we exclude" in the relevant Policy Section.

| Cover type | Summary of covers (see relevant Policy Section for details, relevant limits, specific conditions and exclusions that apply) |
|---|---|
| Policy Section 1 – Property Damage | This Policy Section covers **loss** of, or **damage** to, **your property** from specified insured events such as fire, lightning and explosion, and provides a number of Extra Covers and Additional Benefits. |
| Policy Section 2 – Theft | This Policy Section covers **loss** of, or **damage** to, **your contents, stock** and **specified items** due to **theft** and provides some Extra Covers and Additional Benefits. |
| Policy Section 3 – Glass | This Policy Section covers **glass** at **your premises** (including **internal glass**, **external glass** and **sanitary fittings**) and provides an Extra Cover and Additional Benefit. |
| Policy Section 4 – Money | This Policy Section covers **your business' money** while at **your premises**, in a **safe or strongroom**, in **transit** to or from **your premises**, in **your** personal custody, or custody of a trusted **employee**. |
| Policy Section 5 – Business Interruption | Cover under this Policy Section will depend upon the type of cover **you** choose. Five cover options are available: (1) Gross Profit; (2) Gross Rentals; (3) Gross Income; (4) Weekly Income; or (5) Increased Costs of Working Only. Irrespective of the type of cover chosen, this Policy Section covers interruption of **your business** from **loss** or **damage** caused by specified insured events. Extra Covers are also provided. |
| Policy Section 6 – Public and Products Liability | This Policy Section covers **your** legal liability to pay compensation for **personal injury**, **property damage**, or **advertising liability** caused by an **occurrence** in connection with the **business** or **products**. |
| Policy Section 7 – Management Liability | This Policy Section covers the management liability of **you**, **your directors**, **officers** and **employees**. |
| Policy Section 8 – Portable and Valuable Items | This Policy Section covers portable or valuable items that **you** usually carry around with **you** in the course of **your business** anywhere in the world. |
| Policy Section 9 – Equipment Breakdown | This Policy Section covers the **breakdown** of **insured equipment** at the **premises** and any **loss** of, or **damage** to, **property insured** caused directly by the **breakdown**. **You** have a choice of two types of cover in this Policy Section. |
| Policy Section 10 – Tax Probe | This Policy Section covers the **professional fees** incurred in connection with a **tax audit** of the **business'** financial or tax affairs by an **authority** authorised to do so, for example, the Australian Taxation Office. |
| Policy Section 11 – Commercial Motor | This Policy Section covers **vehicles** with a choice of Comprehensive, Legal Liability Fire and Theft, or Legal liability Only covers. |
| Policy Section 12 – Customer Vehicles | This Policy Section covers **customer vehicles** while **you** or **your employees** are driving them, for example, during testing for repair or delivery, and when the vehicles are left at **your premises,** or on the road or forecourt of **your premises**. |
| Policy Section 13 – Goods in Transit | This Policy section covers **loss** of, or **damage** to, **goods you** sell, buy or use in **your business** when they are in **transit**. **You** have a choice of two types of cover in this Policy Section. |
| Policy Section 14 – Professional Services | This Policy Section covers the **civil liability** of **your business** to pay compensation and claimant's costs and expenses for **property damage** to property owned by someone else, **financial loss** or **personal injury** arising from an act, error or omission committed by **your business** when providing **professional services**, such as the incorrect issuing of a roadworthiness certificate. |

# Part B: Your Rights and Responsibilities

This part of the **PDS** and Policy Wording applies to all Policy Sections described in Part G. All policyholders need to read Part B.

## Your duty of disclosure

Before **you** enter into an insurance contract, **you** have a duty to tell **us** anything that **you** know, or could reasonably be expected to know, may affect **our** decision to insure **you** and on what terms.

**You** have this duty until **we** agree to insure **you**.

**You** have the same duty before **you** renew, extend, vary or reinstate an insurance contract.

**You** do not need to tell **us** anything that:

- reduces the risk **we** insure **you** for;
- is common knowledge;
- **we** know or should know as an insurer; or
- **we** waive **your** duty to tell **us** about.

### If you do not tell us something

If **you** do not tell **us** anything **you** are required to, **we** may cancel **your** contract or reduce the amount **we** will pay **you** if **you** make a claim, or both.

If **your** failure to tell **us** is fraudulent, **we** may refuse to pay a claim and treat the contract as if it never existed.

## Cooling off period

**You** have the right to cancel and return the insurance **policy** or a section of the **policy** by notifying **us** in writing within 30 days of the date it was issued to **you** ("cooling off period") unless **you** wish to make or have made a claim under the **policy** within the cooling off period.

If **you** cancel **your policy** or a section of the **policy** during the cooling off period, **we** will return the amount **you** have paid.

In addition, if **you** vary **your policy** (for example, by adding a Policy Section, **endorsement** or increasing an **insured amount**), **you** have the right to cancel that variation within 30 days of the date it was added by notifying **us** in writing ("additional cooling off period") unless **you** wish to make or have made a claim under that variation within the additional cooling off period.

If **you** cancel the variation during the additional cooling off period, **we** will return the amount **you** have paid for that variation.

To cancel **your policy** at other times, please see "Cancellations" below.

## Cancellations

### How you may cancel

**You** can cancel **your policy** at any time by telling **us you** want to cancel it. The cancellation takes effect on the date **we** receive **your** request. If **you** cancel **your policy**, **we** will refund the proportion of **your** premium for the unexpired **period of insurance** less any non-refundable government charges if the refund is more than $10.

### How we may cancel

**We** can cancel **your policy** at any time according to law. If **we** cancel **your policy we** will refund the proportion of **your** premium for the unexpired **period of insurance** less any non-refundable government charges if the refund is more than $10. If **we** cancel **your policy** due to fraud, **we** will not refund any money to **you**.

If **you** pay by monthly instalments and an instalment is unpaid for more than 1 month, **we** can cancel **your policy**. **We** will send **you** a notice in writing regarding **your** non-payment at least 14 calendar days before any cancellation by **us** for non-payment. If after sending the above notice **we** do not receive the instalment payment, **we** will send **you** a second notice in writing, either:

- prior to cancellation, informing **you** that **your** instalment policy is being cancelled for non-payment; or
- within 14 days after cancellation by **us**, confirming **our** cancellation of **your** instalment policy.

If **we** pay out a claim for the full **insured amount** of **your building**, that cover ends. Any Policy Section, Extra Cover, Additional Benefit or Optional Insurance for that cover also ends.

If **we** pay out a claim for a **total loss** (as defined in Policy Section 11) of **your vehicle**, that cover ends. Any Policy Section, Extra Cover, Additional Benefit or Optional Insurance for that cover also ends.

When **your policy** ends as a result of **us** paying out a claim for the full **insured amount** of **your building** or **total loss** (as defined in Policy Section 11) of **your vehicle**, **we** will not refund any premium for an unexpired **period of insurance**. If **you** have been paying **your** premium by monthly direct debit instalments, **we** will deduct the remaining instalment premiums due for the unexpired **period of insurance** from the amount **we** pay for the claim.

# The amount of your premium

The premium is the amount **you** pay **us** for this insurance and is specified in **your policy schedule**. It includes stamp duty, Goods and Service Tax (GST), other government charges and any Fire Services Levy (FSL) that applies. The amount of these taxes and charges will be specified in **your policy schedule**.

The premium does not include any service or administration fee charged to **you** by **your** insurance intermediary.

In addition to the factors **we** use to calculate **your** premium, the discounts **you** qualify for also affect **your** premium. **Your** premium includes any discounts **you** qualify for and these are applied before adding applicable government charges. **We** can withdraw a discount at any time. If **we** withdraw a discount it will continue to apply to **your policy** but will be removed when the **policy** is renewed.

# Paying your premiums

**You** can pay in one annual payment or, if **we** agree, by instalments.

**We** will tell **you** how much **you** have to pay and how much time **you** have for payment.

**You** must pay the premium and other charges by the due date to obtain this insurance cover.

Any payment reminder **we** send **you** does not change the expiry or due date, unless **we** tell **you** otherwise. If **you** do not pay the premium and other charges in full, **we** may reduce the **period of insurance** so it is in line with the amount **you** paid.

Where **you** do not pay **your** premium by the due date for the first period of insurance with **us**, **we** can cancel **your policy**. Where **you** do not pay the premium for renewal by the due date, then the renewal policy will not commence and **your** cover will end at the expiry of the previous period of insurance.

If **we** accept **your** late payment, **we** may recommence **your** cover from the date **we** received **your** payment. If so, **you** will not have any cover from the expiry of the previous period of insurance until the date of payment.

If **you** change **your policy you** may be required to pay an additional premium. Where a change to **your policy** results in a premium increase, **you** will have to pay the amount by which **your** premium has increased by the due date to obtain the varied insurance cover.

# Paying by monthly instalments

If **you** pay **your** premium by monthly instalments and **your** payment is overdue, **we** can refuse to pay a claim if payment is 14 days (or more) late.

# Claims made and notified basis of cover

Policy Section 7 – Management Liability (excluding Optional Insurance 1 - Employee Dishonesty) and Policy Section 14 – Professional Services are issued on a 'claims made and notified' basis. This means that they respond to:

- claims first made against **you** during the **period of insurance** and notified to **us** during the **period of insurance**, provided that **you** were not aware at any time prior to the **policy** inception of circumstances which would have put a reasonable person in **your** position on notice that a claim may be made against them; and
- written notification of facts pursuant to section 40(3) of the Insurance Contracts Act 1984. The facts that **you** may decide to notify are those which might give rise to a claim against **you**. Such notification must be given as soon as reasonably practicable after **you** become aware of the facts, and prior to the time at which **your policy** expires. If **you** give written notification of facts **your policy** will respond even though a claim arising from those facts is made against **you** after **your policy** has expired.

When the **period of insurance** expires no new notification of claims or facts can be made under Policy Section 7 – Management Liability (excluding Optional Insurance 1 - Employee Dishonesty) or Policy Section 14 – Professional Services of the expired **policy** even though the event giving rise to the claim against **you** may have occurred during the **period of insurance**. An exception to this is under Additional Benefit 13 - Automatic Discovery Period of Policy Section 7, if any, under which some cover for new notification of claims or facts is available.

# Excess

This is the amount **you** have to pay if **you** suffer **loss**, **damage** or incur liability which leads to a claim under **your policy**.

The amount and type of **excess** that applies to **your policy** is shown either in Part G of this **PDS** and Policy Wording or on **your policy schedule**.

If **you** claim under more than one Policy Section for one incident or **event**, then **you** only pay the highest **excess** that applies unless stated otherwise in the **policy**. You may be required to pay one or more **excesses**. For example, Additional Benefits may have their own **excess** which may be in addition to any **excess** that may apply to a claim.

# Part C: Privacy Statement

AAI Limited trading as Vero Insurance is the insurer and issuer of this product, and is a member of the Suncorp Group, which **we** refer to as "the Group".

## Why do we collect personal information?

Personal information is information or an opinion about an identified individual, or an individual who is reasonably identifiable.

**We** collect personal information so that **we** can:

- identify **you** and conduct appropriate checks;
- understand **your** requirements and provide **you** with a product or service;
- set up, administer and manage **our** products and services and systems, including the management and administration of underwriting and claims;
- assess and investigate any claims **you** make under one or more of **our** products;
- manage, train and develop **our** employees and representatives;
- manage complaints and disputes, and report to dispute resolution bodies; and
- get a better understanding of **you**, **your** needs, **your** behaviours and how **you** interact with **us**, so **we** can engage in product and service research, development and business strategy including managing the delivery of **our** services and products via the ways **we** communicate with **you**.

## What happens if you don't give us your personal information?

If **we** ask for **your** personal information and **you** don't give it to **us**, **we** may not be able to provide **you** with any, some, or all of the features of **our** products or services.

## How we handle your personal information

**We** collect **your** personal information directly from **you** and, in some cases, from other people or organisations. **We** also provide **your** personal information to other related companies in the Group, and they may disclose or use **your** personal information for the purposes described in 'Why do we collect personal information?' in relation to products and services they may provide to **you**. They may also use **your** personal information to help them provide products and services to other customers, but they'll never disclose **your** personal information to another customer without **your** consent.

Under various laws **we** will be (or may be) authorised or required to collect **your** personal information. These laws include the Anti-Money Laundering and Counter-Terrorism Financing Act 2006, Personal Property Securities Act 2009, Corporations Act 2001, Autonomous Sanctions Act 2011, Income Tax Assessment Act 1997, Income Tax Assessment Act 1936, Income Tax Regulations 1936, Tax Administration Act 1953, Tax Administration Regulations 1976, A New Tax System (Goods and Services Tax) Act 1999 and the Australian Securities and Investments Commission Act 2001, as those laws are amended and includes any associated regulations.

**We** will use and disclose **your** personal information for the purposes **we** collected it as well as purposes that are related, where **you** would reasonably expect **us** to. **We** may disclose **your** personal information to and/or collect **your** personal information from:

- other companies within the Group and other trading divisions or departments within the same company (please see **our** Group Privacy Policy for a list of brands/companies);
- any of **our** Group joint ventures where authorised or required;
- customer, product, business or strategic research and development organisations;
- data warehouse, strategic learning organisations, data partners, analytic consultants;
- social media and other virtual communities and networks where people create, share or exchange information;
- publicly available sources of information;
- clubs, associations, member loyalty or rewards programs and other industry relevant organisations;
- a third party that **we**'ve contracted to provide financial services, financial products or administrative services – for example:
  - information technology providers,
  - administration or business management services, consultancy firms, auditors and business management consultants,

- marketing agencies and other marketing service providers,
- claims management service providers,
- print/mail/digital service providers, and
- imaging and document management services;

- any intermediaries, including **your** agent, adviser, a broker, representative or person acting on **your** behalf, other Australian Financial Services Licensee or **our** authorised representatives, advisers and **our** agents;
- a third party claimant or witnesses in a claim;
- accounting or finance professionals and advisers;
- government, statutory, or regulatory bodies and enforcement bodies;
- policy or product holders or others who are authorised or noted on the policy as having a legal interest, including where **you** are an insured person but not the policy or product holder;
- in the case of a relationship with a corporate partner such as a bank or a credit union, the corporate partner and any new incoming insurer;
- the Financial Ombudsman Service Australia or any other external dispute resolution body;
- credit reporting agencies;
- other insurers, reinsurers, insurance investigators and claims or insurance reference services, loss assessors, financiers;
- legal and any other professional advisers or consultants;
- hospitals and, medical, health or wellbeing professionals;
- debt collection agencies;
- any other organisation or person, where **you**'ve asked them to provide **your** personal information to **us** or asked **us** to obtain personal information from them, eg **your** mother.

**We**'ll use a variety of methods to collect **your** personal information from, and disclose **your** personal information to, these persons or organisations, including written forms, telephone calls and via electronic delivery. **We** may collect and disclose **your** personal information to these persons and organisations during the information life cycle, regularly, or on an ad hoc basis, depending on the purpose of collection.

# Overseas disclosure

Sometimes, **we** need to provide **your** personal information to – or get personal information about **you** from – persons or organisations located overseas, for the same purposes as in 'Why do we collect personal information?'

The complete list of countries is contained in **our** Group Privacy Policy, which can be accessed at www.vero.com.au/vero/privacy, or **you** can contact **us** for a copy.

From time to time, **we** may need to disclose **your** personal information to, and collect **your** personal information from, other countries not on this list. Nevertheless, **we** will always disclose and collect **your** personal information in accordance with privacy laws.

# How to access and correct your personal information or make a complaint

**You** have the right to access and correct **your** personal information held by **us** and **you** can find information about how to do this in the Suncorp Group Privacy Policy.

The Suncorp Group Privacy Policy also includes information about how **you** can complain about a breach of the Australian Privacy Principles and how **we**'ll deal with such a complaint. **You** can get a copy of the Suncorp Group Privacy Policy. Please use the contact details in 'Contact Us' below.

# Contact us

For more information about **our** privacy practices including accessing or correcting **your** personal information, making a complaint, or obtaining a list of overseas countries you can:

- Visit www.vero.com.au/privacy
- Speak to us directly by phoning one of our Sales & Service Consultants on: 1300 888 073 or
- Email us at claims@vero.com.au

# Part D: Complaints Resolution

**We** are committed to:

- listening to what **you** tell **us**;
- being accurate and honest in telling **you** about **our** products and services;
- communicating with **you** clearly; and
- resolving any complaints or concerns **you** have in a fair, transparent and timely manner.

If **you** have a complaint concerning this product or **our** services, please tell the people who provided **your** initial service or contact **us** by:

Telephone: 1800 689 762

Mail: Reply Paid 1453 Customer Relations Unit RE058,
GPO Box 1453 Brisbane QLD 4001 or

Email: customer.relations@suncorp.com.au

## What we will do to resolve your complaint

When **you** first let **us** know about **your** complaint or concern, **we** will review **your** complaint, consider the facts and attempt to resolve it by the end of the next working day.

If **we** cannot resolve **your** complaint to **your** satisfaction within 5 working days, **we** will contact **you** to agree reasonable alternative time frames. **We** will endeavour to send **you** **our** final decision within 15 working days from the date **you** first made **your** complaint provided **we** have all necessary information and have completed any investigations required.

If **you** are not satisfied with **our** decision, at **your** request **we** will refer **your** complaint to **our** Internal Dispute Resolution (IDR) team. **Our** IDR team will review **your** complaint and endeavour to send **you** their final decision within 15 working days from the date **your** complaint was referred to them. If **our** IDR team requires further information, assessment or investigation of **your** complaint, they will contact **you** to agree on a reasonable alternative time frame to resolve **your** complaint.

For more information on **our** complaints handling process, please contact **us**.

## What if you are not satisfied with our final IDR decision?

**We** expect **our** procedures will provide **you** with a fair and prompt resolution to **your** complaint. If, however, **you** are not satisfied with **our** final decision or if **we** have not been able to resolve the complaint to **your** satisfaction within 45 days, **you** may be able to take the complaint to the Financial Ombudsman Service Australia ("FOS").

The FOS is an independent external dispute resolution scheme and its service is free to **our** customers.

**You** can contact the FOS by:

- Telephone: 1800 FOS AUS or 1800 367 287
- Mail: Financial Ombudsman Service Australia
  GPO Box 3
  Melbourne VIC 3001
- Email: info@fos.org.au or
- Website: www.fos.org.au

The FOS will tell **you** if they can help **you**.

**We** agree to accept a FOS determination, however **you** have the right to take legal action if **you** do not accept their determination.

If **you** want more information on the FOS, please ask **us** for a brochure.

# Part E: Other Information

## How the Goods and Services Tax (GST) affects this insurance

In addition to the premium, **we** will charge **you** an amount on account of GST.

**You** must inform **us** of the extent to which **you** are entitled to an **input tax credit** (ITC) for **your** premium and claim each time that **you** make a claim. No payment will be made to **you** for any GST liability that **you** may incur on the settlement of a claim if **you** do not inform **us** of **your** entitlement or correct entitlement to an **input tax credit**.

The GST has an impact on the way in which claim payments are calculated under **your policy**. **We** will calculate the amount of any payment **we** make to **you** having regard to **your** GST status. The amount **we** pay **you** for any claim will be calculated taking into account any **input tax credit** to which **you** are entitled for any acquisition which is relevant to **your** claim, or to which **you** would have been entitled were **you** to have made a relevant acquisition.

If **you** are not entitled to an **input tax credit** on **your policy** premium, all **insured amounts** and **limits of liability** stated in **your policy** are GST inclusive (unless **your policy** states otherwise).

If **you** are entitled to an **input tax credit** on any part of **your policy** premium, the **insured amounts** and **limits of liability** stated in **your policy** are exclusive of GST to the extent of **your input tax credit** entitlement.

In respect of **your policy**, where **you** are registered for GST purposes **you** should calculate the **insured amounts** having regard to **your** entitlement to **input tax credits**. **You** should, therefore, consider the net amount (after all **input tax credits** have been taken into account) which is to be insured and then calculate and advise **us** an **insured amount** on a GST exclusive basis.

This outline of the effect of the GST on **your policy** is for general information only. **You** should not rely on this information without first seeking expert advice on the application of the GST to **your** particular circumstances.

'GST', 'input tax credit', 'acquisition' and 'supply' have the meaning given in A New Tax System (Goods and Services Tax) Act 1999.

## Fraudulent claims

If **you,** or anyone acting on **your** behalf, or with **your** knowledge, makes a claim that is false or causes **loss** or **damage** deliberately, **we** may do one or more of the following:

- refuse to pay a claim;
- cancel **your policy**; or
- take legal action against **you**.

## Financial Claims Scheme

This policy may be a 'protected policy' under the Federal Government's Financial Claims Scheme (FCS) which is administered by the Australian Prudential Regulation Authority (APRA).

The FCS only applies in the unlikely event of an insurer becoming insolvent and the Federal Treasurer making a declaration that the FCS will apply to that insurer.

The FCS entitles certain persons, who have valid claims connected with certain protected policies issued by that insurer to be paid certain amounts by APRA. Information about the FCS can be obtained from www.fcs.gov.au

## General Insurance Code of Practice

**We** support and adhere to the General Insurance Code of Practice. A copy of the Code can be obtained from the Insurance Council of Australia by:

- Telephone: (02) 9253 5100 or 1300 728 228
- Website: www.insurancecouncil.com.au

# Terrorism Insurance Act 2003

Some sections of this policy exclude cover for damages as a result of terrorism.

In the event that damage to property occurs and the cause of the damage is declared a terrorist incident by the responsible Minister, then **you** may be afforded protection within the limits of indemnity of this policy by virtue of the Terrorism Insurance Act 2003. The operation of this Act may also serve to reduce the settlement of **your** loss to a percentage of the otherwise recoverable loss. In the event that the settlement is reduced then this will be at the direction of the Minister.

A more detailed explanation of the operation of the Terrorism Insurance Act 2003 can be obtained at www.arpc.gov.au

# Updating information

The information in this **PDS** and Policy Wording was current at the date of preparation. **We** may update some of the information in the **PDS** and Policy Wording that is not materially adverse from time to time without needing to notify **you**.

**You** can obtain a copy of any updated information by contacting **us** on 1300 888 071. **We** will give **you** a free paper copy of any updates if **you** request them. If it becomes necessary, **we** will issue a supplementary or replacement **PDS**.

# Part F: Information for some Policyholders

This Part applies to **you** if **you** are insuring:

- **vehicles** (not exceeding 2 tonnes) under Policy Section 11 – Commercial Motor;
- **customer vehicles** (not exceeding 2 tonnes) under Policy Section 12 – Customer Vehicles; or
- a **home building** under Policy Section 1 - Property Damage, Policy Section 2 - Theft or Policy Section 3 – Glass,

and **you** are:

- an individual; or
- a small business having:
  - in the case of a non-manufacturing business, less than 20 employees; or
  - in the case of a manufacturing business, less than 100 employees.

**You** need to read this Part if it applies to **you**.

**Home building** means a **building** which is used or intended to be used principally and primarily as a place of residence.

An example of what is considered a **home building** is where the **building** is a commercial premise, but **you** may also live in the **building,** or **you** rent part of the **building** for residential use. If the **building** is only used by **you** for residential purposes, it cannot be insured under this **PDS** and Policy Wording

## Policy Section 1 – Property Damage

**You** may insure a **home building** this Policy Section 1, if used for a business, for **loss** or **damage** arising from an insured event during the **period of insurance**. If **you** lease out **your building** then **your** landlord's fixtures and fittings, including floor coverings, are insured as part of **your building**. **You** cannot insure a **home building,** under Policy Section 1 unless **you** own the **building**.

Provided none of the exclusions listed in Policy Section 1 - Property Damage apply, **you** are covered for **loss** or **damage** arising from the following insured events:

- fire;
- escape of molten material from its intended confines at the situation;
- lightning or thunderbolt;
- explosion or implosion;
- storm, wind and rain (including snow, sleet or hail but excluding **flood**);
- water damage;
- impact;
- riot or civil commotion;
- malicious damage (including by vandals and thieves); and
- earthquake, tsunami, subterranean fire or volcanic eruption, or fire resulting from any of these.

## Policy Section 2 – Theft

If **you** insure **electronic equipment**, **contents**, or **stock** against **theft** under Policy Section 2, **we** will also cover **you** for some **damage** that occurs to the **home building** as a result of the **theft**.

**We** will also cover **you** for **damage** to the **building you** rent if the **building** is **damaged** as a result of a **theft** during the **period of insurance**.

## Policy Section 3 – Glass

Under Policy Section 3 **you** may insure against the **breakage** of **glass** which forms part of **your home building** during the **period of insurance.**

# The amount you pay for Policy Sections 1, 2 or 3 (home building), Policy Section 11 (vehicles) or Policy Section 12 (customer vehicles)

The premium is the amount **you** pay **us** for this insurance and is specified in **your policy schedule**. The premium includes stamp duty, the Goods and Services Tax (GST), other government charges and any fire services levy (FSL) that applies. The amount of these taxes and charges will be specified in **your policy schedule**.

The premium does not include any service or administration fee charged to **you** by **your** insurance intermediary.

# How various factors may affect your premium for Policy Sections 1, 2 and 3 (home building)

The following table is a guide to the significant factors which impact generally on **your** premium in relation to Policy Sections 1, 2 or 3 (for a **home building**).

| Factor | Lowers premium | Increases premium |
|---|---|---|
| Insured amount | Lower insured amount | Higher insured amount |
| Postcode | Low risk postcode | High risk postcode |
| Optional insurance | None taken | One or more taken |
| Claims experience | Low claims experience | High claims experience |
| Voluntary excess | Higher excess | Lower excess |
| Occupation | Low risk occupation | High risk occupation |
| Location | Low risk location | High risk location |
| Number of premises | Fewer premises | More premises |
| Building materials | More fire resistant materials | Less fire resistant materials |
| Endorsements | Reduces our risk or your cover | Increases our risk or your cover |
| Our expenses of doing business including payments we make to intermediaries | Low expenses | High expenses |

# How various factors may affect your premium for Policy Section 11 (vehicles)

The following table is a guide to the significant factors which impact generally on **your** premium in relation to Policy Section 11 (for a **vehicle**).

| Factor | Lowers premium | Increases premium |
|---|---|---|
| Type of cover | Legal liability only | Comprehensive or legal liability, fire and theft |
| Type of vehicle | Low risk vehicle | High risk vehicle |
| Market or agreed value | Market value | Agreed value |
| Vehicle accessories/ modifications | None specified | Accessories and modifications that increase the risk of insurance |
| Age of driver(s) | Over 25 years of age | Under 25 years of age |
| No claim bonus | Higher rating | Lower rating |
| Vehicle use | Low risk use | High risk use |
| Insured amount | Lower insured amount | Higher insured amount |
| Postcode | Low risk postcode | High risk postcode |
| Claims experience | Low claims experience | High claims experience |
| Optional insurance | None taken | One or more taken |
| Voluntary excess | Higher excess | Lower excess |
| Occupation | Low risk occupation | High risk occupation |
| Endorsements | Reduces our risk or your cover | Increases our risk or your cover |
| Our expenses of doing business including payments we make to intermediaries | Low expenses | High expenses |

When determining **your** premium **we** also take into account the age of the **vehicle**. This factor may lower or increase the premium depending on whether it means there is a higher chance of **you** making a claim and if so, for how much.

# Why the cost of insurance can change

**Your** insurance premium can change during the **period of insurance** if the circumstances or risks covered by **your policy** change. For example, **your** premium will change if **you:**

- change the use of the **vehicle** or add new covers to **your policy**; or
- change the use of **your premises** or add new covers to **your policy**.

Also, each time **you** renew **your** insurance **your** premium is likely to change, even if **your** circumstances or the risks covered by **your policy** have not changed. This is because premiums are affected by:

- the total cost of current and future claims;
- the cost of claims **we** expect to pay in the future;
- any changes in government taxes or charges;
- **our** expenses of doing business;
- other commercial factors; and
- whether indexation is specified in **your policy schedule**.

At renewal, **we** might decide to pass on all, or part of, any premium increase or decrease.

# Premium discounts

The discounts **you** qualify for will be included in **your** premium and applied before adding applicable government charges.

At times **we** may offer premium discounts to particular customers as part of a promotion or to take account of market conditions. The amount and type of discounts can change at any time before **you** take out this **policy**, or at **your** next renewal. **We** can vary or withdraw a discount at any time. If **we** withdraw a discount it will continue to apply to **your policy** but will be removed when the **policy** is renewed.

# Excess

An **excess** is **your** contribution to the cost of a claim. If **you** make a claim, **you** may be required to pay one or more **excesses**.

The description of those **excesses** and the circumstances in which they are applied are specified in the relevant Policy Section in Part G of this **PDS** and Policy Wording or in **your policy schedule**.

# Policy Sections 1, 2 and 3: Excesses

The amount of the **excess** applying to each of these Policy Sections 1, 2 and 3 is specified in **your policy schedule** or the relevant Policy Section. **We** take into consideration a number of factors when setting the amount of **your excess**, such as:

- **your** occupation;
- any voluntary **excess** that **we** may allow **you** to choose;
- **your** claims history; and
- any additional risk factors that are unusual or unique to **your business** circumstances.

# Policy Section 11 and 12: Excesses

There are a number of **excesses** which apply to Policy Sections 11 and 12. The amount of each **excess** (other than the Basic Excess) is specified in Policy Section 11 and Policy Section 12. The amount of the Basic Excess will be specified in **your policy schedule**.

**We** take into consideration a number of factors when setting the amount of **your** Basic Excess, such as:

- the make, model and type of **vehicle** being insured, including modifications made to the **vehicle**;
- any voluntary **excess** that **we** may allow **you** to choose;
- the age and driving experience of people who will be driving the **vehicle**;
- the **insured amount** of the **vehicle**;
- where and how the **vehicle** is used;
- the type of cover chosen;
- the place where **your vehicle** is garaged;
- **your** previous insurance and claims history; and
- Optional Insurances and **endorsements** that apply to **your policy**.

# Part G: Motor Trade Policy Wording

## Important information

### 1. Who is insured?

The **policy** provides insurance only for the parties specified in **your policy schedule** unless otherwise stated in individual Policy Sections.

### 2. Policy limits

**We** will not pay any more than the **insured amount** or **limit of liability** or sub-limit for each Policy Section, part of a Policy Section or individual item or cover that is specified in **your policy schedule**, unless **we** specifically state otherwise in **your policy**.

## General Policy Conditions

These conditions apply to the whole **policy**.

### 1. Change to risk

**Our** decision to insure **you**, and the premium that **we** charge **you**, is based on information provided by **you** about **your business** and **property insured**. **Your** insurance, including the amount of premium, may be affected if any of the facts or circumstances that existed at the start of the **policy** change during the **period of insurance**, including, for example:

- the **business** is permanently discontinued;
- **you** are convicted of a criminal offence;
- the nature of or type of **business** carried on by **you** or **your** tenants;
- the occupation and activities carried on by the tenants of **your buildings**;
- other circumstances that affect the **premises** or the **property insured** in such a way as to increase the risk of **damage** or **loss**;
- as property owner **you** intend to either redevelop or demolish **your property insured**, have lodged an application to do this, or a government authority has issued a demolition order;
- **your** interest in the **policy** ceases, including by operation of law;
- **you** or the **business** are insolvent, wound up or subject to external administration;
- details of any conversion or modification to **your vehicle** made by someone other than the manufacturer;
- if there is anyone under the age of 25 years who is likely to be a regular driver of the **vehicle**; and
- change of **your** address, **your vehicle**, **your vehicle's** garage postcode or the way **you** use **your vehicle**.

**You** must immediately notify **us** of any of the above changes or any other changes that may increase the risk insured under **your policy**.

If **you** are a property owner insuring **buildings** that **you** lease, **our** decision to insure **you** and the premium **we** charge **you** will take into account information about **your** tenants and how the **building** is used that **you** tell **us** when **you** apply for insurance with **us**, during the **period of insurance** and at each renewal. For this reason, it is important that **you** tell **us** as soon as these things change.

For example, if **your building** has three tenants (an accountant's office, a jeans retailer and a sandwich bar), **we** will calculate **your** property premium on the sandwich bar, as it is more hazardous than either of the other two occupations. If during the **period of insurance** the sandwich bar closes down and a menswear shop opens, then **you** must notify **us** of the change and **we** will calculate **your** property premium either using the jeans retailer or menswear shop, whichever is the more hazardous occupation.

If **we** agree to the changes **you** tell **us** about, **we** will confirm this in writing. In some cases, **we** may only agree to continue to insure **you** under this **policy** if **you** agree to pay **us** additional premium.

### 2. Reasonable care and reducing risk

**You** must take all reasonable steps to ensure that **you** and **your** tenants:

- maintain **buildings**, structures, fixtures, fittings, furnishings, appliances, **machinery**, implements and plant in sound condition to minimise or avoid theft, **loss** or **damage;**
- ensure that only competent employees are employed;
- avoid or minimise **loss** of, or **damage** to, property or injury to other people;
- comply with all laws, statutory obligations, by-laws, regulations, public authority requirements and safety requirements;
- obtain certificates of inspection for all equipment required by any statute or regulations to be certified; and
- comply, at **your** expense, with all **our** recommendations to prevent or minimise theft, **loss** or **damage.**

**You** must:

- take all reasonable steps to prevent **loss** of, or **damage** to, **your vehicle**;
- take all reasonable care to prevent injury to another person or **damage** of another person's property; and
- keep all **vehicles** in a roadworthy condition.

### 3. Hazardous or dangerous goods

When hazardous or dangerous goods are used by the **business** or stored at any **premises** specified in the **policy schedule**, then such goods must be stored and used strictly in accordance with all statutory obligations, by-laws, regulations, public authority requirements and safety requirements.

### 4. Other interests

**You** must tell **us** if **you** want **us** to record the interests of any third party beneficiaries (for example, banks or lessors) in any item insured under any Policy Section in this **policy**. If **we** agree to record the interest of a third party beneficiary this will be specified in the **policy schedule**.

If a third party beneficiary's interest is not recorded, insurance cover will not extend to their interest and they will not be able to make a claim under this **policy**. All third party beneficiaries must comply with all the terms and conditions of **your policy**, including without limitation, the obligation to notify **us** and give **us** details of any other insurance that insures any risk insured by this **policy**.

### 5. Transfer of interest

No interest in this **policy** can be transferred without **our** written consent.

### 6. Unoccupancy

**You** must ensure that any **building** at the **premises** does not stay unoccupied or, if **you** are the **building** owner, untenanted, for a continuous period of 60 days or more. **You** are not insured while the **building** is unoccupied for a period of 60 days or more, unless **we** agree to insure **you**.

If any **building** will or is likely to be unoccupied or untenanted for such a period, **you** must notify **us** immediately. If **you** notify **us** that the **premises** will be unoccupied or untenanted for a continuous period of 60 days or more and **we** agree to continue to insure **you** under this **policy** during the period where the **building** is unoccupied or untenanted, **we** will confirm this in writing.

**You** may be required to pay an additional premium and **we** may apply different conditions and impose a higher **excess** if **we** agree to this.

### 7. Notification of other insurance

**You** must notify **us** of any other insurance that insures any risk insured by this **policy** and provide **us** with the details of the other insurance.

### 8. Changes in or waivers of the policy

No changes in the **policy** will be valid unless agreed in writing by **us**.

No waiver of any requirements of the **policy** shall be valid unless it is given to **you** in writing.

### 9. Multiple insured parties

Except as otherwise expressly provided in Policy Section 6 – Public and Product Liability, Policy Section 7 – Management Liability and Policy Section 10 –Tax Probe, where there is more than one person or organisation insured under this **policy**:

- any notice given by **us** under this **policy** to any one of **you** specified in the **policy schedule** will be deemed to be notice given to all of **you**;
- any misrepresentation or fraudulent actions or statements made by any person or organisation will be deemed to be made by all of **you**; and
- any claim made by any person or organisation will be deemed to be a claim made by all of **you**.

### 10. Keeping us up to date

**You** must tell **us** at the commencement of **your policy** and at each renewal if any authorised driver of **your vehicle**, including **you**, has within the past 5 years:

- had a licence endorsed, suspended or cancelled;
- been charged or convicted of any criminal offence relating to arson, drugs, firearms, burglary, housebreaking, theft, robbery, receiving stolen goods, fraud, criminal or wilful damage or injury, or assault to anyone;
- been charged with or convicted of any motor offence or motor infringement (but not parking fines).

# General Claims Conditions

These conditions apply to the whole **policy**.

**You** must comply with these conditions if an **event** occurs which may lead to or results in a claim. If **you** do not comply with these conditions, **we** may refuse **your** claim or reduce the amount **we** pay **you**.

## 1. Claim notification

**You** must:

- notify the police immediately following a theft or attempted theft of any **property insured** or if any **property insured** is misappropriated, **lost** or maliciously damaged;
- notify **us** as soon as possible and give **us** all known details of the **event** including the police event number if available;
- immediately provide **us** with any legal document or other communication **you** receive about the claim, including any legal proceedings brought against **you**; and
- provide **us** with all information and documentation that **we** request. If **we** ask **you** for a statutory declaration verifying the details of **your** claim and any other matters connected with the claim, **you** must provide it.

## 2. Minimise loss

**You** must:

- take all reasonable precautions to minimise or prevent further **loss**, **damage**, legal liability, injury or illness; and
- take all reasonable steps to recover **lost** or stolen **property insured**.

## 3. Retain all damaged property

**You** must:

- retain and preserve all **damaged** property for inspection by **us** or **our** agent (including a loss adjuster) prior to authorisation of repairs unless alterations and repairs are immediately necessary, for safety reasons or to minimise or prevent further **loss**, **damage**, legal liability or injury. If repairs are necessarily carried out without **our** prior approval, **you** are still required, where reasonably practicable, to retain and preserve all **damaged** property for **our** inspection; and
- retain and preserve all property, products, plant and all other things that may assist **us** in investigating or defending a claim against **you**.

## 4. Proof of ownership

If **you** make a claim for **property insured** that is **lost**, stolen or **damaged**, **you** must provide **proof of ownership** or legal responsibility for such **property insured** and evidence of its value, if **we** ask for it. **We** will decide what is acceptable **proof of ownership** and value for any **property insured** based on what **property insured you** are claiming for, how old the item is and its residual value.

**We** understand **you** may not keep such information for every **business** item **you** own, especially if items are recorded in **your** books of account. **You** or **your** accountant may have records for tax purposes and these may be sufficient to prove ownership and value of the **property insured**.

## 5. Cooperation

**You** must co-operate and provide **us** with all reasonable assistance in connection with any investigation, negotiation, recovery, defence, legal proceeding or settlement of any claim including doing all things necessary to allow **us** to take over legal proceedings you are party to.

## 6. Proof of fraud or dishonesty

**You** must supply **us** with all records and documents that may assist **us** in substantiating and investigating the act of fraud or dishonesty and **your** rights of recovery. This includes but is not limited to all records (including computer, electronic, physical, accounting and audit records), video and audio recordings, working papers, internal memoranda and police reports.

## 7. Admitting liability

**You** must not admit liability for any **loss**, **damage**, legal liability or injury, or settle or attempt to settle or defend any claim without **our** written consent.

## 8. Repair or replacement

**You** must not authorise the repair or replacement of any insured item without **our** agreement except in the case of an emergency where **you** are required to prevent further loss or damage to that item as a result of the emergency.

## 9. Conduct of claims

**We** are entitled to conduct claims and proceedings. This includes the right to takeover and conduct in **your** name the defence or settlement of any claim or proceeding. At all times **we** have the right to make admissions, negotiate and settle a claim or proceeding on terms **we** consider appropriate. **You** are not permitted to make any admission of liability, offer, promise or payment without **our** written consent. **We** may engage legal or other representatives to assist in the conduct of a claim or proceedings.

## 10. Paying your excess

**You** must pay the **excess** that applies to a claim under this **policy**. Any **excess** that is applied to **your** claim must be paid in full prior to settlement of that claim.

**We** have no liability to **you** under this **policy** until **you** have paid the **excess**. If the **excess** has been requested but remains unpaid **we** may:

- decline to settle the claim pending full payment of the **excess**; or
- deduct the **excess** from the settlement.

The **excess** that applies will depend on the circumstances of the claim. Some Additional Benefits and Optional Insurances have their own **excess** which are in addition to any other **excess** that may apply to a claim. When multiple **excesses** apply, **you** might have to pay more than one type of **excess** when **you** make a claim.

The amount of the **excesses** and the circumstances that each **excess** applies to are specified in **your policy schedule** or set out in the applicable Policy Section. **We** will tell **you** how to pay **your excess** and who to pay it to. In some cases, **we** will direct **you** to pay the **excess** directly to a supplier or repairer.

## 11. Our rights of possession

**We**, **our** employees or **our** agents have the right to enter any **building** or area where **loss** or **damage** has occurred and take possession of **property insured** or require the **property insured** to be delivered to **us**. **We** will deal with this property in a reasonable manner.

## 12. Claims settlements

### (A) ITC entitlement

If any **event** occurs which gives or may give rise to a claim, **you** must tell **us your** entitlement to **input tax credits** (ITC) if **you** are registered, or are required to be registered for GST purposes. If **you** do not inform **us** of **your** entitlement, or the information **you** give **us** is incorrect, **we** will not cover **you** for any resulting fines, penalties or tax liability **you** incur.

When **we** calculate a payment to **you** for **your** claim, **we** can reduce it by any **input tax credit you** are, or would be, entitled to receive.

### (B) Cash payments

Any cash payments made to **you** under this **policy** will be based on costs including GST. However, if **you** are, or would be, entitled to claim any **input tax credits** for the repair or replacement of the **property insured** or for other things insured by the **policy**, **we** will reduce **our** payment to **you** by the amount of **your input tax credit** entitlement.

### (C) Discharge of our liabilities

If, at any time, **we** pay **you** the **insured amount** or **limit of liability** for any claim under this **policy**, **we** do not have any further liability to **you**. **We** may also pay any Extra Covers, Additional Benefits or Optional Insurance that are expressed to be in addition to the **insured amount** or **limit of liability**.

### (D) Salvage

After settling a claim by replacing any **damaged** or **lost property insured**, if **we** so elect, that **damaged** or **lost property insured** (other than a **building**) becomes **ours** and **we** are entitled to receive the proceeds of any salvage.

## 13. Claims preparation expenses

**We** will pay for accountant, claims consultants, surveyors, architects, engineers and other professional fees necessarily and reasonably incurred for the preparation of a claim covered under this **policy** other than under Policy Section 5 – Business Interruption, Policy Section 7 - Management Liability or Policy Section 10 - Tax Probe. The most **we** will pay is the lesser of $20,000 or 25% of the total amount payable under the applicable Policy Section, as a result of an **event**. This benefit is in addition to the **insured amount**.

## 14. Rights of recovery

If **you** have suffered **loss** or **damage** as a result of an **event** or **occurrence** covered, or partially covered by this **policy**, then **we** have the right and **you** permit **us** to take action or institute legal proceedings against any person, company or entity legally liable to **you** for the recovery of **your** insured, underinsured or uninsured losses, payments made and expenses in relation to the **event** or **occurrence** (Your Loss). Any action or legal proceeding will be commenced in **your** name. **You** must provide **us** with all information and reasonable assistance in the recovery of Your Loss, including providing **us** with any documents that prove Your Loss.

If **you** have commenced action or instituted legal proceedings against any person, company or entity legally liable to **you** for Your Loss, **we** have the right and **you** permit **us** to take over and continue that action or legal proceeding. **You** must provide **us** with all information and reasonable assistance in the recovery of Your Loss, including providing **us** with any documents that prove Your Loss.

Where recovery of Your Loss forms part of any representative proceeding which has not been instituted under **our** instructions, **we** have the right and **you** permit **us** to exclude Your Loss from that representative proceeding for the purpose of including Your Loss in a separate representative proceeding which is or will be instituted under **our** instructions (Our Representative Proceeding). **You** must provide **us** with all information and reasonable assistance in the recovery of Your Loss as part of Our Representative Proceeding, including providing **us** with any documents that prove Your Loss.

**You** must not enter into any agreement, make any admissions or take any action or step that has the effect of limiting or excluding **your** rights and **our** rights to recover Your Loss without first obtaining **our** approval in writing to do so.

### 15. Subrogation agreements

If another person, corporation or organisation is, or could have been, liable to compensate **you** for any **loss**, **damage** or legal liability otherwise covered by the **policy**, but **you** have agreed with that person, corporation or organisation either before or after the **loss**, **damage** or legal liability occurred that **you** would not seek to recover any money from them, **we** will not cover **you** under the **policy** for any such **loss**, **damage** or legal liability.

# General Exclusions

These exclusions apply to the whole **policy** unless specifically stated otherwise.

### 1. Conflict

This **policy** does not insure claims directly or indirectly caused by, or arising from, or in consequence of, or contributed to by:

- war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power;
- expropriation including lawful seizure, resumption, confiscation, nationalisation, destruction or damage to property by or under the order of any government or public or local authority; or
- looting, sacking or pillaging following any of the events stated above.

This exclusion does not apply to Policy Section 13 - Goods in Transit, to the extent of any inconsistency.

### 2. Consequential loss

This **policy** does not insure loss of use, loss of earning capacity, loss by delay, lack of performance, loss of contract or depreciation in the value of **property insured** and any other consequential loss of any kind.

This exclusion does not apply to Policy Section 5 – Business Interruption.

### 3. Nuclear

This **policy** does not insure claims directly or indirectly caused by, or arising from, or in consequence of, or contributed to by:

- ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion or fission of nuclear fuel;
- the radioactive, toxic, explosive or other dangerous properties of nuclear machinery or any part of it; or
- nuclear weapons material.

For the purpose of this exclusion only, combustion includes any self-sustaining process of nuclear fission and/or fusion.

### 4. Non-compliance

This **policy** does not insure **loss** or **damage** or liability caused by or as a result of **your** failure to comply with any relevant statutory obligations, by-laws, regulations, public authority requirements or safety requirements.

### 5. GST, fines or penalties

This **policy** does not insure any GST, fine, penalty or charge that **you** are liable for because **you** did not tell **us your** entitlement to **input tax credits** in relation to a claim or the premium for this **policy**, or the entitlement **you** told **us** was incorrect.

### 6. Intentional acts

This **policy** does not insure:

- any intentional or wilful act or omission by **you**, **your family** or **your employees** with **your** connivance; or
- fraudulent or dishonest acts committed by **you**, **your family** or **your employees** acting alone or in collusion with others.

### 7. Terrorism

This **policy** does not insure:

- personal injury, damage to property, legal liability, **loss**, **damage**, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any **act of terrorism** regardless of any other cause or event contributing concurrently or in any other sequence to the personal injury, damage to property, legal liability, **loss**, **damage**, cost or expense; or
- personal injury, damage to property, legal liability, **loss**, **damage**, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to any **act of terrorism**.

However, this exclusion does not apply to:

- Policy Section 2 - Theft;
- Policy Section 3 - Glass;
- Policy Section 4 - Money; and
- Policy Section 8 - Portable and Valuable Items.

### 8. Electronic data exclusion

(a) This **policy** does not cover:

- total or partial destruction, distortion, erasure, corruption, alteration, misinterpretation or misappropriation of **data**;
- error in creating, amending, entering, deleting or using **data**; or
- total or partial inability or failure to receive, send, access or use **data** for any time or at all,

from any cause whatsoever, regardless of any other contributing cause or **event** whenever it may occur.

(b) **We** will not cover legal liability for communication, display, distribution or publication of **data**.

This exclusion (b) does not apply to bodily injury, death, sickness, disease, disability, shock, fright, mental injury, mental anguish or loss of consortium resulting from any of these.

(c) Where an event listed below (being an insured event covered in Policy Section 1 - Property Damage or Policy section 8 - Portable and Valuable Items of this policy but for this exclusion) is caused by any of the matters described in paragraph (a) above, this **policy**, subject to all its provisions, will insure:

- **loss** of, or **damage** to, **property insured** directly caused by the **event**, or
- consequential loss insured by this **policy**.

This exclusion does not apply where an event listed below caused any of the matters described in paragraph (a) above.

- Fire
- Lightning or thunderbolt
- Explosion or implosion
- Storm and wind other than **flood**
- Water damage
- Impact
- Earthquake, tsunami, subterranean fire, or volcanic eruption, or fire resulting from any of these
- Theft of **data** solely where such theft is accompanied by theft of the computer hardware, firmware, medium, microchip, integrated circuit or similar device containing such **data**.

(d) For the purposes of "What we cover" in this **policy**, computer systems records includes electronic **data**.

(e) Where **damage** to property or **property insured** are used in this **policy**, they do not include **data**.

### 9. Sanctions

Despite any provision of the **policy**, **we** will not cover and will not make any payments or provide any services or benefit to **you** or to any other party to the extent that such cover, payment, service or benefit would contravene any applicable trade or economic sanctions, law or regulation.

## When we may refuse a claim

**We** may refuse to pay a claim, or **we** may reduce the amount **we** pay **you** if:

(a) **you** have not complied with **your** duty of disclosure;

(b) **you**:

- are not truthful;
- have not given **us** full and complete details; or
- have not told **us** something when **you** should have,

when applying for the insurance, or when making a claim.

(c) **you** are paying by instalments and at the date of the **event you** are claiming for **you** are 14 days (or more) late in paying an instalment;

(d) **you** have not complied with any of the conditions of **your policy**;

(e) **you** do any of the following without **us** agreeing to it first:

- make or accept any offer or payment or in any other way admit **you** are liable for loss or damage;
- settle or attempt to settle any claim; or
- defend any claim; or

(f) cover is excluded by the **policy**.

If **you** prevent **our** right to recover from another person, corporation or organisation, or if **you** have agreed not to seek compensation from another person, corporation or organisation who is liable to compensate **you** for any **loss**, **damage** or legal liability which is covered by this **policy**, **we** will not cover **you** under this **policy** for that **loss**, **damage** or legal liability.

# General Definitions

Unless defined differently in a Policy Section, these definitions apply to the whole **policy**.

## Accidental

Unexpected and unintended from **your** standpoint.

## Act of terrorism

An act, including but not limited to the use of force or violence (or threat of force or violence) by any person or group of persons, whether acting alone or on behalf of or in connection with any organisation(s) or government(s) which from its nature or context are done for, or in connection with, political, religious, ideological ethnic or similar purposes or reasons, including the intention to influence any government or put the public, or any section of the public, in fear.

## Air conditioner

An appliance, system, or mechanism designed to extract heat from an area via a refrigeration cycle. Its purpose in a building is to provide comfort during either hot or cold weather.

## Aircraft

Anything made or intended to fly or move in or through the air or space other than a model aircraft. Aircraft includes remote control devices.

## Animal or Animals

Any living creature including but not limited to livestock, birds, fish, vermin, insects.

## Building or Buildings

The building(s) at the **premises**, including:

- sheds with a concrete floor and fixed to foundations at the **premises**;
- customised and modified shipping containers or transportable buildings permanently located at the **premises** used as workshops, lunchrooms or storage which are permanently fixed to the ground with electrical or plumbing services as necessary at the **premises**;
- shipping containers in which the **stock your business** distributes is delivered to **your premises** and from which merchandise is either being loaded into, unloaded from or stored in before dispatch, provided the container doors are secured when unattended with padlocks with a security rating under AS 4145.4 (or any subsequent amendment) of 6 or above and the padlocked container is fully enclosed by a cyclone fence with locked gates at the **premises** after hours;
- walls, foundations, storage tanks, awnings, exterior lights, masts, antennae and aerials, fixed external signs, walls, gates, fencing, pavements, roads and other structural improvements pertaining to the building or buildings; or
- property owner's fixtures and fittings, floor coverings, plant, plumbing or wiring services that are within the building or buildings.

Building(s) does not include land, including topsoil and fill and dams, landscaping, reservoirs or canals.

## Business or Businesses

The business or businesses described in the **policy schedule**.

## Canada

The Dominion of Canada and its respective territories, protectorates or dependencies.

## Certificate of authenticity

The original documentation from the manufacturer of the insured item or property.

## Computer virus

A corrupting, harmful, or otherwise unauthorised piece of code that infiltrates **your** computer equipment, including a set of unauthorised instructions, programmatic or otherwise, that propagates itself through **your** computer equipment. Computer virus also includes trojan horses, worms and time or logic bombs.

## Customers' goods

Goods that do not belong to **you**, but:

- belong to **your** customers and are in **your** physical or legal control because the **business** repairs, services, maintains, or stores those goods before or after it repairs, services or maintains the goods;
- have been purchased by **your** customers and are in **your** physical or legal control awaiting delivery; or
- are at the **premises** and **you** have accepted responsibility to insure those goods under a formal consignment agreement.

However, customers' goods does not include consigned items of property under an agency agreement where **you** make a commission on a sale or **customer vehicles** (as defined in Policy Section 12 – Customer Vehicles).

### Damage or Damaged

Sudden and unforeseen physical damage or destruction.

### Data

Facts, concepts and information converted to a form usable for communications, display, distribution, interpretation or processing by electronic and electromechanical data processing or electronically controlled equipment and includes programmes, software and other coded instructions for such equipment.

### Electronic equipment

Any electronic equipment including, but not limited to mobile phones, laptops, palm pilots, computers, scanners, printers, word processors, electronic processing systems, photocopiers, facsimile machines, electronic cash registers, electronic scales and electronic testing or analysing equipment used by **you** in the **business**.

Electronic equipment does not include electronic equipment that is **stock**.

### Employee

Any person while employed by **you** in the **business** who **you** compensate by salary, wages, or commission and have the right at all times to govern, control and direct in the performance of their work.

Employee does not include:

- any broker, factor, consignee or contractor;
- any member of **your family** unless that person is also **your** employee;
- any partner, director or trustee unless that person is also **your** employee; or
- any volunteer.

### Endorsement or Endorsements

A written change or addition made to **your policy**. Any endorsement or endorsements which apply to **your policy** will form part of the **policy** and be specified in **your policy schedule**, unless **we** send **you** the endorsement separately.

### Event or Events

One incident or all incidents of a series consequent on, or attributable to, one source or original cause.

### Excess or Excesses

The amount of each and every claim that must be paid by **you**, before the application of any cover, benefits or limits of **your policy**.

### External glass

**Glass** or plastic material used as **glass** fixed in external windows, doors, showcases or skylights forming part of the **building**.

### Family

Any person who is:

- **your** spouse, **your** partner or **your** de facto and lives with **you**;
- **your** parent or parent-in-law;
- **your** child or child of **your** spouse, partner or de facto (not being **your** child); or
- **your** brother or sister.

For the purposes of this definition "**you**" and "**your**" refers to the directors, owners and officers of the company or legal entity specified in the **policy schedule** as the **insured**.

### Flood

The covering of normally dry land by water that has escaped or been released from the normal confines of any of the following:

- a lake (whether or not it has been altered or modified);
- a river (whether or not it has been altered or modified);
- a creek (whether or not it has been altered or modified);
- another natural watercourse (whether or not it has been altered or modified);
- a reservoir;
- a canal; or
- a dam.

### Fungus/Fungi

Fungi are a group of simple plants that have no chlorophyll and include but are not limited to mould, mildew, spores and yeast.

### Glass

Glass which **you** own or are legally responsible for which is **external glass**, **internal glass** and/or **sanitary fittings**.

### Home building

A **building** which is used or intended to be used, principally and primarily as a place of residence.

### Hovercraft

Any vessel, craft or thing made or intended to float on or in or travel on or through the atmosphere or water on a cushion of air provided by a downward blast.

### Input tax credit

The amount **you** are entitled to claim as a credit against GST that **you** have paid.

### Insured amount or limit of liability

For insured amount, means the amount specified as the insured amount in the **policy schedule** for a Policy Section, part of a Policy Section or individual item or cover. The insured amount includes GST.

For limit of liability, means the amount specified as the limit of liability in the **policy schedule** for a Policy Section, part of a Policy Section or individual item or cover. The limit of liability includes GST.

### Insured/you/your

Any person, company or legal entity specified in the **policy schedule** as the insured.

### Internal glass

**Glass** or plastic material used as glass in internal partitions, windows and doors, counters, shelves and/or stock restraints, furniture and interior showcases, fixed and hanging mirrors and any other fixed internal glass contained in the **building**.

### Limit

The limit is the maximum amount **we** will pay under any Policy Section of the **policy**.

### Loss/losses/lost

Sudden or unforeseen physical loss.

### Machinery

Except in relation to Policy Section 9 – Equipment Breakdown, any mechanical or electrical equipment, that generates, transmits or utilises mechanical or electrical power, any electronic machine, device or instrument, but not including;

- any **vehicle** or mobile equipment;
- any **watercraft** or **aircraft**;
- any elevator or escalator (excluding any electrical or electronic equipment used with such apparatus); or
- any buried piping, any drainage piping, any sprinkler piping and its accessory equipment.

### Manual labour

Work primarily involving physical exertion, but does not include activities associated with marketing, promotion, demonstration or selling.

### Manufacturer's box

The original box showing the brand and model of the insured item or property.

### Media

Material on which **data** is recorded or stored, such as magnetic tapes, hard drives, cartridges, dongles, CDs, DVDs, USBs, flash drives, memory cards or floppy disks. Media does not include paper records.

### Money

Means cash, bank notes, currency notes, negotiable cheques, negotiable securities, travellers' cheques, debit and credit card vouchers, discount house vouchers, money orders, postal orders, unused postage stamps, revenue stamps, lottery tickets, stored value cards, public transport boarding tickets, authorised gift vouchers, valuable documents (but limited to certificates of stock, bonds, coupons and all other types of securities) and the contents of franking machines.

Money does not include collectable items (for example, coin or stamp collections) or anticipated revenue.

### Occurrence

An **event**, including continuous or repeated exposure to substantially the same general conditions.

### Original operating manual

The original operations manual(s) that came with the insured item, **vehicle** or property.

### Period of insurance

The period of time specified in the **policy schedule** during which insurance is provided under **your policy**.

### Personal effects

Clothing and personal belongings normally worn or carried.

### Policy

**Your** insurance contract. It consists of this **PDS**, any **Supplementary PDS we** may give **you**, any **endorsements** and the **policy schedule**.

### Policy schedule

The policy schedule forming part of the **policy**, or if the **policy** has been renewed, the policy schedule issued with the renewal notice.

### Pollutants

Any solid, liquid, gaseous or thermal irritant or contaminant, including, but not limited to, smoke, vapour, soot, fumes, acids, alkalis, chemicals, asbestos and waste. Waste includes material to be recycled, reconditioned or reclaimed.

### Premises

The places listed in the **policy schedule** at which and from which **you** operate **your business**. The **premises** includes **buildings** and land within the legal boundaries.

### Product Disclosure Statement (PDS)

PDS or PDS and Policy Wording is the name of this document and it contains the terms and conditions of **your** insurance cover. It tells **you** what cover **we** provide, details of costs and **excesses** and other important information. It should be read together with the **policy schedule**, any **endorsements** and any **Supplementary PDS** that **we** may give **you**.

### Proof of purchase

Includes documents such as sales receipts, tax invoices, accounts and bank or credit card statements that provide a description of the insured item or property and show the purchase price, purchase date and location of purchase.

### Proof of ownership

Includes, but is not limited to, **certificate of authenticity**, **manufacturer's box**, **original operating manual** and/or **proof of purchase**.

### Property insured

The property as described in the **policy schedule** in respect of each Policy Section.

### Road

Any surveyed or unsurveyed land dedicated to public use, according to law, as a road (including a footpath or median strip). It also includes a toll road or a bridge which is open to the public and used as a road.

### Safe or strong room

A container or structure which has been specifically designed for the safe storage of **money** or valuables and is designed to resist unauthorised opening by hand-held or power operated tools.

A safe is not:

- an ATM;
- a cash tin;
- a locked drawer in a filing cabinet or desk; or
- a theft resistant container weighing less than 20 kilograms that is not fixed to the wall or floor of the **premises** by anchoring it using mechanical bolting (e.g Dynabolts).

### Sanitary fittings

Baths, sinks, lavatory bowls and vitreous china cisterns, washbasins and pedestals forming permanent fixtures.

### Seasonal increase period

Any period of time during the **period of insurance** that has **stock** levels at least 35% higher than **stock** levels at other times during the **period of insurance**. The total number of days **we** will allow for a seasonal increase period is 120 days during any one **period of insurance** unless a different period is specified in **your policy schedule**.

### Stock

Products and merchandise **you** intend to sell, stock in trade, raw materials or work in progress and packing materials used by **you** in the **business**. Stock also includes **customers' goods** and items of property at **your premises** under a 'sales or return' consignment agreement.

Stock does not include consigned items of property under an 'agency' arrangement where **you** make a commission on a sale.

### Supplementary PDS (SPDS)

A document that updates or adds to the information in the **PDS**.

### United States

The United States of America and its respective territories, protectorates or dependencies.

### Vehicle

Except in relation to Policy Section 11 – Commercial Motor, any type of machine on wheels or on caterpillar tracks (including any trailer, caravan or other apparatus attached to the machine) made or intended to be propelled other than by manual or **animal** power.

### Watercraft

Anything made or intended to float or travel on or through water other than model boats. Watercraft includes **hovercraft** or air cushioned vehicles.

### We/us/our

AAI Limited ABN 48 005 297 807 AFSL 230859 trading as Vero Insurance.

# Policy Section 1 – Property Damage

Please note that if **you** are insuring a **home building** under this Policy Section **you** should also read Part F of this **PDS** and Policy Wording.

## About this Policy Section

This Policy Section covers **loss** of, or **damage** to, **your property** from insured events specified in this Policy Section, including but not limited to **events** such as fire, lightning and explosion. **We** do not cover the theft or breakdown of **your property** under this Policy Section.

**You** can claim for **loss** of, or **damage** to, **your property** as described under "What we cover" if:

- "Property Damage" is specified in **your policy schedule**;
- the **loss** or **damage** occurs during the **period of insurance**;
- the **loss** or **damage** is not excluded under "What we exclude"; and
- the **loss** or **damage** is not excluded by any of the General Exclusions on pages 21 to 22.

## Your insurance under this Policy Section

### ✔ What we cover

**We** cover **loss** or **damage** occurring during the **period of insurance** to **buildings**, **contents**, **stock** or **specified items** at the **premises** caused by or arising from an insured event specified in this Policy Section.

### ✘ What we exclude

This Policy Section (including the Extra covers and Additional benefits) does not cover:

1. **Power surge**

**Loss** or **damage** to any electrical appliance or device (including wiring) caused by power surge, failure or fluctuation unless that **loss** or **damage** is caused by lightning.

If fire occurs as a result of power surge, failure or fluctuation to any electrical appliance or device (including wiring), this exclusion will not apply to that portion of the **loss** or **damage** directly caused by the ensuing fire.

2. **Maintenance or defects**

**Loss** or **damage** caused by or arising out of:

(a) rust or corrosion;

(b) inherent or structural defects;

(c) faulty design, materials or workmanship; or

(d) developing flaws, gradual deterioration, normal upkeep of **property**, or existing defects or lack of maintenance to **property**, unless **you** can show **you** did not know about the deterioration, defect or lack of maintenance. **You** cannot claim for repairing the deterioration or defect or the maintenance.

3. **Consequential loss**

Loss of use, loss of earning capacity or any other consequential loss.

4. **Cyclone and bushfire**

**Loss** or **damage** occurring within 72 hours from the commencement of this **policy** caused by or arising from:

(a) bushfire; or

(b) a cyclone named by the Bureau of Meteorology,

unless this **policy** commenced:

(i) immediately after another insurance policy covering the same risk expired, however, that insurance policy will not be deemed to have expired if it was cancelled without a break in cover;

(ii) the day **you** entered into a contract of sale to purchase the **property**; or

(iii) the day **you** entered into a contract to lease the **property**.

# Insured Events

## 1. Fire

### ✘ What we exclude

**We** will not cover **loss** or **damage**:

(a) to any **stock** or **contents** caused by:

(i) spontaneous combustion or fermentation of **stock** or **contents**;

(ii) the direct application of heat to **stock** or **contents**; or

(iii) any business process involving the direct application of heat to **stock** or **contents**.

(b) caused by a bushfire occurring within 72 hours from the commencement or modification (including increasing any **insured amount**) of this **policy**; or

(c) caused by smog, soot ash or heat damage where there has been no flame at the **premises** or at adjacent properties.

## 2. Escape of molten material from its intended confines at the premises

### ✔ What we cover

**We** cover **loss** or **damage** caused by the escape of molten material from its intended confines on, or at, the **premises**.

### ✘ What we exclude

**We** will not cover:

(a) the cost of repairing any fault which permitted the escape of molten material;

(b) the cost of retrieving or removing escaped material from any escape channel or catchment;

(c) any **loss** of, or **damage** to, the material that has escaped; or

(d) any **loss** of, or **damage** to, furnace linings, crucibles, moulds, other containers or ladles from which molten material escaped.

## 3. Lightning or thunderbolt

### ✘ What we exclude

**We** will not cover **loss** or **damage** where **you** are unable to provide:

(a) evidence that lightning caused the **loss** or **damage**; or

(b) meteorological evidence that lightning struck in **your** area at the time the **loss** or **damage** occurred.

## 4. Explosion or implosion

### ✘ What we exclude

**We** will not cover **loss** of, or **damage** to, pressure vessels or their contents which require certification under any statutory obligations, by-laws and regulations.

## 5. Storm, wind and rain (including snow, sleet or hail)

### ✔ What we cover

Cover is limited to:

(a) storm;

(b) wind;

(c) rainwater;

(d) cyclones or tornadoes;

(e) snow or sleet;

(f) hail; and

(g) run-off of rainwater that accumulates directly on and flows across normally dry ground or that overflows from public roadside gutters, channels and drains that are normally dry or swimming pools, spas or saunas.

### ✘ What we exclude

**We** will not cover:

(a) **you** for more than $25,000 in respect of any one **event** for **loss** or **damage** to gates, fences, signs, retaining walls, shade-cloth, hail nets, exterior textile awnings or blinds, shade houses, fibreglass houses or glass houses.

(b) **loss** or **damage** caused by:

(iii) **flood**;

(iv) the sea, including tidal wave, tsunami, storm surge or high-water;

(v) erosion, landslide, mud slide, subsidence or any earth movement;

(vi) steam or condensation;

(vii) water seeping or percolating into the **building** from outside;

(viii) a cyclone named by the Bureau of Meteorology where the damage occurs within 72 hours from the commencement of this **policy**; or

(ix) water entering a **building** or structure as a result of structural defects, faulty design, faulty workmanship or lack of maintenance.

(c) **loss** or **damage** to:

(i) **property** in the open air, unless the **property** comprises or forms part of a permanent structure designed to function without the protection of walls or roof;

(ii) any **building** (or its contents) in the course of construction or reconstruction, unless the **building** is enclosed and under roof with all outside doors and windows permanently in place; or

(iii) loose or compacted soil, sand, earth, gravel, pebbles, rocks or granular rubber, gravel or pebble driveway, however, **we** will pay the cost to restore soil or earth to the extent that it is necessary to repair **damage** to **your building** covered by this **policy**.

## 6. Water damage

### ✔ What we cover

**We** cover **loss** or **damage** caused directly or indirectly by:

(a) the discharge or leaking of water from any damaged pipe, water system (including a fire protection system such as a sprinkler system), tanks or drains installed in and servicing the **building**; or

(b) water from a damaged water main in the immediate vicinity of the **building**.

**We** will also pay:

(i) up to a maximum $25,000 for any one (1) **period of insurance** for all reasonable exploratory costs incurred in locating the source of the **loss** or **damage**, provided it is **your** responsibility to pay for these costs;

(ii) the reasonable costs of removing water and any incidental cleaning operations; and

(iii) if water is discharged from a fire protection system, any expenses incurred by **you** for the attendance of the fire brigade for the purpose of shutting off the water supply following an **accidental** discharge of water from a fire protection system.

### ✘ What we exclude

**We** will not cover the cost of repair, replacement or re-routing of the defective part or parts of the pipe or water system that caused the **loss** or **damage**.

## 7. Impact

### ✔ What we cover

**We** cover **loss** or **damage** caused by impact from:

(a) **vehicles** designed primarily for use on land or their load;

(b) **watercraft** or **hovercraft**;

(c) **animals**;

(d) a falling building or part of a building that is not at or on the **premises** and does not belong to **you**;

(e) **aircraft** or other aerial devices or articles dropped from them and satellites, space debris or meteorites; or

(f) falling trees or branches, masts, satellite dishes, antennae and aerials, but, excluding the **loss** or **damage** to those objects unless caused by another insured event.

### ✘ What we exclude

**We** will not cover **loss** or **damage** caused by:

(a) any tree lopping or removal or demolition at the **premises** activity arranged or agreed to by **you**;

(b) eating, chewing, clawing or pecking by **animals**;

(c) any **animals** kept at the **premises**;

(d) a falling **building** or part of a **building** due to intentional demolition by **you** or on **your** behalf; or

(e) any impact resulting from the action of water.

## 8. Riot or civil commotion

### ✔ What we cover

This is limited to acts of:

(a) strikers, locked-out workers, persons taking part in labour disturbances and persons of malicious intent acting on behalf of or in connection with any political organisation; or

(b) any lawful authority in connection with the strike, lockout, labour disturbance or political violence.

### ✘ What we exclude

**We** will not cover **loss** or **damage** caused by total or partial cessation of work or the retarding or interruption or cessation of any process or operation.

## 9. Malicious acts (including by vandals and thieves)

### ✘ What we exclude

**We** will not cover any:

(a) **loss** or **damage** caused by **your family**;

(b) **loss** or **damage** caused by persons rioting or participating in civil commotion;

(c) **property** that is stolen from the **premises**. However, **we** will cover resultant **damage** to **buildings**, **contents**, **stock** or **specified items** at the **premises** as a result of theft or attempted theft;

(d) **loss** or **damage** to any gaming, amusement or vending machines or any **contents** or **stock** contained within such machines where they are not located within a **building**;

(e) breakage of **glass**, or for the cost of replacing signwriting, ornamentation, reflective materials and burglar alarm tapes attached to broken **glass**; or

(f) the costs of cleaning, repairing or restoring the **premises** due to the neglect, or untidy, unclean or unhygienic habits of tenants or their guests.

**We** will not cover more than $10,000 for any one (1) **period of insurance** for malicious acts committed by **your** tenants.

## 10. Earthquake, tsunami, subterranean fire or volcanic eruption

### ✔ What we cover

Cover is limited to:

(a) earthquake;

(b) tsunami;

(c) subterranean fire;

(d) volcanic eruption; or

(e) fire resulting from any of the above during any period of 72 consecutive hours after the event.

## 11. Accidental damage

### ✔ What we cover

**We** will pay up to $250,000 (or other amount specified in **your policy schedule**) or the total of the **insured amounts** for **buildings**, **contents**, **stock** and **specified items,** whichever is less for **accidental damage**.

### ✘ What we exclude

**We** will not cover you for:

(a) **loss** or **damage** caused by:

- (i) any of the insured events 1 to 10 of this Policy Section, including any of the exclusions related to those insured events;
- (ii) mechanical, hydraulic, electrical breakdown or electronic failure, or malfunction;
- (iii) **animals**;
- (iv) oxidation, any form of **fungus**, wet or dry rot, contamination or pollution, dampness of atmosphere, variation in temperature, evaporation, disease, shrinkage;
- (v) change in colour, flavour, texture or finish;
- (vi) loss of weight or exposure to light;
- (vii) creeping, heaving, normal settling, shrinkage, seepage, vibration, expansion in buildings, pavements, **roads**, car parks and the like;
- (viii) error or omission in design, plan, or specification, or failure of design, or failure during testing;
- (ix) any unexplained inventory shortage or disappearance resulting from clerical or accounting errors, or shortage in the supply or delivery of materials or goods;
- (x) theft or attempted theft of **property**;
- (xi) **data** processing or **media** failure or breakdown or malfunction of a processing system including operator error or omission;
- (xii) loading or unloading;
- (xiii) failure of the supply of water, gas, electricity or fuel;
- (xiv) infidelity, dishonesty, embezzlement, misappropriation, or fraud including forgery, erasure, counterfeiting by **you** or any **employee**;
- (xv) erosion, subsidence, landslip or mudslide or any other earth movement;
- (xvi) improper packing or storage;
- (xvii) incorrect siting of **buildings**;
- (xviii) demolitions ordered by government or public or local authorities;
- (xix) any person deliberately switching off, disconnecting or load shedding the power supply;
- (xx) total or partial destruction, distortion, erasure, corruption, alteration, misinterpretation or misappropriation of **data**;
- (xxi) total or partial inability or failure to receive, send, access or use **data** for any time or at all; or
- (xxii) smoke or soot.

### ✘ What we exclude (cont.)

(b) **loss** of, or **damage** to:

(i) **animals**, plants, landscaping or growing crops;

(ii) **glass** or the cost of replacing sign writing, ornamentation, reflective materials and burglar alarm tapes attached to broken **glass**;

(iii) any **property** where the **loss** or **damage** was caused during the course of its processing or manufacture; or

(iv) **property** that is or could have been insured under any other Policy Section, even if **you** have not selected the other Policy Section or have had cover under the other Policy Section excluded or otherwise denied by **us**.

(c) **loss** or **damage** to **property**:

(i) caused by or arising out of its undergoing any process involving the application of heat;

(ii) undergoing construction, erection, alteration, addition, demolition, repair or maintenance; or

(iii) whilst in transit other than during the incidental movement of that **property** within the boundaries of the **premises**.

# Extra Covers

If **we** agree to pay a claim under this Policy Section for **loss** or **damage** arising from any insured event covered by this Policy Section, **we** will also pay or provide the following Extra Covers. Unless stated otherwise below, any amounts payable under these Extra Covers apply in addition to the **insured amount** specified in **your policy schedule** for this Policy Section.

## 1. Reinstatement

### ✔ What we cover

If **we** pay an amount for a claim under this Policy Section, **we** will automatically reinstate the **insured amount** to the amount specified in **your policy schedule**. **You** will not have to pay any additional premium.

### ✘ What we exclude

This Extra Cover does not apply if **we** pay the **total declared value** or full 'Building' **insured amount** in respect of a single claim under this Policy Section.

Where **we** pay the **total declared value** or full 'Building' **insured amount** in respect of a single claim, then cover under this Policy Section ends.

## 2. Rewriting of records

### ✔ What we cover

**We** will pay:

(a) the reasonable costs of restoring the **data** stored on **media**; and

(b) the reasonable and necessary costs incurred in rewriting, restoring or recreating the **business'** records, including customer's records or documents held or created by **you** as part of **your business**.

### ✘ What we exclude

**We** will not pay more than:

(a) $50,000; or

(b) the unexhausted portion of **your** 'Contents' **insured amount**,

whichever is the greater, for any one (1) insured event.

## 3. Professional fees

### ✔ What we cover

**We** will pay the reasonable cost of surveyors', architects' and other professional fees for estimates, plans, specifications, quantities, tenders and supervision, incurred in the repair or replacement of **lost** or **damaged buildings**.

### ✘ What we exclude

Subject to the underinsurance condition in this Policy Section, **we** will not pay more than:

(a) $25,000; or

(b) the unexhausted portion of the **insured amount** relating to the **damaged buildings**,

whichever is the greater, for any one (1) insured event

This Extra Cover does not apply if **your policy schedule** specifies the **building** as being insured for 'Indemnity'.

## 4. Removal of debris and temporary repairs

### ✔ What we cover

**We** will pay the reasonable costs of removal, storage and disposal of debris or the demolition, dismantling, shoring up, propping, underpinning or other temporary repairs incurred by **you** up to a maximum of $50,000 for any one (1) insured event.

In addition, if the above costs exceed $50,000, **we** will pay up to the unexhausted **total declared value** to cover those costs, subject to the underinsurance condition in this Policy Section.

### ✘ What we exclude

**We** will not pay for the costs of removing debris if:

(a) the liability to remove, store or dispose of debris has arisen as a result of any agreement made by **you**, unless liability would have attached in the absence of such agreement; or

(b) the debris is itself a contaminant or **pollutant** that does not form part of the construction material of the **building**.

## 5. Loss of land value

### ✔ What we cover

If **we** pay for a claim for **loss** of, or **damage** to, a **building** at the **premises, we** will pay for any reduction in land value resulting from the decision by any legal authority not to allow rebuilding or only to allow partial rebuilding of that **building** at the **premises**.

### ✘ What we exclude

**We** will not pay more than:

(a) 10% of the relevant 'Building' **insured amount** specified in **your policy schedule**; or

(b) $100,000,

whichever is less.

### Example

If the **insured amount** for the **building** is $900,000, **we** will not pay more than $90,000 (10% of $900,000), as this amount is less than $100,000.

## 6. Mortgage discharge costs

### ✔ What we cover

**We** cover the reasonable legal costs associated with the discharge of a mortgage or mortgages on **building(s)** following settlement of a claim under this Policy Section for the **building(s)** on a total loss basis.

### ✘ What we exclude

**We** will not pay more than $30,000 for any one (1) **period of insurance**.

## 7. Environmental upgrade

### ✔ What we cover

**We** will pay the additional costs incurred if **you** elect to repair or replace **property** that is **lost**, destroyed or **damaged** during the **period of insurance** and which is covered by this Policy Section, using, or with, environmental technology, products, or materials, that improve the energy or water efficiency of the **property**.

### ✘ What we exclude

**We** will not pay more than 10% of the amount **we** would otherwise have paid to repair or replace the **property** that is being upgraded.

### Example

**Your** applicable 'Building' **insured amount** is $1,000,000 and the **building** is destroyed. When the **building** is reinstated, **you** are required to comply with local building regulations. **You** also decide to add solar energy capture technology, not required by the regulations, to power the **building**. **We** will pay up to $100,000 for the costs of the solar energy capture technology.

## 8. Catastrophe inflation protection

### ✔ What we cover

If **we** agree to pay a claim for **damage** to **your building** that is a direct result of a **catastrophe**, **we** will pay up to an additional 20% of the **insured amount** for that **building** for any additional costs incurred in rebuilding that can be directly attributed to increases in the price of services and materials as a direct result of the **catastrophe**.

This Extra Cover does not operate to increase the **insured amount** for any Extra Cover or Additional Benefit or the calculation of under insurance in this Policy Section.

### Example

If **your** applicable 'Building' **insured amount** is $1,000,000 **we** would pay up to an extra $200,000 (20% of $1,000,000).

### ✘ What we exclude

**We** will not:

(a) pay more than the increased building costs which are actually incurred by **you** as a direct result of the **catastrophe**;

(b) pay any claim under this Extra Cover if **you** choose not to rebuild the **buildings** (or any part of them) at the **premises** specified in **your policy schedule**;

(c) pay any claim under this Extra Cover if **your policy schedule** specified the **building** as being insured for 'Indemnity'; or

(d) increase the **insured amount** to pay for **damage** to any **property** other than **buildings**.

## 9. Capital additions

### ✔ What we cover

If **buildings** or **contents** are insured and:

(a) **buildings**, or part of them, are in the process of being constructed, erected, altered or added to; or

(b) **contents** are in the process of being installed or modified,

**we** will cover **loss** or **damage** to the new additions or installations caused by the same insured event.

### ✘ What we exclude

**We** will not pay:

(a) for any **loss** or **damage** caused by or arising out of Insured Event 5 - Storm, wind and rain (including snow, sleet and hail).

(b) for a **building**, more than:

(i) $500,000; or

(ii) 20% of the applicable 'Building' **insured amount**,

whichever is less.

(c) for **contents**, more than:

(i) $100,000; or

(ii) 20% of the applicable 'Contents' **insured amount,**

whichever is less.

### Example

**Your building** at the **premises** is insured for $1,100,000 and the **building** is being altered. **We** will not pay more than $220,000 (20% of $1,100,000), as this amount is less than $500,000.

The **contents** of **your** office are insured for $150,000 and **you** are refitting the office. **We** will not pay more than $30,000 (20% of $150,000), as this amount is less than $100,000.

## 10. Undamaged foundations

### ✔ What we cover

If the **building** foundations at the **premises** are not **damaged** by an insured event that causes other **damage** to the **building** covered under this Policy Section but a government or statutory authority requires reinstatement of the **building** to be carried out on another site, the foundations will be considered as destroyed.

## 11. Additional costs of repairing electronic equipment

### ✔ What we cover

When **we** agree to pay any amount for **damage** to **electronic equipment**, **we** will also pay the following reasonable costs incurred by **you** and directly arising from the **damage**:

(a) the cost of locating the **damage**;

(b) freight charges up to 5% of the value of the **damaged** item of **electronic equipment**; and

(c) charges for overtime and work on public holidays needed to return the **electronic equipment** to normal working condition.

## 12. Seasonal increase period(s)

### ✔ What we cover

**We** will automatically increase the 'Stock' **insured amount** by 40% or such other amount as is specified in **your policy schedule** during the **seasonal increase period**.

**You** can nominate different **seasonal increase period(s)** or higher percentage increases of the 'Stock' **insured amount**. If **you** do they will be specified in **your policy schedule** and **you** must pay any additional premium that applies.

## 13. Floating stock

### ✔ What we cover

Where **we** pay a claim for **loss** or **damage** of **stock** at a **premises, we** will pay more than the 'Stock' **insured amount** at that **premises** to account for the temporary transfer of **stock** between **premises** provided that:

(a) there are at least two (2) **premises** on **your policy schedule** and an **insured amount** is separately specified in **your policy schedule** for **stock** at each **premises** insured under this Policy Section, including the affected **premises**; and

(b) **you** transfer the **stock** between those **premises** as a usual business practice.

### ✘ What we exclude

**We** will not pay a claim under this Extra Cover where **stock** levels in excess of the **insured amount** at a **premises** have been temporarily located at that **premises** for a period exceeding 90 days and where **we** have not agreed in writing to an extended period.

**We** will not pay more than the combined total of the 'Stock' **insured amounts** for all **premises**.

## 14. Rewards

### ✔ What we cover

**We** will pay up to $5,000 for any one (1) **event** for the reasonable cost of any reward paid by **you** for information which results in the:

(a) apprehension; and

(b) entry of judgement against, or conviction of,

the person(s) responsible for the **loss** or **damage** covered under this Policy Section.

**You** will be required to provide evidence to satisfy **us** that the reward has been paid.

### ✘ What we exclude

**We** do not cover any reward paid by **you**:

(a) to **your** directors, officers, any **employee** or partner of **your business**, **your** tenant, or **your family**;

(b) for information already held by or provided to **us** or any law enforcement authority; or

(c) if **we** have not given **our** prior consent for **you** to pay a reward.

Any cover given under this Extra Cover shall not accumulate with any similar cover that may be given under Policy Section 2 – Theft or Policy Section 4 – Money.

# Additional Benefits

**We** will also provide the following Additional Benefits in this Policy Section subject to the General Exclusions and all of the terms, conditions and exclusions applicable to this Policy Section. Unless stated otherwise below, any amounts payable under these Additional Benefits apply in addition to the **insured amount** specified in **your policy schedule** for this Policy Section

## 1. Prevention of loss or damage

### ✔ What we cover

**We** will cover the necessary costs that **you** incur:

(a) to extinguish a fire occurring during the **period of insurance** on or in the vicinity of **your premises** which causes or threatens **loss** of, or **damage** to, **your property**;

(b) to prevent or diminish imminent **damage** to **your property** by any other insured event occurring during the **period of insurance**; or

(c) for the temporary protection and safety of **your property** at the **premises** necessitated by **damage** from an insured event occurring during the **period of insurance**, including the employment of security services.

### ✘ What we exclude

**We** will not pay more than $25,000 for all claims under this Additional Benefit for any one (1) **period of insurance**.

If **you** are insured under Policy Section 2 – Theft or Policy Section 4 - Money, the benefits payable under this Additional Benefit shall not accumulate with the temporary protection cover contained in those Policy Sections and shall be $25,000 for all claims under this Additional Benefit for any one (1) **period of insurance**.

**We** will not pay for:

(a) any fines, penalties, or liability incurred by **you**; or

(b) any **loss** of, or **damage** to, **your property**,

under this Additional Benefit.

## 2. Temporary removal of stock and contents

### ✔ What we cover

**We** will pay for **loss** of, or **damage** to, **stock** and **contents** during the **period of insurance** caused by an insured event if the **stock** or **contents** have been temporarily removed from the **premises** to any other premises including a temporary storage facility, self-storage unit or bulk storage facility.

### ✘ What we exclude

**We** will not pay more than 20% of the applicable 'Contents' **insured amount** for **contents** temporarily removed.

**We** will not pay more than 20% of the applicable 'Stock' **insured amount** for **stock** temporarily removed.

**We** will not pay for **loss** of, or **damage** to:

(a) **stock** or **contents** located outside Australia at the time of **loss** or **damage**;

(b) **stock** or **contents** that have been removed from the **premises** for a period of more than 90 days at the time of **loss** or **damage**;

(c) **stock** or **contents** in open **vehicles** caused by wind, water, hail or storm unless the **stock** or **contents** are appropriately protected by vehicle sheets such as tarpaulins;

(d) **your** directors' and **employees**' tools of trade and **personal effects**;

(e) **stock** that **you** have consigned to another person for sale;

(f) **stock** or **contents** whilst in transit or in the open air; or

(g) **vehicles**, except for fork lift trucks and similar appliances that are used for hauling or conveying goods at the **premises**.

### Example

If the **insured amount** for 'Stock' is $20,000 and the **insured amount** for 'Contents' is $50,000 and there is **loss** or **damage** to **stock** and **contents** that have been temporarily removed from the **premises** as a result of an insured event, **we** will pay up to $4,000 (20% of $20,000) for **stock** and up to $10,000 (20% of $50,000) for **contents**.

### 3. Damage to business records away from the premises

**✔ What we cover**

**We** will pay for **loss** or **damage** to computer system records, documents, manuscripts, plans, drawings, designs and business books of every description used for the purposes of **your business** if they are **lost** or **damaged** in a motor vehicle accident or stolen from a locked **vehicle** in the **period of insurance**.

### 4. Landscaping

**✔ What we cover**

**We** will pay for **loss** of, or **damage** to, landscaping at the **premises** during the **period of insurance** arising from an insured event. Landscaping includes trees, shrubs, plants and lawns.

**✘ What we exclude**

**We** will not pay more than $10,000 for any one (1) **event**.

**We** will not pay for any **loss** of, or **damage** to, landscaping which occurs as a result of:

(a) Insured Event 5 - Storm, wind and rain (including snow, sleet or hail);

(b) Insured Event 9 - Malicious acts (including by vandals and thieves); or

(c) the actions of **animals**.

### 5. Theft of external property

**✔ What we cover**

If **you** own but do not occupy a **building** shown as insured under this Policy Section at a **premises**, **we** will cover **you** for the theft in the **period of insurance** of plant, plumbing or wiring services that are not part of that **building** but which are securely attached (by means other than the connection to a power point) to the **building** structure.

**✘ What we exclude**

**We** will not cover **you** for more than $10,000 for any one (1) **period of insurance** for all claims under this Additional Benefit.

**We** will not pay for any **loss** or **damage** caused by **your family** or **your** tenants.

**We** will not pay any claims under this Additional Benefit if **you** have selected Policy Section 2 – Theft.

### 6. Directors' and employees' tools of trade and personal effects

**✔ What we cover**

**We** will pay for **loss** of, or **damage** to, **your** directors' and **employees**' tools of trade and **personal effects** caused by an insured event the subject of a claim, as if they were **contents**.

**✘ What we exclude**

**We** will not pay more than $5,000 for any one person for any one (1) insured event and $10,000 in the total for any one (1) **period of insurance**. Any amount **we** pay for this Additional Benefit will be included in the 'Contents' **insured amount**.

**We** will not pay for **loss** of, or **damage** to, musical instruments, curios, works of art, jewellery, **money**, credit cards or medical devices. If the tools of trade or **personal effects** are covered under another insurance policy, **we** will only pay for the **loss** or **damage** not otherwise covered by that other insurance policy.

## 7. Temporary cover for new premises

### ✔ What we cover

**We** will cover **you** for **loss** or **damage** occurring during the **period of insurance** to any new premises arising from Insured Events 1 to 10, as if that premises was specified in **your policy schedule** as an insured premises, provided that:

(a) **you** first occupy the new premises during the **period of insurance**;

(b) the business carried on, at or from the new premises is the same as the **business** specified in **your policy schedule**;

(c) the property at the new premises is of the same nature as the **property** located at a **premises** and would have been covered if they were located at a **premises**; and

(d) the buildings at the new premises are constructed of the same materials, and have the same or superior security features as those at one of the **premises** specified in **your policy schedule**.

### ✘ What we exclude

**We** will not cover **you** for:

(a) more than 20% of the highest total **insured amount** for any **premises** specified in **your policy schedule;** or

(b) any **loss** or **damage** at the new premises that occurs more than 60 days after **you** first occupy the new premises.

### Example

If **you** insure two existing **premises**, one which has an **insured amount** for all **property** totalling $1,000,000 and the other which has an **insured amount** for all **property** totalling $2,000,000, then any new premises will be covered for up to $400,000 (20% of $2,000,000, the higher of the two **insured amounts** for all **property** at a **premises**).

## 8. Damage to vacant buildings

### ✔ What we cover

If **you** own but do not occupy any **buildings** shown as insured under this Policy Section at a **premises**, **we** will cover **you** for the following costs directly related to the breakage of **glass** in the **period of insurance** in a rentable area of the **building** that is vacant at the time of the breakage:

(a) the cost of temporary shuttering necessary pending replacement of the broken **glass**;

(b) the costs incurred in replacing reflective materials and burglar alarm tapes and connections attached to the **glass**;

(c) the cost incurred in repairing or replacing **damage** to window, door or showcase frames and their fittings, but not to bars, grilles or shutters; or

(d) the cost incurred in repairing or replacing tiles on shop and office fronts and around the **glass**.

### ✘ What we exclude

**We** will not pay more than $5,000 for any one (1) **period of insurance** for all claims under this Additional Benefit.

**We** will not cover **you** for any breakage of:

(a) **glass** caused by or arising out of fire or the application of heat;

(b) **glass**:

- (i) when in transit or whilst being fitted into position or removed from its fitting;
- (ii) in light fittings;
- (iii) that is cracked or imperfect prior to breakage;
- (iv) that is not fit for the purpose intended; or
- (v) that is in a glasshouse.

(c) tiles on shopfronts and office fronts, other than around the broken **glass**; or

(d) plastic or perspex signs.

**We** will not cover any claims under this Additional Benefit if:

(a) **you** are insured under Policy Section 3 - Glass;

(b) **your building** is leased to a tenant; or

(c) the **premises** has remained unoccupied or untenanted for a continuous period longer than 60 days and **we** have not agreed to an extended period in writing.

The **excess** that applies to this Additional Benefit is the **excess** specified in **your policy schedule** or $500, whichever is more.

### 9. Limited transit cover

**✔ What we cover**

**We** will cover **you** for **loss** of, or **damage** to, **stock** or **contents** during the **period of insurance** which are in transit in any **vehicle** anywhere in Australia and away from the **premises**, provided the **loss** or **damage** is caused by a collision or overturning of the conveying **vehicle** or any of the following:

(a) Insured Event 1;

(b) Insured Event 2;

(c) Insured Event 3;

(d) Insured Event 4;

(e) Insured Event 8;

(f) Insured Event 9; or

(g) Insured Event 10.

**✘ What we exclude**

**We** will not cover **you** for more than:

(a) $25,000; or

(b) 10% of the highest **insured amount** for **contents** or **stock** at any one **premises**,

for each **event**, whichever is less.

**We** will not cover you under this Additional Benefit if **you** have selected Policy Section 13 – Goods in Transit.

# Policy Section Conditions

These conditions apply to the entire Policy Section.

### 1. Underinsurance

In the event of **loss** or **damage** covered under this Policy Section:

(a) for claims settled on a reinstatement or replacement basis, **we** will be liable for no greater proportion of the **loss** or **damage** than the **total declared value** for all **property** (excluding **specified items**) at the **premises** where the **loss** or **damage** occurs, bears to 80% of the cost (net of any **input tax credit** that **you** could claim) which would have been incurred in reinstatement at the time when the **policy** was entered into, if the whole of the **property** (excluding **specified items**) had been destroyed at that time; or

(b) for claims settled on an indemnity basis, **we** will be liable for no greater proportion of the **loss** or **damage** than the **total declared value** for all **property** (excluding **specified items**) at the **premises** where the **loss** or **damage** occurs, bears to 80% of the indemnity value (less any Goods and Services Tax component of that value) of the **property** (excluding **specified items**) at the time when the **policy** was entered into.

This condition does not apply if the amount of any **loss** or **damage** (net of any **input tax credit** that **you** could claim) is less than 5% of the **total declared value** for all **property** (excluding **specified items**) at the **premises** where the **loss** or **damage** occurs.

### 2. Seasonal increase period

**You** do not have to tell **us** what the dates of the **seasonal increase period** are. However, if **you** make a claim under this Policy Section then **your** financial records over the previous two (2) years must substantiate the period as a **seasonal increase period**. If the **business** is less than 2 years old, **you** can use the financial records of **your business** from the date of commencement until the date of the **loss** or **damage** to substantiate **your** claim.

### 3. Sprinklers and fire alarm systems

All fire protection systems (either manual or automatic sprinkler or alarm systems) in the **building(s)** and which **you** own or have responsibility for maintaining must be maintained in accordance with the Australian Standards Maintenance Series (A.S. 1851 or any subsequent amendments).

### 4. Indexation

If **your policy schedule** records that indexation applies, **we** will automatically adjust the **insured amounts** specified for this Policy Section in **your policy schedule**, each year according to the most appropriate price index (as determined by **us**) and any other relevant indices published by the Australian Bureau of Statistics.

The premium **you** pay will be based on the adjusted **insured amounts** specified in **your policy schedule**.

### 5. Hazardous goods

Hazardous goods used in the **business** must be stored in quantities and in a manner as permitted by statutory obligations, by-laws, regulations, public authority requirements and safety requirements.

# What we pay

The maximum **we** will pay for any one (1) claim for **loss** or **damage** to **property** covered under this Policy Section, other than a claim for a **specified item**, under this Policy Section is the total of all **insured amounts** as specified in **your policy schedule** or adjusted in accordance with this Policy Section, whichever is more.

The maximum amount **we** will pay in respect of a **specified item** is the **insured amount** noted for that item under the heading 'Other' in **your policy schedule**.

For **contents** that are works of art, antiques or curios, **we** will only pay the value of the item up to a maximum of $10,000 for each item, unless they are a **specified item**. For any item of **contents** or for any **specified item** that is part of a pair or set **we** will pay the relevant limit that applies to the pair or set.

## 1. Building(s), specified items or business contents apart from customers' goods

### Reinstatement or replacement

Unless the **policy schedule** shows **you** are insured for 'Indemnity' then when **buildings**, **specified items** or **contents** apart from **customers' goods** are **lost** or destroyed **we** will, at **our** option:

(a) rebuild the **buildings** at the **premises** specified in the **policy schedule** or at another site;

(b) replace **contents** or **specified items** with similar property;

(c) pay **you** the amount shown on the **proof of purchase** for **specified items**;

(d) pay **you** the amount of a valuation by the Auctioneers and Valuers Association of Australia for **specified items** of works of art, antiques and curios; or

(e) pay the cost of rebuilding or replacing the **buildings**, **specified items** or **contents**.

If the **buildings**, **specified items** or **contents** apart from **customers' goods** are **damaged**, then **we** will, at **our** option:

(a) repair or replace the **buildings**, **specified items** or **contents**; or

(b) pay the cost of repairing or replacing the **buildings**, **specified items** or **contents**.

Reinstatement or replacement is subject to the following conditions:

(a) the work of rebuilding, replacing or repairing must be commenced and completed by **you** within a reasonable time, otherwise the amount **we** pay will be the indemnity value of the **property**. This means **we** will reduce the amount **we** pay **you** to take into account age, wear, tear and depreciation.

(b) when rebuilding at another site, **we** will not pay more than **we** would pay to rebuild at the **premises**.

(c) when any **property** is **damaged**, but not destroyed, **we** will not pay more than the amount that **we** would have been required to pay if that **property** had been destroyed.

(d) **we** will only pay to return the **property** to a condition substantially the same as, but not better or more extensive than, its condition when new, using building materials readily available and in common use in Australia.

## 2. Indemnity (Optional reduction in cover)

If the **policy schedule** shows **you** are insured for 'Indemnity' then, for any **loss** or **damage** to **building(s)** or **contents** apart from **customers' goods, we** will, at **our** option:

(a) repair, reinstate or replace the **buildings** or **contents**;

(b) pay **you** the market value of the **buildings** or **contents** at the time of its **loss** or **damage**; or

(c) pay the cost of repair or replacement.

In all cases, where appropriate, **we** will reduce the amount **we** pay **you** to take into account age, wear, tear and depreciation.

## 3. Extra costs of reinstatement or replacement: Building is not a heritage building

If **you** are insured under this Policy Section on a reinstatement or replacement basis, **we** will also pay the extra cost of reinstatement or replacement of **buildings** which are necessarily incurred to comply with the requirements of any Act of Parliament or any by-law or regulation of any Municipal or other statutory authority, other than those relating to the heritage status of the **building**.

The extra costs of reinstatement or replacement is subject to the following conditions:

(a) the work of reinstatement must be commenced and completed within a reasonable time;

(b) the amount payable will not include any additional costs in complying with any requirement that **you** were required to comply with before the **loss** or **damage** occurred; and

(c) if the cost of reinstatement of the **building** is less than 50% of what would have been the cost of reinstatement if that **building** had been totally destroyed, then the amount **we** will pay will:

   (i) be limited to the extra cost necessarily incurred in reinstating the damaged portion of the **building** only;

   (ii) not include any extra cost in relation to any portion of the **building** which is not damaged; and

   (iii) not exceed, in any event, the amount that **we** would have paid if that **building** had been totally destroyed.

## 4. Extra costs of reinstatement or replacement: Heritage building

If **you** are insured under this Policy Section on a reinstatement or replacement basis for **loss** or **damage** to any **building** that is subject to any heritage listing or protection and **you** choose to rebuild, replace or repair the **building** at the same location, **we** will pay the extra costs of repairing, replacing, or reinstating the **building** that are related to obtaining special materials or employing specialised labour to match up or reproduce unique or distinctive ornamental or architectural features of the **building** to comply with standards imposed by a lawful heritage protection authority.

**We** will not pay more than the costs necessary to rebuild, replace or repair any such heritage listed **building** to a reasonably equivalent appearance and capacity using original design and suitable modern equivalent materials, if the original materials are not available.

The extra costs of reinstatement or replacement of a heritage building is subject to the following conditions:

(a) the work of reinstatement must be commenced and completed within a reasonable time; and

(b) the amount payable will not include any additional costs in complying with any requirement that **you** were required to comply with before the **loss** or **damage** occurred.

## 5. Loss of floor space

If a **building** insured under this Policy Section on a reinstatement or replacement basis can only be rebuilt with a reduced floor space as a result of:

(a) an Act of Parliament or regulations; or

(b) a by-law or regulation of any Municipal or other statutory authority,

**we** will, in addition to reinstating or replacing the **building** on the basis set out above for the **building** with a reduced floorspace, pay **you** the difference between:

(i) the actual cost of rebuilding the **building** with the reduced floor space; and

(ii) the estimated cost of rebuilding the **building** with the floor space it had at the time of its destruction.

## 6. Stock (which is not a vehicle, watercraft or caravan)

If **stock** which is not a **vehicle**, **watercraft** or caravan is **lost** or **damaged**, **we** will, at **our** option:

(a) pay the market value of the **stock** at the time of the **loss** or **damage** up to but not exceeding the 'Stock' **insured amount** specified for this Policy Section in **your policy schedule**;

(b) pay **you** the market value of obsolete stock or its purchase price (net of GST), whichever is the lesser, but no more than the original cost to **you**;

(c) replace or repair the **stock** with property or materials equal to or of a similar standard and specification as the **stock** at the time it was **lost** or **damaged**; or

(d) pay the cost of repair or replacement of the **lost** or **damaged stock**.

## 7. Stock (which is a vehicle, watercraft or caravan)

If **we** agree to pay a claim for **loss** of, or **damage** to, **stock** which is a **vehicle**, **watercraft** or caravan and:

(a) the **vehicle**, **watercraft** or caravan is a **total loss**, **we** will only pay **your** cost price of the **vehicle**, **watercraft** or caravan and will not pay **your** retail mark-up.

(b) the **vehicle**, **watercraft** or caravan is not a **total loss**, **we** will pay the costs incurred to repair the **vehicle**, **watercraft** or caravan.

## 8. Branded stock

**We** will not sell branded **stock** as salvage without **your** consent.

If **you** do not agree to **us** selling the branded **stock** as salvage, **we** will pay the market value of the **stock** after brands, labels or names have been removed.

## 9. Electronic equipment

For valves, tubes and light sources in **electronic equipment we** will, at **our** option:

(a) replace or repair the valves, tubes or light sources as far as possible to the condition they were in at the time of **loss** or **damage**; or

(b) pay the cost of repair or replacement.

In either case, for valves, tubes and light sources **we** will reduce what **we** pay **you** to take into account wear and tear, depreciation and betterment.

# Excess

**You** must pay the **excess** specified in **your policy schedule** that applies to a claim under this Policy Section.

If **you** are making a claim for **loss** or **damage**:

(a) covered under Insured Event 9 – Malicious Acts, where such **loss** or **damage** is caused by an act committed by **your** tenants, the **excess** for each claim is $500 or the **excess** specified in **your policy schedule**, whichever is more; or

(b) covered under Additional Benefit 9 – Damage to Vacant Buildings, the **excess** for each claim is $500 or the **excess** specified in **your policy schedule**, whichever is more.

If **you** are making a claim for **loss** or **damage** as a result of Insured Event 10 - Earthquake, Tsunami, Subterranean Fire or Volcanic Eruption, the **excess** for each claim is the lesser of:

(a) $20,000; or

(b) 1% of the total **insured amount** specified in **your policy schedule** that relates to the **damaged property** at the **premises.**

For example, where the **insured amount** specified in **your policy schedule** for 'Buildings' is $1,000,000 and the **insured amount** for 'Contents' is $500,000 and an earthquake causes **damage** to the **buildings** and **contents**, **you** will be required to pay an **excess** of $15,000 (1% of $1,500,000) as this amount is less than $20,000.

**You** will only be required to pay one (1) **excess** for **damage** that results from earthquake, tsunami, subterranean fire or volcanic eruption, or fire resulting from any of these during any period of 72 consecutive hours. **Damage** arising from any of these that occurs more than 72 hours after the event will be considered to be a separate event in which case **you** will be required to pay an additional **excess**.

# Worked dollar claim examples

The following worked dollar claim examples are designed to assist **you** in understanding some of the benefits in this Policy Section and how claims are calculated. The examples do not cover all scenarios or all benefits and do not form part of **your policy** terms and conditions. The following should be used as a general guide only. **We** always determine real claim payments on an individual basis, after **we** have assessed each claim. **You** should consider all examples as each example covers different benefits and scenarios.

All amounts are shown in Australian dollars and are GST inclusive unless indicated otherwise. **You** should read the **PDS** and Policy Wording and **your policy schedule** for full details of what **we** cover as well as what policy limits, conditions and exclusions apply.

*You have cover for a building that is used as both a hairdressing salon and your residence. For this reason it is a home building. Indemnity is not shown on your policy schedule, so you have cover on a replacement value basis. The total of all insured amount values in your policy schedule is specified as $400,000 (the total of the insured amount shown on your policy schedule for the building of $380,000, contents of $10,000 and stock of $10,000) and the excess specified in your policy schedule is $250.*

*When setting the 'Building' insured amount you must consider the costs to remove debris and payment of any architect fees. The building is damaged in a storm and we assess the cost of repairs to be $50,000.*

| How much we pay | | Further information |
|---|---|---|
| Cost of repairing the storm damage to your building | $50,000 | We normally decide the building is repairable if the cost of repairing the building is less than the insured amount (in this example the insured amount is $380,000). |
| Removal of debris | +$30,000 | In addition to the damage to the building, the storm has created building debris that requires cleaning up and removal. The most we will pay under Extra Cover 4 of this Policy Section for removal of debris is $50,000. |
| Less excess | -$250 | We deduct this from the amount we pay. We may require you to pay this amount directly to the repairer. |
| Total claim | **$79,750** | We normally pay this amount directly to the repairer. |

### Underinsurance on a partial loss

In the above example, if the actual replacement value of the building at the time the policy was entered into was $580,000 but you had only insured the building, contents and stock for $400,000, the amount we pay will be reduced in accordance with the underinsurance condition in this Policy section.

The amount we would pay before we deduct the excess will be calculated as follows:

$$\text{Total claim of \$80,000} \times \frac{\$400,000}{(80\% \times \$580,000)} = \$68,966$$

*You have cover for a building that is used as both a cafe and your residence. For this reason it is a home building. Indemnity is not specified in your policy schedule so you have cover on a replacement value basis. The insured amount on your policy schedule is specified as $2,500,000 and the excess specified in your policy schedule is $250. The building is damaged in an earthquake and we assess the cost of repairs to be $1,000,000.*

| How much we pay | | Further information |
|---|---|---|
| Cost of repairing the earthquake damage to your building | $1,000,000 | We normally decide the building is repairable if the cost of repairing the building is less than the insured amount (in this example the insured amount is $2,500,000). |
| Removal of debris | +$80,000 | In addition to the damage to the building, the earthquake has created building debris that requires cleaning up and removal at a cost of $80,000.<br>The most we will pay under Extra Cover 4 of this Policy Section for removal of debris is $50,000.<br>However, as the removal of debris costs are more than $50,000 and the total declared value has not been exhausted, we will pay up to the unexhausted amount remaining from the total declared value to cover the removal of debris costs not covered by Extra Cover 4. |
| Less excess | -$20,000 | We deduct this from the amount we pay. We may require you to pay this amount directly to the repairer. |
| Total claim | **$1,060,000** | We normally pay this amount directly to the repairer. |

# Definitions

These words have the following meanings and apply only to this Policy Section. These defined terms prevail over any other meaning given to them in other parts of the **PDS** and Policy Wording. **You** should also refer to the General Definitions on pages 23 to 27.

## Catastrophe

A large scale destructive **event**, in the area where the **premises** is located, which either:

(a) the Insurance Council of Australia has declared to be an 'insurance catastrophe event'; or

(b) as a consequence of the **event**, the relevant government authority has declared a state of emergency.

## Contents

Business and office furniture, tools of trade and equipment used by **you** in the **business**.

Contents means:

(a) unused stationery and printed books;

(b) where **you** are a tenant of a leased or rented **premises**:

  (i) property owner's fixtures and fittings, window blinds and floor coverings for which **you** are liable under the terms of a lease or similar agreement;

  (ii) fixtures and fittings installed by **you** for **your** use in the **business;** and

  (iii) installed fixtures and fittings, window blinds, cool rooms, awnings, CCTV and other security systems, exterior lights, masts, antennae and aerials, fixed external signs and **air conditioner** units including external compressors and pipes at **your premises**;

(c) **money** up to $500;

(d) plant and **machinery**, communications systems, fixtures and fittings, signs and awnings;

(e) computers, word processors, printers, scanners and other peripheral equipment and other **electronic equipment** or electronic data processing systems;

(f) digital or analogue telecommunication transmission and receiving equipment, lighting facilities, televisions, audio visual amplification or surveillance equipment and office machines;

(g) **data**, **media**, records, documents, manuscripts, plans, drawings, designs and business books, but only for the value of these materials in their unused or uninstalled state or as blank stationery; or

(h) works of art, antiques or curios.

Contents does not mean:

(a) **stock;**

(b) **specified items**;

(c) jewellery, precious metals or stones, bullion or furs;

(d) **vehicles** registered for road use, caravans, trailers, **watercraft**, **aircraft**, **hovercraft**, rolling stock and locomotives or their accessories;

(e) live **animals**;

(f) plants, shrubs, lawns, growing crops, pastures and standing timber;

(g) **your** directors' and **employee's** tools of trade and **personal effects**; or

(h) **customers' goods** or records and documents held or created by **you** as part of **your business**.

## Property

Means **Buildings**, **Contents**, **Stock** and/or **Specified Items** at the **premises**.

## Specified items

Each item of property that is specifically described under the heading 'Other' in **your policy schedule** for this Policy Section.

## Total declared value

The total of the **insured amounts** for this Policy Section listed on **your policy schedule**, or adjusted in accordance with this Policy Section, whichever is the greater. The total declared value does not include any amount for **specified items**.

## Total loss

A **vehicle**, **watercraft** or caravan **we** decide is uneconomical or unsafe to repair.

# Policy Section 2 – Theft

Please note that if **you** are insuring a **home building** under this Policy Section **you** should also read Part F of this **PDS** and Policy Wording.

## About this Policy Section

This Policy Section covers the **loss** of, or **damage** to, **your contents**, **specified items** and **stock** from **theft**, armed hold up or an actual or threatened assault. **You** are not covered for **theft** of **contents** kept in the open air.

**You** can claim for **loss** of, or **damage** to, **your contents**, **specified items**, or **stock** as described under "What we cover" if:

- "Theft" is specified in **your policy schedule**;
- the **loss** or **damage** occurs during the **period of insurance**;
- the **loss** or **damage** is not excluded under "What we exclude"; and
- the **loss** or **damage** is not excluded by any of the General Exclusions listed on pages 21 to 22.

## Your insurance under this Policy Section

### ✔ What we cover

**We** cover **loss** or **damage** occurring during the **period of insurance** to **your contents**, **specified items** and **stock** caused by **theft**.

### ✘ What we exclude

This Policy Section does not cover:

1. **Theft by you, your employees or family**

**Loss** of, or **damage** to, **property insured** caused by **you**, **your employees** or any member of **your family**.

2. **Glass**

The **breakage** of **glass** (as those terms are defined in Policy Section 3 - Glass), or the cost of replacing sign writing, ornamentation, reflective materials and burglar alarm tapes attached to broken **glass**.

3. **Open space**

Except as expressly provided by Additional Benefit 1 - Theft of External Property or Additional Benefit 9 – Stock in the Open of this Policy Section, **loss** of, or **damage** to, **property insured** from or in any open space, whether fenced or unfenced, outside the walls of the **building**.

4. **Access**

**Loss** of, or **damage** to, **property insured** if entry is gained to the **building**:

(a) by use of a key or security code; or

(b) through an unlocked door or window,

except as provided for under:

(i) Additional Benefit 3 - Employee Dishonesty of this Policy Section;

(ii) Additional Benefit 8 - Theft without forced entry of this Policy Section; or

(iii) Optional Insurance 2 – Additional theft without forced entry of this Policy Section.

5. **Certain events insured under Policy Section 1 – Property Damage**

**Loss** of, or **damage** to, **property insured**:

(a) resulting from or as a consequence of fire; or

(b) arising during or as a consequence of earthquake, tsunami, subterranean fire, volcanic eruption, riot or civil commotion,

unless **you** are able to prove that the **loss** or **damage** occurred independently of these events.

6. **Consequential loss**

Loss of use, loss of earning capacity and any other consequential loss.

# Extra Covers

If **we** agree to pay a claim under this Policy Section for **loss** or **damage** caused by **theft**, **we** will also pay or provide the Extra Covers set out below.

Any amounts payable under these Extra Covers do not apply in addition to the **insured amount** specified in **your policy schedule** for this Policy Section, unless stated otherwise

## 1. Reinstatement

### ✔ What we cover

If **we** pay an amount for a claim under this Policy Section **we** will automatically reinstate the **insured amount** to the amount specified in **your policy schedule**. **You** will not have to pay any additional premium.

## 2. Damage to rented premises

### ✔ What we cover

**We** will cover **you** for **damage** to the **buildings** that **you** occupy as a tenant if **you** are legally liable for that **damage** under **your** tenancy agreement, provided that the **damage** is due to **theft** at the **premises** which occurs during the **period of insurance**.

The maximum **we** will pay for any one (1) **event** under this Extra Cover is $5,000.

If **you** want to increase the amount of cover, **you** must have selected Optional Insurance 1 – Additional Damage to Rented Premises of this Policy Section.

## 3. Temporary protection

### ✔ What we cover

**We** will pay the reasonable and necessary costs of temporary protection incurred, or the employment of guards or watchman by **you**, for the safety and protection of the **building** pending repair of **damage** to the **building** caused by **theft**.

### ✘ What we exclude

**We** will not pay more than $5,000 for any one (1) **event**.

Any cover given under this Extra Cover shall not accumulate with any similar cover that may be given under Policy Section 1 – Property Damage or Policy Section 4 – Money.

## 4. Replacement of locks and keys

### ✔ What we cover

**We** will pay the reasonable cost of replacing locks, keys and combinations used in the **business** if, as a result of **theft**, keys or combinations are stolen, or if there are reasonable grounds to believe that keys have been duplicated.

**We** will also pay the reasonable cost of opening **safes and strongrooms** because of keys or combinations that are stolen during a **theft**.

### ✘ What we exclude

**We** will not pay more than $5,000 for any one (1) **event**.

Any cover given under this Extra Cover shall not accumulate with any similar cover that may be given under Policy Section 1 – Property Damage or under Policy Section 4 – Money.

## 5. Rewriting of documents

### ✔ What we cover

**We** will pay for any reasonable labour costs incurred in reproducing or making good documents that are stolen including customers' documents created or being held by **you** as part of **your business**.

### ✘ What we exclude

**We** will not pay more than $25,000 for any one (1) **period of insurance**.

### 6. Seasonal increase period

**✔ What we cover**

**We** will increase the portion of the **insured amount** as it relates to **stock** by 35% or such other amount as is specified in **your policy schedule** during the **seasonal increase period**.

**You** can nominate different **seasonal increase period(s)** or higher percentage increases of the **insured amount** as it relates to **stock**. If **you** do they will be specified in **your policy schedule** and **you** must pay any additional premium that applies.

### 7. Rewards

**✔ What we cover**

**We** will pay up to $5,000 for any one (1) **event** for the reasonable cost of any reward paid by **you** for information which results in the:

(a) apprehension; and

(b) entry of judgement against, or conviction of,

the person(s) responsible for the **loss** or **damage** covered under this Policy Section.

**You** will be required to provide evidence to satisfy **us** that the reward has been paid.

**✘ What we exclude**

**We** do not cover any reward paid by **you**:

(a) to **your** directors, officers, any **employee,** partner of **your business**, **your** tenant, or **your family**;

(b) for information already held by or provided to **us** or any law enforcement authority; or

(c) if **we** have not given **our** prior consent for **you** to pay a reward.

Any cover given under this Extra Cover shall not accumulate with any similar cover that may be given under Policy Section 1 – Property Damage or Policy Section 4 – Money.

## Additional Benefits

**We** will also provide the following Additional Benefits in this Policy Section subject to the General Exclusions and all the terms, conditions and exclusions applicable to this Policy Section, unless stated otherwise.

Any amounts payable under these Additional Benefits do not apply in addition to the **insured amount** specified in **your policy schedule** for this Policy Section, unless stated otherwise.

### 1. Theft of external property

**✔ What we cover**

**We** will cover **you** for **loss** or **damage** occurring during the **period of insurance** to **contents** that are securely and permanently affixed (by means other than the connection to a power point) to the outside of the **building** as a result of **theft**.

**✘ What we exclude**

**We** will not pay more than:

(a) $5,000; or

(b) the 'Contents' **insured amount** specified in **your policy schedule** for this Policy Section,

whichever is less during the **period of insurance**.

## 2. Directors and employees tools of trade and personal effects

### ✔ What we cover

**We** will pay for **loss** of, or **damage** to, **your** directors' and **employees**' tools of trade (excluding **vehicles** and their accessories) and **personal effects** caused by **theft** as if they were **contents**.

### ✘ What we exclude

**We** will not pay for **loss** or **damage** to tools of trade or **personal effects** to the extent they are otherwise covered under another insurance policy.

**We** will not pay more than $5,000 for any one person and $10,000 in respect of any one (1) claim. Any amount **we** pay for this Additional Benefit will be in addition to the **insured amount.**

**We** will not pay for **loss** or **damage** to musical instruments, curios, works of art, **money** or credit cards. Any cover given under this Additional Benefit shall not accumulate with any similar cover that may be given under Policy Section 4 – Money.

## 3. Employee dishonesty

### ✔ What we cover

**We** will cover **you** for **loss** of **contents** and **stock** as a direct result of **employee** dishonesty during the **period of insurance** if discovered within thirty one (31) days of the **employee** dishonesty occurring.

### ✘ What we exclude

This Additional Benefit does not cover:

(a) any **loss** arising from the conduct of an **employee** after **you** have knowledge of or information about any prior act of fraud or dishonesty by the **employee**;

(b) any **loss** arising from the conduct of an **employee** outside Australia;

(c) any **loss** where **you** are unable to identify which **employee** is responsible;

(d) any **loss** or part of a **loss** arising from the conduct of an **employee**, where the proof of the **loss**, either as to its occurrence or as to its amount, is dependent upon an inventory stocktake or a profit and loss calculation;

(e) fraud or dishonesty committed by **your family**; or

(f) fraud or dishonesty committed by any of **your employees** committed with **your** connivance.

**We** will not cover **you** for more than:

(a) $2,500 for any one (1) act of **employee** dishonesty; and

(b) $5,000 in total for all claims for **employee** dishonesty during the **period of insurance**.

**We** will not cover any claims under this Additional Benefit if **you** are insured under Optional Insurance 1 – Employee Dishonesty in Policy Section 7 - Management Liability. Further, any cover given under this Additional Benefit shall not accumulate with any similar cover that may be given under Policy Section 4 – Money.

## 4. Developing security images

### ✔ What we cover

**We** will cover **you** for the costs of developing images stored on **media** from security cameras following a **theft** of **property insured** at the **buildings** during the **period of insurance**.

### ✘ What we exclude

Any cover given under this Additional Benefit shall not accumulate with any similar cover that may be given under Policy Section 4 – Money.

## 5. Funeral expenses

### ✔ What we cover

**We** will cover **you** for burial or cremation costs if any of **your** directors, officers, **employees**, or any partner of **your business** sustains a fatal injury provided:

(a) their death directly results from an assault that occurs during a **theft** in the **period of insurance** of **property insured** owned by **you** or for which **you** are legally responsible; and

(b) the death occurs within six (6) months of the assault.

### ✘ What we exclude

**We** will not cover **you** for more than $10,000, to be paid to the estate of the deceased person.

Any cover given under this Additional Benefit shall not accumulate with any similar cover that may be given under Policy Section 4 – Money.

## 6. Temporary removal of stock or contents

### ✔ What we cover

**We** cover **loss** of, or **damage** to, **stock** or **contents** caused by theft or attempted theft while they are temporarily removed from the **premises** or while in transit to or from the **premises**, by **road**, railway, inland waterway or air.

### ✘ What we exclude

**We** will not pay more than 20% of the **insured amount** specified in **your policy schedule**.

**We** will not pay for **loss** of, or **damage** to, **stock** or **contents** arising from or in connection with:

(a) theft or attempted theft from an unattended **vehicle**, unless all of the doors and windows of the **vehicle** are closed and locked with any alarm or immobiliser activated; or

(b) theft from the open air.

**We** do not cover **stock** or **contents** which have been removed from the **premises** for more than ninety (90) consecutive days, unless **we** have agreed in writing during the **period of insurance** that the **stock** or **contents** could be removed for a longer period and that period has not been exceeded.

**We** do not cover **loss** due to dishonesty or insolvency of persons to whom the **stock** or **contents** are entrusted.

## 7. Temporary cover for new premises

### ✔ What we cover

**We** cover **loss** of, or **damage**, to **stock** or **contents** as a result of **theft** at any new premises which **you** first occupy during the **period of insurance**, as if that premises was specified in **your policy schedule** as an insured premises, provided that:

(a) the business carried on at or from the new premises is the same as the **business** specified in **your policy schedule**;

(b) the **stock** or **contents** at the new premises would have been covered if located at one of the **premises** specified in **your policy schedule**; and

(c) the new premises has the same or superior security features as one of the **premises** specified in **your policy schedule**.

### ✘ What we exclude

**We** will not pay more than 20% of the **insured amount** specified in **your policy schedule**.

**We** will not cover **loss** of, or **damage**, to **stock** which does not belong to **you**, for which **you** are not legally responsible or which consists of tobacco, tobacco products, cigars, cigarettes or alcoholic beverages.

**We** do not cover **you** if **you** have owned, leased or occupied the new premises for more than 30 days.

### 8. Theft without forced entry

**✔ What we cover**

**We** will cover **you** for **loss** or **damage** occurring during the **period of insurance** to **contents** and **specified items** in the **building** as a result of **theft** where there are no signs of forcible and violent entry to or exit from the **building**.

If **you** want to increase the amount of cover, **you** must have selected Optional Insurance 2 – Additional Theft Without Forcible Entry of this Policy Section.

**✘ What we exclude**

**We** will not cover **you** for more than $5,000 for any one (1) claim under this Additional Benefit.

**We** do not cover **loss** of, or **damage** to, **stock** under this Additional Benefit.

### 9. Stock in the open

**✔ What we cover**

**We** will cover **you** for theft of **stock** in the open air during **your** business hours provided the **stock** is securely locked and chained to display racks or stands.

**✘ What we exclude**

**We** will not pay more than:

(a) $5,000; or

(b) the **insured amount** specified in **your policy schedule** for this Policy Section,

whichever is less, during the **period of insurance**.

## Optional Insurance

**We** will provide the following Optional Insurance when requested by **you**, when **you** pay any additional premium required and when specified in **your policy schedule**. Any amount payable under this Optional Insurance applies in addition to the **insured amount**.

### 1. Additional damage to rented premises

**✔ What we cover**

**We** will cover **you** for **damage** to the **buildings** that **you** occupy as a tenant if **you** are legally liable for that **damage** under **your** tenancy agreement, provided that the **damage** is due to **theft** occurring during the **period of insurance**.

This **insured amount** will be in addition to the amount specified in Extra Cover 2 – Damage to Rented Premises of this Policy Section.

**✘ What we exclude**

**We** will not cover **you** for more than the 'Additional Damage to Rented Premises' **insured amount** specified in the **policy schedule** for any one (1) claim under this Optional Insurance.

### 2. Additional theft without forced entry

**✔ What we cover**

**We** will cover **you** for **loss** or **damage** occurring during the **period of insurance** to **contents** and **specified items** in the **building** as a result of **theft** where there are no signs of forcible and violent entry to the **building**.

This **insured amount** will be in addition to the amount specified in Additional Benefit 8 – Theft Without Forced Entry of this Policy Section.

**✘ What we exclude**

**We** will not cover **you** for more than the 'Additional Theft Without Forced Entry' **insured amount** specified in **your policy schedule** for any one (1) claim under this Optional Insurance.

**We** do not cover **you** for **loss** of, or **damage** to, **stock** under this Optional Insurance.

# Policy Section Conditions

These conditions apply to this Policy Section.

### 1. Monitored burglar alarms

If **you** own or have responsibility for operating and maintaining a burglar alarm for the purposes of the **business**, the alarm system must be tested and used in accordance with the manufacturer's specifications. The burglar alarm must be activated whilst the **building** is unoccupied.

Testing and use includes resistance checking of the battery, alarm detection coverage and transmission to the monitoring station.

### 2. Valuables

**You** must ensure that any **stock** and **contents** that are precious stones, gold and silver articles, jewellery, watches, trinkets, stamps, coins and personal ornaments, which are individually of the value of $500 or more, are contained in a securely locked **safe or strongroom** outside **your** business hours.

### 3. Seasonal increase period

**You** do not have to tell **us** what the dates of the **seasonal increase period** are. However, if **you** make a claim under this Policy section then **your** financial records over the previous two (2) years must substantiate the period as a **seasonal increase period**.

If the **business** is less than 2 years old, **you** can use the financial records of **your business** from the date of commencement until the date of the **loss** or **damage** to substantiate **your** claim.

# What we pay

If **we** agree to pay a claim for **loss** or **damage** to **contents**, **stock** or **specified items** covered under this Policy Section, at **our** option, **we** will:

(a) with respect to **stock** which is not a **vehicle**, **watercraft** or caravan:

- (i) pay **you** the market value of the **stock** at the time of the **loss** or **damage**;
- (ii) pay **you** the value of obsolete stock or its purchase price, whichever is the lesser, but no more than the original cost to **you**;
- (iii) replace or repair the **stock** with property or materials equal to or of a similar standard and specification as the **stock** before it was **damaged**; or
- (iv) pay the cost of repair of replacement of the **stock**.

(b) with respect to **stock** which is a **vehicle**, **watercraft** or caravan:

- (i) if the **vehicle**, **watercraft** or caravan is a **total loss**, **we** will pay **your** cost price of the **vehicle**, **watercraft** or caravan and will not pay **your** retail mark-up; or
- (ii) if the **vehicle**, **watercraft** or caravan is not a **total loss**, **we** will pay the costs incurred to repair or replace the **vehicle**, **watercraft** or caravan.

(c) with respect to **contents** or **specified items**:

- (i) repair or replace the **contents** or **specified items**; or
- (ii) pay **you** the cost of repair or replacement of the **contents** or **specified item**.

The maximum amount **we** will pay in respect of **loss** of, or **damage** to, **stock** and **contents** covered under this Policy Section is the **insured amount** specified in **your policy schedule** for this Policy Section.

The maximum amount **we** will pay in respect of a **specified item** is the **insured amount** noted for that item under the heading 'Other' in **your policy schedule**.

# Excess

**You** must pay $250 or the **excess** specified in **your policy schedule** (whichever is the greater) that applies to a claim under this Policy Section.

The **excess** that applies to Additional Benefit 1 – 'Theft of external property' is the greater of the **excess** specified in **your policy schedule** or $200.

# Definitions

These words have the following meanings and apply only to this Policy Section. These defined terms prevail over any other meaning given to them in other parts of the **PDS** and Policy Wording. **You** should also refer to the General Definitions on pages 23 to 27.

## Contents

Business and office furniture and equipment used by **you** in the **business** and includes:

(a) unused stationery and printed books;

(b) **money** up to $250;

(c) plant and **machinery**, communications systems, fixtures and fittings and floor coverings;

(d) **electronic equipment** including but not limited to mobile phones, laptops, palm pilots, computers, scanners, printers, word processors, electronic processing systems, photocopiers, facsimile machines, electronic cash registers, electronic scales and electronic testing or analysing equipment used by **you** in the **business**;

(e) computer systems, **data**, **media**, records, documents, manuscripts, plans, drawings, designs and business books, but only for the value of these materials in their unused or uninstalled state or as blank stationery together with the cost of restoring the **data** stored on **media** or the cost of clerical labour actually, necessarily and reasonably incurred in rewriting, restoring or recreating the records;

(f) current patterns, models, moulds and dies used in the **business** but limited, unless repaired or replaced, to the value stated in **your** financial records at the time of damage; or

(g) works of art, antiques and curios.

Contents does not mean:

(a) **stock**;

(b) **your** directors' and **employees'** tools of trade and **personal effects**;

(c) **money** where the **loss** or **damage** is greater than $250;

(d) jewellery, precious metals or stones, bullion or furs;

(e) **vehicles** registered for road use, caravans, trailers, **watercraft**, **hovercraft**, **aircraft**, rolling stock and locomotives or their accessories;

(f) live **animals**; or

(g) plants, shrubs, landscaping materials or growing crops, pastures or standing timber.

## Specified item(s)

Each item of property that is specifically described under the heading 'Other' in **your policy schedule** for this Policy Section.

## Theft

Means:

(a) theft or any attempt at theft following actual forcible and violent entry to or exit from the **building**;

(b) theft or any attempt at theft by a person concealed in the **building** during business hours and, who after hours, breaks out of the **building**; or

(c) theft or any attempt at theft following assault or violence or immediate threat to **you** (or **your employees**) or any other person lawfully at the **building** (including armed holdup).

## Total loss

When a **vehicle**, **watercraft** or caravan is:

- stolen and not recovered within a reasonable period of time after **you** report its theft to **us**, and **we** are satisfied that **your** claim is in order; or
- **we** decide it is uneconomical or unsafe to repair.

# Policy Section 3 – Glass

## About this Policy Section

This Policy Section covers **loss** of, or **damage** to, **glass** at the **premises**.

**You** can claim for **loss** of, or **damage** to, **glass** as described under "What we cover" if:

- "Glass" is specified in **your policy schedule**;
- the **loss** or **damage** occurs during the **period of insurance**;
- the **loss** or **damage** is not excluded under "What we exclude"; and
- the **loss** or **damage** is not excluded by any of the General Exclusions listed on pages 21 to 22.

## Your insurance under this Policy Section

### ✔ What we cover

**We** cover **loss** of, or **damage** to, **glass** which **you** own or for which **you** are legally responsible, occurring during the **period of insurance** at the **premises**.

### ✘ What we exclude

This Policy Section does not cover:

1. **Heat**

**Loss** of, or **damage** to, **glass** caused by or arising out of fire or the application of heat.

2. **Some types of glass:**

**Glass:**

(a) when in transit or whilst being fitted into position or removed from its fitting;

(b) forming part of **stock** or merchandise;

(c) in light fittings;

(d) that is cracked or imperfect prior to **loss** or **damage**;

(e) that is not fit for the purpose intended; or

(f) that is in a glasshouse, conservatory or the like, radio, television, computer screen or any domestic item normally carried by hand such as a vase, crystal china or glass in a photo frame.

3. **Tiles**

**Breakage** of tiles on shopfronts and office fronts, other than around the broken **glass**.

4. **Consequential loss**

Loss of use, loss of earning capacity and any other consequential loss.

5. **Fire or flood**

**Loss** or **damage** to **glass** directly or indirectly caused by fire or **flood**.

# Extra Cover

If **we** agree to pay a claim under this Policy Section for **loss** of, or **damage** to, **glass**, **we** will also pay or provide the Extra Cover set out below. Any amounts payable under this Extra Cover apply in addition to the **insured amount**.

## 1. Costs

### ✔ What we cover

**We** will pay for the following costs provided they are reasonably incurred by **you** and are directly related to **loss** of, or **damage** to, the **glass** covered under this Policy Section:

(a) the cost of temporary shuttering necessary pending replacement of the **lost** or **damaged glass**;

(b) the costs incurred in replacing sign-writing, ornamentation, reflective materials and burglar alarm tapes and connections attached to the **glass**;

(c) the cost value (excluding profit of any kind) of **your stock** and **contents** (as defined in Policy Section 2 – Theft) spoiled by the broken **glass**;

(d) the cost incurred in repairing or replacing **damage** to window, door or showcase frames and their fittings;

(e) the cost incurred in repairing or replacing tiles on shop and office fronts and around the broken **glass**; or

(f) the cost of replacing any window tinting or window tinting film.

### ✘ What we exclude

**We** will not pay more than $8,000 for any one (1) **event** under this Extra Cover.

Except for temporary shuttering, **we** will not cover **you** for the cost of repairing or replacing bars, grilles or shutters.

# Additional Benefit

**We** will also provide the following Additional Benefit subject to the General Exclusions and all the terms, conditions and exclusions applicable to this Policy Section. Any amount payable under this Additional Benefit will apply in addition to the **insured amount** specified in **your policy schedule** for this Policy Section.

## 1. Broken signs cost

### ✔ What we cover

**We** will cover **you** for **loss** of, or **damage** to, plastic or perspex signs at the **premises** if they are **lost** or **damaged** during the **period of insurance**.

The admissibility of claims for **damage** to signs shall not be contingent upon other **damage** to **glass**.

### ✘ What we exclude

**We** will not pay more than $8,000 for any one (1) claim under this Additional Benefit.

# Optional Insurance

**We** will pay or provide the following Optional Insurance when requested by **you**, when **you** pay any additional premium required and when specified in **your policy schedule** subject to the General Exclusions and all the exclusions in this Policy Section. Any amount payable under this Optional Insurance applies in addition to the **insured amount**.

### 1. Additional broken signs costs

**✔ What we cover**

**We** will cover **you** for **loss** of, or **damage** to, plastic or perspex signs at the **premises** if they are **lost** or **damaged** during the **period of insurance**.

This **insured amount** will be in addition to the amount covered under Additional Benefit 1 – Broken signs costs of this Policy Section.

**✘ What we exclude**

**We** will not pay more than the 'Additional broken signs costs' **insured amount** specified in **your policy schedule** for any one (1) claim.

# What we pay

**We** will pay for the cost of replacement of **lost** or **damaged glass** covered under this Policy Section with glass of similar manufacture and quality. **We** will also pay the extra cost necessarily incurred to comply with the minimum requirements of any statutory authority when replacing the **glass**.

**We** will not pay to comply with any requirements that were issued prior to the **loss** of, or **damage** to, **glass**.

# Excess

The **excess** that applies is specified in **your policy schedule** for each claim **you** make.

# Worked Dollar Claim Example

The following worked dollar claim example is designed to assist you in understanding some of the benefits in this Policy Section and how claims are calculated. The example does not cover all scenarios or all benefits and does not form part of **your policy** terms and conditions. The following should be used as a general guide only. **We** always determine real claim payments on an individual basis, after **we** have assessed each claim.

All amounts are shown in Australian dollars and are GST inclusive unless indicated otherwise. **You** should read the **PDS** and Policy Wording and **your policy schedule** for full details of what **we** cover as well as what policy limits, conditions and exclusions apply.

*You have cover for a building that is used as both a café and residence. Therefore, it is a home building. The excess is $250. The window glass in the café and the Perspex sign out on the front are broken after rocks are thrown at them. We assess the cost of replacing the glass to be $1,500, the cost of replacing the damaged sign writing to be $500 and the cost of replacing the damaged Perspex sign to be $1,000.*

| How much we pay | | Further information |
|---|---|---|
| Cost of replacing the glass | $1,500 | We pay the cost of replacing the glass. |
| Cost of re-applying the sign writing | $500 | The damaged window has signage painted on it. We assess the cost of re-painting the signage to be $500. |
| Cost of replacing the damaged perspex sign | $1,000 | The cost to replace the damaged sign is covered under Additional Benefit – Broken signs cost and we will pay $1,000. |
| Less excess | -$250 | We deduct this from the amount we pay. We may require you to pay this amount directly to the glass repairer. |
| Total claim | **$2,750** | We normally pay this amount directly to the repairers. |

# Definitions

These words have the following meanings and apply only to this Policy Section. These defined terms prevail over any other meaning given to them in other parts of the **PDS** and Policy Wording. **You** should also refer to the General Definitions on pages 23 to 27.

## Breakage/Damage

Means:

(a) for plate or sheet **glass** or porcelain, a fracture extending through the entire thickness of the **glass** or porcelain; or

(b) for laminated **glass**, a fracture extending through the entire thickness of a lamination but not any other damage or disfiguration.

## Glass

Means **external glass, internal glass, sanitary fittings** and/or **specified glass**.

## Specified glass

Means **glass** recorded in **your policy schedule** as 'Specified Glass'.

# Policy Section 4 – Money

## About this Policy Section

This Policy Section covers the **loss** of, or **damage** to, **your business' money**. The **money** may be **in transit** or at the **premises** or **in custody** at a private residence.

**You** can claim for **loss** or **damage** as described under "What we cover" if:

- "Money" is specified in **your policy schedule**;
- the **loss** or **damage** occurs during the **period of insurance;**
- the **loss** or **damage** is not excluded under "What we exclude"; and
- the **loss** or **damage** is not excluded by any of the General Exclusions on pages 21 to 22.

## Your insurance under this Policy Section

### ✔ What we cover

**We** cover **loss** of, or **damage** to, **money** occurring during the **period of insurance** while:

- **in transit**;
- in the **building** during **business hours**;
- in the **building** outside of **business hours**;
- in the **building** in a securely locked **safe or strongroom**; or
- **in custody**.

**We** will also cover **you** for **loss** of, or **damage** to, **safes or strongrooms** in the **building** as a result of theft or attempted theft of **money** occurring during the **period of insurance**.

### ✘ What we exclude

This Policy Section does not cover:

1. **Missing money**

**Loss** of, or **damage** to, **money**:

(a) due to shortages resulting from clerical or accounting errors, breakdown or malfunction of any machine or electrical or electronic device or **loss** due to errors in receiving or paying out;

(b) by any intentional or wilful act or omission by **you** or **your employees** with **your** connivance; or

(c) by any fraudulent or dishonest acts committed by **you**, **your family** or **your employees** acting alone or in collusion with others, except as expressly provided by Additional Benefit 1 – Employee Dishonesty of this Policy Section.

2. **Key or combination in building**

**Loss** of, or **damage** to, **money** from any **safe or strongroom** opened by a key or by use of details of a combination that are left in the **building** outside **business hours**.

3. **Unattended vehicle**

**Loss** of, or **damage** to, **money** in or from an unattended **vehicle**.

4. **Professional carrier**

**Loss** of, or **damage** to, **money** while professional money carriers, professional carriers or common carriers carry it.

5. **Loss outside Australia**

**Loss** of, or **damage** to, **money** occurring outside Australia except as expressly provided by Additional Benefit 5 – Travellers Money of this Policy Section.

6. **Consequential loss**

Loss of use, loss of earning capacity and any other consequential loss.

7. **ATMs**

**Loss** of, or **damage** to, **money** that does not belong to **you** or for which **you** are not legally responsible, in or from an **ATM**.

### ✘ What we exclude (cont.)

8. **Discovery of loss**

**Loss** not discovered within seven (7) working days of the **loss** occurring except as expressly provided by Additional Benefit 1 – Employee Dishonesty of this Policy Section.

9. **Unoccupied premises**

**Loss** of **money** when the **premises** is left unoccupied unless any burglar alarm system which protects the **premises** is:

(a) operative during the period the **premises** is left unoccupied; and

(b) maintained in good working condition.

# Extra Covers

If **we** agree to pay a claim under this Policy Section for:

- **loss** of, or **damage** to, **money**; or
- for **damage** to a **safe or strongroom** caused by theft or attempted theft,

**we** will also pay or provide the Extra Covers set out below.

Unless stated otherwise, any amounts payable under these Extra Covers apply in addition to the **insured amount**.

## 1. Reinstatement

### ✔ What we cover

If **we** pay an amount for a claim under this Policy Section, **we** will automatically reinstate the **insured amount** to the amount specified in **your policy schedule**. **You** will not have to pay any additional premium.

## 2. Temporary protection

### ✔ What we cover

**We** will pay the reasonable and necessary costs incurred by **you** in effecting temporary protection, or the employment of guards or watchman by **you**, to safeguard the **money** at the **premises** as a result of any **event** covered under this Policy Section.

### ✘ What we exclude

**We** will not pay more than $5,000 for any one (1) claim.

Any cover given under this Extra Cover shall not accumulate with any similar cover that may be given under Policy Section 1 – Property Damage or Policy Section 2 –Theft.

## 3. Replacement of locks and keys

### ✔ What we cover

**We** will pay the reasonable cost of:

(a) replacing locks, keys and combinations used in the **business** if, as a result of theft of **money** covered under this Policy Section, keys or combinations are stolen, or if there are reasonable grounds to believe that keys have been duplicated; and

(b) opening **safes and strongrooms** because of the theft of keys or combinations during theft of **money** covered under this Policy Section.

### ✘ What we exclude

**We** will not pay more than $5,000 for any one (1) claim.

Any cover given under this Extra Cover shall not accumulate with any similar cover that may be given under Policy Section 2 –Theft.

## 4. Seasonal increase on money

### ✔ What we cover

**We** will automatically increase the applicable **insured amount** in respect of **money** by either:

(a) 35% or such other amount as is specified in the **policy schedule** during a **seasonal increase period**; or

(b) 100%, or $50,000, whichever is less, during any long weekend which occurs as a result of the government gazetting Monday or Friday as a public or bank holiday. The increase shall apply up until the bank closing time on the next business day after such holiday.

**You** can nominate different **seasonal increase period(s)** or higher percentage increases of the relevant **money insured amount**. If **you** do they will be specified in **your policy schedule** and **you** must pay any additional premium that applies.

## 5. Rewards

### ✔ What we cover

**We** will pay up to $5,000 for any one (1) **event** for the reasonable cost of any reward paid by **you** for information which results in the:

(a) apprehension; and

(b) entry of judgement against, or conviction of,

the person(s) responsible for the **loss** or **damage** covered under this Policy Section.

**You** will be required to provide evidence to satisfy **us** that the reward has been paid.

### ✘ What we exclude

**We** do not cover any reward paid by **you**:

(a) to **your** director, officer, any **employee,** partner of **your business**, **your** tenant, or **your family**;

(b) for information already held by or provided to **us** or any law enforcement authority; or

(c) if **we** have not given **our** prior consent for **you** to pay a reward.

Any cover given under this Extra Cover shall not accumulate with any similar cover that may be given under Policy Section 1 – Property Damage or Policy Section 2 – Theft.

# Additional Benefits

**We** will also provide the following Additional Benefits in this Policy Section subject to the General Exclusions and all the terms, conditions and exclusions applicable to this Policy Section.

Unless stated otherwise, any amounts payable under these Additional Benefits apply in addition to the **insured amount** specified in **your policy schedule** for this Policy Section.

## 1. Employee dishonesty

### ✔ What we cover

**We** will cover **you** for **loss** of **money** as a direct result of **employee** dishonesty during the **period of insurance** if discovered within (31) thirty-one days of the **employee** dishonesty occurring.

### ✘ What we exclude

This Additional Benefit does not cover:

(a) any **loss** arising from the conduct of an **employee** after **you** have knowledge of or information about any prior act of fraud or dishonesty by the **employee**;

(b) any **loss** arising from the conduct of an **employee** outside Australia;

(c) any **loss** where **you** are unable to identify which **employee** is responsible;

(d) any **loss** or part of a **loss** arising from the conduct of an **employee**, where the proof of the **loss**, either as to its occurrence or as to its amount, is dependent upon an inventory stocktake or a profit and loss calculation;

(e) fraud or dishonesty committed by **your family**; or

(f) fraud or dishonesty committed by any of **your employees** committed with **your** connivance.

**We** will not pay more than:

(a) $2,500 for any one (1) act of **employee** dishonesty; and

(b) $5,000 in total for all claims for **employee** dishonesty during the **period of insurance**.

**We** will not pay any claims under this Additional benefit if **you** are insured under Optional Insurance 1 – Employee Dishonesty in Policy Section 7 - Management Liability. Further, any cover given under this Additional Benefit shall not accumulate with any similar cover that may be given under Policy Section 2 –Theft.

## 2. Developing security images

### ✔ What we cover

**We** will cover **you** for the cost of developing images stored on **media** from security cameras following a theft or attempted theft of **money** covered under this Policy Section.

### ✘ What we exclude

**We** will not pay more than $1,000 for any one (1) **period of insurance**.

Any cover given under this Additional Benefit shall not accumulate with any similar cover that may be given under Policy Section 2 -Theft.

## 3. Directors and employees and personal effects

### ✔ What we cover

**We** will cover **you** for **loss** of, or **damage** to, the **personal effects** of **your** directors, officers and **employees** during a theft or attempted theft of **money** covered under this Policy Section.

### ✘ What we exclude

**We** will not pay more than:

(a) $5,000 for any one (1) person for any one (1) claim; and

(b) $10,000 in total for any one (1) claim.

**We** will not cover **you** for **loss** or **damage** to musical instruments, curios, works of art, **money** or credit cards.

Any cover given under this Additional Benefit shall not accumulate with any similar cover that may be given under Policy Section 2 -Theft. If the tools of trade or **personal effects** are covered under another insurance policy, **we** will only pay for **loss** or **damage** not otherwise covered by the other policy.

## 4. Funeral expenses

### ✔ What we cover

**We** will cover **you** for any burial or cremation costs if any of **your** directors, officers, **employees**, or any partner of **your business** sustains a fatal injury provided:

(a) their death directly results from an assault that occurs during a theft or attempted theft of **money** owned by **you** or for which **you** are legally responsible in the **period of insurance**; and

(b) the death occurs within six (6) months of the assault.

### ✘ What we exclude

**We** will not cover **you** for more than $10,000 to be paid to the estate of the deceased person.

Any cover given under this Additional Benefit shall not accumulate with any similar cover that may be given under Policy Section 2 –Theft.

## 5. Travellers' money

### ✔ What we cover

**We** will cover **you** for **loss** of **money** during the **period of insurance** in **your** custody, or in the custody of an **employee**, whilst travelling on business anywhere in the world.

### ✘ What we exclude

**We** will not pay more than:

(a) $1,000 in total for any one (1) **event**; and

(b) $2,000 in total for any one (1) **period of insurance**.

## 6. Counterfeit money

### ✔ What we cover

**We** will cover the **loss** sustained by **you** due to the acceptance in good faith of counterfeit Australian currency notes during the **period of insurance**.

### ✘ What we exclude

**We** will not pay more than $500 for any one (1) **period of insurance**.

## 7. Additional premises

### ✔ What we cover

**We** cover theft of **money** at any new premises which **you** first occupy during the **period of insurance**, as if that premises was specified in **your policy schedule** as an insured premises, provided that:

(a) the business carried on, at, or from the new premises is the same as the **business** specified in **your policy schedule**;

(b) the **money** at the new premises would have been covered if located at one of the **premises** specified in **your policy schedule**; and

(c) the new premises have the same or superior security features as one of the **premises** specified in **your policy schedule**.

### ✘ What we exclude

**We** will not cover theft of **money** which:

(a) does not belong to **you**;

(b) **you** are not legally responsible for; or

(c) which is not connected to the **business**.

**We** do not cover **you** if **you** have owned, leased or occupied the new premises for more than 30 days.

# What we pay

1. If **we** agree to pay a claim under this Policy Section for **loss** of or **damage** to **money**, **we** will pay **you** the amount of any **money** that is **lost** or **damaged**.
2. If the **safe or strongroom** is **lost** or **damaged** and the **loss** or **damage** is covered under this Policy Section, **we** will, at **our** option:
   (a) repair the **safe or strongroom**;
   (b) replace the **safe or strongroom** with an item of a specification equal to but not better or more extensive than when it was new;
   (c) if the **loss** or **damage** is confined to part of the **safe or strongroom**, repair or pay **you** the cost of repair of that part plus the cost of any necessary dismantling and reassembling; or
   (d) pay **you** the cost of repairing or replacing the **safe or strongroom**.
3. **We** will not pay costs of alterations, improvements or overhauls carried out when the **lost** or **damaged safe or strongroom** is repaired or replaced.
4. In the case of **loss** or **damage** to certificates of stock, bonds, coupons and all other types of securities covered by this Policy Section, the amount of the securities will be calculated as follows:
   (a) if the securities can with **our** approval be replaced, the cost of replacement paid or payable by **you**; or
   (b) otherwise, the greater of:
      (i) the price for which **you** purchased them; or
      (ii) the closing market value on the last business day prior to the date of discovery by **you** of the **loss** or destruction of the securities, or if the time of discovery by **you** is after the close of the market, their discovery by **you**.
5. In the case of a **loss** of subscription, conversion or redemption privileges through the **loss** of any security, the value of such privileges will be the value immediately preceding the expiration of the subscription, conversion or redemption, in the currency in which the **loss** was sustained.
6. **Losses** sustained in currencies other than Australian dollars will be calculated by converting the amount of **loss** to Australian dollars at the market buy rate at the time of settlement of the **loss** or such other rates as may have been expressly agreed with **us**. If there is no market price or value on the relevant day, then the value shall be agreed between **you** and **us**, or in circumstances where agreement is not reached, **we** and **you** shall submit to mediation and be bound by the decision of the mediator.
7. In the case of **loss** or **damage** to any travellers cheques, discount house vouchers or lottery tickets covered under this Policy Section, the amount will be calculated at the original purchase price incurred by **you**.
8. The maximum amount **we** will pay in respect of:
   (a) **money in transit** at the time of the **loss** or **damage** is the 'Money in transit' **insured amount** specified in the **policy schedule**;
   (b) **money** on the **premises** during **business hours** at the time of the **loss** or **damage** is the 'Money on the premises during business hours' **insured amount** specified in the **policy schedule**;
   (c) **money** on the **premises** outside **business hours** at the time of the **loss** or **damage** is $3,000 plus the 'Additional money on premises outside business hours' **insured amount** specified in the **policy schedule**;
   (d) **money** in a locked **safe or strongroom** at the time of the **loss** or **damage** is the 'Money in a locked safe or strongroom' **insured amount** specified in the **policy schedule**; or
   (e) **money** in a private residence at the time of the **loss** or **damage** is $3,000 plus the 'Additional money in private residence' **insured amount** specified in the **policy schedule**.

# Policy Section Condition

This condition applies to the entire Policy Section.

### 1. Seasonal increase period(s)

**You** do not have to tell **us** the dates of the **seasonal increase period(s)**. However, if **you** make a claim under this Policy Section then **your** financial records over at least the previous two (2) years must substantiate the period as a **seasonal increase period**.

If the **business** is less than 2 years old, **we** will use the financial records of **your** business from the date of commencement until the date of the **loss** or **damage** to substantiate **your** claim.

# Excess

The **excess** that applies is specified in **your policy schedule**.

# Definitions

These words have the following meanings and apply only to this Policy Section. These defined terms prevail over any other meaning given to them in other parts of the **PDS** and Policy Wording. **You** should also refer to the General Definitions on pages 23 to 27.

## ATM

Automatic teller machine which is a burglar resistant unit designed for the safe storage and disbursement of bank notes which resists fire and attack by hand-held or power operated tools.

## Business hours

The normal working and office hours of the **business** (including overtime) during which **you**, **your** directors, officers, partners or **employees** are in the **building** for the purposes of the **business**.

## Financial services provider

A financial organisation such as a bank, building society or credit union or an agency for any of these, that is in the business of providing banking services to the public.

## In custody

Means:

(a) in **your** custody and control at **your** private residence; or

(b) in the custody and control of persons authorised by **you** at their private residence,

until the next business day when the **money** can be deposited with a **financial services provider**.

## In transit

Means:

(a) **money** in **your** personal custody or in the custody of persons authorised by **you** during a journey to or from the **premises** to or from anywhere within Australia until the next business day when the **money** can be deposited with a **financial services provider**.

(b) **money** while deposited in the night safe, night depository chute or **ATM** of any **financial services provider** where **you** normally transact business.

(c) wages and salaries collected from a **financial services provider** but not paid to **employees** until it is physically in the control of **your employees**.

## Seasonal increase period

Any period of time during the **period of insurance** when the amount of **your business' money** increases by at least 35% compared to other times during the **period of insurance**. The total number of days **we** will allow for a seasonal increase period is 120 days during any one **period of insurance** unless a different period is specified in **your policy schedule**.

# Policy Section 5 – Business Interruption

## About this Policy Section

This Policy Section covers a reduction in **your business** income as a result of **damage** caused by insured events 1 to 12 set out in this Policy Section.

**You** can claim for a reduction in **your business** income, where the **business** is interrupted directly by **loss** or **damage** as described under "What we cover" if:

- "Business Interruption" is specified in **your policy schedule**;
- the **loss** or **damage** occurs during the **period of insurance**;
- the claim is not excluded under "What we exclude"; and
- the **loss** or **damage** is not excluded by any of the General Exclusions listed on pages 21 to 22.

## Your insurance under this Policy Section

### ✔ What we cover

**We** will cover **you** for:

1. a reduction in **your**:
   (a) **gross profit** and **gross rentals** if 'Gross Profit" is specified in the **policy schedule;**
   (b) **gross rentals** if "Gross Rentals" is specified in the **policy schedule;**
   (c) **gross income** if "Gross Income" is specified in the **policy schedule**; or
   (d) **weekly income** if "Weekly Income" is specified in the **policy schedule**,
2. **your** increased costs of working only if 'Increased Costs of Working Only' is specified in the **policy schedule,**

arising from the **business** being interrupted directly by sudden and unforeseen **loss** or **damage** caused by one or more insured events numbered 1 to 12 below occurring during the **period of insurance.**

### ✘ What we exclude

**We** do not cover **you** if, during the **period of insurance** or **indemnity period**, any of the following occur:

(a) **you** form the intention of ceasing the **business** or a part of it;

(b) the proprietary interest in the **business** or a part of it changes;

(c) **you** dispose of or permanently discontinue the **business** or a part of it;

(d) **you** become a bankrupt, or enter into a scheme of arrangement or compromise or composition with creditors;

(e) **you** are placed in liquidation or provisional liquidation, or under official management or administration, or enter into a scheme of arrangement; or

(f) a receiver, or a receiver and manager, is appointed to any of **your** assets.

# Insured Events

## 1. Loss or damage

### ✔ What we cover

**Loss** or **damage** for which **you** are covered by the insuring clause (or would have been but for the application of the **excess**) under:

(a) Policy Section 1 - Property Damage;

(b) Policy Section 2 - Theft;

(c) Policy Section 3 - Glass;

(d) Policy Section 4 - Money;

(e) Policy Section 8 - Portable and Valuable Items;

(f) Policy Section 13 – Goods in Transit; or

(g) any other insurance policy covering the same events covered by (a) to (f) above and for which the insurers have admitted liability, or would have admitted liability if it was not for the application of an excess,

provided **you** are not only covered by an Additional Benefit in the above listed Policy Sections.

## 2. Boiler explosion

### ✔ What we cover

**Loss** or **damage** as a result of the self-explosion or collapse of any pressure vessels, including boilers, compressors or economiser at the **premises**.

## 3. Utilities extension

### ✔ What we cover

**Damage** to the following utilities, being:

(a) any electricity power station or substation;

(b) any gas supply system or gas works;

(c) any water supply or sewage works; or

(d) any telecommunications system,

that is land-based within Australia and supplies **your business** if the following apply:

(i) the **damage** would have been covered under an insured event specified in Policy Section 1 – Property Damage if such **damage** had been to **property insured** under that Policy Section;

(ii) the **damage** results in hindering or stopping the supply of electricity, gas, water or telecommunications to the **premises** or sewage from the **premises**; and

(iii) the **damage** results in interruption of, or interference with, the **business**.

### ✘ What we exclude

**We** will not pay for the first 48 hours of any such interference or interruption which occurs after the **loss** of, or **damage** to, the property.

**We** will not pay more than 20% of the **insured amount** shown against 'Gross Profit', 'Gross Income', 'Gross Rental', 'Weekly Income' or 'Increased Costs of Working Only' in **your policy schedule**, whichever is applicable, for any one (1) **event**.

## 4. Premises in the immediate vicinity (prevention of access)

### ✔ What we cover

**Damage** to property in the immediate vicinity of the **premises** if the following apply:

(a) the **damage** would have been covered under an insured event specified in Policy Section 1 – Property Damage if such **damage** had been to **property insured** under that Policy Section;

(b) the **damage** prevents or hinders the use of, or access to, the **premises**; and

(c) the **damage** results in interruption of, or interference with, the **business**.

### ✘ What we exclude

**Damage** to property that is not in the immediate vicinity of the **premises**.

## 5. Unspecified suppliers' or customers' premises extension

### ✔ What we cover

**Damage** to property at the Australian premises of:

(a) any suppliers, manufacturers or processors of component goods, materials or services which supplies **your business** directly (other than those services provided by any utilities); or

(b) any customer to whom **you** supply component goods, materials or services directly,

where the **damage** would have been covered under an insured event specified in Policy Section 1 – Property Damage if such **damage** had been to **property insured** under that Policy Section and the **damage** results in interruption of, or interference with, the **business**.

### ✘ What we exclude

**We** will not pay more than 20% of the **insured amount** shown against 'Gross Profit', 'Gross Income', 'Gross Rental', 'Weekly Income' or 'Increased Costs of Working Only' in **your policy schedule,** whichever is applicable, for any one (1) **period of insurance**.

## 6. Business that attracts customers

### ✔ What we cover

**Damage** to property of a major tenant if the following apply:

(a) **your business** is located within a multi-tenanted retail shopping complex or commercial complex;

(b) the **damage** would have been covered under an insured event specified in Policy Section 1 – Property Damage if such **damage** had been to **property insured** under that Policy Section;

(c) the **damage** results in a reduced pedestrian count in the shopping complex; and

(d) the **damage** results in the interruption of, or interference with, **your business.**

## 7. Roads, bridges and railway lines

### ✔ What we cover

**Damage** to **roads**, bridges and railway lines within Australia over which stock, components and materials used in **your business** are conveyed to and from **your premises** if the following apply:

(a) the **damage** would have been covered under an insured event specified in Policy Section 1 – Property Damage if such **damage** had been to **property insured** under that Policy Section;

(b) the **damage** results in not being able to convey stock, components or materials used in **your business** to and from **your premises;** and

(c) the **damage** results in interruption of, or interference to, **your business.**

### ✘ What we exclude

**We** will not pay more than 20% of the **insured amount** shown against 'Gross Profit', 'Gross Income', 'Gross Rental', 'Weekly Income' or 'Increased Costs of Working Only' in **your policy schedule**, whichever is applicable, for any one (1) **event**.

## 8. Infectious diseases, murder, suicide

### ✔ What we cover

**Loss** or **damage** as a result of the closure or evacuation of the whole or part of the **premises** by order of a competent government, public or statutory authority as a result of:

(a) infectious or contagious human disease occurring at the **premises**;

(b) vermin or pests or defects in the drains or other sanitary arrangements at the **premises**;

(c) poisoning of customers directly caused by the consumption of food or drink provided on the **premises**;

(d) the outbreak of a notifiable human infectious or contagious disease occurring within a twenty (20) kilometre radius of the **premises**;

(e) murder or suicide occurring at the **premises**; or

(f) shark or crocodile attack occurring within a twenty (20) kilometre radius of the **premises**.

### ✘ What we exclude

**We** will not pay any claim that is directly or indirectly caused by, arises from, or is in consequence of, or contributed by:

(a) cleaning, repairing or checking **your premises**; or

(b) highly pathogenic Avian Influenza or any biosecurity emergency or human biosecurity emergency declared under the Biosecurity Act 2015 (Cth), its subsequent amendments or successor, irrespective of whether discovered at the **premises** or out-breaking elsewhere.

## 9. Computer installation

### ✔ What we cover

**Damage** to a computer installation, including any ancillary equipment and **data** processing **media** utilised by **you** in **your business** anywhere in Australia other than at the **premises** if the following apply:

(a) the **damage** would have been covered under an insured event specified in Policy Section 1 – Property Damage if such **damage** had been to **property insured** under that Policy Section;

(b) the **damage** results in not being able to utilise a computer installation or any ancillary equipment in **your business**; and

(c) the **damage** results in interruption of, or interference with, the **business**.

## 10. Documents temporarily removed

### ✔ What we cover

**Damage** to **your** documents or documents held in trust by **you** as part of **your business** that are:

(a) temporarily removed to other premises anywhere in Australia; or

(b) in transit to any place in Australia,

where the **loss** or **damage** would have been covered under an insured event specified in Policy Section 1 – Property Damage if such **damage** had been to **property insured** under that Policy Section and the **damage** results in the interruption of, or interference with, the **business**.

### ✘ What we exclude

**We** will not pay more than 20% of the **insured amount** shown against 'Gross Profit', 'Gross Income', 'Gross Rental', 'Weekly Income' or 'Increased Costs of Working Only' in **your policy schedule**, whichever is applicable, for any one (1) **event**.

## 11. Registered motor vehicles owned or operated by you

### ✔ What we cover

**Accidental loss** or **damage** to any registered **vehicle** or trailer owned or operated by **you** when they are at the **premises** or in buildings anywhere in Australia.

### ✘ What we exclude

**We** will not pay for **loss** or **damage** to any registered **vehicle** whilst on a **road**.

### 12. Transit

**✔ What we cover**

Interruption to **your business** from **damage** to **stock** whilst in transit by **road**, rail, sea or air within Australia and away from **your premises** where the **damage** would have been covered under an insured event specified in Policy Section 1 – Property Damage if such **damage** had been to **property insured** under that Policy Section.

**✘ What we exclude**

**We** will not pay more than 10% of the **insured amount** shown against 'Gross Profit', 'Gross Income', 'Gross Rental', 'Weekly Income' or 'Increased Costs of Working Only' in **your policy schedule**, whichever is applicable, for any one (1) **event.**

# Extra Covers

If **we** agree to pay a claim under this Policy Section for business interruption arising from any insured event, **we** will also pay or provide the Extra Covers set out below. Unless stated otherwise, any amounts payable under these Extra Covers apply in addition to the **insured amount** specified in **your policy schedule** for this Policy Section.

**We** will not pay or provide the Extra Covers if **you** are insured for 'Increased Costs of Working Only'.

### 1. Included claims preparation costs (Professional fees)

**✔ What we cover**

**We** will pay the reasonable professional fees (including those of an auditor or accountant) and other reasonable expenses incurred by **you** for the preparation of claims under this Policy Section.

The maximum **we** will pay for any one (1) claim under this Extra Cover is $25,000.

Any cover given under this Extra Cover shall not accumulate with any similar cover that may be given under Policy Section 7 – Management Liability or Policy Section 10 – Tax Probe.

If **you** want to increase the amount of cover for claims preparation costs, **you** must have selected Optional Insurance 1 - Additional claims preparation costs of this Policy Section.

### 2. Included increased cost of working

**✔ What we cover**

**We** will pay the additional expenditure reasonably incurred by **you** during the **indemnity period** for all costs not otherwise recoverable that are necessarily incurred for the sole purpose of resuming or maintaining normal business operations or services following **loss** or **damage** covered by this Policy Section.

The maximum **we** will pay for any one (1) claim under this Extra Cover is $10,000.

If **you** want to increase the amount of cover for increased cost of working, **you** must have selected Optional Insurance 2 - Additional increased cost of working of this Policy Section.

### 3. Included outstanding accounts receivable

**✔ What we cover**

**We** will pay the amounts which **you** cannot recover from **your** debtors following **damage** to **your** debt records if the **damage** is caused by an **event** covered under:

(a) Policy Section 1 - Property Damage;

(b) Policy Section 2 - Theft; or

(c) Policy Section 8 - Portable and valuable items,

and:

(i) **we** have admitted liability for **your** claim; and

(ii) as soon as possible at the end of each month, **you** record and store at **your** accountant's, auditor's, or alternative premises, the total of the **outstanding accounts receivable**, and keep these figures for a period of 12 months.

The most **we** will pay under this Extra Cover for any one (1) claim is the lesser of:

(a) $10,000; or

(b) the difference between:

(i) the **outstanding accounts receivable**, and

(ii) the total of the amount received or traced in respect of the **outstanding accounts receivable**.

### 4. Reinstatement of insured amount

**✔ What we cover**

If **we** pay an amount for a claim under this Policy Section, **we** will automatically reinstate the **insured amount**. **You** will not have to pay any additional premium.

**✘ What we exclude**

This Extra Cover does not apply if **we** pay the full **insured amount** in respect of a single claim under this Policy Section.

### 5. Departmental provision

**✔ What we cover**

**We** will apply the cover provided by this Policy Section to each department of **your business** separately if:

(a) **your business** is conducted in departments; and

(b) each department has independent trading results which are ascertainable.

**✘ What we exclude**

**We** will not pay more than the **insured amount** shown against 'Gross Profit', 'Gross Rentals', 'Gross Income' or 'Weekly Income' in the **policy schedule**, for all **losses** resulting from the same **event**.

### 6. Government incentives

**✔ What we cover**

**We** will pay for the reduction in **your gross profit**, **gross rental**, **gross income** or **weekly income** in relation to **your business** where such interruption results from the loss of Government approved incentives, subsidies or market development allowances to which **you** would have been entitled.

This Extra Cover only applies if the loss of these incentives, subsidies or allowances was caused by **loss** of, or **damage** to:

(a) **property insured** resulting from an insured event covered under Policy Section 1 – Property Damage; or

(b) **contents** or **stock** resulting from theft covered under Policy Section 2 – Theft.

## Optional Insurances

**We** will provide the following Optional Insurance when requested by **you**, when **you** pay any additional premium required and when specified in **your policy schedule**. These Optional Insurances are provided subject to the General Exclusions and the terms, conditions and exclusions applicable to this Policy Section. Any amounts payable under these Optional Insurances apply in addition to the **insured amount** for Gross Profit, Gross Rentals, Gross Income or Weekly Income specified in **your policy schedule** for this Policy Section.

The following Optional Insurances are not available if **you** are insured for 'Increased Costs of Working Only'.

### 1. Additional claims preparation costs

**✔ What we cover**

**We** will pay the reasonable professional fees (including those of an auditor or accountant) and other reasonable expenses incurred by **you** for the preparation of claims under this Policy Section.

This **insured amount** will be in addition to the amount covered under Extra Cover 1 of this Policy Section.

**✘ What we exclude**

**We** will not cover **you** for more than the 'Additional Claims Preparation Costs' **insured amount** specified in **your policy schedule** for any claim.

### 2. Additional increased cost of working

**✔ What we cover**

**We** will pay the additional expenditure reasonably incurred by **you** during the **indemnity period** for all costs not otherwise recoverable that are necessarily incurred for the resumption or maintenance of normal business operations or services following **damage** covered by this Policy Section.

This **insured amount** will be in addition to the amount covered under Extra Cover 2 of this Policy Section.

**✘ What we exclude**

**We** will not cover **you** for more than the 'Additional Increased Cost of Working' **insured amount** specified in **your policy schedule** for any claim.

### 3. Additional outstanding accounts receivable

**✔ What we cover**

**We** will cover **you** for:

(a) the difference between the amount owed to **you** by customers for the supply of goods and services and recorded in **your** financial records as **outstanding accounts receivable** and the amount actually paid by customers after the **damage**; and

(b) the expenditure necessarily and reasonably incurred by **you** with **our** consent to trace and establish the **outstanding accounts receivable**,

provided that:

(i) the **loss** or **damage** occurs during the **period of insurance** for which **you** are covered by **us** (or would have been but for the application of the **excess**) under:

- Policy Section 1 – Property Damage;
- Policy Section 2 – Theft;
- Policy Section 8 – Portable and Valuable Items; or
- any other insurance policy covering the same events and for which the insurers have admitted liability, or would have admitted liability if it was not for the application of an excess; and

(ii) **you** are not only covered by an Additional Benefit under the Policy Sections referred to in subparagraph (i) above;

(iii) **your** financial records are **damaged**; and

(iv) **you** cannot follow your normal **outstanding accounts receivable** management processes.

This Optional insurance will only apply if, as soon as possible at the end of each accounting period (usually one month), **you** have a copy of **your** financial records stored away from the **premises**, including a full copy (customer by customer) of **your outstanding accounts receivable** ledger.

**✘ What we exclude**

**We** will not cover **you** for more than the 'Additional Outstanding Accounts Receivable' **insured amount** specified in **your policy schedule**, for any one (1) claim.

# What we pay

## Gross profit cover

If **your policy schedule** shows that **you** are insured for 'Gross Profit' and **we** agree to pay a claim covered under this Policy Section, **we** will pay:

(a) a reduction in **gross profit.** This amount is calculated by applying the **rate of gross profit** to the amount by which the **turnover** during the **indemnity period** falls short of the **standard turnover** as a consequence of the **damage** covered by this Policy Section;

(b) a reduction in **gross rentals.** This is the amount by which the **gross rentals** during the **indemnity period** falls short of the **standard gross rentals** as a consequence of the **damage** covered by this Policy Section; and

(c) increased cost of working. This is the expenditure necessarily and reasonably incurred with our consent for the sole purpose of avoiding or diminishing the reduction in **turnover** or **gross rentals** of the **business** caused by the **damage** covered by this Policy Section. However, **we** will not pay the amount of any such expenditure incurred to avoid the reduction that exceeds the reduction in **gross profit** or **gross rentals** (less any expenses saved as a result of the damage).

### Gross rental cover

If **your policy schedule** shows that **you** are insured for 'Gross Rental' and **we** agree to pay a claim covered under this Policy Section, **we** will pay:

(a) a reduction in **gross rentals.** This is the amount by which the **gross rentals** during the **indemnity period** falls short of the **standard gross rentals** as a consequence of the **damage** covered by this Policy Section; and

(b) increased cost of working. This is the expenditure necessarily and reasonably incurred with our consent for the sole purpose of avoiding or diminishing the reduction in **gross rentals** of the **business** caused by the **damage** covered by this Policy Section. However, **we** will not pay the amount of any such expenditure incurred to avoid the reduction that exceeds the reduction in **gross rentals** (less any expenses saved as a result of the damage).

### Gross income cover

If **your policy schedule** shows that **you** are insured for 'Gross Income' and **we** agree to pay a claim covered under this Policy Section, **we** will pay:

(a) the amount by which, as a consequence of **damage** covered by this Policy Section, the **gross income** earned during the **indemnity period** falls short of the **standard income**; and

(b) in respect of the increased costs to avoid a reduction in **gross income** as a consequence of **damage** covered by this Policy Section and with **our** consent, increased costs necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the shortage in **annual income**, provided the costs are less than, or equal to, the amount **we** would have paid under a reduction in **gross income**.

### Weekly income cover

If **your policy schedule** shows that **you** are insured for 'Weekly Income' and **we** agree to pay a claim covered under this Policy Section, **we** will pay the same percentage of the **weekly benefit** specified in **your policy schedule**, as the reduction in **your weekly income** bears to the **average weekly income**. For example, if **your weekly income** is reduced by 25% when compared to **your average weekly income**, **we** will pay 25% of the **weekly benefit**.

### Increased cost of working only cover

If the **policy schedule** shows that **you** are insured for 'Increased Costs of Working Only' cover and **we** agree to pay a claim covered under this Policy Section, **we** will pay the additional expenditure such as general and administrative day-to-day operating expenses, including:

- additional costs in respect of additional staff and overtime;
- additional advertising costs;
- the cost of moving to and from and the additional rent (above that of **your** existing rent) for temporary premises; and
- additional expenses incurred in equipping the new temporary premises to make them suitable for the purposes of the **business**,

that are necessarily and reasonably incurred by **you** during the **indemnity period** and in consequence of the **damage** for the sole purpose of avoiding or diminishing a reduction in **your business** income or for the purpose of resuming or maintaining normal business operations.

The maximum **indemnity period** allowed for 'Increased Costs of Working Only' cover is 12 months.

## Limits to what we pay

### Gross Profit, Gross Rental and Gross Income covers

The most **we** will pay for:

(a) **gross profit** including **gross rentals** is the **insured amount** for 'Gross Profit' specified in **your policy schedule**;

(b) **gross rental** is the **insured amount** for 'Gross Rental' specified in **your policy schedule**; or

(c) **gross income** is the **insured amount** for 'Gross Income' specified in **your policy schedule**.

### Weekly Income cover

The most **we** will pay for **weekly income** is the **insured amount** for 'Weekly Benefit' specified in **your policy schedule**. **We** will pay for a maximum of the number of weeks shown in the **indemnity period**, for all claims made during the **period of insurance**.

**We** will not pay any claim where the interference or interruption to the **business** is for a period of less than 3 full consecutive days.

### Increased costs of working only cover

The most **we** will pay for increased costs of working only is the **insured amount** for – 'Increased Cost of Working Only' cover specified in **your policy schedule**.

# Policy Section Conditions

These conditions apply to the entire Policy Section.

## 1. Loss of rent

**We** will not pay for loss of rental:

(a) when there is no rental agreement or periodic tenancy agreement in place at the time of the **damage**;

(b) if **you** choose not to rebuild **your** property;

(c) due to rent default.

If the **indemnity period** specified in **your policy schedule** has not expired at the time the **premises** are fit for occupation following repair, replacement or reinstatement of the property, the maximum **we** will pay is the lesser of the loss of rent:

(a) from the date the **premises** are fit for occupation until the date the **premises** are tenanted;

(b) from the date the **premises** are fit for occupation until the date the **indemnity period** ends; or

(c) for three (3) months from the date the **premises** are fit for occupation.

## 2. Underinsurance

Gross Profit, Gross Rental and Gross Income cover contain an underinsurance provision which requires **you** to insure for full value. If **you** do not, we may pay **you** a lower amount after taking into account the proportion of underinsurance as stated below.

(a) for a claim for loss of **gross profit,** the amount payable will be proportionately reduced if the Gross Profit **insured amount** is less than the sum produced by applying the **rate of gross profit** to 80% of the **annual turnover** (proportionally increased if the **indemnity period** exceeds 12 months);

(b) for a claim for reduction of gross rental, the amount payable will be proportionately reduced if the Gross Rental insured amount is less than 80% of the **annual gross rentals** (proportionally increased if the **indemnity period** exceeds 12 months); or

(c) for a claim for loss of **gross income,** the amount payable will be proportionately reduced if the Gross Income **insured amount** is less than 80% of the **annual income (**proportionally increased if the **indemnity period** exceeds 12 months).

## 3. Other factors

In deciding the amount by which **your gross income, gross profits**, **gross rental** or **weekly income** has been reduced or how much is payable under the Increased Costs of Working Only cover, **we** will consider:

### Savings to the business

The amount saved during the **indemnity period** for expenses of the **business** which cease or are reduced as a consequence of the **damage** covered by this Policy Section.

### Other events and trends

Any events or trends which your **business** is affected by, whether before or after, the interruption took place and adjust the applicable of the **standard turnover, standard income, standard gross rentals** or **average weekly income** accordingly to reflect the likely **gross profits, gross income, gross rentals** or **weekly income** of the **business** during the **indemnity period**.

### Alternative trading

Any other trading that **you** carry out or which is carried out on **your** behalf, or for **your** benefit at any other premises.

### Accumulated stocks

Any run down of accumulated **stock** which is carried out to postpone any reduction or shortage of **gross profits, gross income** or **weekly income**.

### New business

The results of your **business** to the date of the **damage** as the basis to settle **your** claim if the **loss** or **damage** covered under this Policy Section occurs before the end of the first financial year of **your business**.

# Excess

**You** must pay the **excess** specified in **your policy schedule** for each claim under this Policy Section.

If **we** agree to pay a claim for **loss** of, or **damage** to, **your property** under Policy Section 1 – Property Damage, then **you** do not have to pay the **excess** specified in **your policy schedule** for this Policy Section.

# Definitions

These words have the following meanings and apply only to this Policy section. These defined terms prevail over any other meaning given to them in other parts of the **PDS** and Policy Wording. **You** should also refer to the General Definitions on pages 23 to 27.

## Annual gross rentals

Means:

(a) the **gross rentals** during the 12 months immediately before the date of the **damage**; or

(b) if the **business** has been operating for less than one year at the date of the **damage**, the proportional equivalent, for a period of 12 months, of the **gross rental** realised during the period between the commencement of the **business** and the date of the **damage**.

## Annual income

Means:

(a) the **gross income** during the 12 months immediately before the date of the **damage**; or

(b) if the **business** has been operating for less than one year at the date of the **damage**, the proportional equivalent, for a period of 12 months, of the **gross income** realised during the period between the commencement of the **business** and the date of the **damage**.

## Annual turnover

The **turnover** during the 12 months immediately before the date of the **damage.**

## Average weekly income

Means:

(a) the average **weekly income** for the 12 months before the date of **damage**; or

(b) if the **business** has been operating for less than one year at the date of the **damage**, then the average weekly **gross income** for the period it has operated for.

## Damage

Physical loss, destruction or damage occurring during the **period of insurance** caused by one or more of the insured events numbered 1 to 12 in this Policy Section.

## Expenses

Expenses are the operating costs of the **business** and include, but are not limited to, wages, rent, consumables and stock. The **business** may also incur extra costs to get back into business, such as temporary rental, relocation and subcontracting costs.

## Gross income

The money paid or payable to **you** for goods sold or services rendered, less the purchase price of **stock**.

## Gross profit

The amount by which the **turnover** plus the amount of closing stock exceeds the aggregate of the amount of opening stock and **uninsured working expenses**. For the purposes of this definition, the terms 'opening stock' and 'closing stock' have the meaning **you** usually give them in **your** books and accounts and opening stock and closing stock are to be calculated in accordance with **your** normal accounting methods, having regard to depreciation (if any).

## Gross rentals

The money paid or payable to **you** by tenants (including base rental, turnover rental and contributions to outgoings) in respect of the rental of the **premises** and for services rendered by **you** or on **your** behalf in connection with the rental.

## Indemnity period

The period beginning with the occurrence of the **damage** and ending on the earlier of the date:

(a) when the **business** is no longer affected by the **damage**;

(b) that any of the circumstances referred to in 'What we exclude" of the insuring clause occurs; or

(c) the 'Indemnity Period' specified in **your policy schedule** ends.

## Outstanding accounts receivable

The total amount owed to the **business** by customers as at the end of the month immediately prior to the date of the **damage**, adjusted for:

(a) bad debts;

(b) amounts debited (or invoiced but not yet debited) and credited (including credit notes and cash not passed through the books at the time of the **damage**) to customers' accounts in the period between the date to which the last statement relates, and the time of the **damage**; and

(c) any abnormal condition of trade which had, or could have had, a material effect on the **business**.

### Rate of gross profit

The rate of **gross profit,** expressed as a percentage, earned on the **turnover** during:

(a) the financial year immediately before the date of the **damage**; or

(b) If the **business** has been operating for less than one year at the date of the **damage**, the period between the date of commencement of the **business** and the date of the **damage**.

### Standard gross rentals

Means:

(a) the **gross rentals** during the 12 months immediately before the date of the **damage** which corresponds with the **indemnity period**; or

(b) if the **business** has been operating for less than one year at the date of **damage**, the proportional equivalent, for a period equal to the **indemnity period**, of the **gross rentals** realised during the period between the commencement of the **business** and the date of the **damage**.

### Standard income

Means:

(a) the **gross income** during the 12 months immediately before the date of the **damage** which corresponds with the **indemnity period**; or

(b) If the **business** has been operating for less than one year at the date of **damage**, the proportional equivalent, for a period of 12 months, of the **gross income** realised during the period between the commencement of the **business** and the date of the **damage**.

### Standard turnover

Means:

(a) the **turnover** during the 12 months immediately before the date of the **damage** which corresponds with the **indemnity period;** or

(b) if the **business** has been operating for less than one year at the date of **damage**, the proportional equivalent, for a period equal to the **indemnity period**, of the **turnover** realised during the period between the commencement of the **business** and the date of the **damage**.

### Turnover

The money paid or payable to **you** for goods sold and delivered, work done, or services rendered in the course of **your business** at the **premises**.

### Uninsured Working Expenses

The operating expenses of **your business** that vary in direct proportion to **turnover** / sales (for example: purchase of raw materials, postage, consumables, packaging materials, staff wages) which **you** have elected not to insure under this Policy Section. These operating expenses and a percentage (%) of them can be specified in **your policy schedule** as 'Uninsured Working Expenses' and will not be included in the 'Gross Profit' **insured amount**.

### Weekly benefit

The amount specified in **your policy schedule**.

### Weekly income

The **gross income** received by **you** for each week the **business** is in operation, during the **indemnity period**.

# Policy Section 6 – Public and Products Liability

## About this Policy Section

This Policy Section covers **your** legal liability to pay compensation for **personal injury**, **property damage**, or **advertising liability** which happens during the **period of insurance** within the **geographic limitations** and is caused by an **occurrence** in connection with the **business**.

## Your insurance under this Policy Section

### ✔ What we cover

Provided 'Public and Products Liability is specified in the **policy schedule**, **we** will cover **your** legal liability to pay compensation in respect of any claim for **personal injury**, **property damage** or **advertising liability** which:

(a) occurs during the **period of insurance**;

(b) is caused by an **occurrence** in connection with the **business** or **products**;

(c) occurs within the **geographic limitations**;

(d) is neither intended or expected by **you**; and

(e) a court or tribunal finds, or **we** accept, **you** are required to pay.

### ✘ What we exclude

This Policy Section (including the Additional Benefits unless expressly stated otherwise) does not cover **you** for any legal liability arising directly or indirectly out of or caused by, through, or in connection with, or for:

1. **Types of advertising liability**

In respect of **advertising liability:**

(a) an act, error or omission that occurs prior to the first period of insurance that this Policy Section is included in **your policy**;

(b) statements made by **you** or at **your** direction in the knowledge that such statements are false;

(c) the failure of performance of contract but this exclusion shall not apply to claims for unauthorised appropriation of advertising ideas contrary to an implied contract;

(d) any incorrect description of **products** or services;

(e) any mistake in advertised price of **products** or services;

(f) failure of **products** or services to conform with advertised performance, quality, fitness or durability;

(g) the export of **products**, or business visits by **your** directors, executives and **employees**, to the **United States** and **Canada**; or

(h) **your business'** involvement in publishing, broadcasting, telecasting, internet publishing, newspaper or magazine publishing.

2. **Pollution**

(a) the discharge, dispersal, release or escape of **pollutants** into or upon land, the atmosphere or water unless such discharge, dispersal, release or escape is sudden, identifiable, unexpected and unintended from **your** standpoint and takes place in its entirety at a specific time and place;

(b) the cost of preventing, removing, nullifying or cleaning up any contamination or pollution as a consequence of the discharge, dispersal, release or escape of any **pollutants**, unless removal, nullifying or cleaning up costs are consequent upon a sudden, identifiable, unexpected and unintended happening which takes place in its entirety at a specific time and place, or

(c) the actual, alleged or threatened discharge, dispersal, release, seepage, migration or escape of **pollutants** caused by any of **your products** that has been discarded, dumped, abandoned or thrown away by others.

## ✘ What we exclude (cont.)

3. **Asbestos**

(a) the inhalation of (including the fear of inhalation of, or exposure to) asbestos, asbestos fibres or derivatives of asbestos;

(b) **property damage**, or loss of use or diminution in value of property, arising directly or indirectly, out of or caused by, through or in connection with asbestos, asbestos fibres or derivatives of asbestos; or

(c) the cost of cleaning up, removing, treating, controlling, storing or disposing of asbestos, asbestos fibres or derivatives of asbestos or any other associated expenses.

4. **Employer's liability**

(a) **personal injury** to any of **your employees** arising out of or in the course of their employment in **your business**;

(b) **personal injury** to any person who is, pursuant to any statute relating to workers' compensation, deemed to be **your** employee or in respect of which **you** are entitled to seek indemnity under any policy of insurance required to be taken out pursuant to any statute relating to workers' compensation whether or not **you** are a party to such contract of insurance; or

(c) any liability imposed by the provisions of any workers' compensation or accident compensation statute or any industrial award or agreement or determination for injuries to workers or employees.

However, this exclusion does not apply to claims for loss of consortium by the spouse of any of **your employees** or the spouse of any person who is pursuant to any statute relating to workers' compensation deemed to be **your** employee.

5. **Vehicles**

The ownership, use, legal possession, or legal control by **you** of any **vehicle** or any attachment to such **vehicle**:

(a) which is registered;

(b) in respect of which registration or insurance is required by virtue of any legislation relating to **vehicles**; or

(c) in respect of which compulsory liability insurance or statutory indemnity is required by virtue of any legislation (whether or not insurance is in effect).

However, this exclusion will not apply to the cover provided by Additional Benefit 3 – Vehicles of this Policy Section.

6. **Aircraft and watercraft**

(a) the ownership, legal possession, legal control or use by **you** or the use on **your** behalf of:

(i) any **aircraft**; or

(ii) any **watercraft** exceeding ten (10) metres in length unless such a **watercraft** is owned and operated by others and used by **you** for **business** entertainment;

(b) the selling or manufacturing of **aircraft** or the manufacture, assembly or supply of any products that are used with **your** knowledge in **aircraft**;

(c) the leasing, hiring or chartering of **aircraft** to or from **you**;

(d) the repair, service or maintenance of **aircraft** or **aircraft** products or the installation of any products into **aircraft** unless such repair, service, maintenance or installation does not affect the flying capabilities or safety of the **aircraft** and **your policy** has been endorsed accordingly; or

(e) the repair, service or maintenance of **watercraft** exceeding ten (10) metres in length or the installation of any products into **watercraft** exceeding ten (10) metres in length unless such repair, service, maintenance or installation does not affect the navigation, propulsion or safety of such **watercraft**.

7. **Professional duty**

(a) a breach of any professional duty owed by **you** or anyone for whose breaches of such duty **you** may be legally liable;

(b) the performance of treatment to humans or **animal(s)** for beautification, cosmetic enhancement or to remedy illness, mental or physical deficiency, disease or injury;

(c) the prescribing of activities, pharmaceuticals, medical or herbal remedies to improve performance or appearance, or to alleviate pain, illness, mental or physical deficiency, disease or injury; or

(d) the dispensing of drugs, medicines, pharmaceutical supplies or artificial aids.

However, this exclusion does not apply to the rendering of or failure to render first aid.

## ✘ What we exclude (cont.)

8. **Fines, penalties and punitive damages**

Fines, penalties, liquidated damages, punitive, exemplary or aggravated damages, however imposed.

9. **Product and known defects**

(a) **damage** to **products** if that **damage** is attributable to any defect in them or their harmful nature or they are not fit for purpose; or

(b) any defect or deficiency in **products** of which **you** or **your** agents have knowledge or have reason to suspect at the time when **products** pass from **your** actual physical custody or from the actual physical custody of any person under **your** control.

10. **Product recall**

The withdrawal, recall, inspection, repair, replacement or loss of use of **products,** or of any property of which they form a part, if **products** are withdrawn from the market or from use because of any known or suspected defect or deficiency in them.

11. **Loss of use**

The loss of use of tangible property which has not been **damaged** or destroyed resulting from:

(a) delay in or lack of performance by **you** or on **your** behalf of any contract or agreement; or

(b) the failure of **products** or work performed by **you** to meet the level of performance, quality, fitness or durability expressly or impliedly warranted or represented by **you**.

However, paragraph (b) above does not apply to loss of use of other tangible property resulting from sudden and **accidental damage** to or destruction of **products** after they have been put to use by any person or organisation other than **yourself**.

12. **Defective design**

Any defective or deficient design or error in formula or in specification provided by **you** for a fee.

13. **Aircraft landing areas**

The use of any land, property or structure as an airport, **aircraft** hangar or **aircraft** landing area, where such airport, hangar or landing area:

(a) is required by law to be issued with a licence permitting regular public transport operations of **aircraft** having a maximum passenger seating capacity of more than 30; or

(b) has more than 1,000 flight movements per year.

14. **Jurisdiction limits**

(a) any action brought or instituted against **you** or any judgement obtained against **you** (whether or not such judgement is enforced by the courts of Australia or New Zealand) in any country other than Australia or New Zealand, regardless of whether **you** are represented by a branch or by an **employee** domiciled in that country or by a company, firm or individual holding **your** power of attorney.

However, this exclusion does not apply to actions and judgements arising from business visits (but not **manual labour** or supervision of **manual labour** and not in respect of **advertising liability** arising from business visits to the **United States** or **Canada**) by travelling directors or **employees** of the **named insured** normally resident in Australia or New Zealand to any country other than the **United States** or **Canada**; or

(b) any actions brought or instituted against **you** or any judgement obtained against **you** (whether or not such judgement is enforced by the courts of Australia or New Zealand) within the **United States** or **Canada**.

However, this exclusion does not apply to any recognition or enforcement action brought or instituted within Australia or New Zealand relating to a judgement obtained against **you** within the **United States** or **Canada** arising from business visits (but not **manual labour** or supervision of **manual labour** and not in respect of **advertising liability** arising from business visits to the **United States** or **Canada**) by travelling directors or **employees** of the **named insured** normally resident in Australia or New Zealand.

15. **Preventing our right of recovery**

Any amount **you** are unable to recover because of a contract or agreement that **you** have entered into which excludes or limits **your** rights to recover that amount.

## ✘ What we exclude (cont.)

16. **Contractual liability**

Any liability assumed under any contract or agreement. However, this exclusion does not apply to:

(a) liability which would have been implied or imposed by law in the absence of such contract or agreement;

(b) liability assumed under those contracts specified in the **policy schedule**;

(c) liability assumed under any written lease of, or agreement for the rental of real property, where such lease or agreement does not include an obligation by **you** to insure such property;

(d) liability assumed under a written contract with a public authority for the supply to **you** of water, gas, electricity or communication services except where such contract is a contract by which **you** agree to perform work for or on behalf of that public authority;

(e) the liability to any person engaged by **you** as an apprentice or trainee under any Motor Industry Apprenticeship or Traineeship Scheme and who is working under **your** direct control and supervision in connection with the **business**; or

(f) the cover provided by Additional Benefit 4 – Principals and Additional Benefit 5 – Interested Parties of this Policy Section.

Paragraphs (c) and (d) above do not apply to liability assumed by **you** under the relevant lease, contract or agreement to indemnify a party in respect of an act or omission for which that party is wholly responsible, unless such liability would otherwise have been implied or imposed on **you** by law.

17. **Internet and computer operations**

(a) **your internet operations**; or

(b) **property damage** to **data** and **media** arising directly or indirectly out of or caused by, through or in connection with:

  (i) the use of any computer hardware or software;

  (ii) the provision of computer or telecommunications services by **you** or on **your** behalf; or

  (iii) any **loss** or **damage** caused by any **computer virus**.

However, this exclusion does not apply to legal liability covered by this Policy Section for **personal injury** or **property damage** arising out of any material prepared by the manufacturer in respect of product use, safety instructions or warnings which is reproduced on **your** website.

18. **Libel or slander**

The publication or communication of a slanderous or defamatory statement:

(a) made prior to the commencement of the **period of insurance**;

(b) made by **you** or, at **your** direction, with the knowledge that it is false; or

(c) related to advertising, publishing, printing, broadcasting or telecasting activities conducted by **you** or on **your** behalf.

19. **Property in physical or legal control**

**Damage** to, or **loss** of:

(a) property owned, leased or rented by **you**; or

(b) property in **your** physical or legal control.

However, this exclusion will not apply to the cover provided by Additional Benefit 2 – 'Property in your physical or legal control' or paragraphs (e) to (q) of Additional Benefit 3 – Vehicles of this Policy Section.

20. **Hot work**

Flame cutting, flame heating, arc or gas welding, metal grinding or any similar operation in which welding, metal grinding or cutting equipment is used, except where such use is carried out in strict compliance with all relevant statutes and Australian Standards 1674.1 and 1674.2 (or any subsequent amendments).

## ✘ What we exclude (cont.)

21. **Underground works**

Any underground works including digging, trenching or excavation unless **you** can establish that **you** and **your employees** have strictly complied with the relevant regulations and Australian Standards in carrying out this work, including making all searches of underground services before undertaking any underground works.

22. **Weakening of support to property**

**Damage** to any land, property or building or contents of a building caused by or arising out of any:

(a) vibration of that land, property or building; or

(b) removal or weakening of support of that land, property or building.

23. **Molestation**

The molestation of, the interference with, the mental abuse or the physical abuse of any person by:

(a) **you;**

(b) any **employee**; or

(c) any person performing any voluntary work or service for **you** or on **your** behalf.

24. **Policy Section 14 – Professional Services**

Loss, damage or liability which is or would have been covered under Policy Section 14 – Professional Services had that Policy Section been included in **your policy** and specified in **your policy schedule**.

25. **Building works**

The erection, demolition of, or alteration, or addition to buildings or structures by **you,** or on **your** behalf, except where the completed value of such work does not exceed $500,000 in total.

# Extra Covers

## 1. Legal costs

### ✔ What we cover

If **we** agree to pay a claim for compensation for **your** legal liability covered under this Policy Section, **we** will pay all charges, expenses and legal costs incurred by **us** or by **you**, with **our** written consent, in the settlement or defence of the claim for compensation made against **you** covered by this Policy Section.

Any amount payable under this Extra Cover is in addition to the **limit of liability.**

## 2. Faulty workmanship

### ✔ What we cover

If **we** agree to pay a claim for compensation for **your** legal liability covered under this Policy Section, **we** will cover the cost of rectifying, performing, re-performing, completing or improving the work undertaken and the part or parts that **you** worked on, which arose out of **your** faulty or defective workmanship.

**We** will only pay for the wholesale price of parts, freight costs and net labour cost necessarily and reasonably incurred to rectify, perform, re-perform, complete or improve the faulty or defective work undertaken by **you**.

Any amount payable under this Extra Cover does not apply in addition to the **limit of liability**.

### ✘ What we exclude

**We** will not pay more than $25,000 in total for any one (1) the **period of insurance**.

# Additional Benefits

**We** will also provide the following Additional Benefits in this Policy Section subject to the General Exclusions, all the terms, conditions, exclusions and any **endorsement**. applicable to this Policy Section, unless stated otherwise. Any amounts payable under these Additional Benefits do not apply in addition to the **limit of liability** for this Policy Section, unless stated otherwise.

All **loss**, **damage** or injury that is covered by these Additional Benefits must occur during the **period of insurance**.

## 1. First aid costs

### ✔ What we cover

**We** cover expenses incurred by **you** for first aid to others at the time of an **occurrence** during the **period of insurance** which gives rise to **your** legal liability covered by this Policy Section.

## 2. Property in your physical or legal control

### ✔ What we cover

**We** will pay a claim for **your** legal liability covered by this Policy Section (as if Exclusion 20 - Property in physical or legal control does not apply to this Additional Benefit):

(a) to any customer, **principal** or person for whom **you** perform work in the course of the **business** for:

(i) the cost of replacing keys or security cards which are **damaged**, destroyed, **lost** or stolen whilst in **your** physical or legal control or that of another person or entity who undertakes or has undertaken work on **your** behalf;

(ii) the cost of replacing, recalibrating or re-keying locks, locking mechanisms or other security devices which results from the **damage**, destruction, **loss** or theft of keys or security cards whilst in **your** physical or legal control or that of another person or entity who undertakes or has undertaken work on **your** behalf; or

(iii) the loss of use of keys, security cards, locks, locking mechanism or other security devices caused by the **damage**, destruction, **loss** or theft of keys or security cards whilst in **your** physical or legal control or that of another person or entity who undertakes or has undertaken work on **your** behalf,

subject to:

- a maximum of $5,000 in respect of any one **occurrence** and in total for all claims for any one **period of insurance** unless some other sub-limit is specified in the **policy schedule** or attached by **endorsement**; and
- **you** contributing an amount of $500 as the first payment of any claim in addition to any **excess** specified elsewhere in this Policy Section or the **policy schedule**.

(b) for **property damage** to **premises** which are leased or rented by **you** for the purpose of carrying on **your business** and the liability does not arise from **your** failure to insure the **premises** as required in the lease or rental agreement;

(c) for **property damage** to or **loss** of **employees'** and **your** directors' property to the extent it is not otherwise covered under Policy Section 1 – Property Damage;

(d) for **property damage** to premises temporarily occupied by **you** for the purpose of carrying out work in connection with the **business** or **damage** to or **loss** of the contents of such **premises**; or

(e) for **property damage** to or **loss** of property not owned by **you** but in **your** physical or legal control (other than property referred to in subparagraphs (a) through to (d) of this Additional Benefit and (e) through to (g) of Additional Benefit 3 - Vehicles), subject to a maximum of $250,000 for any one **occurrence** or any other greater amount specified in **your policy schedule**.

This Additional Benefit prevails over Policy Section Exclusion 19 – 'Property in physical or legal control'.

## 3. Vehicles

### ✔ What we cover

**We** will pay a claim for **your** legal liability covered by this Policy Section (as if Exclusion 5 - Vehicles does not apply to the whole of this Additional Benefit and Exclusion 19 - Property in physical or legal control does not apply to paragraphs (e) to (g) of this Additional Benefit) for:

(a) **personal injury** arising out of an **occurrence** which is partially (to the extent of that part) or totally outside the indemnity afforded under such compulsory liability insurance or other legislation relating to **vehicles** and where the reason the **occurrence** is outside the indemnity afforded by compulsory liability insurance or statutory indemnity does not involve a breach by **you** of legislation relating to **vehicles**;

(b) **property damage** arising out of or during loading and unloading of goods to or from any **vehicle** in the course of the **business**;

(c) **property damage** caused by the operation or use of any **vehicle** which is principally designed for lifting, lowering, loading or unloading any goods and is not also a road transport **vehicle** whilst being operated or used by **you** or on **your** behalf in the course of the **business**;

(d) **property damage** caused by the use of any tool or plant forming part of, or attached to, or used in connection with any **vehicle** other than when travelling to or from any work site or transporting or carting goods;

(e) for **loss** of, or **damage**, to **vehicles** (not belonging to **you** or used by **you** or on **your** behalf) in **your** physical or legal control where such **loss** or **damage** occurs whilst any such **vehicle** is in a car park owned or operated by **you** provided that as part of **your business you** do not operate such car park for reward;

(f) **property damage** to **vehicles** not belonging to **you** or used by **you** or on **your** behalf, but in **your** physical or legal control as part of **your business**;

(g) **property damage** caused by the use of any **vehicle** not belonging to **you** but in **your** physical or legal control whilst being driven or moved as part of **your business**,

provided that in relation to paragraphs (e) to (g) above:

(i) the **damage** results from an **occurrence** taking place on **your premises** and the **vehicle** is under the control of a driver with a licence that is valid in Australia in relation to the class of **vehicle**; and

(ii) liability is subject to a maximum of $250,000 for any one **occurrence** unless some other sub-limit is specified in **your policy schedule** or attached by **endorsement**.

This Additional Benefit prevails over Policy Section Exclusion 5 – 'Vehicles' and Policy Section Exclusion 19 – 'Property in physical or legal control'.

### ✘ What we exclude

In relation to paragraphs (e) to (g) under 'What we cover' of this Additional Benefit, **we** will not be liable for the first:

(i) $1,000 when the **vehicle** is being driven by a person under 25 years of age; or

(ii) $250 when the **vehicle** is being driven by a person who has not held a driving licence in relation to the class of **vehicle** for two or more consecutive years.

These **excesses** are cumulative to the extent that one or more of the above circumstances apply and they are also in addition to the amount of any other applicable **excess** specified in this Policy Section or in **your policy schedule**.

## 4. Principals

### ✔ What we cover

Subject to the same terms and conditions which apply to you, **we** will extend the cover for legal liability provided by this Policy Section to a **principal** of **yours**.

This Additional Benefit will only apply:

(a) to legal liability for **personal injury** or **property damage** incurred by the **principal** which arises directly from **your** negligence in the performance of the contract between **you** and the **principal**;

(b) to the extent the cover under this Additional Benefit is required by the contract between **you** and the **principal**; and

(c) where a claim made by **you** in relation to the **occurrence** which gives rise to the **principal's** legal liability would not be excluded or otherwise outside the cover provided by this Policy Section.

The **principal** does not need to be noted on the **policy schedule** for this Additional Benefit to apply.

### ✘ What we exclude

This Additional benefit will not extend to any legal liability incurred by a **principal** which:

(a) arises out of or in connection with the **principal's** own negligence, acts, errors or omissions;

(b) arises independently of **your** performance of the contract between **you** and the **principal**; or

(c) arises from an **occurrence** in respect of which **you** or the **principal** are entitled to be indemnified pursuant to an insurance policy which provides workers compensation insurance or any other insurance policy or scheme which provides cover against liability for injuries to workers or employees.

## 5. Interested parties

### ✔ What we cover

Subject to the same terms and conditions which apply to **you**, **we** will extend the cover for legal liability provided by this Policy Section to an **interested party**.

This Additional Benefit will only apply:

(a) to legal liability for **personal injury** or **property damage** incurred by the **interested party** that arises directly from **your** negligence in the carrying out of work or services in connection with **your business** as part of an undertaking or contract entered into between **you** and the **interested party**;

(b) to the extent the cover under this Additional Benefit is required by the contract or agreement between **you** and the **interested party**; and

(c) where a claim made by **you** in relation to the **occurrence** which gives rise to the **interested party's** legal liability would not be excluded or otherwise outside the cover provided by this Policy Section.

### ✘ What we exclude

This Additional Benefit will not extend to any legal liability incurred by an **interested party** which:

(a) arises out of or in connection with the **interested party's** own negligence, acts, errors or omissions;

(b) arises independently of **your** performance of any contract or agreement between **you** and the **interested party**; or

(c) arises from an **occurrence** in respect of which **you** or the **interested party** are entitled to be indemnified pursuant to an insurance policy which provides workers compensation insurance or any other insurance policy or scheme which provides cover against liability for injuries to workers or employees.

This Additional Benefit will not extend to an **interested party** that is also a **principal**.

## 6. Non-manual work worldwide cover

### ✔ What we cover

**We** will pay a claim for compensation in respect of which **your** legal liability covered by this Policy Section arises from non-manual work carried out by **you** anywhere in the world provided that at the time of the work being carried out, the person carrying out that work is normally a resident in Australia or New Zealand.

### 7. Representation costs

**✔ What we cover**

**We** cover the costs of representing **you** at an inquest or in any court of summary jurisdiction relating to an **occurrence** during the **period of insurance** which may give rise to any legal liability covered under this Policy Section, if **you** have notified **us** in advance and **we** have given **our** written consent prior to **you** incurring these costs.

# Policy Section Conditions

These conditions apply to the entire Policy Section.

### 1. Joint insureds

Where **you** are comprised of more than one party, **we** will deal with any claim as though a separate policy had been issued to each one of those parties, provided that nothing in this clause shall operate to require **us** to pay more than the **limit of liability** specified in **your policy schedule**.

**We** agree to waive all rights of subrogation or action which **we** may have against any such entity in relation to matters covered by this Policy Section.

### 2. Reasonable care

**You** must:

(a) exercise reasonable care to avoid and minimise **personal injury** or **property damage**, which includes taking reasonable measures to maintain all **premises**, fittings and plant in sound condition; and

(b) at **your** own expense take reasonable action to trace, recall or modify any, or all, of **products** containing any defect or problem of which **you** have knowledge, or reason to suspect. This includes any compulsory recall or ban imposed by a government or statutory agency.

### 3. Inspection of property

**We** will be permitted to, but not obliged to, inspect the operations or **property insured** of **your business** at any time. **Our** inspection, or lack of inspection, does not constitute a recognition, admission or waiver of rights by **us** that any **property insured** or operation of **your business** is safe.

# What we pay

### Public liability

**We** will pay up to the 'Public and Products Liability' **limit of liability** specified in **your policy schedule** for all amounts which **you** become legally liable to pay for compensation covered by this Policy Section resulting from an occurrence.

### Products liability

**We** will pay up to the 'Public and Products Liability' **limit of liability** specified in **your policy schedule** in total for all **occurrences** that give rise to **your** legal liability to pay compensation covered by this Policy Section and that happen during the **period of insurance** in connection with **products**.

### Legal costs

Unless stated otherwise, Extra Cover - Legal Costs is in addition to the **limit of liability**. Subject to the terms and conditions of Policy Section Exclusion 14 - Jurisdiction Limits paragraph (b) of this Policy Section, for any claim arising from a recognition or enforcement action brought or instituted within Australia or New Zealand relating to a judgement obtained against **you** within the **United States** or **Canada** arising from business visits (but not **manual labour** or supervision of **manual labour** and not in respect of **advertising liability** arising from business visits to the **United States** or **Canada**) by travelling directors or employees of the **named insured** normally resident in Australia or New Zealand, the **limit of liability** is inclusive of the Extra Cover - Legal Costs and Additional Benefits.

### Application of limit of liability to claims that exceed the limit

If **we** pay the **limit of liability** in respect of any claim or series of claims **we** will not be obliged to defend any legal action against **you**. **We** will have no further liability under this Policy Section with respect to the claim or series of claims (including legal costs) except for Additional Benefits incurred by **you** with **our** permission prior to the date of payment.

If a payment exceeding the **limit of liability** has to be made to dispose of a claim, or legal action against **you**, **our** liability to pay any Additional Benefits will be limited to that percentage of those Additional Benefits as the amount paid to dispose of the claim or legal action bears to the **limit of liability**.

# Excess

The **excesses** that are specified in **your policy schedule** apply. Other **excesses** set out in this Policy Section or any **endorsement** may also apply.

# Definitions

These words have the following meanings and only apply to this Policy Section. These defined terms prevail over any other meaning given to them in other parts of the **PDS** and Policy Wording. **You** should also refer to the General Definitions on pages 23 to 27.

## Advertising liability

Means:

(a) any infringement of copyright or passing off of title or slogan; or

(b) unfair competition, piracy, or idea misappropriation contrary to an implied contract; or

(c) invasion of privacy committed or alleged to have been committed during the **period of insurance** in any advertisement, publicity article, broadcast or telecast and caused by or arising out of **your** advertising activities.

## Geographic limitations

Means:

(a) anywhere in Australia or New Zealand; and

(b) elsewhere in the world but only in respect of:

(i) business visits by directors and **employees** of the **named insured** who normally reside in Australia or New Zealand, other than directors or **employees** who are engaged in or supervising **manual labour** during such visits and not in respect of **advertising liability** arising from business visits to the **United States** or **Canada**; or

(ii) **products** exported from Australia or New Zealand, other than **products** exported to the **United States** or **Canada**.

## Interested party

Any person, company or legal entity specified in the **policy schedule** as the interested party.

## Internet operations

Means:

(a) use of electronic mail systems by **you** or **your employees**, including part-time and temporary staff, and others within **your business** or others communicating with **your business** by electronic mail;

(b) access through **your** network to the world wide web or a public internet site by **you** or **your employees**, including part-time and temporary staff, and others within **your business**;

(c) access to **your** intranet (internal company information and computing resources) which is made available through the world wide web for **your** customers or others outside **your business**; and

(d) the operation and maintenance of **your** website.

## Named insured

The person, company or legal entity specified as the **insured** in **your policy schedule**.

## Occurrence

An **event** neither expected nor intended from **your** standpoint including continuous or repeated exposure to substantially the same general conditions. A series of occurrences arising from one original cause will be deemed to be one occurrence.

## Personal injury

Means:

(a) bodily injury, death, sickness, disease, disability, shock, fright, mental anguish, mental injury or loss of consortium;

(b) false arrest, false imprisonment, wrongful eviction, wrongful detention or malicious prosecution;

(c) libel, slander, defamation of character or invasion of right of privacy; or

(d) assault and battery not committed by **you** or at **your** direction unless committed for the purpose of preventing or eliminating danger to persons or property.

### Principal

A party who **you** have entered into a written contract with in connection with **your business** where **you** agree to perform work, provide **your** services or supply **products** to the party and the contract requires **you** to obtain insurance for legal liabilities incurred by that party which arise from **your** performance of the contract.

### Product or products

Anything (including any component, packaging or container of or for such thing) after it has ceased to be in **your** possession or control which has been manufactured, grown, extracted, produced, processed, assembled, constructed, erected, installed, repaired, serviced, treated, sold, supplied, resupplied or distributed by **you** in the course of **your business**. It includes anything (including any component, packaging or container of or for such thing) which by operation of law of Australia **you** are deemed to have manufactured.

### Property damage

Means:

(a) physical damage to or destruction of tangible property (which includes **loss** of property) including the loss of use of the property damaged or destroyed; or

(b) loss of use of tangible property which has not been physically damaged or destroyed provided such loss of use is caused by physical damage to or loss or destruction of other tangible property.

### Vehicle

Any type of machine on wheels or on self-laid tracks made or intended to be propelled by other than manual power and any trailer made or intended to be drawn by any such machine while attached to it.

### You, your, yours, yourself

The term '**you**' means:

(a) the **named insured;**

(b) **your** personal representatives in the event of **your** death;

(c) all subsidiary companies (now or hereafter constituted) of the **named insured** which are incorporated within Australia or New Zealand and which carry on **your business**;

(d) any director, executive office, employee, partner or shareholder of the **named insured** or the companies as designated in paragraph (c) above but only whilst acting within the scope of their duties in such capacity;

(e) voluntary workers but only whilst acting within the scope of their duties in such capacity;

(f) any employee, work experience personnel, office bearer or member of social, sports, fire fighting or welfare organisations, canteen and first aid facilities formed with the consent of the **named insured**, the companies as designated in paragraph (c) or the persons designated in paragraph (d); and

(g) where the **named insured** is a club or association, any member of such club or association, but only whilst engaged as a member in activities organised by the club or association.

# Policy Section 7 – Management Liability

This Policy Section covers the management liability of **you**, **your directors**, **officers** and **employees**. The cover in this Policy Section (apart from Optional Insurance 1 – Employee Dishonesty) is issued on a claims made and notified basis, which is discussed on page 7.

**You** can also choose to purchase Optional Cover 1 – Employee Dishonesty which will cover **you** for theft of **your covered property** or **money** by any of **your employees** which occurs during the **period of insurance**.

**You** can claim for **loss** as described under "What we cover" if:

- "Management Liability" is specified in **your policy schedule**;
- the **claim** was first made against **you** and notified to **us** during the **period of insurance** (or **discovery period**, if applicable);
- the **loss** is not excluded by any of the exclusions under "What we exclude"; and
- the **loss** is not excluded by any of the General Exclusions listed on pages 21 to 22.

## Your insurance under this Policy Section

### ✔ What we cover

**We** will cover **you** for **loss** above the **excess** resulting from **claims** first made against **you** and notified to **us** during the **period of insurance** (or **discovery period**, if applicable).

### ✘ What we exclude

This Policy Section does not cover:

**Exclusion 1 – Bodily injury and property damage**

**Loss** resulting from **claims**:

(a) for bodily injury, any form of psychiatric, psychological or mental injury, illness, disease or death of any person; or

(b) for **damage** to or destruction of any tangible property including any resulting consequent loss of use.

This exclusion will not apply to any actual or alleged psychiatric, psychological or mental injury alleged in any **claim** by any **insured person** resulting from any **employment wrongful act**.

**Exclusion 2 – Dishonest or criminal intent or improper conduct**

**Loss** resulting from **claims** against **you** arising directly or indirectly from or in respect of:

(a) any **wrongful act** committed by **you** with wilful, reckless, dishonest, fraudulent, malicious or criminal intent;

(b) an **insured person** or **trustee** improperly using their position to gain an advantage for themselves or someone else or to cause a detriment to the **company** or the **superannuation fund**; or

(c) an **insured person** or **trustee** improperly using information obtained as a result of their position to gain an advantage for themselves or someone else or to cause a detriment to the **company** or the **superannuation fund**,

in each case only if established by formal written admission by **you** or final decision of a court or tribunal.

For the purpose of this exclusion, the fact that one of **you** has committed or is alleged to have committed the conduct described in subparagraphs (a), (b) or (c) above will not be imputed to any other of **you**.

This exclusion does not apply to Optional Insurance 1 – Employee Dishonesty of this Policy Section.

**Exclusion 3 – Known claims and circumstances**

**Loss** resulting from **claims** arising directly or indirectly from or in respect of any fact, **event**, circumstance or **wrongful act**:

(a) known to **you** at the inception of this **policy** and which a reasonable person in the circumstances might reasonably expect to give rise to a **claim**;

(b) which has been or should reasonably have been the subject of any written notice given under any insurance policy of which this **policy** is a direct or indirect renewal or replacement; or

(c) alleged in, discovered in, relating to, or underlying any **claim** made against **you** prior to the commencement of the **period of insurance**.

**Exclusion 4 – Certain company losses**

**Loss,** other than **defence costs**, resulting from any **claim** brought by or on behalf of the **company** except for any **claim**:

(a) brought as a statutory derivative action, but not voluntarily solicited or assisted by the **company**;

## ✘ What we exclude (cont.)

(b) by or at the direction of any liquidator, administrator, or receiver or equivalent in any jurisdiction; or

(c) by the **company** pursuant to section 50 of the Australian Securities and Investments Commission Act 2001.

This exclusion does not apply to Optional Insurance 1 – Employee Dishonesty of this Policy Section.

### Exclusion 5 – Contractual liability

**Loss** resulting from **claims** against the **company** arising directly or indirectly from or in respect of any actual or alleged breach of contract, except that this exclusion will not apply in respect of a **claim** for an **employment wrongful act**.

### Exclusion 6 – Pollution

**Loss** resulting from **claims** arising directly or indirectly from or in respect of **pollution**.

### Exclusion 7 – Intellectual property rights

**Loss** resulting from **claims** against the **company** arising directly or indirectly from or in respect of any alleged or actual breach of any other party's intellectual property rights, or infringement or violation of any trade secret.

### Exclusion 8 – Restrictive trade practices

**Loss** resulting from **claims** against the **company** arising directly or indirectly from or in respect of any alleged or actual restrictive trade practices including, but not limited to, Part IV of the Competition and Consumer Act 2010 (Cth) or similar legislation in other jurisdictions, or tortious interference with any other party's business or contractual relationships.

### Exclusion 9 – Professional services

**Loss** resulting from **claims** arising directly or indirectly from or in respect of:

(a) any breach of duty in respect of any professional services or professional advice by **you**; or

(b) any breach of any contract for the provision of professional services or professional advice by **you**,

except that this exclusion will not apply in respect of any actual or alleged professional services or professional advice which is provided by an **insured person** when acting solely in their capacity as an **insured person**, or in circumstances where such professional services or professional advice is provided to **you** and not to third parties in the course of the **company's business**.

### Exclusion 10 – Public capital raisings

**Loss** resulting from **claims** arising directly or indirectly from or in respect of any public offer for the raising of capital by debt or equity, including but not limited to any prospectus.

### Exclusion 11 – Jurisdiction limits

(a) any action brought or instituted against **you** or any judgement obtained against **you** (whether or not such judgment is enforced by the courts of Australia or New Zealand) in any country other than Australia or New Zealand, regardless of whether **you** are represented by a branch or by an **employee** domiciled in that country or by a company, firm or individual holding **your** power of attorney.

However, this exclusion does not apply to actions and judgements arising from business visits (but not **manual labour** or supervision of **manual labour**) by travelling **directors** or **employees** of the **company** normally resident in Australia or New Zealand, to any country other than the **United States** or **Canada**; or

(b) any actions brought or instituted against **you** or any judgement obtained against **you** (whether or not such judgment is enforced by the courts of Australia or New Zealand) within the **United States** or **Canada**.

However, this exclusion does not apply to any recognition or enforcement action brought or instituted within Australia or New Zealand relating to a judgement obtained against **you** within the **United States** or **Canada** arising from business visits (but not **manual labour** or supervision of **manual labour**) by travelling **directors** or **employees** of the **company** normally resident in Australia or New Zealand.

### Exclusion 12 - Retroactive date

**Loss** resulting from any **wrongful act** occurring or committed prior to the **retroactive date**.

### Exclusion 13 - Subrogation waiver

Any liability incurred solely by reason of **you** entering into a deed or agreement excluding, limiting or delaying the legal rights of recovery against another.

### Exclusion 14 - Occupational health and safety law

**Loss** resulting from **claims** arising directly or indirectly from or in respect of any breach of occupational or work health and safety law.

### Exclusion 15 – Subsidiaries

Any **wrongful act** committed or alleged to have been committed by a **subsidiary** prior to its acquisition or creation by **you**.

# Additional Benefits

**We** will also provide the following Additional Benefits in this Policy Section subject to the General Exclusions, and all the terms, conditions, exclusions and any **endorsement** applicable to this Policy Section, unless stated otherwise.

Any amounts payable under these Additional Benefits do not apply in addition to the 'Management Liability' **insured amount** specified in **your policy schedule** for this Policy Section.

## 1. Advancement of defence costs and representation expenses

### ✔ What we cover

**We** will advance **defence costs** and **representation expenses** covered under this Policy Section including under Additional Benefit 5 – Occupational Health and Safety Expenses and Additional Benefit 6 – Pollution Expenses of this Policy Section.

However, if and to the extent that **you** are not entitled to cover for **loss** under the terms of this Policy Section, then **we** will cease to advance **defence costs** and **representation expenses** and any amounts previously advanced shall be repaid to **us** by **you** within thirty (30) days following a request by **us** for such repayment.

If a **claim** alleges a **wrongful act** or illegal or improper conduct as described in Exclusion 2 – Dishonest or Criminal Intent or Improper Conduct, then **we** will advance **defence costs** and **representation expenses** in respect of such **claim** provided that if it is found by way of an admission by **you**, judgement or adjudication that **you** did commit such **wrongful act** or engage in such illegal or improper conduct, then any amounts previously advanced shall be repaid to **us** within thirty (30) days following the request for repayment.

## 2. Continuity

### ✔ What we cover

In the absence of fraudulent non-disclosure or fraudulent misrepresentation, where a **claim** that would otherwise be covered by this Policy Section is excluded by Exclusion 3 – Known Claims and Circumstances, then cover is provided under this Policy Section, provided that:

(a) **you** were insured against the **wrongful act** by **us** at the time when **you** first became aware of such fact, **event**, circumstance or **wrongful act** and have since been insured continuously by **us,** under an insurance policy of which this Policy Section is a replacement; and

(b) no related **claim** has been made against **you** prior to the **period of insurance**.

The cover provided under this Additional Benefit will be in accordance with this Policy Section, except that:

(i) if the excess applicable to the insurance policy in force at the time when **you** first became aware of such fact, **event**, circumstance or **wrongful act** is higher than the **excess** specified in **your policy schedule**, then that higher amount will be deemed to be the **excess** specified in **your policy schedule** in respect of such **claim**; and

(ii) if the **insured amount** applicable to the insurance policy in force at the time when **you** became aware of such fact, **event**, circumstance or **wrongful act** is lower than the **insured amount** specified in **your policy schedule**, then that lower amount will be deemed to be the **insured amount** in respect of such **claim**.

## 3. Acquisition or creation of new subsidiaries

### ✔ What we cover

If, during the **period of insurance**, the **policyholder** acquires or creates a new **subsidiary** that has total assets (by reference to the new **subsidiary's** most recent financial statements as at the time of acquisition or creation) that are no greater than the total assets of the **policyholder** (by reference to the **policyholder's** most recent financial statements as at the time of acquisition or creation), then the definition of **company** will be extended to include the new **subsidiary** with effect from the date of acquisition or creation of such **subsidiary** by the **policyholder**.

### ✘ What we exclude

The definition of **company** does not include any new **subsidiary** acquired or created by the **policyholder** that:

(a) has any of its securities listed on any exchange in the **United States**; or

(b) is domiciled or incorporated in the **United States**.

## 4. Outside directorships

### ✔ What we cover

This Policy Section is extended to include as an **insured person** a person who, at the written request of the **company** was prior to, during or after the **period of insurance**, a **director** or **officer** of, or occupies a position of equivalent status in, any **non-profit outside entity** or **outside entity**.

Any cover provided under this Additional Benefit will be specifically in excess of:

(a) any indemnity; or

(b) any insurance contract specified by endorsement,

available from or through the **non-profit outside entity** or **outside entity**.

## 5. Occupational health and safety expenses

### ✔ What we cover

Subject to the provisions of Additional Benefit 1 – Advancement of Defence Costs and Representation Expenses and notwithstanding Exclusion 1 – Bodily Injury and Property Damage, Exclusion 14 – Occupational Health and Safety Law and General Exclusion 4 – Non Compliance, **we** will:

(a) pay on behalf of **you**:

(i) **defence costs** incurred in defending **claims** (other than a civil claim for compensation or damages) first made against **you** and notified to **us** during the **period of insurance**, based upon occupational or work health and safety law which results from a **wrongful act**;

(ii) **representation expenses**, where the subject matter of the **official investigation**, examination, inquiry or other proceedings is occupational or work health and safety law; and

(b) cover **you** for fines or penalties to the extent permitted by law imposed upon **you** resulting from **claims** first made against **you** and notified to **us** during the **period of insurance** based upon occupational or work health and safety law.

For the purposes of this Additional Benefit, **representation expenses** also includes necessary and reasonable costs, charges and expenses (other than regular or overtime wages, salaries, fees or **benefits** of an **insured person**) incurred with **our** prior consent, in representing and assisting **you** at a visit from an inspector of a workplace health and safety authority in connection with and following a workplace safety incident, provided that notice of the visit is given to **you** and is notified to **us** during the **period of insurance.**

The cover provided under this Additional Benefit will only apply to **claims** made in jurisdictions within Australia and New Zealand and pursuant to the relevant laws of Australia or New Zealand.

If there is an entitlement to payment under Additional Benefit 6 – Pollution Expenses of this Policy Section, then there is no entitlement to payment under this Additional Benefit.

## 6. Pollution expenses

### ✔ What we cover

Subject to the provisions of Additional Benefit 1 – Advancement of Defence Costs and Representation Expenses and notwithstanding Exclusion 1 – Bodily Injury and Property Damage, Exclusion 6 – Pollution and General Exclusion 4 – Non Compliance, **we** will pay on behalf of **you**:

(a) **defence costs** incurred in defending **claims** (other than a civil claim for compensation or damages) first made against **you** and notified to **us** during the **period of insurance**, based on **pollution** which results from a **wrongful act**; and

(b) **representation expenses**, where the subject matter of the **official investigation** is **pollution**.

The cover provided under this Additional Benefit will only apply to **claims** made within the jurisdiction of Australia and New Zealand and pursuant to the relevant laws of Australia or New Zealand.

## 7. Emergency costs

### ✔ What we cover

If, due to an emergency, **you** are unable to request **our** prior written consent to the incurring of **defence costs** or **representation expenses** in respect of **claims** covered under the terms of this Policy Section, then **you** may incur reasonable **defence costs** and **representation expenses** without **our** prior written consent until such time as **you** contact or reasonably could have contacted **us**.

## 8. Personal tax liability

### ✔ What we cover

The definition of **loss** is extended to include any personal liability an **insured person** incurs with respect to unpaid taxes of an insolvent company.

**Our** liability under this Additional Benefit will not exceed $25,000 per **period of insurance**.

## 9. Public relations expenses

### ✔ What we cover

The definition of **loss** is extended to include the reasonable costs, charges, fees and expenses of a public relations firm or consultant incurred with **our** prior consent which **you** engage to prevent or limit the adverse effects or negative publicity which results from or is anticipated to result from a **claim**.

**Our** liability under this Additional Benefit will not exceed $25,000 per **period of insurance**.

## 10. Business crisis consultant fees

### ✔ What we cover

**We** will pay on behalf of the **company, business crisis consultant fees** incurred by the **company** in responding to a **business crisis event** that first occurs during the **period of insurance**.

### ✘ What we exclude

**We** will not pay more than $25,000 per **business crisis event**.

## 11. Spouses and legal representatives

### ✔ What we cover

If an **insured person** dies or becomes legally incapable, insolvent or bankrupt, then this Policy Section will cover **loss** resulting from **claims** first made against the **insured person's** estate, heirs, executors or other legal representatives during the **period of insurance**, provided that the estate, heirs, executors or other legal representatives must comply with the terms of this Policy Section.

If a **claim** against an **insured person** includes a claim against that **insured person's spouse** solely by reason of:

(a) the **spouse's** legal status as a **spouse** of the **insured person**, or

(b) the **spouse's** ownership interest in property which the claimant seeks as recovery for **claims** made against the **insured person**,

then all **loss** for which the **spouse** becomes legally liable that would otherwise be covered by this Policy Section will be treated for the purposes of this Policy Section as **loss**, except to the extent the **claim** alleges any act, error or omission by the **insured person's spouse**.

## 12. Retired directors and officers

### ✔ What we cover

In the event that this Policy Section is neither renewed or replaced for any reason, other than for non-payment of premium, then any **director** or **officer** who retires from all paid employment and office with a **company** during the **period of insurance**, but prior to any **merger or acquisition**, shall be entitled to an automatic **discovery period** of 84 months following expiry of the **period of insurance**.

## 13. Automatic discovery period

### ✔ What we cover

In the event that this Policy Section is neither renewed or replaced for any reason other than for non-payment of premium, and provided that no **merger or acquisition** has occurred, the **policyholder** will be entitled to a **discovery period** of 90 days at no additional premium.

**Discovery periods** are non-cancellable, and any **claim** made during a **discovery period** will be deemed to have been first made during the immediately preceding period of insurance.

The entitlement to a **discovery period** will not increase or reinstate the **insured amount** specified in **your policy schedule**.

# Optional Insurance

**We** will provide the following Optional Insurance when requested by **you**, when **you** pay any additional premium required and when specified in **your policy schedule**. The amounts payable under this Optional Insurance are in addition to the 'Management Liability' **insured amount**.

## 1. Employee dishonesty

### ✔ What we cover

Provided 'Employee Dishonesty' is specified in **your policy schedule**, **we** will cover **you** for **fidelity loss** that occurs during the **period of insurance**.

A series of related, continuous or repeated acts of fraud or dishonesty (whether by any one **employee** or any number of **employees** in collusion) will be treated as a single act of fraud or dishonesty even if committed during more than one (1) period of insurance.

However, if the act of fraud or dishonesty is committed during more than one (1) period of Insurance, **you** shall be entitled to elect the period of insurance in which the act of fraud or dishonesty will be deemed to have occurred. The maximum amount **we** will pay will be determined by the **insured amount** that applied in the elected period of insurance.

### ✘ What we exclude

**We** will not cover **you** for any **fidelity loss** arising from any act of dishonesty committed more than 12 months before the inception of this Policy Section.

**We** will not cover **you** for more than the lesser of the:

(a) **insured amount** specified in **your policy schedule**; or

(b) the amount that would have been recoverable under the previous insurance policy had it continued in force until the **discovery** of the **loss**.

This Optional Insurance does not cover **you** for:

(a) any **fidelity loss** arising from the conduct of an **employee**, discovered later than:

(i) 12 months after the expiry of the **period of insurance**; or

(ii) 12 months after the termination of employment of the relevant **employee(s)**,

whichever occurs first;

(b) any **fidelity loss** arising from the conduct of an **employee** after **you** have knowledge of or information about any prior act of fraud or dishonesty by the **employee**;

(c) **fidelity loss** arising from the conduct of an **employee** outside of Australia or New Zealand;

(d) **fidelity loss** or part of a **fidelity loss** where the proof of the **fidelity loss** is solely dependent upon an inventory stocktake or a profit and loss calculation;

(e) fraud or dishonesty by any of **your employees** committed with **your** connivance;

(f) indirect or consequential loss of any kind, including but not limited to loss of use or loss of earning capacity; or

(g) **fidelity loss** arising directly or indirectly from or in respect of the actual or alleged theft of confidential information or intellectual property.

# Optional Insurance Extra covers

If **we** agree to pay a claim under Optional Insurance 1 – Employee Dishonesty, **we** will also pay or provide the Extra Covers set out below.

## 1. Claims preparation costs

### ✔ What we cover

**We** will pay for the reasonable cost of auditors' fees and other reasonable expenses incurred by **you** with **our** consent, for the preparation of claims under this Optional Insurance.

### ✘ What we exclude

**We** will not pay more than $25,000 for claims preparation costs for any one (1) **period of insurance**.

Any amounts payable for claims preparation costs do not apply in addition to the **insured amount** applicable to this Optional Insurance.

## 2. Retroactive cover

### ✔ What we cover

If Optional Insurance 1 – Employee Dishonesty replaces any previous fraud and dishonesty insurance policy held by **you** that is terminated, cancelled or allowed to expire at the time of the replacement, **we** will cover any **fidelity loss** that is within the period of insurance of the consecutive previous insurance policy provided that:

(a) the **fidelity loss** would have been recoverable by **you** under the consecutive previous insurance policy except for the fact that the time within which to discover any **fidelity loss** had expired; and

(b) the **fidelity loss** would have been covered under this Policy Section if it had been in force when the acts or defaults causing the **fidelity loss** were committed.

## 3. Welfare, social or sporting club cover

### ✔ What we cover

The definition of **you** is extended to include any welfare, social or sporting club formed with **your** knowledge and consent which is exclusively for the benefit of **employees** and their families.

Unless stated otherwise, any amounts payable in respect of this extension of the definition of **you** does not apply in addition to the 'Employee Dishonesty' **insured amount** applicable to this Optional Insurance.

# Policy Section Conditions

These conditions apply to the entire Policy Section.

## 1. Acquisition, merger or winding up of policyholder

If, during the **period of insurance**, any of the following events occur:

(a) a **merger or acquisition** of the **policyholder**; or

(b) the appointment of a receiver, controller, administrator or liquidator to the **policyholder,** or the commencement of a scheme of arrangement or compromise or a winding up process in respect of the **policyholder**,

then this Policy Section will remain in force until the expiry of the **period of insurance,** but only in respect of **loss** resulting from **claims** based on **wrongful acts** committed or alleged to have been committed prior to the events described in (a) or (b) above.

## 2. Severability and imputation

For the purposes of this Policy Section, any knowledge or information possessed by any past, present or future chief executive officer, chief operating officer, chief financial officer, chief legal officer (or similar positions) or chairman of the board of **directors** shall be imputed to the **company**.

The **proposal** made to **us** prior to entering into this **policy** shall be construed as separate applications for cover by each of **you** and, except as provided for above, no information provided by or representation made by one, will be imputed to another.

A breach of this Policy Section or knowledge or information possessed by one of **you** will not be imputed to another except as provided for above.

## 3. Related claims

For the purpose of the calculation of the **insured amount**, any sub-limit or **excess**, all **related claims** will be deemed to be one **claim** and cover for all **related claims** will be provided as follows:

(a) if the first **related claim** is first made during the **period of insurance** and notified to **us** during the **period of insurance** or any applicable **discovery period**, then cover for all subsequent **related claims** will only be provided under this **policy**; and

(b) if the first **related claim** was first made and notified to **us** during a period prior to the current **period of insurance**, during which **you** had cover with **us**, then cover for all **related claims** will only be provided under that earlier policy with **us,** subject to the terms, conditions, exclusions, excess and insured amount of that earlier policy; and

(c) if the first **related claim** was first made during a period prior to the **period of insurance**, during which **you** did not have cover with **us**, then no cover for any **related claim** will be provided under this **policy**.

## 4. Notification

The **policyholder** must give **us** notification of any **claim** made against **you**, or any **loss**, as soon as reasonably practicable within the **period of insurance.**

Each notification of a **claim** must include so far as practicable:

(a) the identity of the claimant or potential claimant;

(b) the nature of the **claim**; and

(c) the likely quantum of the **claim**.

The **policyholder** must provide **us** notification of any **business crisis event** as soon as reasonably practicable and during the **period of insurance**. Each notification of a **business crisis event** must include a full description of the event.

The **policyholder** must provide **us** with such further information and documentation as **we** may reasonably require.

## 5. Claims conduct

**We** are entitled to take over and conduct in **your** name the defence or settlement of any **claim** and will have full discretion in the conduct of any proceedings and in the settlement of any **claim**.

**We** reserve entirely **our** rights under this **policy**, including **our** right to agree or deny cover while **we** assess a **claim** or conduct a defence. **Our** rights under this Policy Section are not affected if **we** do not conduct the defence.

Neither **you** nor **we** will be required to contest or litigate any **claim** if, in the opinion, of Senior Counsel (or equivalent), reasonable attempts should be made to settle the **claim.** The Senior Counsel (or equivalent) shall be mutually agreed upon or, in the absence of such agreement, as nominated by the President of the Bar Association of the relevant State or Territory jurisdiction. The cost to obtain the opinion will be advanced by **us** and treated as **defence costs**.

Senior Counsel (or equivalent) shall provide the opinion in writing. In formulating the opinion Senior Counsel (or equivalent) shall consider commercial matters including the amount of the **claim**, the actual and potential **loss** (including **defence costs**) that may reasonably be incurred in contesting the **claim**, the liability prospects and the prospect of recovering costs against the claimant in the event that the defence is successful. Senior Counsel (or equivalent) will also provide a settlement range within which reasonable attempts should be made to settle the **claim**.

If it is the opinion of Senior Counsel (or equivalent) that reasonable attempts should be made to settle the **claim**, **you** will not object to **our** attempt to do so.

## 6. Settlement

**You** must not settle or offer to settle any **claim**, incur any **defence costs**, or **representation expenses** or otherwise assume any contractual obligation or admit any liability in respect of any **claim** without **our** prior written consent.

If **you** object to a proposal by **us** to settle or compromise any **claim** payable under this Policy Section and wish to contest or litigate the matter, then **you** may so elect, but **our** liability in respect of any such **claim** so contested or litigated will not exceed the amount for which, but for such election, it could have been settled or compromised by **us**, together with **defence costs** payable in accordance with the terms of this Policy Section and incurred up to the time of such election.

## 7. Allocation of loss

This condition applies to any part of any **loss** resulting from a **claim** which is in respect of:

(a) one of **you** only; or

(b) more than one of **you**, whether jointly or severally; or

(c) one or more of **you** and one or more persons or entities who is, or are, not covered under this Policy Section, whether jointly or severally,

and which is partly covered and partly not covered under this Policy Section (together 'Loss to be Allocated').

**We** must determine a fair and reasonable allocation of the covered part of the Loss to be Allocated among the relevant insureds and **us** having regard to the extent of each insured's comparative responsibility for the Loss to be Allocated.

**Our** consideration of what is fair and reasonable will include without limitation, the following factors:

(a) the nature of the **claim** against each **insured person**;

(b) the issues of fact and law in relation to each **insured person**;

(c) the content and the manner of the conduct of any defence of the **claim**;

(d) the relative degree of personal responsibility for the **loss**;

(e) the extent to which the **insured person's** responsibility for the **loss** is joint, several or shared;

(f) the extent to which any person or entity, other than that **insured person**, would obtain a benefit from the payment by **us**;

(g) the extent to which the **loss** is solely of that **insured person**;

(h) the extent to which the issues in the **claim** against that **insured person** are in common with the issues in the claim against any other person or entity;

(i) the extent to which the **loss** is partly covered and partly not covered under this Policy Section;

(j) in the event of a settlement, the likely comparative responsibility had the settlement not occurred.

If **you** wish to dispute **our** determination of the allocation, each party agrees that the dispute must be referred for expert determination in accordance with the Australian Commercial Disputes Centre ("ACDC") Mediation Guidelines, to an expert agreed by the parties or, if the parties do not agree on an expert, an expert nominated by the then current CEO of ACDC or the CEO's nominee.

Each party agrees to sign an agreement with the expert that confirms the following:

(a) each party will pay an equal share of the fees for the appointed expert (to be charged at the expert's usual rate); and

(b) the expert may:

  (i) consider relevant industry practice;

  (ii) consider all information presented to the expert by either party;

  (iii) request more information from either party;

  (iv) request a meeting with the parties (to which they may bring their lawyers); and

(c) the expert must provide their decision within thirty (30) days after the agreement is signed, however, reasons need not be given;

(d) the expert's decision will be binding on the parties and final; and

(e) all liability of the expert to either party will be excluded (including liability for negligence) to the full extent permitted by law.

This allocation applies for all purposes under this Policy Section including Additional Benefit 1 – Advancement of Defence Costs and Representation Expenses and Policy Section Condition 8 – Subrogation and Recoveries.

Any allocation of **loss** will not apply to or create a presumption with respect to the allocation of other **loss** on account of such **claim**.

This provision prevails over the Complaints Resolution provision contained in Part D of this **PDS and Policy Wording** with respect to **our** determination of the allocation, to the extent of any inconsistency and the extent permitted by law.

## 8. Subrogation and recoveries

### Provision of information and assistance

**You** agree to provide **us** with all information, evidence, documentation, assistance and co-operation and to execute such documents, including signed statements and affidavits, which **we** reasonably request in the exercise of **our** rights of recovery.

**You** will at all times and at **your** own cost use reasonable endeavours to do and concur in doing everything reasonably practicable to assist in the exercise of **your** rights of recovery.

### All recoveries

All money recovered from other parties will be allocated in accordance with section 67 of the Insurance Contracts Act 1984 (Cth) as at the date this **PDS** and Policy Wording was prepared.

All money recovered from other parties before settlement of any **claim** under this Policy Section will be held for the benefit of **us** and applied as stated immediately above after settlement, if any is made.

Recoveries do not include any amount recovered from insurance, surety, reinsurance, security or indemnity taken for the benefit of **us**.

### 9. Authorisation

The **policyholder** is the agent for each of **you** and each of **you** is bound by any statement, act or omission of the **policyholder** for all purposes under this Policy Section, subject to Policy Section Condition 2 – Severability and Imputation and Policy Section Condition 5 - Claims Conduct.

If the **policyholder** is more than one entity, then the first entity listed in the **policy schedule** will be deemed to be the **policyholder**.

### 10. Confidentiality

**You** must not disclose the existence or terms of this Policy Section, including without limitation the **insured amount**, the nature of the insurance or the premium payable to any person who is not insured except where:

(a) **you** are required by law or stock exchange rules to do so; or

(b) **we** provide **our** prior written consent to such disclosure.

### 11. Governing law

The construction, interpretation and meaning of the terms of this Policy Section will be determined in accordance with the laws of Australia and the State or Territory where the **policy** was issued. Any disputes relating to the construction, interpretation and meaning of the terms of this **policy** will be submitted to the exclusive jurisdiction of the courts of Australia.

### 12. Interpretation of the singular includes the plural and vice versa.

A reference to any legislation or legislative provision includes any statutory modification or re-enactment of, or legislative provision substituted for, and any subordinate legislation issued under, that legislation or legislative provision (whether of Australia or elsewhere).

## What we pay

**Our** liability to **you** under this Policy Section in respect of **loss** covered under this Policy Section resulting from **claims** first made against **you** and notified to **us** during the **period of insurance** (or the **discovery period**, if applicable) will not exceed the 'Management Liability' **insured amount** for all **loss** in total covered under the Policy Section during the **period of insurance**.

Except as provided by Optional Insurance 1 – Employee Dishonesty, **we** have no liability for any amount above the 'Management Liability' **insured amount.**

Any **discovery period** will not increase or reinstate the 'Management Liability' **insured amount** or any sub-limit of liability, which will be our maximum liability for the **period of insurance** and **discovery period**, combined.

In respect of Optional Insurance 1 – Employee Dishonesty, **we** will:

(a) pay **you** the amount of lost **money**; and

(b) at **our** option, replace lost **covered property** or pay the market value of the **covered property**.

Notwithstanding that the act of fraud or dishonesty may have been committed during more than one (1) period of insurance, the maximum amount **we** will pay for all claims covered under Optional Insurance 1 – Employee Dishonesty in the **period of insurance** is the 'Employee Dishonesty' **insured amount**.

## Excess

The **excess** that applies to each **claim** for **loss** covered by this Policy Section is specified in **your policy schedule**. This **excess** also applies to claims for **business crisis consultant fees** covered by Additional Benefit 10 - Business Crisis Consultant Fees.

The **excess** that applies to each claim for **fidelity loss** covered by Optional Insurance 1 - Employee Dishonesty is specified in **your policy schedule**.

**You** are liable for the amount of **loss** or **fidelity loss** up to the **excess** for each **claim** under this Policy Section.

The **excess** is deducted from the **loss** payable before the application of the 'Management Liability' **insured amount** or, in respect of Optional Insurance 1 – Employee Dishonesty, from the **fidelity loss** payable before the application of the 'Employee Dishonesty' **insured amount**.

# Definitions

These defined words have the following meanings and apply only to this Policy Section. These defined terms prevail over any other meaning given to them in other parts of the **PDS** and Policy Wording. **You** should also refer to the General Definitions on pages 23 to 27.

## Benefits

Means:

(a) fringe benefits and perquisites;

(b) amounts due or payments made in connection with superannuation or an employee benefit plan or pension scheme;

(c) share or stock options or any other right to purchase, acquire or sell shares or stock; or

(d) bonuses, or employee or management incentive schemes or similar.

## Business crisis consultant fees

The reasonable costs, charges, fees or expenses of an independent management consultant engaged to minimise the effect of the **business crisis event**, but only during the first thirty (30) days immediately following the **business crisis event**.

## Business crisis event

Any one of the following unforeseen events which, in the reasonable opinion of the Managing Director (or equivalent) of the **company**, if left unmanaged has the potential to lead to an imminent decrease of 30% or more of the **company's** consolidated revenues:

(a) the loss of a major customer or contract of the **company**;

(b) the sudden and unexpected death or injury of any **insured person**;

(c) the unexpected imposition of a tax bill;

(d) the unexpected recall of any product manufactured, distributed or sold by the **company**; or

(e) the illegal tampering with or contamination of any product manufactured, distributed or sold by the **company**.

## Claim

Means:

(a) a written communication, including electronic communication, to **you**, containing:

  (i) a demand for compensation or damages; and

  (ii) allegations of an act, error, omission, conduct, facts or circumstances that may constitute a **wrongful act**;

(b) a civil proceeding commenced against **you** by the service of a written complaint, summons, statement of claim, writ or similar pleading or an arbitral process, cross-claim, or counter claim against **you** alleging an act, error, omission, conduct, facts or circumstances that may constitute a **wrongful act**;

(c) any criminal proceeding commenced against **you** by a summons or charge arising from a **wrongful act**; or

(d) any **official investigation**.

## Company

Means:

(a) the **policyholder**; and

(b) a **subsidiary** of the **policyholder** prior to or as at the commencement of the **period of insurance**.

## Covered property

Tangible property other than **money**.

## Defence costs

Reasonable costs, fees and expenses incurred by **you** in defending, investigating or settling **claims**.

## Director

Any natural person who prior to, during or after the **period of insurance**, is a validly appointed director (as defined in the Corporations Act 2001 or any equivalent provision in the jurisdiction in which the **company** is incorporated) of the **company**.

## Discovered/Discovery

When **you** first become aware of facts which would cause a reasonable person in the circumstances to believe that **fidelity loss** has occurred, or is likely to occur, regardless of when the act or acts causing or contributing to such **fidelity loss** occurred and even though the exact amount or details of the **fidelity loss** may not then be known.

## Discovery period

A period of time immediately following the expiration of the **period of insurance** during which written notice may be given to **us** of a **claim** first made after the expiry of the **period of insurance**, and based on **wrongful acts** occurring prior to the expiry of the **period of insurance**.

## Employee

Any natural person who was prior to, during or after the **period of insurance**, an employee of the **company** (which includes trainees, casual, part-time, seasonal, temporary, voluntary and work experience personnel) acting in such capacity, but excludes **directors** and independent contractors.

## Employment wrongful acts

Any employment related act, error, omission, or conduct constituting actual, constructive or alleged:

(a) wrongful dismissal, discharge or termination of employment;

(b) wrongful failure to employ or promote;

(c) wrongful deprivation of career opportunity;

(d) misleading representation or advertising in respect of employment;

(e) wrongful disciplinary action;

(f) negligent employee evaluation;

(g) wrongful demotion;

(h) breach of employment contract;

(i) sexual or workplace harassment (including the creation of a workplace environment conducive to such harassment);

(j) wrongful discrimination;

(k) failure to grant tenure; or

(l) invasion of privacy or defamation,

committed by **you** in respect of **employees** or prospective employees of the **company**.

## Fidelity loss

Direct financial or loss of **money** or **covered property** belonging to **you**, or leased by **you** or in **your** care, custody or control, and caused by any dishonest or fraudulent act committed by an **employee** (whether acting alone or in collusion with any other person) while working for **you** in connection with the **business**.

Fidelity loss does not mean:

(a) regular or overtime wages, salaries, fees or benefits earned in the normal course of employment;

(b) damages of any type, including but not limited to punitive, exemplary or aggravated damages;

(c) securities; or

(d) shares, stocks, bearer instruments, derivatives, bonds, warrants, debentures, units in shares, units in trusts (including any evidence of indebtedness or other equity or debt security), rights under a depositary receipt or other securities (or interests therein) of whatever nature.

## Insured person

Any natural person who was prior to, during or after the **period of insurance**, a **director**, **officer** or **employee** of the **company**.

## Loss

Means:

(a) any amount, whether determined by judgement, verdict or award for which **you** are legally liable to pay including compensation orders, pre-judgement and post-judgement interest, awards of costs or settlements including claimant's costs;

(b) **defence costs**;

(c) **representation expenses**;

(d) reasonable expenses incurred by **you** with **our** prior written consent, solely to investigate, prove and substantiate the amount of the **claim**;

(e) fines or penalties, to the extent allowed by law;

(f) with respect to any **claim** for an **employment wrongful act** and in the event of an order to reinstate or re-employ an **employee**, the cost to **you** of complying with any order to pay salary or wages, or damages calculated by reference to salary or wages, to an **employee** for the period from the date of the purported dismissal or termination to the date on which the court, tribunal or similar body delivered its judgment to the parties but does not mean employee entitlements or benefits.

Loss does not mean:

(a) any amount that **we** are prohibited from paying under the laws applicable to this **policy**;

(b) any amount representing a profit or advantage to which **you** are not legally entitled; or

(c) with respect to any **claim** for an **employment wrongful act**:

  (i) any amounts payable in respect of a specified contractual obligation;

  (ii) compensation payable in respect of contractual or statutory notice periods;

  (iii) future salary or wages if the **company** was ordered to reinstate an **employee** but does not;

  (iv) salary or wages earned prior to the date of termination; or

  (v) **benefits**.

## Management wrongful acts

Any act, error, omission, conduct, misstatement, misleading statement, neglect or breach of duty, trust, contract, warranty of authority, statute or confidentiality, actually or allegedly committed by:

(a) the **company**; or

(b) a **director** or **officer** of the **company**, or as the holder of a position of equivalent status in any **non-profit outside entity** or **outside entity**, in that capacity; or

(c) a **trustee** of a **superannuation fund** in that capacity,

but does not include an **employment wrongful act**.

## Merger or acquisition

Means:

(a) the **policyholder** or the **company** consolidating with, merging into or selling all or substantially all of its assets such that the **policyholder** or the **company** is not the surviving entity; or

(b) any entity obtaining control (as that term is defined in the Corporations Act 2001) of the **policyholder** or the **company**.

## Money

Means:

(a) cash, bank notes, currency notes, negotiable cheques, negotiable securities, travellers' cheques, debit and credit card vouchers, discount house vouchers, money orders, postal orders, unused postage stamps, revenue stamps, lottery tickets, stored value cards, public transport boarding tickets, authorised gift vouchers, valuable documents (but limited to certificates of stock, bonds, coupons and all other types of securities) and the contents of franking machines; or

(b) any **superannuation fund** or pension fund formed by **you** and exclusively for the benefit of **employees** but does not include any scheme that is administered by a professional funds manager.

## Non-profit outside entity

Any non-profit organisation of any kind that is exempt from the payment of income tax, other than a **subsidiary**.

## Officer

Any natural person who was prior to the **period of insurance**, or is during or after the **period of insurance**:

(a) a company secretary of the **company**; or

(b) a person:

  (i) who makes, or participates in making, decisions that affect the whole, or a substantial part, of the business of the **company**;

  (ii) who has the capacity to significantly affect the **company's** financial standing; or

  (iii) in accordance with whose instructions or wishes the **directors** of the **company** are accustomed to act (excluding advice given by the person in the proper performance of functions attaching to the person's professional capacity or their business relationship with the **directors** or the **company**),

other than:

- a receiver, or receiver and manager;
- an administrator or an administrator of a deed of company arrangement;
- a liquidator; or
- a trustee or other person administering a compromise or arrangement made between the **company** and someone else.

## Official investigation

Any formal investigation, examination, inquiry, or other formal proceeding into the affairs of the **company** or the conduct of **directors**, **officers**, **employees** or **trustees** in that capacity, as ordered or commissioned by any authoritative or governmental body that has legal authority to conduct such a proceeding, and in which the **company** or its **directors**, **officers** or **employees** in that capacity, are required or requested to attend or produce documents.

An **official investigation** is deemed to have started when **you** or any of the above named persons or entities are first required or requested to attend or produce documents.

## Outside entity

Any company, other than a **subsidiary**, that:

(a) is not domiciled or incorporated in the **United States**;

(b) is not a bank, building society, credit union, stockbroker, venture capital company, private equity company, insurance or reinsurance company, investment manager, fund manager or similar entity; and

(c) does not have any of its securities listed on an exchange.

## Policy committee

A prescribed policy committee for the purposes of Part 9 of the Superannuation Industry (Supervision) Act 1993.

## Policyholder

The person or entity named as such in **your policy schedule**.

## Pollution

Means:

(a) the actual, alleged or threatened discharge, release, escape, seepage, migration or disposal of **pollutants** into or on real or personal property, water or the atmosphere; or

(b) any direction or request to test for, monitor, clean up, treat, detoxify or neutralise **pollutants**.

## Related claims

All **claims** arising directly or indirectly from or in respect of the same or causally related or continuous or repeated **wrongful acts** whether committed by one or more of **you** and whether directed to or affecting one or more than one person or legal entity.

## Representation expenses

Reasonable costs, fees and expenses of preparing for, attending, cooperating with, or being represented at an **official investigation**.

## Retroactive date

The date specified as such in **your policy schedule**.

## Spouse

A lawful spouse, domestic partner (including same sex partner) or any person deriving similar status by reason of the common law or statute.

## Subsidiary

Means:

(a) a subsidiary of the **policyholder** as defined in the Corporations Act 2001; or

(b) any body corporate in which the **policyholder**:

  (i) controls the composition of the board of the body corporate;

  (ii) is in a position to cast, or control the casting of, more than one-half of the maximum number of votes that might be cast at a general meeting of the body corporate; or

  (iii) holds more than one-half of the issued share capital of the first body (excluding any part of that issued share capital that carries no right to participate beyond a specified amount in a distribution of either profits or capital); or

(c) any body corporate which is a subsidiary of a body corporate described in (a) or (b) above; or

(d) any other body corporate whose accounts are consolidated into those of the **policyholder** in accordance with the relevant Australian Accounting Standard.

## Superannuation fund

A corporate superannuation fund established for the benefit of **employees** of the **company**, but excludes any industry, master or self managed **superannuation fund**.

## Trustee

Any **insured person** who:

(a) was prior to the **period of insurance**, or is during or after the **period of insurance**:

  (i) duly appointed trustee of the **superannuation fund**; or

  (ii) a member of the **policy committee** of the **superannuation fund**, to the extent that such person's activities concern the administration of that **superannuation fund** as is contemplated under the Superannuation Industry (Supervision) Act 1993; or

(b) was prior to or at the commencement of the **period of insurance**, a **trustee** of the **superannuation fund** duly appointed by a court or regulatory body or pursuant to statute.

## Wrongful act

**Management wrongful acts** or **employment wrongful acts**.

## You or your

Means:

(a) the **company**;

(b) an **insured person**; and/or

(c) a trustee.

# Policy Section 8 – Portable and Valuable Items

This Policy Section covers portable or valuable items that **you** usually carry around with **you** in the course of **your business** anywhere in the world. Any item worth more than $2,500 must always be recorded in **your policy schedule** as a **specified item** in order for it to be covered by **your policy**.

**You** can claim for **accidental loss** of, or **damage** to, a **specified item** or **unspecified item** as described under "What we cover" if:

- "Portable and Valuable Items' is specified in **your policy schedule**;
- the **accidental loss** or **damage** occurs during the **period of insurance**;
- the **accidental loss** or **damage** is not excluded by any of the exclusions under "What we exclude"; and
- the **accidental loss** or **damage** is not excluded by any of the General Exclusions listed on pages 21 to 22.

## Your insurance under this Policy Section

### ✔ What we cover

**We** will cover **you** for **accidental loss** of, or **damage** to, **property insured** occurring anywhere in the world during the **period of insurance**.

For **specified items we** cover up to the full replacement value.

For **unspecified items we** cover up to $2,500 per item.

### ✘ What we exclude

**We** do not cover:

(a) **loss** or **damage** to any item worth more than $2,500 unless it is recorded in **your policy schedule** as a **specified item;**

(b) any **unspecified item** unless **your policy schedule** records that **you** have cover for **unspecified items;**

(c) **loss** or **damage** caused by or arising out of:

- (i) the actual process of cleaning, maintenance, overhaul, repair or renovation, alteration, addition or undergoing a trade process;
- (ii) wear and tear, fading, gradual deterioration or developing flaws, normal upkeep or making good, or any gradual cause;
- (iii) moths, termites or other insects or vermin;
- (iv) scratching, biting or chewing by any **animal**;
- (v) chipping, scratching, denting or marring that does not materially affect the use or operation of the **property insured**;
- (vi) change in colour, loss of weight, change in flavour, texture or finish;
- (vii) the action of light, atmospheric conditions, any form of **fungus** or extremes of temperature, rust or oxidation, wet or dry rot, corrosion, inherent vice or latent defect;
- (viii) mechanical, hydraulic, electrical or electronic breakdown, burnout, failure, malfunction or derangement of any equipment or device;
- (ix) soot or smoke from industrial operations (other than sudden and unforeseen resultant damage);
- (x) any faults or defects in any item of **property insured** that **you** or any of **your employees** knew about before taking out this Policy Section;
- (xi) unexplained inventory shortage, disappearance resulting from clerical or accounting errors, or shortage in the supply or delivery of materials;
- (xii) testing, experimentation, intentional overloading, misuse or abuse;
- (xiii) cracking, scratching or breakage of **glass** or fragile items unless as a consequence of **loss** or **damage**;
- (xiv) fraud or dishonesty by **you** or any other person;
- (xv) kidnapping, bomb threat, threat of contamination, hoax, trickery, extortion or any attempt at any of these;
- (xvi) detention, confiscation or disappearances by customs or any lawful authority;
- (xvii) the sea, including tidal wave, tsunami, storm surge or high water;
- (xviii) **flood**;

## ✘ What we exclude (cont.)

(xix) erosion; subsidence, earth movement or collapse;

(xx) faulty materials or faulty workmanship;

(xxi) error, failure or omission in design;

(xxii) spontaneous combustion, fermentation or heating;

(xxiii) persons taking part in riots or civil commotion; or

(xxiv) plan or specification.

(d) **loss** of, or **damage** to, **money** or documents of any kind;

(e) **loss** of, or **damage** to, tools of trade, sporting equipment, any remote controlled devices, guns or musical instruments while they are in use;

(f) **loss** of, or **damage** to, **property insured** undergoing any process involving the application of heat;

(g) loss of use, loss of earning capacity and any other consequential loss;

(h) **loss** of, or **damage** to, **property insured** as a result of:

(i) total or partial destruction, distortion, erasure, corruption, alteration, misinterpretation or misappropriation of **data**;

(ii) breakdown or malfunction of the processing system including operator error or omission in creating, amending, loading, deleting or using **data**; or

(iii) total or partial inability or failure to receive, send, access or use **data** for any time or at all,

from any cause whatsoever, regardless of any other contributing cause or **event** whenever it may occur;

(i) **you** for any **loss** or **damage** caused by or arising out of theft:

(i) committed by any person or any member of **your family** or by any of **your employees** whilst lawfully permitted to enter, be on or at the **premises**; or

(ii) of unattended **property insured** in the open air.

(j) **you** for any **loss** or **damage** caused by or arising out of theft from any building or **vehicle** unless the **property insured** was:

(i) securely locked in a **vehicle** and the theft was consequent upon forcible and violent entry which causes visible **damage** to the **vehicle**;

(ii) securely affixed to a **vehicle** and theft is consequent upon forcible and violent removal which causes visible **damage** to the securing devices;

(iii) securely chained to a **vehicle** by a steel chain (with a link diameter of 10mm or more) and a padlock (with a security rating of 6 or more under AS 4145.4 as amended) and theft is consequent upon forcible and violent removal which causes visible **damage** to the securing devices;

(iv) securely locked in a building or any part of the building and the theft is consequent upon forcible and violent entry to the building or that part of the building. However, **we** will not cover any theft:

- committed by any person while lawfully in the building or a tenant; or
- of **property insured** which is unattended in areas of the building accessible by the general public; or

(v) stolen as a consequence of armed hold up or the threat of physical violence.

# Extra Cover

If **we** agree to pay a claim for **loss** or **damage** to **your property insured** under this Policy Section, **we** will also provide the following Extra Cover.

## 1. Reinstatement of insured amount

### ✔ What we cover

**We** will automatically reinstate the **insured amount** to the amount specified in **your policy schedule**. **You** will not have to pay any additional premium.

### ✘ What we exclude

This Extra Cover does not apply if **we** replace or pay to replace any **specified item** or **unspecified item**.

# Additional Benefit

**We** will also provide the following Additional Benefit in this Policy Section subject to the General Exclusions, all the terms, conditions, exclusions and any **endorsement** applicable to this Policy Section, unless stated otherwise. Any amounts payable under this Additional Benefit apply in addition to the **insured amount**.

All **loss** or **damage** that is covered by this Additional Benefit must occur during the **period of insurance**.

## 1. Theft of other property

### ✔ What we cover

**We** cover **you** for theft of any property not belonging to **you** but in **your** physical or legal control for the purposes of **your business** occurring during the **period of insurance** anywhere in the world.

### ✘ What we exclude

**We** will not cover **you** for:

(a) any **loss** or **damage** caused by or arising out of theft committed by any member of **your family** or by **your employees**.

(b) any **loss** or **damage** unless the property was:

- (i) securely locked in a **vehicle** and the theft was consequent upon forcible and violent entry which causes visible **damage** to the **vehicle**;
- (ii) securely and permanently affixed to a building and theft is consequent upon forcible and violent removal;
- (iii) securely and permanently affixed to a **vehicle** and theft is consequent upon forcible and violent removal which causes visible **damage** to the securing devices;
- (iv) in a **vehicle** and was securely chained to that **vehicle** by a steel chain (having a link diameter of 10mm or more) and a padlock (with a security rating of 6 or more under AS 4145.4 as amended) and theft is consequent upon forcible and violent removal which causes visible **damage** to the securing devices;
- (v) in **your** private residence or the private residence of **your employee** who had been authorised by **you** to have the custody and control of the property. However, **we** will not cover any theft by a tenant;
- (vi) securely locked in a building or any part of the building and the theft is consequent upon forcible and violent entry to the building or that part of the building. However, **we** will not cover any theft:
  - ▼ committed by any person while lawfully in the building; or
  - ▼ of property which is unattended in areas of the building; or
- (vii) stolen as a consequence of armed hold-up or the threat of physical violence.

(c) for more than $2,000 in any one (1) **period of insurance** under this Additional Benefit.

# What we will pay

If **we** agree to pay a claim for **accidental loss** of, or **damage** to, **property insured** covered under this Policy Section, **we** will, at **our** option:

(a) repair or replace the **specified item** or **unspecified item** (including carry case and usual accessories) to a condition substantially the same as, but not better or more extensive than its condition when new; or

(b) pay the cost of repair or replacement of the **specified item** or **unspecified item**.

If **we** replace or pay the cost of replacing any **specified item** or **unspecified item**, **you** no longer have any cover for that item or the replacement item.

When the **loss** or **damage** is confined to a part or component of the **property insured**, **we** will only pay for that part or component plus the cost of any necessary dismantling and reassembling.

The most **we** will pay for a **specified item** is the **insured amount** specified in **your policy schedule**.

The most **we** will pay for any **unspecified item** is $2,500. If an item is worth more than $2,500 it must be recorded as a **specified item** otherwise **we** do not pay.

The most **we** will pay for any one (1) claim for an **unspecified item** or **unspecified items** that are part of a group or class of **unspecified items** is the **insured amount** set out in **your policy schedule** for that group or class of **unspecified items**.

# Excess

The **excess** that applies is specified in **your policy schedule**.

# Definitions

These words have the following meanings and apply only to this Policy Section. These defined terms prevail over any other meaning given to them in other parts of the **PDS** and Policy Wording. **You** should also refer to the General Definitions on pages 23 to 27.

### Property insured

**Specified items** and/or **unspecified items**, as recorded in **your policy schedule**.

### Specified items

Each item of property that is specifically described in **your policy schedule** for this Policy Section.

### Unspecified items

Each item of property which is not a **specified item** but which is part of a group or class of property described generally in **your policy schedule**. The group or class described may include hand tools and hand-held power tools.

Unspecified items does not include any item worth more than $2,500.

# Policy Section 9 – Equipment Breakdown

This Policy Section covers the **breakdown** of **insured equipment** at **your premises** and any **loss** or **damage** to **property insured** directly caused by the **breakdown**.

**You** can claim for **loss** or **damage** as described under "What we cover" if:

- 'Equipment Breakdown' is specified in **your policy schedule;**
- the **loss** or **damage** occurs during the **period of insurance**;
- the **loss** or **damage** is not excluded under "What we exclude"; and
- the **loss** or **damage** is not excluded by any of the General Exclusions listed on pages 21 to 22.

## Your insurance under this Policy Section

### ✔ What we cover

If during the **period of insurance** a **breakdown** of **insured equipment** occurs at **your premises**, **we** will cover:

(a) **loss** of, or **damage** to, **insured equipment** resulting from the **breakdown;** and

(b) any **loss** of, or **damage** to, **property insured** directly caused by the **breakdown.**

### ✘ What we exclude

**We** will not cover **you** for:

(a) **loss** or **damage** to **air conditioners** unless **your policy schedule** shows that they are covered.

(b) **loss** or **damage** caused by or arising out of:

- (i) earthquake, landslide, mud flow, subsidence, subterranean fire, or volcanic eruption;
- (ii) storm, hail, lightning, thunder, wind, rainwater;
- (iii) the sea, including tidal wave, tsunami, storm surge or high water;
- (iv) **flood**;
- (v) fire, smoke or combustion explosion;
- (vi) water, liquids or substances discharged or other means used to extinguish a fire;
- (vii) escape of water or liquids resulting from a **breakdown**;
- (viii) **aircraft** or other aerial devices or articles dropped from them or sonic boom;
- (ix) riot, civil commotion or sabotage; or
- (x) vandalism or malicious damage.

(c) **losses** from:

- (i) loss of use or consequential loss of any kind; or
- (ii) any other indirect result of a **breakdown** except as may be provided in the Additional Benefits of this Policy Section.

(d) **loss** or **damage** caused by or arising out of pollution, contamination or **damage** by a **hazardous substance**, however caused, except as provided for in Extra Cover 1 – Hazardous substances.

(e) **losses** caused by or resulting from the partial or total failure, malfunction or loss of use of any electronic equipment, computer system, information repository, microchip, integrated circuit or other similar device due to:

- (i) the erasure, destruction, corruption, misappropriation or misinterpretation of **data**;
- (ii) any error in creating, amending, entering, deleting or using **data**;
- (iii) the inability to receive, transmit or use **data**; or
- (iv) the impact of any **computer virus** or the functioning or malfunctioning of the internet, intranet, local area networks, virtual private networks or similar facility, or of any internet address, website or similar facility.

However, **we** will pay for **losses** that result solely from the **breakdown** of any other **insured equipment** which is covered by this Policy Section.

## ✘ What we exclude (cont.)

(f) **breakdown**, **loss** or **damage**:

(i) caused during the course of maintenance, inspection, repair, alteration, modification or overhaul;

(ii) caused during installation, erection or relocation or dual lifting;

(iii) arising out of plant being subject to tests involving abnormal stresses or arising out of plant being deliberately overloaded;

(iv) caused by a deliberate act, neglect or omission on **your** part; or

(v) for which the manufacturer, supplier or other parties are responsible under maintenance or warranty agreement.

(g) **damage** to foundations, brickwork and refractory materials other than as a result of **breakdown**.

(h) the costs incurred in repairing wear and tear or gradual deterioration including:

(i) wear and tear due to normal operation;

(ii) wearing or wasting away of material caused by normal operation or resulting from atmospheric conditions, rust, erosion, or oxidation;

(iii) damage to a safety or protective device caused by its own operation;

(iv) the chipping or scratching of painted or polished surfaces; or

(v) slowly developing deformation or distortion,

unless required as part of repairing the **insured equipment** following a **breakdown**.

(i) the cost of:

(i) repair or replacement of **expendable items** other than **expendable items** which are necessary for the repair;

(ii) alterations, improvements or overhauls unless it is required for the repair or replacement;

(iii) modifying the **machinery** so that it operates with a more ozone friendly refrigerant gas;

(iv) carrying out of normal maintenance, such as the tightening of loose parts, recalibration or adjustments;

(v) alteration, additions, improvements or overhauls whether carried out in the course of indemnifiable repairs or as a separate operation;

(vi) modification or alteration of insured plant to enable replacement or repair, caused by gradual deterioration (including rust, corrosion, erosion, oxidation or scale formation);

(vii) repair of scratches, chipping or discolouration to painted or polished surfaces, unless resulting from **damage** covered by this Policy Section;

(viii) repair of a slowly developing deformation, distortion or fatigue of any part;

(ix) repair of blisters, laminations, flaws or grooving even when accompanied by leakage;

(x) repairs to valves, fittings, glands, joints, gaskets, pipes, lines and connections which are defective or leaking;

(xi) repairs to shaft keys requiring tightening, fitting or renewal;

(xii) damage caused by the movement of foundations, masonry or brick work unless this results from **breakdown** of any **insured equipment** or any part of the **insured equipment**; or

(xiii) removal or installation of underground pumps and well casings. Unless specifically noted on **your policy schedule**, this exclusion does not apply to submersible pumps.

(j) **breakdown** of any **insured equipment** which:

(i) **you** knew or reasonably should have known to be defective before the **breakdown** occurred; or

(ii) is useless or obsolete to **your business**.

# Extra Covers

The nature and extent of cover under the Extra Covers of this Policy Section will depend on whether **you** have nominated an **insured amount** which states:

(a) a dollar figure; or

(b) Repair and Replacement.

If a dollar figure is specified in **your policy schedule** and **we** agree to pay a claim for **loss** or **damage** as a result of a **breakdown** covered by this Policy Section, **we** will also pay or provide the Extra Covers set out below. Any amounts payable under Extra Covers 1 and 4 will be included in the **insured amount**.

If 'Repair and Replacement' is specified in **your policy schedule** and **we** agree to pay a claim for **loss** or **damage** as a result of a **breakdown** covered by this Policy Section, **we** will also pay or provide the Extra Covers set out below. Any amounts payable under these Extra Covers will be in addition to the repair and replacement amount paid under the insuring clause.

## 1. Hazardous substances

### ✔ What we cover

If a **hazardous substance** is involved in or released by a **breakdown** of **insured equipment**, **we** cover **you** for the increase in cost to repair, replace, clean up or dispose of affected **property insured**.

### ✘ What we exclude

**We** will not pay more than $25,000 for each claim under this Extra Cover.

Any cover given under this Extra Cover shall not accumulate with any similar cover that may be given under Extra Cover 4 - Removal of Debris and Temporary Repairs of Policy Section 1 - Property Damage.

## 2. Expediting expenses

### ✔ What we cover

**We** will pay for the reasonable extra cost, including overtime work and express or rapid means of transportation, necessary to:

(a) make temporary repairs;

(b) expedite permanent repairs; or

(c) expedite permanent replacement,

of the **insured equipment** which was **damaged**.

### ✘ What we exclude

**We** will not pay those costs related to substitute equipment or other property installed to replace the function of the **damaged insured equipment** on a temporary basis.

**We** will not pay more than $25,000 in total for these expediting expenses for each **breakdown**. This sub-limit is in addition to the **insured amount** for **breakdown** of **insured equipment**.

**We** will not cover any claims under this Extra Cover if **we** have provided cover under Extra Cover 3 - Temporary Hire Costs of this Policy Section.

### 3. Temporary Hire costs

**✔ What we cover**

**We** will pay the reasonable costs of hiring temporary property to replace the **lost** or **damaged insured equipment**, necessary to keep the **business** operating as nearly as practical as before the **breakdown**.

**✘ What we exclude**

**We** will not pay more than:

(a) 50% of the normal cost to repair or replace the **damaged insured equipment** and other **property insured** which was **damaged**; or

(b) $25,000,

whichever is less for any one (1) **breakdown**.

**We** will not cover any claims under this Extra Cover if **we** have provided cover under Extra Cover 2 - Expediting Expenses of this Policy Section.

### 4. Reinstatement

**✔ What we cover**

If **we** pay an amount for any claim under this Policy Section, **we** will automatically reinstate the **insured amount** to the amount specified in **your policy schedule**. **You** will not have to pay any additional premium.

## Additional Benefit

**We** will also provide the following Additional Benefit in this Policy Section, subject to the policy limits, conditions, exclusions and any **endorsement** except as provided otherwise.

Any amount payable under the following Additional Benefit does not apply in addition to the **insured amount**.

### 1. Laptop computers, notebooks, or mobile electronic equipment away from the premises

**✔ What we cover**

**We** cover **breakdown** of **your** laptop **computer equipment** or mobile **electronic equipment** anywhere in Australia if the laptop **computer equipment** or mobile **electronic equipment** is listed in **your policy schedule** under Policy Section 8 - Portable and Valuable Items as a specified item.

# Optional Insurance

**We** will provide the following Optional Insurance when requested by **you**, when **you** pay any additional premium required and when specified in **your policy schedule**.

Any amounts payable under an Optional Insurance is in addition to the **insured amount**.

## 1. Deterioration of stock

### ✔ What we cover

**We** will cover **you** for the **loss** or **deterioration** of **refrigerated stock** occurring during the **period of insurance** at **your premises** caused by one or more of the following:

1. A change in temperature of the **insured equipment** as a result of:
   - (a) **breakdown** of the **insured equipment** in which the **refrigerated stock** is kept where **we** have agreed to pay a claim for **loss** of, or **damage** to, the **insured equipment** under this Policy Section;
   - (b) the operation, malfunction or failure of any switch, thermostat, controls, fuses, circuit breakers or protection devices of the **insured equipment**, however not including **loss** or **deterioration** due to the manual operation or setting of any of these;
   - (c) **accidental** failure of supply services which directly affect the **insured equipment**;
   - (d) a supply authority intentionally interfering with a public service but only to the extent that this is necessary to safeguard life or any part of the public supply and the supply authority's interference is not caused directly or indirectly by fire, **flood**, storm or any other natural cause; or
   - (e) sudden leakage of refrigerant from the **insured equipment**.
2. Contamination of the **refrigerated stock** by leakage of refrigerant from the **insured equipment**.

### ✘ What we exclude

**We** do not cover:

(a) any consequential loss;

(b) **loss** or **deterioration** resulting from any scheme or rationing which is not necessitated solely by damage to the generating or supply equipment of a supply authority;

(c) **loss** or **deterioration** caused by disease, improper storage, damaged packaging material or inadequate ventilation or air circulation;

(d) **loss** or **deterioration** of **refrigerated stock** that is alive or of a bacterial nature;

(e) **loss** or **deterioration** of **refrigerated stock** stored in mobile **machinery** or a **boiler and pressure plant**;

(f) **loss** or **deterioration** of **refrigerated stock** which has exceeded its use by date, however, **we** will pay for the disposal costs of such **refrigerated stock**; or

(g) **loss** or **deterioration** occurring while the **refrigerated stock** is in transit or is situated in any **vehicle**.

## 2. Restoration of computer data

### ✔ What we cover

**We** will cover **you** for the costs of restoring **data** stored on **media** if:

(a) **we** have agreed to pay a claim under this Policy Section for **loss** or **damage** as a result of **breakdown** to **insured equipment**;

(b) the **data** is **lost**, **damaged** or distorted during the **period of insurance** as a direct result of the **breakdown**; and

(c) the **media** which **contains** the **data** is:

(i) at the **premises;**

(ii) at a location away from the **premises** where copes of **media** are stored;

(iii) temporarily at any alternative location for processing purposes; or

(iv) in transit between any of the locations listed in (i)-(iii) above.

### ✘ What we exclude

**We** do not cover:

(a) any consequential loss;

(b) **loss** or distortion of **data** due to defects in the **media**;

(c) restoration of **data** other than that:

(i) **lost** or distorted after the most recent functional back-up; or

(ii) created more than 5 working days before the **loss** or **damage** occurred,

whichever is the shorter period.

(d) expenses or costs incurred in connection with the **loss** or distortion of **data** if they are not incurred within 12 months of the **breakdown**;

(e) **loss** or **damage** of, or distortion to, **data** caused by a **computer virus**;

(f) **loss** or **damage** of, or distortion to, **data** caused by or resulting from the partial or total failure, malfunction or loss of use of any **electronic equipment**, **computer equipment**, information, repository, microchip, integrated circuit or other similar device due to:

(i) the erasure, destruction, corruption, misappropriation or misinterpretation of **data**;

(ii) any error in creating, amending, entering, deleting or using **data**;

(iii) the inability to receive, transmit or use **data**; or

(iv) the functioning or malfunctioning of the internet, intranet, local area networks, virtual private networks or similar facility, or any internet address, website or similar facility,

except to the extent that such **loss**, **damage** or distortion results solely from the **breakdown** of **insured equipment** covered by this Policy Section.

### 3. Increased cost of working

**✔ What we cover**

**We** will cover **you** for the increased costs of operating **your business**, including hiring substitute equipment, transport costs, additional personnel and working at an off-site facility if:

(a) **we** have agreed to pay a claim under this Policy Section for **loss** or **damage** as a result of **breakdown** of **insured equipment**;

(b) the increased costs of operating **your business** occur during the **period of insurance** and are a direct result of the **breakdown**; and

(c) **we** agree in advance to pay the increased costs of operating **your business**.

**✘ What we exclude**

**We** do not cover:

(a) any consequential loss;

(b) costs incurred in respect of the first two (2) working days following **breakdown** of **your computer equipment**;

(c) fines or liability incurred for breach of contract or for late or incomplete orders or for any loss of bonus or any kind of penalties;

(d) any increased costs that are not necessary or reasonable to minimise any interruption to the **business**;

(e) costs incurred after 90 days from the date of **loss** or **damage**;

(f) expenses that are incurred in the replacement of the **media**; or

(g) the cost of reinstating the **data** contained on the **media**.

# What we pay

The maximum **we** will pay for any one **breakdown** which gives rise to **loss** or **damage** covered under this Policy Section is the **insured amount** specified in **your policy schedule**.

## Repair and Replacement

Where **your policy schedule** specifies 'Repair and Replacement', the maximum **we** will pay under this Policy Section is determined by the **insured amount** specified in **your policy schedule** for Policy Section 1 - Property Damage.

The maximum amount **we** will pay for any claim or series of claims caused by or arising out of a **breakdown** which gives rise to **loss** or **damage** covered under this Policy Section is:

(a) if **you** own the **building(s)** at the **premises** – the **insured amount** for **building(s)** specified in **your policy schedule** for Policy Section 1 - Property Damage; or

(b) if **you** do not own the **building(s)** at the **premises** – the total of the 'Contents' **insured amount** and 'Specified Items' **insured amount** specified in **your policy schedule** for Policy Section 1 - Property Damage.

## Specified Amount

Where **your policy schedule** specifies a dollar figure as the **insured amount**, in the event of a claim for **loss** or **damage** covered under this Policy Section **we** will pay with respect to:

(a) **media** – the cost of replacing the **media** with blank material;

(b) exposed film, records, manuscripts and drawings – the cost of replacement with blank material plus the cost of transcription;

(c) all other **insured equipment** and other **property insured** – the lesser of the cost at the time of the **breakdown** to:

  (i) repair the **damaged** property; or

  (ii) replace the **damaged** property with similar property of like kind, capacity, size, quality and function.

(d) joints, gaskets, seams, drivebelts, filters, chains, brickwork, foundation or refractories, seals, shaft seals, flexible drives or flexible pipes, soft rollers, refrigerant, brine or other transfer media which are necessary for the repair – the reasonable costs of replacing those items.

However, **we** shall not pay:

(i) any cost of repairing or replacing any part or parts of a piece of **insured equipment** which is greater than the cost of repairing or replacing the entire piece of **insured equipment**;

(ii) more than the cost to replace the **insured equipment** or **property insured** with equipment or property of like kind, capacity, size, quality and function;

(iii) more than the cost to replace the **insured equipment** or **property insured** at the **premises** or adjacent site; or

(iv) for **breakdown**, **loss** or **damage** to **insured equipment** or **property insured** which is useless or obsolete to **your business**.

If it is necessary to replace parts that are unavailable, **we** will not pay more than the estimated cost of similar parts currently available. If similar parts are unavailable, **we** will not pay more than the manufacturer's or supplier's latest list price.

If the **damaged property insured** or **insured equipment** is not repaired or replaced within 12 months after the date of the **breakdown**, **we** will pay **you** the **actual cash value** of the **damaged property insured** or **insured equipment** at the time of the **breakdown**.

### Depreciation applied for replacement of computers

If **we** decide to pay **you** the cost to replace a laptop computer, notebook or desktop computer rather than repair it, **we** will apply depreciation based on the age of the computer, but not as a result of improvements in technology or functionality.

**We** will apply depreciation at the rate of 10% per annum for each year from the date of manufacture, subject to a maximum reduction of 80% of the installed current replacement cost.

### Optional Insurance 1 - Deterioration of Stock

If **we** agree to pay for a claim under Optional Insurance 1 – Deterioration of Stock, **we** will at **our** option, pay the cost of replacing the **refrigerated stock** or replace that **refrigerated stock.**

**We** are not liable to pay more than the purchase price **you** paid for the **refrigerated stock**, together with any handling costs **you** incurred.

If **deterioration** occurs or is likely to occur to **refrigerated stock** by any of the **events** covered under this Policy Section, **we** will also pay the reasonable costs incurred by **you** to prevent or minimise the **loss** of, or **damage** to, **refrigerated stock**.

Where **we** pay a claim or agree to pay a claim, **we** will also pay any reasonable costs incurred and associated with the removal and disposal of the **deteriorated refrigerated stock**. This additional cover will be subject to **our** prior approval and to the 'Deterioration of Stock' **insured amount** not already being exhausted.

The most **we** will pay is the **insured amount** for 'Deterioration of Stock' specified in **your policy schedule**.

### Optional Insurance 2 - Restoration of Computer Data

If **we** agree to pay a claim under Optional Insurance 2 – Restoration of Computer Data, **we** will pay the reasonable costs incurred in restoring the **lost**, **damaged** or distorted **data** to a condition equivalent to that existing prior to the **breakdown**. **Data** may be reproduced in an updated form if the cost of doing so is no greater than that of reinstatement in its original form.

**We** will not pay more than the **insured amount** for 'Restoration of Data' specified in **your policy schedule**.

### Optional Insurance 3 – Increased Cost of Working

If **we** agree to pay a claim under Optional Insurance 3 – Increased Cost of Working, **we** will pay the actual amount of the increased costs of working, less the charges and expenses of the **business** that cease or are reduced as a consequence of the **loss** or **damage**.

**We** will not pay more that the **insured amount** for 'Increased Cost of Working' specified in **your policy schedule** for this Policy Section.

## Excess

The **excess** that applies to any one claim under this Policy Section is the 'Equipment Breakdown' **excess** shown in **your policy schedule**.

If a claim is made under the insuring clause and under an Optional Insurance which arises from the same **event**, only the 'Equipment Breakdown' **excess** applies.

Where the claim is only made under Optional Insurance 1 – Deterioration of Stock, **you** must pay the 'Deterioration of Stock' **excess** specified in **your policy schedule**.

# Policy Section Conditions

These conditions apply to the entire Policy Section.

### 1. Adherence to statutory requirements

If **insured equipment** is required to be licensed under statutory obligations, by-laws, regulations, public authority requirements or safety requirements, **you** must obtain any licences as required and use the **insured equipment** as specified in the licence.

### 2. Inspection

**We** or **our** authorised representatives have the right to make inspections of **insured equipment** at any reasonable time. Neither this right to make inspections nor making them is an undertaking to **you** or others that the **insured equipment** is safe and not hazardous or injurious to health.

### 3. Obligation to prevent loss

If **we** or **our** authorised representatives discover **insured equipment** in or exposed to a dangerous condition, **you** must comply with any direction provided by **us** or **our** representatives to prevent **loss**. If **you** do not comply within thirty (30) days of receiving the direction, **we** may refuse to pay a claim and cancel **your policy**.

### 4. One breakdown

If either:

(a) a **breakdown** of **insured equipment** causes the **breakdown** of other **insured equipment**; or

(b) a series of **breakdowns** occur at the same time as a result of the same cause,

they will all be considered as one **breakdown** for the purpose of applying the **excess**, the 'Equipment Breakdown' **insured amount** and any other limit or sub-limit in this Policy Section.

### 5. Resumption of business

As soon as possible after the **breakdown**, **you** shall continue or resume business, in whole or in part, and make up lost business through the use of every available means, including alternative premises, surplus machinery, spare parts, equipment, supplies and surplus or reserve stock, which may be owned or controlled by **you** or obtainable by **you** from other sources and through working extra time or overtime at the **premises** acquired for the purpose of making up lost business.

# Definitions

These words have the following meanings and apply only to this Policy Section. These defined terms prevail over any other meaning given to them in other parts of the **PDS** and Policy Wording. **You** should also refer to the General Definitions on pages 23 to 27.

### Actual cash value

The cost of replacing **damaged property insured** or **insured property** with property of similar kind, capacity, size, quality and function less depreciation for the age, condition, and normal life expectancy of the property.

### Boilers and pressure plant

Means:

(a) those parts of the permanent structure of a boiler or pressure equipment owned by **you,** or for which **you** are legally responsible, which are normally subject to vacuum or internal pressure (other than atmospheric pressure or static pressure of contents) including:

  (i) fittings and direct attachments which are connected to the permanent structure without intervening valve or cock;

  (ii) supporting structures of the boiler or pressure equipment (other than foundations, masonry, brickwork, refractory and insulating material) such as furnace doors, access doors, external combustion chambers, smoke boxes and casings; and

  (iii) metal parts of pressure and water gauges and their connections to the permanent structure, even if separated from the structure by valve or cocks.

(b) any pressure pipe system, associated with boiler or pressure equipment, with valves, fittings, traps and separators which contains steam condensate, gas or fluids under pressure (other than atmospheric pressure), including any feed water piping between boiler and its feed pump or injector.

(c) in respect of refrigeration and air-conditioning systems specified in **your policy schedule**, the interconnecting heat exchangers, coils and pipework containing transfer media.

However, boilers and pressure plant does not include any pipe system which forms part of any other vessel or apparatus, or any mechanical, hydraulic or electrical machine, or electrical apparatus, **computer equipment** or **electrical equipment**.

## Breakdown

Any sudden, unforeseen and accidental failure of, or damage to, an item of **insured equipment** or part thereof, resulting in physical damage to the item of **insured equipment** which requires the repair or replacement of all or part of the **insured equipment** before normal operation of it can be resumed and may include, but is not limited to the actual breaking, seizing, deformation or burning out sufficient to prevent the item undertaking its normal operation and necessitating repair or replacement.

However, breakdown does not mean:

(a) depletion, deterioration, corrosion or erosion of material or the need to clean any component;

(b) wear and tear;

(c) leakage at any valve, fitting, shaft seal, gland packing, joint or connection;

(d) vibration or misalignment;

(e) the functioning of any safety device or protective device;

(f) the failure of any structure, foundation or setting supporting the **insured equipment** or a part of the **insured equipment**; or

(g) the cracking of any part of a gas turbine exposed to the products of combustion.

## Computer equipment

Electronic **data** processing equipment comprising a central processing unit with flexible programming ability, video display units, printers, cartridges, hard disk, disk drives (CD, DVD or other), micro diskettes including read or writer heads, electro or mechanical motors and passive components, but does not include software.

## Deteriorated/Deterioration

The adverse change in physical condition or characteristics of **refrigerated stock**, so that it is no longer able to be used for its original intended purpose.

## Domestic type hot water system

Any heating or hot water system used for domestic purposes not exceeding 500 litres and normally operating at a temperature not exceeding ninety-nine degrees Celsius.

## Electronic equipment

Means any equipment used for:

(a) for the generation, control, transmission, reception, recording, reproduction, playback or other use of television, radio or telephone signals;

(b) research, diagnostic, treatment, experimental or other medical or scientific purposes;

(c) computing, data processing, duplicating, inventory control, monitoring, surveillance, audio visual amplification, lighting, scanning, point of sale or office services; or

(d) starting, stopping, controlling or monitoring one or more items of **insured equipment**.

## Expendable items

Means:

(a) electrical and electronic glass bulbs, tubes, x-ray tubes, contacts, fuses and heating elements; or

(b) tracks, rails, wear plates, cutting edges, tools, dies, engraved cylinders, moulds, patterns, shear pins, filters, chains, belts, tyres, tracks or conveyor belts and any other part or parts which require periodic replacement.

## Hazardous substance

Means:

(a) any **pollutant**, contaminant or other substance declared by a government authority to be hazardous to health or the environment; or

(b) any mould, yeast, **fungus** or mildew including any spores or toxins created or produced by or emanating from such mould, yeast, **fungus** or mildew, whether or not allergic, pathogenic or toxigenic.

## Insured equipment

Any of the following provided it is owned, leased, operated or controlled by **you**, or for which **you** are legally responsible:

(a) **boiler and pressure plant**;

(b) **computer equipment**;

(c) **electronic equipment**; or

(d) **machinery**.

However, insured equipment does not include:

(a) any **vehicle**, **watercraft** or **aircraft**;

(b) any **domestic type hot water system**; or

(c) any elevator, escalator, crane, hoist or conveyor.

## Machinery

Any mechanical, hydraulic or electrical machine or electrical apparatus used for the generation, transmission, control, transformation or utilisation of mechanical, hydraulic or electrical power. It includes **air conditioners** only if they are specified in **your policy schedule**.

Machinery does not include **computer equipment** or **electronic equipment**.

## Property Insured

Means:

(a) **your** property; or

(b) property not belonging to **you** but in **your** care, custody or control and for which **you** are legally liable.

## Refrigerated stock

Refrigerated goods owned by **you** or for which **you** are legally responsible while contained within any storage which is cooled by **insured equipment**. It includes items such as food stuffs and their packaging that are subject to decay, rot, ruin or spoilage.

# Policy Section 10 – Tax Probe

This Policy Section covers **professional fees** (such as accountant's fees) incurred by **you** in connection with a **tax audit** of a **return** by the Australian Taxation Office, or by a Commonwealth, State or Territory department, body or agency.

**You** can claim for **professional fees** as described under "What we cover" if:

- "Tax Probe" is specified in **your policy schedule**;
- the **tax audit** was commenced and is notified to **us** during the **period of insurance**;
- the claim is not excluded under "What we exclude"; and
- the claim is not excluded under the General Exclusions listed on pages 21 to 22.

# Your insurance under this Policy Section

## ✔ What we cover

**We** cover **professional fees** reasonably and necessarily incurred by **you** in connection with a **tax audit** by an **authority**, which is commenced and notified to **us** during the **period of insurance.**

The type and extent of cover under this Policy Section will depend on whether **you** select:

(a) Business Audit Only – with Investigation Cover (which excludes Extra Cover 2 – Directors' Personal Tax Returns); or

(b) Business AND Directors Audit – with Investigation Cover (which includes Extra Cover 2 – Directors' Personal Tax Returns); or

(c) Individual Cover (which provides cover for **insureds** who are not companies but excludes Extra Cover 2 – Directors' Personal Tax Returns).

## ✘ What we exclude

1. **Returns not prepared by a tax agent**

Any **professional fees** relating to, arising from, or in connection with any income **return** that has not been prepared or reviewed prior to dispatch by **your tax agent**. However, this exclusion does not apply to any **return** for:

(a) prescribed sales tax;

(b) income derived from:

(i) any payment under a contract of employment of service between **you** and any other person, company or entity, other than when that payment is paid by a company for which **you** are a director or have a controlling interest;

(ii) any payment from superannuation, pension or other retirement benefit; or

(iii) personal investments that **you** are not wholly or mainly dependent on.

2. **Representations, errors in information and improper conduct**

Any **professional fees** relating to, arising from, or in connection with:

(a) **you** or **your tax agent** making a statement to the **authority** that is false or misleading except that this exclusion will not apply where a false or misleading statement results from **you** being misled by the **authority** or where **you** did not and could not be expected to know that a statement was false or misleading;

(b) any fraudulent act or fraudulent omission or statement made to an **authority** arising from any act committed deliberately or with **your** wilful intent;

(c) an **authority,** or its authorised representative, having assessed **your** behaviour as being a case of deliberate evasion or recklessness;

(d) any **return** lodged or submitted dishonestly or fraudulently where the supporting documents have been falsely created or collected; or

(e) any error or deficiency with information already provided to the relevant **authority** which **you** do not notify to the relevant **authority** within 30 days of **you** discovering the error or deficiency with the information.

## ✘ What we exclude (cont.)

3. **Delay**

Any **professional fees** relating to, arising from or in connection with:

(a) a **tax audit** which is commenced due to **your** failure to lodge a taxation or any other **return** within the time limit prescribed by law or within the extended time granted by an **authority**;

(b) a **tax audit** which is commenced due to **your** failure to pay all taxes by the due date or within any extension of time granted by the **authority**; or

(c) **your** failure to respond to the **authority** within the time it has specified for **you** to give **your** response.

4. **Imposition of penalties**

The imposition of or the seeking to impose any tax, penalty tax, costs, interest, fine or penalty by any **authority**, court or tribunal.

5. **Shortfall tax audits**

Any **professional fees** relating to, arising from, or in connection with a **tax audit** where an **authority** imposes or seeks to impose a penalty due to any **shortfall amount**, or part of that amount, resulting from:

(a) intentional disregard of a **designated tax** by **you** or **your tax agent**; or

(b) recklessness by **you** or **your tax agent** as to the operation of a **designated tax**.

6. **Subrogation agreements**

Any amount that **you** are unable to recover because of a contract or agreement that **you** have entered into that excludes or limits **your** rights to recover that amount.

7. **Territorial limitations**

(a) Any tax **return:**

(i) prepared by a person who ordinarily resides outside Australia and its external territories; or

(ii) for a company, firm or entity which operates outside Australia and its external territories.

(b) Any **professional fees** that are:

(i) associated with any **return** lodged outside Australia and its external territories; or

(ii) in respect of any person or organisation ordinarily resident outside Australia and its external territories.

8. **Prior tax audits**

Any claim arising from or in connection with any **tax audit** for which verbal or written notice or information was received by **you** or **your tax agent** before the inception of this Policy Section.

9. **Unjustified refusal or failure to comply**

Any claim or claims caused by or arising from any improper, unwarranted or unjustified refusal or failure to comply with any lawful request made by the **authority**.

10. **Professional fees after completion of tax audit**

Any **professional fees** incurred after the **tax audit** has been completed.

## ✘ What we exclude (cont.)

11. **Other Matters**

(a) Any **professional fees** relating to, arising from or in connection with:

(i) any criminal prosecution;

(ii) any **tax audit** relating to customs legislation;

(iii) any **tax audit** conducted by the Australian Prudential Regulation Authority; or

(iv) any **tax audit** that includes a refund or claim for tax or duty relief arising out of an arrangement, facility, financial structure or the like adopted for the principal purpose of obtaining that refund or relief, unless the arrangement has received prior written approval from the relevant government or government authority or agency before being offered to **you** or the general public.

(b) Any claim or claims caused by, arising from, or in connection with:

(i) amounts sought by any amended notice of assessment, additional tax, duty government impost or the like;

(ii) costs to pursue or defend any legal actions against **you** or initiated by **you** (unless it is agreed to by **us**);

(iii) any inquiry from an **authority** which is not related to either an identified intention to conduct a **tax audit** or is not directed at obtaining information or **data** for a possible future **tax audit**;

(iv) any routine enquiries, or enquiries from a **tax agent** which are not identified as being either preliminary to, or relating to a **tax audit** of a **return**; or

(v) any form of activity involving a periodic review, routine inquiry or compliance review relevant to **you** maintaining industry status, licence, compliance, membership, any form of occupational health and safety compliance or similar requirements.

# Extra Covers

If **we** agree to pay a claim for **professional fees** under this Policy Section, **we** will also pay or provide the following Extra Covers.

### 1. Reinstatement of insured amount

## ✔ What we cover

If **we** pay an amount for a claim under this Policy Section, **we** will automatically reinstate the **insured amount** under the Policy Section. **You** will not have to pay any additional premium.

### 2. Directors' personal tax returns

## ✔ What we cover

If **your policy schedule** shows that **you** have selected 'Business and Directors Audit – with Investigation Cover' and **you** are a company and the directors work full time in the **business**, **we** will cover the **professional fees** reasonably and necessarily incurred by each director in connection with a **tax audit** by an **authority** of the director's personal income tax returns that are lodged with that **authority** which is commenced and notified to **us** during the **period of insurance**.

This Extra Cover only covers a **tax audit** of a director's personal income tax return that was prepared by the same **tax agent** who prepared the income tax return for the **business** in that same year.

## ✘ What we exclude

The amounts payable under this Extra Cover are included in, and do not apply in addition to, the 'Business and Directors Audit - with Investigation Cover' **insured amount**. This Extra Cover will not apply if **your policy schedule** shows that **you** have selected 'Business Audit Only – with Investigation Cover' or 'Individual Cover'.

### 3. Travel and accommodation expenses

## ✔ What we cover

**We** will reimburse **you** for travel and accommodation expenses incurred by **you** or **your employees** if they are reasonably and necessarily incurred to substantiate a claim under this Policy Section.

# Policy Section Conditions

These conditions apply to this Policy Section.

### 1. Commencement and completion of a tax audit

A **tax audit** commences at the time **you** or **your tax agent** first receives notice (verbal or written) of an audit, inquiry, investigation, examination or review.

A **tax audit** is complete when:

(a) the officer authorised by the **authority** has given written notice to that effect;

(b) the officer authorised by the **authority** notifies **us** in writing of its decision in connection with **your returns** including any written statement which is intended by such officer to be its findings in connection with a **return** or the basis upon which it proposes to act in connection with a **return**;

(c) when the officer authorised by the **authority** has issued an assessment or amended assessment of **your returns**; or

(d) in the absence of subparagraphs (a), (b) or (c) where **your tax agent** declares in writing that such a **tax audit** has been concluded.

### 2. Authority matters

**You** must:

(a) submit all taxation and other **returns** within the time limits prescribed by all relevant legislation or regulations or as requested by or on behalf of the relevant **authority** or within the extensions of time granted by the relevant **authority**;

(b) make full and complete disclosure of all assessable income (including capital gains), as required by any relevant legislation or regulation, and **you** must take reasonable care to not omit from any such disclosure any matter or thing without which the disclosure is misleading or likely to mislead any person or **authority** who relies on that disclosure;

(c) be registered for GST purposes, if required by legislation or regulations; and

(d) ensure all correspondence, requests or inquiries from an **authority** are dealt with within the required time and where there is no required time, a reasonable time.

### 3. Claims

For any claim:

(a) **you** must notify **us** within thirty (30) days of **you** first becoming aware of the first notice of a **tax audit**;

(b) **you** must keep **us** informed of all developments as they occur;

(c) **you** must take all necessary and reasonable steps to minimise any delays and costs incurred or likely to be incurred;

(d) **we** have the right to directly access **your tax agent** and lawyers and any documented advice they have given **you** relevant to the **tax audit**;

(e) **you** must ensure **your tax agent** will assist **us** with any matter **we** may pursue with the **authority**; and

(f) **you** must submit to **us** all accounts for **professional fees** that relate to **your** claim upon completion of the **tax audit**.

# What we pay

Subject to Extra Cover 1 - Reinstatement, if **your policy schedule** shows the cover **you** have selected is:

(a) Business Audit Only – with Investigation Cover, then the most **we** will pay for a **tax audit** commenced during the **period of insurance** is the **insured amount** specified in **your policy schedule** for this Policy Section; or

(b) Business AND Directors Audit – with Investigation Cover, the most **we** will pay for a **tax audit** commenced during the **period of insurance** relating to:

   (i) the **policyholder** named in **your policy schedule** or any company, firm, partnership or trust in which the **policyholder** named in **your policy schedule** holds 50% or more ownership, interest or shareholding; and

   (ii) each director named in **your policy schedule**,

   is the **insured amount** specified in **your policy schedule** for this Policy Section; or

(c) Individual Cover, the most **we** will pay for a **tax audit** commenced during the **period of insurance** relating to all individuals named in **your policy schedule** as **policyholders** is the **insured amount** specified in **your policy schedule** for this Policy Section.

# When we pay

**We** will pay the **professional fees** reasonably and necessarily incurred by **you** in connection with assisting **you** to respond to an official **tax audit** by an **authority** where:

(a) **your** claim is covered under "What we cover" of this Policy Section;

(b) **your** claim is not excluded under "What we exclude" of this Policy Section;

(c) **your** claim is not excluded under the General Exclusions on pages 21 to 22; and

(d) the **tax audit** has been completed (as defined in Policy Section Condition 1 above).

# Excess

The **excess** that applies is specified in **your policy schedule**.

# Definitions

These words have the following meanings and apply only to this Policy section. These defined terms prevail over any other meaning given to them in other parts of the **PDS** and Policy Wording. **You** should also refer to the General Definitions on pages 23 to 27.

## Authority

Means:

(a) the Australian Taxation Office;

(b) a revenue office of an Australian State or Territory; or

(c) a Commonwealth, State or Territory government department, body or agency,

duly authorised to conduct a **tax audit**.

## Designated tax

Any tax assessable in accordance with the provisions, as amended, of the:

(a) Income Tax Assessment Act 1936 (Cth);

(b) Income Tax Assessment Act 1997 (Cth);

(c) Fringe Benefits Tax Assessment Act 1986 (Cth);

(d) A New Tax System (Goods and Services Tax) Act 1999 (Cth);

(e) Superannuation Guarantee (Administration) Act 1992 (Cth);

(f) Termination Payments Tax (Assessment and Collection Act) 1997 (Cth); or

(g) any law of an Australian State or Territory relating to payroll tax.

## Policyholder

The person or entity named as such in **your policy schedule.**

## Professional fees

Fees, costs and disbursements payable to a **tax agent** or professional person (other than **you** or **your employee**) in connection with a **tax audit** by an **authority**.

Professional fees does not mean any fees, costs or disbursements:

(a) charged by a tax agent for administrative services;

(b) that relate to any subsequent objection lodged with an **authority** in respect of a **tax audit**;

(c) that relate to, or are associated with the preparation of any accounts, financial statements or documents which would or should have been ordinarily or prudently prepared prior to or at the time that the lodgement of any **return** or documents was required to be lodged;

(d) incurred after the **tax audit** has been completed; or

(e) incurred 12 months after the commencement date of a **tax audit** other than when **you** can demonstrate to **our** satisfaction that the delay in completing the **tax audit** was caused primarily by the **authority**.

## Return

Any return legally required to be, and that is actually lodged with, an Australian Commonwealth, State or Territory government department, body or agency by **you** or on **your** behalf.

## Shortfall amount

A shortfall amount arises in the following situations:

(a) your tax related liability, worked out on the basis of your disclosure or statement, is less than it would be if the disclosure or statement:

  (i) was not false or misleading; or

  (ii) did not treat a designated tax as applying in a way that was not reasonably arguable;

(b) an amount the authority must pay or credit to you under a designated tax, worked out on the basis of your disclosure or statement, is more than it would be if the disclosure or statement:

  (i) was not false or misleading; or

  (ii) did not treat a designated tax as applying in a way that was not reasonably arguable.

## Tax agent

Any person who is recognised by the **authority** as a registered tax agent, as appropriate to the type of **designated tax**, who prepares **returns** or statements required by that **authority** in respect of **your** liability to pay a **designated tax**, including supervision of the preparation of and review, prior to dispatch, of those **returns** or statements.

Tax agent does not mean **you** or a person working for **you** under a contract of employment.

## Tax audit

Means:

(a) the audit by an **authority** of a **return** in respect of **your** liability to pay any **designated tax** (including the amount of tax payable or refundable) following lodgement of a **return** for that **designated tax**;

(b) any official inquiry, investigation, examination or review undertaken by an **authority** in respect of **your** liability to pay any **designated tax** (including the amount of tax payable) following lodgement of a **return** for that **designated tax;**

(c) a workers' compensation wage audit or investigation by an **authority** in respect of **your** liability to pay a workers' compensation premium; or

(d) the audit by an authority of a director's personal income tax return only to the extent that Extra Cover 2 – 'Directors' personal tax returns' applies.

If an official inquiry, investigation, examination or review referred to in paragraph (b) above escalates or results in an audit as referred to in paragraph (a) above, then this would be viewed as one **tax audit** for the purposes of this Policy Section.

## You / Your / Yours

Includes:

(a) the **policyholder**;

(b) any company, firm, partnership or trust in which **you** hold a 50% or more ownership, interest or shareholding; and

(c) any director but only to the extent that Extra Cover 2 – 'Directors' personal tax returns' applies.

# Policy Section 11 – Commercial Motor

This Policy Section covers **your vehicles**.

There are three (3) different types of cover for **your vehicles**. Not all types of cover are available for all types of **vehicles**. The cover **you** have chosen will be displayed next to each **vehicle** in **your policy schedule** and is detailed below.

| Cover options | Description of cover provided |
|---|---|
| Comprehensive Cover | Part 1 and Part 2 apply |
| Legal Liability, Fire and Theft Cover | Part 1 (insured events fire, explosion, lightning, theft or attempted theft only) and Part 2 apply |
| Legal Liability Only | Part 1 does not apply<br>Part 2 applies |

What **we** cover is described in the 'What we cover' sections in the following pages. What **we** do not cover is described in the 'What we exclude' sections in the following pages, the General Exclusions on pages 21 to 22, the Policy Section Exclusions on pages 148 to 149 and in any **endorsements** that apply to **your policy**.

**You** can ask **us** at any time to change the cover option for any **vehicle** and if **we** agree, there may be an additional premium or a refund of premium.

## Cover for additional vehicles

An additional vehicle is a vehicle that **you** acquire, purchase or lease (but not hire or borrow) during the **period of insurance**.

**We** automatically provide cover for any additional vehicle during the **period of insurance** provided **you** tell **us** about the additional vehicle within thirty (30) days of getting it and pay any extra premium **we** request.

If **we** are unable to continue covering the additional vehicle, **we** will tell **you** and give **you** five (5) working days from the date **we** tell **you** so that **you** can organise to insure the vehicle elsewhere. Cover for the additional vehicle will then end at 4:00pm five (5) days after **we** have told **you we** are unable to continue covering the additional vehicle.

If **you** have only one (1) type of cover option for **your vehicles**, **we** will automatically provide that cover option for an additional vehicle during the **period of insurance** (unless **you** tell **us you** want another cover option).

If **you** have **vehicles** insured with **us** for more than one (1) type of cover option, **we** will automatically provide the cover option with the better cover for an additional vehicle during the **period of insurance** (unless **you** tell **us you** want another cover option).

The **insured amount** of any additional vehicle will be its **market value**. However, unless a higher amount is specified in **your policy schedule** for additional vehicles or **we** have agreed to insure an additional vehicle that is similar for a higher amount, the most **we** will pay for **loss** of, or **damage** to, an additional vehicle is:

(a) $100,000 if the additional vehicle is a motorcycle, caravan, car, 4WD, utility or van of not more than 2 tonne carrying capacity;

(b) $300,000 for any other additional vehicle type.

The most **we** will pay for **legal liability** arising from the use of an additional vehicle is the relevant amount stated in Part 2 of this Policy Section.

## Cover for two-wheel or box trailers

Additional Benefit 1 – 'Two-wheel or box trailers' provides cover of up to a limit of $2,000 for **loss** of, or **damage** to, **your** two-wheel or box trailer caused by an **event** during the **period of insurance**. **You** can ask **us** to insure **your** two-wheel or box trailer for more than $2,000 as a separate **vehicle** under **your policy**. If **we** agree, **you** may be required to pay an additional premium.

# Part 1 – Loss or damage to your vehicle

**You** can claim for **loss** of, or **damage** to, **your vehicle** as described under 'What we cover" if:

- "Commercial Motor" is specified in **your policy schedule**;
- **your vehicle** is insured for "Comprehensive Cover" or "Legal Liability, Fire and Theft Cover";
- the **event** which causes the **loss** or **damage** happens during the **period of insurance**;
- the **loss** or **damage** occurs within Australia or its external territories;
- the **loss** or **damage** is not excluded by anything under 'What we exclude' or the Policy Section Exclusions;
- the **loss** or **damage** is not excluded by the General Exclusions on pages 21 to 22; and
- the **loss** or **damage** is not excluded by any **endorsement**.

## ✔ What we cover

**We** cover the theft of, **loss** of, or **damage** to, **your vehicle** caused by an **event**. This includes **damage** arising from attempted theft of **your vehicle**.

## ✘ What we exclude

**We** do not cover:

- **loss** of, or **damage** to, tyres caused by punctures, bursts, road cuts or the application of brakes.
- **loss** or **damage** due to wear and tear, corrosion, rusting or depreciation.
- any **vehicle** accessories other than those:
  - supplied by the manufacturer of **your vehicle** as original equipment;
  - stated within the definition of **vehicle**; or
  - accessories specified in **your policy schedule**.
- structural, mechanical, electrical, or electronic failure or breakdown.
- **loss** or **damage** caused by **you** failing to take reasonable steps to protect, prevent or diminish further **loss** or **damage** to **your vehicle** after:
  - it breaks down;
  - it is **damaged** in an **event**; or
  - **you** have been notified that **your** stolen **vehicle** has been found.
- **loss** of, or **damage** to, **your vehicle** due to using incorrect fuel or additive.
- **damage** to **your vehicle's** engine, gearbox or transmission because it was driven in a **damaged** condition after an **event** unless **we** agree that **you** could not reasonably have known that the **damage** was occurring.
- **loss** or **damage** caused by or arising from any person or organisation who lawfully takes possession of **your vehicle**.
- **loss** or **damage** caused by an **event** which is not fire, explosion, lightning, theft or attempted theft, if **your vehicle** is insured for Legal Liability, Fire and Theft Cover.

# Extra Covers

If as a result of an **event we** agree to pay a claim under Part 1, **we** will also pay or provide the following Extra Covers in relation to that claim. **We** will not pay if the **loss** or **damage** is excluded by any conditions applicable to this Policy Section or any of the **policy** exclusions (to avoid doubt, including the exclusions in Part 1, Part 2, the Policy Section Exclusions, the General Exclusions or any **endorsement**).

## 1. New vehicle after total loss

### ✔ What we cover

This Extra Cover applies when:

- **your vehicle** is insured for Comprehensive Cover and is a motorcycle, car, 4WD, utility or van of not more than 2 tonne carrying capacity, prime mover, trailer or rigid body truck;
- **we** decide because of the **event your vehicle** is a **total loss**;
- **you** are the first registered owner of **your vehicle**;
- the **loss** or **damage** occurred less than two (2) years from the date of original registration of **your vehicle**;
- anyone who financed **your vehicle** provides **us** with written consent; and
- the new vehicle is available in Australia.

When this Extra Cover applies, at **your** choice, **we** will replace **your vehicle** with a new vehicle of the same make, model and series (or if unavailable, a vehicle of similar make and model) and pay for the initial registration, compulsory third party insurance, delivery and stamp duty costs for the new vehicle.

If a new vehicle cannot be agreed between **you** and **us**, **we** will only pay the original purchase price which **you** paid for **your vehicle** including any registration, compulsory third party insurance, delivery and stamp duty costs included in the contract of sale for **your vehicle**.

### ✘ What we exclude

This Extra Cover does not apply if:

- **your vehicle**:
  - has a stock, tanker or vacuum application;
  - is a concrete agitator vehicle;
  - is a garbage compactor;
  - is a concrete pumping truck or trailer;
  - is any other specialised rigid vehicle body type; or
  - is insured for **agreed value**.
- **we** have made a payment under Extra Cover 12 or Extra Cover 13 of Part 1 of this Policy Section.

If **your vehicle** is a trailer or rigid body truck **we** do not cover more than 112.5% of the **insured amount** of **your vehicle**.

## 2. Personal effects

### ✔ What we cover

**We** will cover the reasonable costs of repair or replacement if **your** or the **authorised driver's personal effects** are **damaged** or **lost** as a result of **your vehicle** being:

- **damaged** as a result of the **event**; or
- stolen as a result of forcible entry to **your vehicle**.

If the **vehicle**, the subject of the claim, is only insured for Legal Liability, Fire and Theft Cover, this Extra Cover will only apply when the **event** is fire or theft.

### ✘ What we exclude

**We** will not pay:

- more than $1,000 for any one (1) **event** and $5,000 in total for any one (1) **period of insurance**; or
- for **personal effects** insured under another insurance policy.

## 3. Funeral expenses

### ✔ What we cover

This Extra Cover only applies if **your vehicle** is insured for Comprehensive Cover.

If **you** or the **authorised driver** of **your vehicle** sustains a fatal injury during the **event**, **we** will pay:

- the associated burial or cremation costs of the deceased driver; and
- travel costs within Australia or its external territories for the deceased driver and any member of the deceased driver's immediate family to attend the funeral.

This Extra Cover will not be reduced by any accident compensation.

### ✘ What we exclude

**We** will not pay:

- more than $10,000 in total for any one (1) **event**.
- any claim if the driver of **your vehicle** dies:
  - (i) more than twelve (12) months from the date of the **event**; or
  - (ii) because the driver committed suicide.
- any claim if **we** have paid an amount under Extra Cover 4 – 'Personal Accident' of Part 1 of this Policy Section.

## 4. Personal accident

### ✔ What we cover

This Extra Cover only applies if **your vehicle** is insured for Comprehensive Cover.

**We** will pay $5,000 provided:

- **your vehicle** was being driven by **you** or any **authorised driver;** and
- as a direct and sole result of the **event**, the driver:
  - (i) permanently and totally loses sight in one or both eyes; or
  - (ii) permanently and totally loses the efficient use of one or both hands or one or both feet.

**We** will pay the driver.

### ✘ What we exclude

**We** will not pay:

- more than $5,000 in total for any one (1) **event;**
- any claim if the permanent and total loss happens:
  - (i) more than 12 months after the **event**; or
  - (ii) because the driver attempted to commit suicide.
- any claim if **we** have paid an amount under Extra Cover 3 – 'Funeral Expenses' of Part 1 of this Policy Section.

## 5. Emergency repairs

### ✔ What we cover

This Extra Cover only applies if **your vehicle** is insured for Comprehensive Cover.

**We** will cover the reasonable costs of **emergency repairs** incurred by **you** if they are necessary to get **your vehicle** to **your** destination or a repairer after the **event**.

If **you** need **emergency repairs**, **we** give **you** the authority to arrange these matters on **our** behalf. **You** must produce tax invoices and receipts for all costs if **we** ask for them.

### ✘ What we exclude

For any one (1) **event**, **we** do not cover more than:

- $1,000 if **your vehicle** is a motorcycle; or
- $3,000 if **your vehicle** is any other type of vehicle other than a motorcycle.

## 6. Emergency travel

### ✔ What we cover

This Extra Cover only applies if **your vehicle** is insured for Comprehensive Cover.

**We** will cover the reasonable costs of emergency travel for **you** or the **authorised driver** and any passengers of the **vehicle** if **your vehicle** is unroadworthy or unsafe to drive following the **event.**

If **you** need emergency travel, **we** give **you** the authority to arrange these matters on **our** behalf. **You** must produce tax invoices and receipts for all costs if **we** ask for them.

### ✘ What we exclude

**We** will not pay more than $2,000 in total for any one (1) **event**.

## 7. Emergency accommodation

### ✔ What we cover

This Extra Cover only applies if **your vehicle** is insured for Comprehensive Cover.

If **your vehicle** becomes unroadworthy or unsafe to drive following the **event**, **we** will pay the reasonable costs of emergency accommodation:

- for **you** or the **authorised driver** if the **event** was more than 100km from **your** home or the **authorised driver's** home; or
- if **your vehicle** is an unregistered on-site caravan and it is **damaged** by the **event** provided that it is **your** only home and **you** are not able to live in it as a result of the **damage.**

If **you** need emergency accommodation, **we** give **you** the authority to arrange these matters on **our** behalf. **You** must produce tax invoices and receipts for all costs if **we** ask for them.

### ✘ What we exclude

**We** will not pay more than $2,000 for any one (1) **event**.

## 8. Removal of debris

### ✔ What we cover

This Extra Cover only applies if **your vehicle** is insured for Comprehensive Cover.

If **you** are liable to pay the cost of cleaning up or removing goods that have fallen off **your vehicle** because it was in a collision or it overturned, **we** will cover those reasonable costs.

**You** must provide invoices or other proof of payment of costs if **we** ask for them.

### ✘ What we exclude

**We** will not pay more than $25,000 for any one (1) **event**.

## 9. Vehicle modifications

### ✔ What we cover

This Extra Cover only applies if **your vehicle** is insured for Comprehensive Cover.

**We** will cover the reasonable costs of modifying **your vehicle** for any driver of **your vehicle** who is permanently disabled as a result of the **event**.

### ✘ What we exclude

**We** will not pay more than $5,000 for any one (1) **event**.

## 10. Towing and storage

### ✔ What we cover

**We** will cover the reasonable and necessary costs of towing **your vehicle** when as a result of the **event your vehicle** cannot be driven to:

- **our** nearest assessing centre;
- a **recommended repairer** that **we** nominate; or
- a repairer **we** agree to.

**We** will also pay the reasonable costs of storing **your vehicle**.

### ✘ What we exclude

**We** do not cover:

- storage costs for any period after **your** claim is settled; or
- the costs of towing or storage of **your vehicle** if it is insured for Legal Liability, Fire and Theft Cover and the **event** was not fire, theft or attempted theft.

## 11. Hire vehicle after theft

### ✔ What we cover

**We** will cover the reasonable cost incurred by **you** of hiring a vehicle of a similar make and model to **your vehicle** for up to thirty (30) days if **your vehicle** is stolen and either not found or is found but is not drivable. This cover stops before the thirty (30) day limit if and when:

- **your vehicle** is returned undamaged;
- **we** repair **your vehicle** and return it to **you**; or
- **we** have settled **your** claim.

If **you** withdraw **your** claim or **we** refuse to accept it, **you** might have to refund **us** any payments for the hire vehicle **we** have already made.

### ✘ What we exclude

**We** will not pay:

- more than $3,000 for any one (1) **event;**
- any running costs and extras of the hire vehicle, including paying the deposit, security bond, fuel, excess reduction costs and any upgrade costs; or
- any costs for any period **you** continue to use the hire vehicle after this Extra Cover stops.

## 12. Lease payout – motorcycle, car, 4WD, utility or van of not more than 2 tonne carrying capacity

### ✔ What we cover

This Extra Cover only applies if **your vehicle** is insured for Comprehensive Cover.

If **your vehicle** is a motorcycle, car, 4WD, utility or van of not more than 2 tonne carrying capacity and **we** decide it is a **total loss,** then **we** will pay the difference when the amount owing by **you** under a lease or a hire purchase agreement is greater than the **market value** of **your vehicle,** less:

- any amounts or interest in arrears at the time of the **loss** or **damage**; and
- any discounts, finance charges or interest for the unexpired term of the financial agreement.

### ✘ What we exclude

**We** will not pay more than 20% of the **market value** of **your vehicle**.

**We** will not pay any claim under this Extra Cover if:

- **your vehicle** is insured for **agreed value**;
- **your vehicle** was purchased via a personal loan or line of credit;
- the **loss** of, or **damage** to, **your vehicle** was caused by fire or theft; or
- **we** have replaced **your vehicle** or made a payment under Extra Cover 1 – 'New vehicle after total loss' for the same **event**.

### 13. Lease payout – vehicle other than those referred to in Extra Cover 12

**✔ What we cover**

This Extra Cover only applies if your vehicle is insured for Comprehensive Cover and is not a vehicle referred to in Extra Cover 12 of Part 1 of this Policy Section.

If **we** decide **your vehicle** is a **total loss**, then **we** will pay the difference when the amount owing by **you** under a lease or hire purchase agreement is greater than the **market value** of **your vehicle,** less:

- any amounts or interest in arrears at the time of the **loss** or **damage**; and
- any discounts, finance charges or interest for the unexpired term of the financial agreement.

**✘ What we exclude**

**We** will not pay:

- more than 12.5% of the **insured amount** of **your vehicle**.
- any claim under this Extra Cover if:
  - the **loss** of, or **damage** to, **your vehicle** was caused by fire or theft;
  - **your vehicle** was purchased via a personal loan or line of credit; or
  - **we** have replaced **your vehicle** or made a payment under Extra Cover 1 – 'New vehicle after total loss' for the same **event**.

# Additional Benefits

If **your vehicle** is insured for Comprehensive Cover, the following Additional Benefits will apply during the **period of insurance**. All of the terms, conditions and exclusions of this **policy** apply to the Additional Benefits including, without limitation, the exclusions applicable to Part 1, Part 2, the Policy Section Exclusions, the General Exclusions and any **endorsement** unless otherwise specified.

### 1. Two-wheel or box trailer

**✔ What we cover**

**We** cover **loss** of, or **damage** to, **your** two-wheel or box trailer while it is attached or being towed by **your vehicle** caused by an **event** during the **period of insurance**.

No **excess** is applicable for any claim accepted under this Additional Benefit.

**✘ What we exclude**

**We** will not pay more than $2,000 for any one (1) **event**.

**We** will not pay any claim under this Additional Benefit if **your** two-wheel or box trailer is insured as a separate **vehicle** under **your policy**.

### 2. Locks and keys

**✔ What we cover**

**We** cover the cost of replacing the keys or re-coding **your vehicle's** locks if during the **period of insurance**, the keys to **your vehicle**:

- have been stolen (even if **your vehicle** was not);
- have been **damaged** or **lost** after an **event** as a result of which **we** have paid a claim under Part 1; or
- may have been duplicated and there is reasonable grounds to believe so.

**✘ What we exclude**

**We** will not pay more than $5,000 for any one (1) **event** and $10,000 for any one **period of insurance**.

**You** must pay the Basic Excess applicable to **your vehicle** for any claim accepted under this Additional Benefit.

## 3. Hired vehicle

### ✔ What we cover

If **you** hire a motorcycle, car, 4WD, utility or van of not more than 2 tonne carrying capacity and **you**:

- do not insure it with the hiring company, **we** will cover:
  - theft of, **loss** of, or **damage** to, that hire vehicle during the **period of insurance**; and
  - **your** or the **authorised driver's legal liability** for another person's **personal injury** or **damage** to another person's property in the **period of insurance** which **you** or an **authorised driver** cause while driving or in control of the hire vehicle.
- do insure it with the hiring company for theft, **loss** or **damage**, **we** will cover any excess **you** are required to pay to the hiring company under that insurance for theft, **loss** or **damage** to that hire vehicle during the **period of insurance**.

### ✘ What we exclude

**We** will not pay more than $40,000 for the **loss** or **damage** to the hired vehicle or the hire vehicle excess for any one **event**, whichever applies.

**You** must pay **us** an **excess** of $500 (unless another amount is specified in any **endorsement**) for any claim accepted by **us** under this Additional Benefit.

## 4. Recovery costs – no damage

### ✔ What we cover

**We** cover the reasonable cost of moving **your vehicle** to a place of safety following it becoming immobilised, bogged or stranded in the **period of insurance** even if there is no **damage** to **your vehicle**.

**You** must pay for these costs and provide tax invoices and receipts for all costs if **we** ask for them.

### ✘ What we exclude

**We** will not pay:

- more than $5,000 in total for any one (1) **event**.
- any claim where **your vehicle** is immobilised, bogged or stranded solely as a result of **vehicle** failure or breakdown.

**You** must pay the Basic Excess applicable to **your vehicle** for any claim accepted under this Additional Benefit.

## 5. Theft of certain vehicle accessories

### ✔ What we cover

We **cover** the reasonable cost to replace any of the following accessories that would normally be attached to, or in, or on **your vehicle** if they are stolen during the **period of insurance**, even if the theft occurs while they are not attached to **your vehicle** or if they are not specified in **your policy schedule**:

- Buckets
- Chain trencher
- Hammer
- Laser
- Pallet forks
- Post hole borer
- Ramps Ripper
- Rock breaker
- Sweeper

### ✘ What we exclude

**We** will not cover these accessories if:

- **you** do not give **us** evidence to satisfy **us** that the **insured amount** reflects the value of **your vehicle** plus the accessories; or
- **you** cannot prove **you** owned the accessories.

**You** must pay the Basic Excess applicable to **your vehicle** for any claim accepted under this Additional Benefit unless **you** have already paid the **excess** applicable to **your vehicle** because it was also stolen in the **event**.

## 6. Vehicles being test driven by you

### ✔ What we cover

If a vehicle (not exceeding 2 tonnes) is being demonstrated to **you** or test driven by **you** or **your authorised driver** during the **period of insurance**, **we** will cover **your** or an **authorised driver's legal liability** for:

- theft of, **loss** of, or **damage** to, that vehicle; or
- another person's **personal injury** or **damage to property** in connection with the use of that vehicle.

No **excess** is payable for any claim accepted under this Additional Benefit.

### ✘ What we exclude

**We** will not pay:

- more than $100,000 for theft of, **loss** of, or **damage** to, the demonstration or test driven vehicle;
- if the demonstration or test driven vehicle is a customer's vehicle or being test driven for the purposes of repair, restoration or modification.

## 7. Non-owned trailer in control

### ✔ What we cover

If **your vehicle** is a prime mover or rigid body truck of 2 tonne carrying capacity or more, **we** will cover the **loss** or **damage** in the **period of insurance** to a trailer **you** do not own, lease or hire when:

- the trailer was in **your** legal possession or control at the time the **loss** or **damage** occurred; and
- **you** or an **authorised driver** were using it in conjunction with **your vehicle.**

### ✘ What we exclude

**We** will not pay:

- more than $50,000 for any one (1) **event**, regardless of the number of trailers **your vehicle** may have under its control at the time of the **event**; or
- for **loss** or **damage** to goods or property being carried by the trailer.

**You** must pay **us** an **excess** of $2,500 (unless another amount is specified in any **endorsement**) for any claim accepted by **us** under this Additional Benefit. This **excess** is additional to any **excess** payable for **your vehicle**.

# What we pay under Part 1

If **we** agree to pay a claim under Part 1, **we** will either pay **you** for a **partial loss** or a **total loss**.

If **we** agree to pay a claim for **legal liability** under any Additional Benefit in this Part, the "Limits to what we pay" in Part 2 of this Policy Section will also apply.

## Total loss

**Your vehicle** is a **total loss** if it is stolen and not recovered within a reasonable period of time after **you** have reported its theft to **us** and **we** are satisfied that **your** claim is in order or when **we** decide it is uneconomical or unsafe to repair.

Where **we** decide **your vehicle** is a **total loss** and the conditions applying to Extra Cover 1 – 'New vehicle after total loss' are met, **you** can choose to accept a new replacement vehicle of the same make, model and series as **your vehicle**. If **you** do not choose to accept a new replacement vehicle or Extra Cover 1 – 'New vehicle after total loss' does not apply, **we** will settle **your** claim in one of the following ways:

## (A) Insured amount

If the **insured amount** of **your vehicle** is specified in **your policy schedule** as having **market value**, **we** will pay **you** the **market value** of **your vehicle**.

If the **insured amount** of **your vehicle** is specified in **your policy schedule** as a dollar amount, **we** will pay **you** the lesser of the dollar amount or **market value** of **your vehicle.**

Where **your vehicle** is not specified in **your policy schedule** (because it is an additional vehicle as defined in 'Cover for additional vehicles' on page 125), **we** will pay **you** the **insured amount** of **your vehicle**.

The **insured amount** of **your vehicle** includes accessories within the definition of **vehicle** plus any agreed accessory specified in your **policy schedule**.

Any **excess you** must pay is deducted from the amount **we** pay.

If **we** pay the **insured amount** as a result of a **total loss**, then **your** cover for that **vehicle** comes to an end. Any Extra Cover, Additional Benefit or Optional Insurance for that cover also ends. There will be no refund of the premium for the unexpired **period of insurance**.

## (B) Agreed value

If the **vehicle** is specified in **your policy schedule** as having **agreed value**, **we** will pay **you** the **agreed value**.

The **agreed value** for **your vehicle** includes accessories within the definition of **vehicle** plus any agreed accessory specified in **your policy schedule**.

The **agreed value** is the most **we** will pay for theft, **loss** of, or **damage** to, **your vehicle**. **We** will not deduct any input tax credit from the amount of the **agreed value** specified in **your policy schedule**.

Any **excess you** must pay is deducted from the **agreed value**.

If **we** pay the **agreed value** as a result of a **total loss** then **your** cover for that **vehicle** comes to an end. Any Extra Cover, Additional Benefit or Optional Insurance for that cover also ends. There will be no refund of the premium for the unexpired **period of insurance**.

## Settlement Conditions Applicable to (A) and (B)

**We** will deduct any unpaid premium from the amount that **we** pay **you**.

**Your vehicle**, including any unexpired premium, registration and Compulsory Third Party (CTP) insurance, unless the law requires otherwise, becomes **our** property when **we** pay **you** for the **total loss**. If **we** ask, **you** must provide **us** with reasonable assistance to collect any unexpired registration and CTP insurance. Where **you** are entitled or required by law to obtain a refund for unused registration or CTP insurance, **we** will deduct those amounts from what **we** pay **you** for the **total loss**.

If another party (e.g. a bank) has a legally valid interest in **your vehicle** which is recorded in **your policy schedule** and **your vehicle** is a **total loss**, **we** pay them (instead of **you**) what **you** owe them up to the amount **you** are entitled to under this **policy**. If this amount is less than the full amount payable under the **policy**, **we** pay **you** the balance.

When **we** replace **your vehicle** or pay **you** for the **total loss**, **your vehicle** salvage becomes **our** property.

If another party is entitled to the salvage of **your vehicle**, then **we** will pay **you** or them the **insured amount**, less **our** estimate of the salvage value, any **excess** and unpaid premium. For example, this could occur if **you** had purchased **your vehicle** not knowing that it was used as security on a financial agreement involving the previous owner. This means the credit provider may be entitled to the salvage of **your vehicle**.

For an example of how **we** settle a **total loss** claim, see pages 150 and 151 of this **PDS** and Policy Wording.

## Partial loss

Where **your vehicle** is a **partial loss**, **we** will decide if **we**:

- repair the **damage**;
- replace the **damaged** parts of **your vehicle**; or
- pay **you** what it would cost **us** to repair the **damage** or replace the **damaged** parts of **your vehicle**.

If **we** settle **your** claim by paying **you** what it would have cost **us** to repair the **vehicle**, **we** can reduce the amount of cover to reflect the lower value of that **vehicle** in its damaged condition.

For an example of how **we** settle a **partial loss** claim, see page 151 of this **PDS** and Policy Wording.

## Choice of repairer

**We** can arrange the repair of **your vehicle** with a **recommended repairer** if one is available, or alternatively, **you** can choose **your** own repairer and arrange repairs with them. Where **we** are able to provide **you** with access to one of **our recommended repairers**, **we** will offer **you** a choice if there is more than one in **your** area. However, **we** may only be able to nominate one **recommended repairer** if there are no others available or in **your** area. Where **we** are unable to provide **you** with access to one of **our recommended repairers**, **we** will require **you** to choose **your** own repairer.

If **we** authorise repairs with a **recommended repairer** or **your** own repairer, **we** will:

- authorise the repair of **your vehicle** to the same or reasonably similar condition and standard it was in immediately before the **event**;
- authorise only the use of new parts or parts which are consistent with the age and condition of **your vehicle** (which may include using non-genuine and/or recycled parts);
- authorise only the use of manufacturer's approved parts if **your vehicle** is under warranty, but not when **your vehicle** has an extended warranty or for windscreen replacement, window glass or radiator and air conditioning parts replacement. In the case of radiators and air conditioning systems, parts produced by genuine parts suppliers may be used;
- only pay the market value of damaged parts **we** consider to be obsolete;
- not pay for the replacement of undamaged parts which includes items that are part of a whole set when the **loss** or **damage** occurred to only part of the set (such as alloy wheels);
- replace damaged windscreen or window glass with glass which may not be produced by the original manufacturer but will meet Australian Design Rules; and
- guarantee the quality of materials and workmanship in respect of the repairs for the life of the **vehicle**. See 'Lifetime guarantee for repairs' below.

Any repairer **we** authorise to repair **your vehicle** may sub-contract some of the repairs to a person of their choice. This will usually occur when the repairer is unable to perform the repairs themselves.

If **you** choose **your** own repairer and **we** do not authorise repairs, **we**:

- will pay an amount equal to the **reasonable repair costs**; and
- will not provide any guarantee for the quality of materials and workmanship in respect of the repairs.

**We** are not responsible for any costs or losses which occur because of delays in delivery of parts. If a part is not available in Australia, **we** will pay the cost of surface freight from the nearest reasonable source of supply.

**You** are responsible for the cost of any air-conditioning refit, re-gas or modification required by law.

## Contribution to repair work

**You** may have to contribute to the cost of replacing or repairing tyres, engines, accessories, paintwork, bodywork, radiators, batteries, interior trims, or caravan annexes affected by wear and tear or rust and corrosion. How much **you** are required to pay will depend on how worn **we** consider these items were when the **damage** happened.

If **you** do not agree to pay these amounts, **we** will pay **you** the **reasonable repair cost** less any contribution charges.

**We** will subtract any **excess** that may apply.

# Part 1 - Policy Section Conditions

## Lifetime guarantee for repairs

If **we** authorise repairs for **your vehicle**, **we** will guarantee the repairs against any defect due to workmanship or faulty material for the life of **your vehicle**. The parts used in any lifetime guarantee repairs to a **vehicle** will be the same as those described under the heading 'Choice of repairer' above. If **you** are concerned about the quality of the repairs to a **vehicle**, **you** must contact **us** and make **your vehicle** available to **us**. **You** must not authorise any rectification work without **our** written authority.

**We** will inspect the repair and arrange any necessary rectification work. If, in **our** opinion, it would not be safe or economical to carry out the rectification work required, **we** will declare the **vehicle** a **total loss** and pay you an amount in accordance with (A) – 'Insured Amount' or (B) – 'Agreed Value' under the heading 'Total Loss' (see page 135), whichever applies to **your vehicle**. If **you** choose **your** own repairer and **we** pay **reasonable repair costs** instead of authorising repairs, **we** will not provide a lifetime guarantee for the repairs.

## Vehicle identification

Where **your vehicle's** identification, such as its compliance, build or VIN plate or label, has been **damaged**, **we** will try to source a replacement from its manufacturer. If **we** cannot source it for **you**, **we** will attempt to obtain a letter from the manufacturer to confirm your **vehicle's** identity and that its original identification has been **damaged**. **We** will still repair **your vehicle** without replacing any **damaged** identification, unless an alternative form of identification is required by law.

## Underinsurance

If at the time of the **event your vehicle** was insured for less than 80% of its **market value** and **we** decide **your vehicle** is:

- a **total loss**, **we** will not apply this underinsurance condition; or
- a **partial loss**, **we** will pay the same proportion of the **loss** as the **insured amount** bears to 80% of the **market value** of **your vehicle**.

In assessing the amount **we** pay, prime movers and attached trailers and dollies are regarded as separate and distinct insured **vehicles**.

This underinsurance condition does not apply if **your vehicle** is a motorcycle, car, 4WD, utility or van of not more than 2 tonne carrying capacity.

# No Claim Bonus (Comprehensive Cover Only)

A No Claim Bonus recognises **your** good driving and claims history record where **you** are insured for Comprehensive Cover.

**Your policy schedule** will show the type of No Claim Bonus **you** are entitled to (if any), and **your** premium will be charged accordingly.

## How you earn a No Claim Bonus

If **you** are not entitled to a maximum No Claim Bonus, **you** will earn an entitlement to a bonus for the next **period of insurance** if there has been no claims that fall within the definition of a **penalty claim**.

The following will apply if **you** qualify for a No Claim Bonus:

For sedans, station wagons, 4 wheel drives or goods carrying vehicles with a carrying capacity of 2 tonnes or less:

| Year | Existing bonus | Renewal bonus |
|---|---|---|
| 1st Year | 0% | 25% |
| 2nd Year | 25% | 45% |
| 3rd Year | 45% | 55% |
| 4th Year | 55% | 65% |
| Subsequent Years | 65% | 65% |

For all other **vehicles**:

| Year | Existing bonus | Renewal bonus |
|---|---|---|
| 1st Year | 0% | 20% |
| 2nd Year | 20% | 30% |
| 3rd Year | 30% | 40% |
| 4th Year | 40% | 50% |
| Subsequent Years | 50% | 50% |

## Protected No Claim Bonus

If **you** are entitled to a maximum No Claim Bonus of 65% for sedans, station wagons, 4 wheel drives or goods carrying vehicles with a carrying capacity of not more than 2 tonnes, **we** may allow **you** to have the option when **you** first take out the **policy**, or upon renewal, to protect **your** No Claim Bonus for that **vehicle**. An additional premium is payable to extend the **policy** to include this option.

## How making a claim could affect your No Claim Bonus

### If you do not lodge a penalty claim

If **you** did not lodge a **penalty claim** during the **period of insurance**, then **your** No Claim Bonus will not be detrimentally affected at renewal of **your policy**.

### Windscreen claims

When **you** renew **your policy**, **your** No Claim Bonus will not be affected for any windscreen or window glass claim **you** make.

### Other claims

When **you** renew **your policy**, **we** reduce **your** No Claim Bonus for each **penalty claim you** have made during the **period of insurance** unless **you** have selected Optional Insurance 3 – 'Protected No Claim Bonus'.

If **you** have selected Optional Insurance 3 – 'Protected No Claim Bonus' for **your vehicle**, the subject of a claim, **we** will not count the first **penalty claim** on that **vehicle** during the **period of insurance**.

The amount **we** reduce **your** No Claim Bonus to is set out below:

For sedans, station wagons, 4 wheel drives or good carrying vehicles with a carrying capacity of not more than 2 tonnes:

| Your current No claim bonus | Following 1 penalty claim | Follow |
|---|---|---|
| 65% | 45% | Nil |
| 55% | 25% | Nil |
| 45% | Nil | Nil |
| 25% | Nil | Nil |
| Nil | Nil | Nil |

For all other **vehicles**:

| Your current No claim bonus | Following 1 penalty claim | Following more than one penalty claim |
|---|---|---|
| 50% | 30% | Nil |
| 40% | 20% | Nil |
| 30% | Nil | Nil |
| 20% | Nil | Nil |
| Nil | Nil | Nil |

# Part 2 – Legal liability

For the purposes of Part 2, **your vehicle** also means:

- a trailer;
- a caravan; or
- another vehicle which has broken down,

that is being towed by **your vehicle** or a **substitute vehicle** legally and not for reward; and

- a **substitute vehicle**.

## What is legal liability?

**Legal liability** means that an Australian court or a court of an Australian external territory finds, or **we** accept, that:

- **you**;
- an **authorised driver**;
- a passenger in **your vehicle**; or
- **your** employer, principal or partner of the **business**,

are legally responsible to pay compensation for:

(i) **loss** of, or **damage to property**, owned or controlled by someone else; or

(ii) **personal injury** to another person (but only where the **legal liability** is not covered or capable of being covered by any compulsory third party insurance or public liability insurance),

caused by an **event** which occurs during the **period of insurance** in Australia or its external territories.

**We** will pay a claim for **legal liability** made against the persons named above as described in 'What we cover" if:

- "Commercial Motor" is specified in **your policy schedule**;
- it is not excluded by anything under "What we exclude";
- it is not excluded by the Policy Section Exclusions;
- it is not excluded by the General Exclusions on pages 21 to 22 and
- it is not excluded by any **endorsement**.

### ✔ What we cover

**We** will cover **legal liability** if the **event** that gives rise to the **legal liability** was not expected or intended, and the **event** was caused by:

- **you** or an **authorised driver** driving, using or being in charge of **your vehicle**;
- goods being carried by or falling from **your vehicle;**
- loading goods onto **your vehicle** from a fixed place of rest directly beside **your vehicle**;
- unloading goods off **your vehicle** to a fixed place of rest directly beside **your vehicle**; or
- a passenger in **your vehicle** with **your** or the **authorised driver's** permission while travelling or getting in or getting out of **your vehicle**.

### ✘ What we exclude

**We** will not cover **legal liability**:

- for anything excluded by any other "What we exclude" section in Part 1 or Part 2 of this Policy Section;
- which is a direct or indirect result of discharge or escape of **contaminants or pollutants** or **dangerous goods** from **your vehicle** unless they are substances **you** are legally allowed to carry;
- for **damage to property you** own, control or are responsible for, or which belongs to someone who normally lives with **you**. However, this exclusion will not apply to **your legal liability** for **damage** to motor vehicles belonging to an **employee** or visitor which occurs within the confines of a private car park owned or operated by **you**;
- for **personal injury** to anyone who was **your employee** at the time of the **event**;
- for **personal injury** if **you** were or anyone else was required by law to have insurance for compensation, damages or similar insurance for injury (e.g. compulsory third party insurance or workers' compensation required by law);
- for **personal injury** if **your vehicle** is registered in the Northern Territory of Australia;

## ✘ What we exclude (cont.)

- where **you** or another person covered for **legal liability** under this Policy Section cause **your** or their own **personal injury**, or if **you** or they injure or cause the death of someone who normally lives with **you** or them;
- arising because **you**, an **authorised driver** of **your vehicle**, a passenger in **your vehicle**, or **your** employer, principal or partner of the **business** agreed to accept liability;
- assumed under any agreement **you** or anyone insured under this **policy** has entered into, unless **legal liability** would have applied anyway;
- for **personal injury** if at the time of the **event your vehicle** was being used as a show, carnival or festival attraction, parade float or for any similar activity;
- if at the time of the **event your vehicle** was being driven or used at, in or on any hangar or any part of an airport or airfield used by **aircraft** for loading, unloading, taxiing, takeoffs or landings;
- resulting from the use of **your vehicle** if it was unregistered at the time of the **event**, unless **your vehicle** is an unregistered on-site caravan;
- in respect of fuel contamination caused by **you** delivering:
  - the incorrect type of fuel; or
  - the fuel to the incorrect place;
- for **damage to property** resulting from an **event** arising out of the use of **your vehicle** while it is digging, excavating, boring or drilling. However, **we** will pay if **your vehicle** is being used for the sole purpose of travelling to or from any work site or transporting or carting goods at the time of the **event** and is not being used at the time of the **event** for any other purpose including any specific activity for which it was designed;
- to pay fines or punitive, exemplary or aggravated damages;
- arising directly or indirectly from:
  - the transportation, distribution, or storage of asbestos; or
  - any material containing asbestos or any process of decontamination, treatment or control of asbestos.

  For the avoidance of doubt, the above asbestos exclusions only apply to **personal injury** arising in consequence of inhalation or physical exposure to any type of asbestos fibre or its derivative, and to **damage to property** due to the presence of asbestos;
- for **personal injury**, or **damage to property,** arising directly or indirectly out of the actual, alleged or threatened discharge, seepage, dispersal, migration, release or escape of **contaminants or pollutants**:
  - into or upon any property, land, the atmosphere, water course or body of water (including ground water); or
  - caused by any product or physical liquid item that has been discarded, dumped, abandoned or thrown away by **you**, **your employee**, other person under **your** control or by others.

  However, this exclusion does not apply to Additional Benefit 1 – 'Pollution' of Part 2 of this Policy Section.

# Extra Covers

If as a result of an **event we** agree to pay a claim under Part 2, **we** will also pay or provide the following Extra Covers in this Policy Section.

**We** will not pay if the claim is excluded by any condition applicable to this Policy Section, anything in the applicable 'What we exclude' section, anything in any other 'What we exclude' section in Part 1 or Part 2 of this Policy Section, the General Exclusions, the Policy Section Exclusions or any **endorsement**.

## 1. Damage by uninsured drivers

### ✔ What we cover

If **your vehicle** is insured for Legal Liability, Fire and Theft Cover or Legal liability Only, **we** cover **loss** of, or **damage** to, **your vehicle** during the **period of insurance** caused by an **event** as a result of a collision with another vehicle driven by an uninsured driver.

A driver is uninsured if neither the driver or the owner of the other vehicle had an insurance policy that would cover them for the **loss** or **damage** to **your vehicle**.

**We** only pay if:

- **you** show the **event** was the fault of the uninsured driver and **we** agree; and
- **you** can identify the other vehicle and its driver by providing **us** with their name, residential address, phone number and registration details.

### ✘ What we exclude

**We** will not pay more than $5,000 or the **market value** of **your vehicle** (whichever is less), for **loss** of, or **damage** to, **your vehicle** for any one **period of insurance**.

**We** will deduct:

- any **excess** that may apply to **your vehicle**; and
- the residual value of the **vehicle** if it is not repairable (when **you** keep the **damaged vehicle**).

## 2. Emergency services

### ✔ What we cover

If **we** agree to pay a claim under Part 1 or Part 2 of this Policy Section, **we** will cover the reasonable costs and charges levied by the police force or any fire brigade or other authority due to **your vehicle** causing the attendance at the accident site of a member of the:

- fire brigade or authority for the purpose of fire extinguishment or other purposes; and/or
- police force.

# Additional Benefits

**We** will also pay or provide the following Additional Benefits in this Policy Section for **your legal liability** if the **event** giving rise to the **legal liability** was not expected or intended.

**We** will not pay for any **legal liability** that is excluded by any condition applicable to this Policy Section, anything in the applicable 'What we exclude' section, anything in any other 'What we exclude' section in Part 1 or Part 2 of this Policy Section, the General Exclusions, the Policy Section Exclusions or any **endorsement**.

## 1. Pollution

### ✔ What we cover

**We** cover **your legal liability** arising directly or indirectly out of the actual, alleged or threatened discharge, dispersal, release or escape of **contaminants or pollutants** into or upon any property, land, the atmosphere, water course or body of water (including ground water), where such discharge, dispersal, release or escape:

- is caused by or in connection with the operation, ownership, possession or use by **you** or on **your** behalf of any **vehicle**;
- is caused by a sudden identifiable, unintended and unexpected **event**;
- takes place in its entirety at a specific point in time during the **period of insurance** and within Australia or its external territories; and
- does not relate to any property, land, air, water course or body of water which **you** own, occupy or have in **your** custody or control.

**We** will also only pay for clean up or removal costs if they are caused by such an incident within Australia or its external territories.

### ✘ What we exclude

**We** will not pay:

- more than $500,000 for any one (1) **period of insurance**; or
- if the **contaminants or pollutants** are **dangerous goods**.

## 2. Legal liability for unregistered on-site caravans

### ✔ What we cover

If **your vehicle** is an unregistered on-site caravan, **you** are covered for **your legal liability** caused by **your** use or occupation of the unregistered on-site caravan during the **period of insurance** in Australia or its external territories.

### ✘ What we exclude

**We** will not pay for:

- amounts **you** must pay which are covered, or should be covered, by Medicare, workers' compensation or another government scheme or arrangement, or private medical insurance; or
- **loss** of, or **damage** to, the unregistered on-site caravan, unless the caravan is an insured **vehicle** and **we** have accepted a claim for it under Part 1 of this Policy Section.

## 3. Non owned vehicle liability

### ✔ What we cover

**We** cover **your legal liability** in respect of any vehicle not owned or supplied by **you** while that vehicle is being used or driven by **you** or an **authorised driver** in connection with **your business** during the **period of insurance** in Australia or its external territories.

### ✘ What we exclude

**You** must pay **us** an **excess** of $500 for each claim accepted by **us** under this Additional Benefit.

### 4. Legal liability for caravans and trailers

**✔ What we cover**

**You** are covered for **your legal liability** arising as a result of the following which occur during the **period of insurance** in Australia or its external territories:

- the actions of a caravan or trailer while it is being towed by **your vehicle**;
- a caravan or trailer running out of control after separating from **your vehicle** while **your vehicle** is moving; or
- another vehicle colliding or acting to avoid a collision with:
  - property falling off a caravan or trailer while it is being towed by **your vehicle**; or
  - property being loaded or unloaded from a caravan or trailer attached to **your vehicle**.

**✘ What we exclude**

**We** do not cover **loss** or **damage** to:

- the caravan or trailer unless it is a **vehicle** insured under Part 1 of this Policy Section; or
- the property which is loaded or unloaded from or which falls from the caravan or the trailer.

**We** do not cover the cost to remove the trailer or caravan debris, unless the caravan or trailer is an insured **vehicle** and **we** have accepted a claim for it under Part 1 of this Policy Section.

**You** must pay the **excess** applicable to **your vehicle** for any claim accepted under this Additional Benefit.

# What we pay under Part 2

If **we** agree to cover **your legal liability**, **we** will pay:

(a) the compensation;

(b) legal costs and expenses if **we** have given **our** prior written consent to **you** incurring these costs;

(c) costs and charges reasonably and necessarily incurred by **you** in removing or cleaning up debris, unless stated otherwise; and

(d) costs and charges reasonably and necessarily incurred to extinguish a fire that **your vehicle** has caused.

**We** will also pay for legal costs in representing **you** or any other person covered at any inquest, court proceedings or other inquiry relating to an **event** which may give rise to **your legal liability**, if **we** have given **our** prior written consent to **you** incurring these costs.

**You** must pay any **excess** that may apply.

For an example of how **we** settle a liability claim, see page 152 of this **PDS** and Policy Wording.

# Limits to what we pay

If **we** agree to cover **your legal liability** under Part 2, the most **we** will pay for all claims arising directly or indirectly from one (1) **event** is $50 million (unless another amount is specified on **your policy schedule**) but restricted to:

(a) $1,000,000 for any one (1) **event** occurring within the external territories of Australia, but only in respect of the death or bodily injury to another person;

(b) $1,000,000 (unless another amount is specified on **your policy schedule**) where **your vehicle** is being used for the transportation of **dangerous goods** or is attached to, or is towing, a **vehicle** used for the transportation of **dangerous goods**; and

(c) $500,000 during the **period of insurance** in respect of all claims under Additional Benefit 1 – Pollution of Part 2.

These amounts include all legal costs and expenses.

These limits also apply to any cover for **legal liability** provided under any Extra Cover, Additional Benefit or Optional Insurance (both Parts 1 and 2) or **endorsement** unless a lower limit is specified in the Extra Cover, Additional Benefit or any **endorsement**.

These limits are the most **we** will pay even if there are several claims against **you** relating to the one (1) **event**.

# Optional Insurance

**We** may allow **you** to choose one or more of the following Optional Insurance when requested by **you** and when **you** pay any additional premium required. If an Optional Insurance applies to **your policy**, it will be specified in **your policy schedule**. **We** will not pay if the **loss**, **damage** or **legal liability** is excluded by any of the **policy** exclusions (to avoid doubt, including the exclusions in Part 1, Part 2, General Exclusions, the Policy Section Exclusions or any **endorsement**).

## 1. Windscreen excess waiver

### ✔ What we cover

**You** will not have to pay the Basic Excess for the first windscreen or window glass claim for a **vehicle** in any **period of insurance**. If **you** have any additional windscreen or window glass claims during the same **period of insurance** for the same **vehicle**, the Basic Excess will apply.

This Optional Insurance only applies if **your vehicle** is a car, utility, 4WD or van of not more than 2 tonne carrying capacity.

## 2. Rental vehicle after accident

### ✔ What we cover

If **your vehicle** cannot be driven or is in need of repair following **loss** or **damage** as a result of an **event** (other than theft) for which **we** agreed to pay a claim under Part 1 of this Policy Section, **we** will reimburse **you** for the cost of a hire vehicle:

(a) of a similar type to **your vehicle**; and

(b) from the date **your vehicle** is left at the repairers.

For cover applicable to the hire vehicle, please refer to Additional Benefit 3 – 'Hired Vehicle' and Extra Cover 11 – 'Hire vehicle after theft' of Part 1.

### ✘ What we exclude

**We** will not pay if **your vehicle** is not a car, utility, 4WD or van of not more than 2 tonne carrying capacity.

**We** will not pay:

(a) if **your vehicle** is stolen;

(b) to hire a vehicle for any longer than the day after repairs to **your vehicle** have been completed;

(c) after **your** claim has been paid if **your vehicle** is a **total loss**;

(d) the running costs of the rental vehicle; or

(e) for any other non-rental costs which **you** may be liable to pay for under a hire agreement.

**We** will not pay more than $1,500 for any one (1) **event**.

## 3. Protected No claims bonus

### ✔ What we cover

Where a **penalty claim** would affect **your** No Claim Bonus, it will not be affected for a **vehicle** provided that **you** have not made a previous **penalty claim** for an event occurring in the **period of insurance** for that same **vehicle**.

### ✘ What we exclude

This Optional Insurance does not apply:

- if **your vehicle** is not a car, utility, 4WD or van of not more than 2 tonne carrying capacity; and
- unless **you** are entitled to a maximum No Claim Bonus for **your vehicle**.

### 4. Damage to towed vehicles

**✔ What we cover**

If **your vehicle** is a registered tow truck, **we** cover all amounts **you** become legally liable to pay for **loss** of, or **damage** to, any vehicle being towed, retrieved or carried by **your vehicle**, in the **period of insurance** in Australia or its external territories.

**✘ What we exclude**

We will not pay:

- for any one **event**, more than $150,000 for **loss** of, or **damage** to, any vehicle(s) being towed, retrieved or carried by **your vehicle**, or
- if **your vehicle** and the vehicle being towed, retrieved or carried are being operated contrary to any law or regulation relating to the use of a tow truck.

# Excess

The Basic Excess is the amount **you** will have to pay if **you** claim under **your policy**, unless stated otherwise. **Excesses** are cumulative. If **you** also claim under another Policy Section for one (1) **event**, the **excesses** payable under this Policy Section apply in addition to all other **excesses**.

For each **event**, or series of **events** arising from the one (1) originating cause, **you** will bear the amount of the **excess** in respect of each and every insured **vehicle**, unless stated otherwise.

The Basic Excess is specified in **your policy schedule**. The amounts for any other **excesses** (or where the amounts can be found in this **PDS** and Policy Wording) are detailed below on pages 145 and 146. **You** might have to pay more than one type of **excess** when **you** claim.

**You** must pay the **excesses** in full.

**We** will decide if **you** pay the **excess** to **us** (when **we** ask for it) or to the repairer when **you** pick up **your vehicle** after it has been repaired. **We** can also choose to deduct the **excess** from the amount **we** pay **you**. In the case of a new replacement vehicle, **we** may require **you** to pay the **excess** before taking delivery of the new vehicle.

**You** do not pay any **excess** when **your vehicle** is a motorcycle, car, 4WD, utility or van of not more than 2 tonne carrying capacity and if:

(a) a third party's vehicle is involved in the **event**, and **we** agree the driver of **your vehicle** was not at fault, and **you** can identify the other vehicle and the other driver responsible (by providing **us** with their name, residential address, phone number and vehicle registration details); or

(b) no other vehicle is involved in the **event**, and **we** agree the driver of **your vehicle** was not at fault, and **you** can identify another person at fault (by providing **us** with their name, residential address and phone number) and **we** agree that they were at fault.

# Types of excesses

## Basic excess

The Basic Excess that applies to a **vehicle** when **you** claim is the amount specified in **your policy schedule**.

## Age or inexperienced drivers excess

An age or **inexperienced driver excess** applies if a driver under 25 or an **inexperienced driver** was in charge of **your vehicle** at the time of an **event**. This **excess** will not apply to glass, damage while parked, fire, malicious damage, theft or storm claims.

If **we** accept a claim where the driver was less than 25 years of age or was an **inexperienced driver**, the following age or **inexperienced driver excesses** will apply to the claim when:

- the **vehicle** is a car, 4WD, utility or van of not more than 2 tonne carrying capacity:
  - (i) for drivers under 21 years of age - $500;
  - (ii) for drivers 21 years of age or older - $300;
  - (iii) for **inexperienced drivers** - $250.
- the **vehicle** is a prime mover and:
  - (i) the **insured amount** for the prime mover is less than $100,000 or it is insured for Legal Liability Only – the age or **inexperienced driver excess** is $2,500 or $3,500 if the prime mover was towing more than one trailer at the time of the **event**;
  - (ii) the **insured amount** for the prime mover is $100,000 or more but not more than $200,000 – the age or **inexperienced driver excess** is $10,000 or $15,000 if the prime mover was towing more than one trailer at the time of the **event**;

(iii) the **insured amount** for the prime mover is more than $200,000 – the age or **inexperienced driver excess** is $25,000 or $37,500 if the prime mover was towing more than one trailer at the time of the **event**.

- the **vehicle** is not a car, 4WD, utility, van of not more than 2 tonne carrying capacity or prime mover - the age or **inexperienced driver excess** is $750.

**You** must pay the age or **inexperienced driver excess** in addition to any other **excess** for **your vehicle** that may be payable. For the purposes of the application of these age or **inexperienced driver excess**, a dolly is considered a trailer.

### Tipping excess

A tipping **excess** applies if **your vehicle** is a trailer or rigid body truck and it is **damaged** while the tipping hoist is partly or fully extended. The tipping **excess** is $1,000 and **you** pay this in addition to any other **excess** payable for **your vehicle**.

### Theft excess

A theft **excess** of $2,500 applies to each claim for theft or **damage** occasioned by theft of:

(a) **your** skid steer loader, excavator, loader, backhoe or bobcat; or

(b) any of their accessories, whether these accessories are attached to **your vehicle** at the time of the theft or **damage** or not.

**You** pay this in addition to any other **excess** for **your vehicle** that may be applicable.

### Endorsement excess

An **endorsement excess** may apply if **you** have **endorsements** to **your policy**. Any **endorsement excess** applicable to **your policy** will be specified in the **endorsement** wording.

**You** pay the **endorsement excess** specified in the **endorsement** wording in addition to any other **excess** for **your vehicle** that may be payable.

### Radius excess

A radius **excess** applies if **we** accept a claim for **loss** or **damage** to **your vehicle** or **legal liability** and, at the time of the **event**, **your vehicle** was on a journey to or from a destination beyond the maximum radius of operation specified in **your policy schedule** measured from **your vehicle's** garaged postcode specified in **your policy schedule**.

The radius **excess** is:

(a) $500 if **your vehicle** is a truck or bus;

(b) $2,500 if **your vehicle** is a trailer which at the time of the **event** was being towed by a prime mover or $500 if being towed by a truck; or

(c) $7,500 if **your vehicle** is a prime mover.

**You** pay the radius **excess** in addition to any other **excess** for **your vehicle** that may be payable.

### Additional Benefit excesses

Please refer to pages 142 to 143 for the amount of any **excess you** might have to pay if **you** make a claim under any Additional Benefit in Part 1 or Part 2 of this Policy Section.

### Application of excess involving trailer and towing vehicle

If a trailer being towed by **your vehicle damages** the property of another person and:

(a) only the trailer was **damaged**, the **excess** for the towing **vehicle** will apply; or

(b) there is no **damage** to either the trailer or towing **vehicle**, the **excess** for the towing **vehicle** will apply.

# General Claims Conditions

In this section a reference to '**you**' also includes where the context requires an **authorised driver**.

**You** must comply with the following conditions if an **event** occurs which may lead to or results in a claim. If **you** do not comply with these conditions, **we** may refuse **your** claim or reduce the amount **we** pay **you**.

**You** must:

- Contact **our** Vero Claims Team as soon as possible on 13 14 46. **We** are available 24 hours a day, 7 days a week. **Our** staff will advise **you** whether to bring **your vehicle** to one of **our** assessing centres or take it to a repairer. **We** can help with any other arrangements necessary to get **you** back on the road as quickly as possible.
- Do everything reasonable to limit and prevent further **loss**, **damage** or **legal liability**.
- If someone has stolen, attempted to steal or maliciously damaged **your vehicle**, call the Police immediately. If **we** ask, **you** must provide **us** with the name of the Police Officer and Police Station where **you** made the report and give us all known details of the **event**.

- Obtain the full names, addresses and phone numbers of all drivers and passengers involved and any witnesses to the **event**. **You** will also need to obtain the vehicle registration number and insurance details of all vehicles involved. If **damage** is caused to building and other property, **you** will need to provide details of the address and owner's names.
- Give **us** any information, documentation and other assistance that **we** need to handle the claim. This may include being interviewed. If **we** ask **you** for a statutory declaration verifying the details of **your** claim and any other matters connected with the claim, **you** must provide it.
- If **you** get demands, a notice of prosecution, details of any legal proceedings, inquest or similar communications from other parties involved in an **event**, **you** must tell **us** immediately. If **you** delay in telling **us**, **we** may not cover any legal or other costs that result from that delay.
- Tell **us your** entitlement to input tax credits (ITCs) for **your** insurance premium if **you** are registered, or are required to be registered for goods and services (GST) purposes. If **you** do not inform **us** of **your** entitlement, or the information **you** give **us** is incorrect, **we** will not cover **you** for any resulting fines, penalties or tax liability **you** incur.
- Retain and preserve your **damaged vehicle** and property for inspection by **us** or **our** agent (including a loss adjuster) prior to authorisation of repairs unless repairs are immediately necessary for safety reasons or to minimise or prevent further **loss, damage** or **legal liability**.

What **you** must not do:

- Unless **we** have agreed, negotiate or promise anyone a payment, authorise any repairs (except emergency repairs to **your vehicle**, see page 128 for details) or dispose of any **damaged** property.
- Accept any payment (including excess payments) from anyone unless **we** agree first.

When **you** make a claim **you** agree that:

- **You** must let **us** inspect and, if necessary, move **your vehicle** before repairs begin.
- **You** must co-operate and provide **us** with all reasonable assistance in connection with any investigation, negotiation, recovery, defence or settlement of any claim, including doing all things necessary to allow **us** to take over legal proceedings in the circumstances described in General Policy Conditions – Rights of Recovery on page 20.
- **We** have the right and full discretion to conduct claims. If **we** decide to defend **you**, settle any claim against **you**, represent **you** or try to recover money from the person who caused the **loss** or **damage**, **you** must give **us** all the assistance **we** need, including assistance after **your** claim has been paid. **We** may engage legal or other representatives to assist in the conduct of a claim.
- **You** must allow **us** to make admissions, settle or defend claims on **your** behalf on terms **we** consider appropriate.
- **You** must allow **us** to take legal action in **your** name against another person to recover any payment **we** have made on a claim whether before or after **we** have paid **your** claim, or whether or not **you** have been compensated or paid in full for **your** actual **loss**.
- **You** must provide proof of **your** ownership of any lost or **damaged vehicle** or property. **We** will decide what is acceptable proof of ownership, however, it may include **your vehicle's** log book, receipts, a valuation or warranty documents.
- **You** must pay any **excess** that applies to a claim under this **policy** in full prior to settlement of that claim. **We** have no liability to **you** under this **policy** until **you** have paid the **excess**. If the **excess** has been requested but remains unpaid, **we** may:
  - decline to settle the claim until full payment of the **excess** has been received; or
  - deduct the **excess** from the settlement **we** pay.
- After settling a claim where **we** have declared **your vehicle** a **total loss**, that **vehicle** including any unexpired registration or CTP insurance, unless otherwise required by law, becomes **ours** and **we** are entitled to receive the proceeds from any salvage of that **vehicle**.

# Policy Section Exclusions

**You** are not covered under this Policy Section:

- for an **event** occurring when **your vehicle** is being driven by, or is in the charge of, someone who:
  - was under the influence of, or had their judgement affected by any drug or medication;
  - had more than the legal limit of alcohol in their breath, blood, urine or saliva as shown by analysis;
  - refused to take a test for alcohol, drugs or medication; or
  - was not licensed, not correctly licensed or not complying with the conditions of their licence.

  However, **we** will cover **you** if **you** were not the driver or person in charge of **your vehicle** at the time of the **event** and **you** can satisfy **us** that **you** did not know, and could not have reasonably known, of any of the above circumstances. If **we** pay a claim, **we** can recover those costs from the person who was driving or in charge of **your vehicle**, unless the law prohibits recovery by **us**.
- for theft of, **loss** of, or **damage** to, a hire vehicle **you** have insured with the hire company;
- for any **legal liability you** or an **authorised driver** cause or incur in connection with use of a hire vehicle **you** have insured with the hire company;
- if **you** or an **authorised driver** does something or neglects to do something that is not in accordance with this **policy** or does not give **us** the information or assistance that **we** ask for;
- for theft of, or malicious damage to, **your vehicle** when anyone insured under this **policy** has not taken reasonable care to prevent this **loss** or damage;
- for consequential losses (financial and non-financial loss) or extra costs following an **event** covered by this **policy**, such as:
  - loss of income or wages;
  - loss caused by delay, confiscation or detention, for example, by customers or another lawful authority;
  - lack of market or lack of any type of performance;
  - medical expenses not covered by this **policy**;
  - professional, expert, legal consulting or valuation costs unless **you** have obtained **our** prior written authority to incur these costs;
  - loss related to stress or anxiety;
  - loss occurring because **you** cannot use **your vehicle**;
  - reduction of **your vehicle's** value (including its trade in or resale value) after being repaired;
  - reduction of **your vehicle's** working life;
  - loss or costs, including the costs of **your** time to prove **your loss** or **damage** to help **us** with **your** claim;
  - travel costs or other types of costs because **you** cannot use **your vehicle** unless expressly covered elsewhere in this Policy Section;
  - cleaning costs unless expressly covered by this Policy Section; or
  - any costs not otherwise covered by this Policy Section.

  However, **we** will cover other people's losses and costs to the extent they are insured under Part 2 of this Policy Section.
- for **loss** of, or **damage** to, a drill rod or bit attached to **your vehicle** while the drill rod or bit is being used for its designed purpose. For the purposes of this exclusion, a drill rod or bit includes any part attaching to or forming part of the drill rod or bit including but not limited to pipes, guides, filters, gaskets, plugs, caps, beacon housings, tool heads, nozzles and/or any other electronic mechanism;
- for the cost to repair or replace burnt out electric motors or wiring of appliances in **your** caravan;
- for **damage** to **your** caravan, caravan annexe, trailer or personal effects caused by biting, chewing or scratching by an **animal** or bird;
- for **damage** to **your caravan**, caravan annexe or personal effects caused by any tenant;
- if **your** unregistered on-site caravan is unoccupied for sixty (60) consecutive days. (If **you** want cover over 60 days, **you** need to ask **us** for an extension of time and **we** must agree in writing. **We** might charge an extra premium or impose special terms.);
- for **loss** or **damage** to **your** caravan caused by the sea or rising water, but not rainwater runoff;

- for **loss** or **damage** or **legal liability** caused or contributed to by or arising from any biological, bacterial, viral, germ, chemical or poisonous **contaminants or pollutants** or any looting or rioting following these occurrences (except for any cover provided under Additional Benefit 1 – Pollution of Part 2), or the action taken by a public authority to prevent, limit or remedy the actual or threatened release of any such materials;
- for theft by anyone who has hired or leased **your vehicle** or who has taken it as security for a debt;
- for any **loss**, **damage** or **legal liability** caused by any person or organisation who lawfully destroys or takes away **your** ownership or control of any property or **vehicles** covered under this Policy Section,
- for any **loss**, **damage** or **legal liability** which happens before the **period of insurance** or which arises from an **event** before the **period of insurance** starts unless specifically stated otherwise;
- for an **event** that occurs outside Australia or its external territories;
- if the **event** that is the subject of the claim was caused intentionally, or with reckless disregard for the consequence, by **you,** any **employee**, business partner or **authorised driver** or someone acting with **your** or their express or implied consent;
- if excluded by any **endorsement**;
- if, at the time of an **event**, **your vehicle** was **damaged**, unsafe or unroadworthy. However, **we** will cover **you**, if **you** prove to **our** satisfaction that the unroadworthy or unsafe condition of **your vehicle**:
  - did not cause or contribute to the **loss**, **damage** or **legal liability** being incurred; or
  - could not reasonably have been detected by **you**;
- if, at the time of an **event**, **your vehicle** was:
  - being used in a race, contest, trial, test, hill climb or any similar activity;
  - being used on a competition race track, circuit, course or arena;
  - being used by **you** or an **authorised driver** for any type of illegal purpose;
  - carrying passengers for payment or reward unless it was a car pool, child care arrangement or fare paying passenger bus;
  - carrying a greater number of passengers than it was designed for or is allowable according to law;
  - conveying, towing, lifting or carrying a load not secured according to law;
  - conveying, towing, lifting or carrying a load in excess of that which it was designed for or is allowable according to law;
  - being used to move **dangerous goods** or substances that pollute or contaminate unless this was done legally;
  - travelling on railway lines; or
  - being operated, transported or driven in an underground mine or mining shaft (but we will cover **you** if **your vehicle** was being used for open cut mining).

# Worked dollar claim examples

The following worked dollar claim examples are designed to assist **you** in understanding some of the benefits in this Policy Section and how claims are calculated. The examples do not cover all scenarios or all benefits and do not form part of **your policy** terms and conditions. The following should be used as a general guide only. **We** always determine real claim payments on an individual basis, after **we** have assessed each claim. **You** should consider all examples as each example covers different benefits and scenarios.

All amounts are shown in Australian dollars and are GST inclusive unless indicated otherwise. **You** should read the **PDS** and Policy Wording and **your policy schedule** for full details of what **we** cover as well as what policy limits, conditions and exclusions apply.

## Example: Total loss - Market value

*A car that has a carrying capacity of not more than 2 tonnes is comprehensively insured for market value. The Basic Excess is $500. The vehicle is damaged in an event and we assess the cost of repair to be $20,000. We decide it is a total loss.*

*The market value is determined as follows:*

*The vehicle is an 8 year old sedan in poor condition. A motor vehicle guide records the market value at $20,000 for good condition. We assess the market value to be $15,000.*

| How much we pay | | Further information |
|---|---|---|
| Market value | $15,000 | The vehicle is a total loss with a market value of $15,000. We normally decide a vehicle is a total loss if it is unsafe or uneconomical to repair (e.g. the complete repair cost exceeds the market value less salvage value). |
| Less Input Tax Credit (ITC) | - $1,364 | If you are registered for GST and entitled to an ITC we will deduct this entitlement. In this example, you are entitled to a full ITC (100%). |
| Less excess | - $500 | Only the Basic Excess applies in this example. We deduct this from the amount we pay to you. |
| Total claim | **$13,136** | We would normally pay this amount directly to you in a total loss situation. |
| Plus lease payout | $2,200 | If, instead of owning your vehicle outright, your vehicle was purchased under a finance lease and the amount owing was $17,200 (excluding any payments in arrears and resulting interest), we will pay the difference between the amount owing under the finance arrangement and the market value ($17,200 - $15,000). This benefit has a limit of 20% of the market value ($3,000). |
| Less ITC | - $200 | In this example you are entitled to a full ITC (100%). |
| Total claim | **$15,136** | We would normally pay the claim directly to your financier and not to you in circumstances of a lease payout. You pay your financier any amounts left owing. |

*If the vehicle in the above example was less than 2 years old at the time of the event, instead of paying the claim above, you can choose to accept a new vehicle including similar accessories and parts plus on-road costs, e.g. registration, compulsory third party, pre-delivery. You must pay the excess to the dealership that has provided the new vehicle or us.*

*If the vehicle salvage is valued at $1,000, the salvage becomes our property and we are entitled to keep the $1,000 from its sale plus any registration and compulsory third party insurance refund. This does not affect the calculations above unless you obtain these refunds directly in which case we will deduct these amounts from the total claim above.*

## Example: Total loss - Agreed value

*A utility that has a carrying capacity of not more than 2 tonnes is comprehensively insured for an agreed value of $45,000. The vehicle is damaged in an accident that we agree was not your fault and you have identified the at fault party and provided all their details that we require.*

*We assess the cost of repair of your vehicle to be $50,000. We decide it is a total loss. The vehicle is not subject to finance. The Basic Excess is $500.*

| How much we pay | | Further information |
|---|---|---|
| Agreed value | $45,000 | The vehicle is a total loss with an agreed value of $45,000. We normally decide a vehicle is a total loss if it is unsafe or uneconomical to repair (e.g. the complete repair cost exceeds the agreed value less salvage value). |
| Less Input Tax Credit (ITC) | $0 | We do not deduct any ITC when your vehicle is comprehensively insured for agreed value. |
| Less excess | $0 | No Basic Excess applies in this example as the accident was not your fault and you have provided all the details of the at fault party that we require. |
| Total claim | **$45,000** | We would normally pay this amount directly to you in a total loss situation, unless your vehicle is subject to finance. |

*If the vehicle salvage is valued at $10,000, the salvage becomes our property and we are entitled to keep the $10,000 from its sale plus any registration and compulsory third party insurance refund. This does not affect the calculations above unless you obtain these refunds directly in which case we will deduct these amounts from the total claim above.*

## Example: Partial loss - Repair

*A vehicle that has a carrying capacity of not more than 2 tonnes is comprehensively insured for market value. We assess the market value to be $10,000. The Basic Excess is $500. The vehicle is stolen and subsequently recovered, damaged, 13 days later. We assess the cost of repairs to be $5,500.*

| How much we pay | | Further information |
|---|---|---|
| Damage to vehicle | $5,500 | We normally decide the vehicle is repairable if it is economical and safe to repair. |
| Less excess | - $500 | Only the Basic Excess applies in this example. We normally require you to pay the excess directly to the repairer. |
| Total claim | **$5,000** | We would normally pay this amount directly to the repairer in a partial loss situation. |
| *If personal effects to the value of $350 are also stolen during the theft:* | | |
| Plus personal effects | + $350 | Personal effects cover is limited to $1,000 per event if the vehicle is a motorcycle, car, 4WD, utility or van of not more than 2 tonne carrying capacity. The sub-limit of this Extra Cover is in addition to the market value of the vehicle. |
| Total claim | **$5,350** | We normally pay the $350 for personal effects to you (and the remaining $5,000 directly to the repairer). |
| *If a hire vehicle of a similar type for a cost of $100 per day is arranged by **us**:* | | |
| Plus vehicle hire cost | + $1,700 | The cost per day multiplied by the number of days from the date of theft until the date the vehicle is repaired 17 x $100 (it takes 4 days to repair the vehicle). This Extra Cover has a limit of up to 30 days and we will not pay more than $3,000 if the vehicle is a motorcycle, car, 4WD, utility or van of not more than 2 tonne carrying capacity.<br>This Extra Cover would not apply if the vehicle was damaged in an accident. This Extra Cover only applies if your vehicle was stolen. |
| Total claim | **$7,050** | We normally pay the $1,700 for vehicle hire directly to the hire company (the $350 to you and the $5,000 to the repairer). |

## Example: Legal liability

*A vehicle is insured for Legal Liability Only. The vehicle is involved in an accident and the other driver claims that the driver of your vehicle has a legal liability for the accident. The damage to the other vehicle would be assessed by a court at $12,500. There is a Basic Excess of $500 on your policy. The legal costs to defend your legal liability are $3,000.*

| How much we pay | | Further information |
|---|---|---|
| Damage to other vehicle | $12,500 | We normally pay the cost of repairs directly to the third-party claimant. |
| Less excess | - $500 | Only the Basic Excess applies in this example. We normally require you to pay this amount to us before we act on your behalf. |
| Plus our legal costs | + $3,000 | We incur and do not charge you for these costs providing you have paid your excess prior to legal costs being incurred. |
| Total claim | **$15,000** | |
| *The driver of your vehicle was not at fault and the driver of the other vehicle was at fault but was not insured. You provide us with the details of the other driver. The Basic Excess is $500. For the purposes of this example it is assumed that your vehicle is covered for Legal Liability Only.* | | |
| 'Damage by uninsured drivers' Extra Cover | $4,500 | You are not covered for damage to your vehicle because it is insured for Legal Liability Only. Under Part 2, Extra Cover 1 - 'Damage by uninsured drivers' provides limited cover in these circumstances for up to $5,000. For the purposes of this example, we assess that the damage to your vehicle will cost more than its market value of $4,500. We decide your vehicle is a total loss. |
| Less Input Tax Credit (ITC) | - $409.09 | If you are registered for GST and entitled to an ITC we will deduct this entitlement. In this example, you are entitled to a full ITC (100%). |
| Less excess | - $500 | Only the Basic Excess applies in this example. We deduct this from the amount we pay you. |
| Less residual value of wreck | - $500 | The remaining value of your damaged vehicle. We deduct this from the amount we pay you. |
| Total claim | **$3,090.91** | We normally pay this directly to you. You will keep the damaged vehicle. |

# Definitions

These words have the following meanings and only apply to this Policy Section. These defined terms prevail over any other meaning given to them in other parts of the **PDS** and Policy Wording. **You** should also refer to the General Definitions on pages 23 to 27.

## Agreed value

The amount **we** agree to insure **your vehicle** for, as specified in **your policy schedule**.

## Authorised driver

A person controlling, driving or using **your vehicle** with **your** consent.

## Contaminants or pollutants

Includes smoke, vapours, soot, fumes, acids, alkalis, toxic chemicals, liquids or gases, waste materials, or other irritants and other contaminants or pollutants. Contaminants or pollutants do not include **dangerous goods**.

## Damage to property

Means:

- **loss** of, or **damage** to, or destruction of, tangible property including resultant loss of use; or
- loss of use of tangible property which has not been **damaged** or destroyed provided such loss of use is caused by an **event**.

## Dangerous goods

Means:

- substances which are shown in the Australian Code for the Transport of Dangerous Goods by Road or Rail;
- liquid fuels, liquefied or compressed gases, toxic chemicals, acids, organic peroxides or corrosives;
- infectious, explosive radioactive or oxidising substances; or
- substances with a flashpoint of below twenty-two point seven degrees Celsius (22.7°C).

## Emergency repairs

Minor repairs which are essential for **you** to be able to drive **your vehicle** safely from an accident or **event** causing **damage**.

## Employee

Any person:

- engaged in **your business** under a contract of service or apprenticeship; or
- supplied to **you** pursuant to a contract of labour hire.

## Event or Events

One incident or all incidents or a series consequent on, or attributable to, one source or original cause.

## Inexperienced driver

A person who is 25 years or over and has not held a driver's licence for that class of **vehicle** being driven at the time of the **event** for the past two (2) consecutive years.

## Insured amount

Means:

- for a **vehicle** specified in **your policy schedule** – the corresponding **market value** or dollar amount stated in your **policy schedule** for that **vehicle**; or
- for a **vehicle** that is not specified in **your policy schedule** (because it is an additional vehicle as defined in 'Cover for additional vehicles' on page 125) – the **market value** of that **vehicle** unless **we** have agreed to insure the **vehicle** for a different amount.

## Legal liability

Has the meaning given to it on page 139.

## Market value

The amount **we** calculate the market would pay for **your vehicle**. The market value takes into account the age, make, model and condition of **your vehicle** immediately before the **loss** or **damage**. **We** might use recognised industry publications to assist **us** to calculate the amount. If **we** do so, depending on **your vehicles** age, **we** may also take into account the kilometres it has travelled.

## Partial loss

When **we** decide at **our** option, to repair **your vehicle**, replace any part of it or reimburse **you** for the **loss** or **damage** to it. In this case, **we** will not treat **your vehicle** as a **total loss**.

### Penalty claim

An **event** or claim where **we** consider **you** to be at fault, or a claim where **we** are not able to recover the costs of repairing or replacing **your vehicle**.

### Personal effects

Clothing and personal belongings worn or carried but excluding computers, laptops, iPad and tablet devices, personal navigation equipment, jewellery of any type, unset jewels or stones, musical instruments, curios, works of art, money or payment cards.

### Personal injury

Death, bodily injury, sickness, disease, disability, shock, fright, mental injury, mental anguish, or loss of consortium resulting from any of them.

### Reasonable repair costs

The amount **we** will pay when **you** choose **your** own repairer taking into account:

- **your** repairer's quote with any adjustments or reduction recommendation by a motor vehicle assessor **we** appoint;
- the limitations **we** apply when authorising repairs performed by **our recommended repairers** (see 'Choice of repairer'); and
- a quote **we** may choose to obtain from one of **our recommended repairers**.

### Recommended repairer

A repairer who has been appointed by **us** as a **recommended repairer** because **we** have assessed the repairer as capable of meeting **our** strict standards of quality workmanship, timeliness, efficiency and cost effectiveness.

### Substitute vehicle

A vehicle which does not belong to **you** and which **you**, **your** spouse, defacto partner or an **employee** is using while **your vehicle** is not in use because **your vehicle** is unroadworthy or undergoing repair.

### Total loss

When **your vehicle** is:

- stolen and not recovered within a reasonable period of time after **you** have reported its theft to **us**, and **we** are satisfied that **your** claim is in order; or
- **we** decide your vehicle is uneconomical or unsafe to repair.

### Vehicle

Means:

- the vehicle(s) specified in **your policy schedule**; or
- an additional vehicle as defined in 'Cover for additional vehicles' on page 125.

The following accessories will also be insured if they are attached to or are in or on **your vehicle**: baby capsule/car seat – bonnet protector – built in refrigerator – bull bar – CB and/or 2 way radio – dash mats – decorative wheel trims – driving lights – fire extinguishers – fixed GPS units – fixed roof/ladder racks – floor mats – headlamp guards– mud flaps – paint protection – panel/rust protection – pin striping – decals – protective mouldings – rear louvre sunshade – registration plate covers – seat covers – side steps for a 4WD – sign writing – sound system (fitted as standard by manufacturer) – spare wheel cover – steering locks – tarpaulins – tools supplied as standard by the manufacturer or similar replacement – tow bars – tool boxes (but not the contents of a tool box unless such items are separately included within this definition) – weather shield – winch. It also includes other vehicle accessories or modifications if **we** have agreed to insure them as part of **your vehicle** and they are shown on **your policy schedule**.

# Policy Section 12 – Customer Vehicles

This Policy Section covers **customer vehicles** while **you** or **employees** are driving them during testing for repair as well as when they are at **your premises** or left on the **road** or forecourt of **your premises.**

## Part 1 – Loss of or damage to customer vehicles

**You** can claim for **loss** of, or **damage** to, **customer vehicles** as described under 'What we cover" if:

- "Customer Vehicles" is specified in **your policy schedule**;
- the **event** which causes the **loss** or **damage** happens during the **period of insurance**;
- the **loss** or **damage** occurs within Australia or its external territories;
- the **loss** or **damage** is not excluded by anything under 'What we exclude' or the Policy Section Exclusions;
- the **loss** or **damage** is not excluded by the General Exclusions on pages 21 to 22; and
- the **loss** or **damage** is not excluded by any **endorsement**.

### ✔ What we cover

**We** will cover theft of, **loss** of, or **damage** to, **customer vehicles** caused by an **event** while in **your** care, custody or control. This includes **damage** arising from attempted theft of **your vehicle**.

### ✘ What we exclude

**We** do not cover:

1. **Loss or damage to tyres**

**Loss** of, or **damage** to, tyres caused by punctures, bursts, road cuts or the application of brakes.

2. **Vehicle deterioration**

**Loss** or **damage** due to wear and tear, corrosion, rusting or depreciation.

3. **Failure or breakdown**

Structural, mechanical, electrical, or electronic failure or breakdown.

4. **Safeguarding your customer's vehicle**

**Loss** or **damage** caused by **you** failing to take reasonable steps to protect, prevent or diminish further **loss** or **damage** to the **customer vehicle** after:

- it breaks down;
- it is **damaged** in an **event**; or
- **you** have been notified that the stolen **customer vehicle** has been found.

5. **Engine, gearbox and transmission**

**Damage** to the **customer vehicle's** engine, gearbox or transmission because it was driven in a damaged condition after an **event** unless **we** agree that **you** could not reasonably have known that the **damage** had occurred.

6. **Damage whilst being driven by customer**

**Loss** or **damage** incurred while the **customer vehicle** is being driven by its owner.

7. **Use of key**

**Loss** or **damage** by theft involving or resulting from the use of the vehicle's key, unless the vehicle's key was stolen from a locked cabinet to which there is visible damage caused by forcible and violent entry.

8. **Faulty workmanship**

**Loss** of, or **damage** to, the **customer vehicle** as a result of **your** or an **employee's** faulty workmanship.

9. **Accidental damage**

**Loss** of, or **damage** to, the **customer vehicle** caused directly or indirectly by **you**, **your family** or **employee** while the **customer vehicle** is stationary and undergoing repairs, restoration or modification.

### ✘ What we exclude

10. **Location**

**Loss** of, or **damage** to, the **customer vehicle** which occurs more than 100km away from **your premises**.

11. **Storage, sale, resale**

**Loss** of, or **damage** to, the **customer vehicle** if it is only in **your** care, custody and control for the purpose of storage, sale or resale.

12. **Purpose**

**Loss** of, or **damage** to, the **customer vehicle** if it was not being used for the legitimate purpose of **your business**.

# Extra Covers

If as a result of an **event we** agree to pay a claim under Part 1, **we** will also pay or provide the following Extra Covers in relation to that claim. **We** will not pay if the **loss** or **damage** is excluded by any conditions applicable to this Policy Section or any of the **policy** exclusions (to avoid doubt, including the exclusions in Part 1, Part 2, the Policy Section Exclusions, the General Exclusions or any **endorsement**).

## 1. New vehicle after total loss

### ✔ What we cover

This Extra Cover applies when:

- the **customer vehicle** is a motorcycle, car, 4WD, utility or van of not more than 2 tonne carrying capacity, prime mover, trailer or rigid body truck;
- **we** decide because of the **event** the **customer vehicle** is a **total loss**;
- the current owner is the first registered owner of the **customer vehicle**;
- the **loss** or **damage** occurred less than two (2) years from the date of original registration of the **customer vehicle**;
- anyone who financed the **customer vehicle** provides **us** with written consent;
- the new vehicle is available in Australia; and
- the owner of the **customer vehicle** surrenders the **damaged customer vehicle** to **us**.

When this Extra Cover applies the owner of the **customer vehicle** may choose for **us** to replace the **customer vehicle** with a new vehicle of the same make, model and series (or if unavailable, a vehicle of similar make and model) and pay for the initial registration, compulsory third party insurance, delivery and stamp duty costs for the new vehicle.

If a new vehicle cannot be agreed between the owner of the **customer vehicle** and **us**, **we** will only pay the original purchase price paid for the **customer vehicle** including any registration, compulsory third party insurance, delivery and stamp duty costs included in the contract of sale for the **customer vehicle**.

### ✘ What we exclude

This Extra Cover does not apply if the **customer vehicle**:

- has a stock, tanker or vacuum application;
- is a concrete agitator vehicle;
- is a garbage compactor;
- is a concrete pumping truck or trailer; or
- is any other specialised rigid vehicle body type.

**We** will not pay more than the **insured amount** of the **customer vehicle**.

## 2. Personal effects

### ✔ What we cover

**We** will cover the reasonable costs of repair or replacement if **personal effects** belonging to **you**, an **authorised driver** or owner of the **customer vehicle** are **damaged** or **lost** as a result of the **customer vehicle** being:

- **damaged** as a result of the **event**; or
- stolen as a result of forcible entry to the **customer vehicle**.

### ✘ What we exclude

**We** will not pay:

- more than $1,000 in total for any one (1) **event**; or
- for **personal effects** insured under another insurance policy.

## 3. Funeral expenses

### ✔ What we cover

If **you** or the **authorised driver** drive the **customer vehicle** and sustain a fatal injury during the **event**, **we** will pay:

- the associated burial or cremation costs of the deceased driver; and
- travel costs within Australia or its external territories for the deceased driver and any member of the deceased driver's immediate family to attend the funeral.

This Extra Cover will not be reduced by any accident compensation.

### ✘ What we exclude

**We** will not pay:

- more than $5,000 in total for any one (1) **event**.
- any claim if the driver of the **customer vehicle** dies:
  - (i) more than twelve (12) months from the date of the **event**; or
  - (ii) because the driver committed suicide.
- any claim if **we** have paid an amount under Extra Cover 4 – 'Personal Accident' of Part 1 of this Policy Section.

## 4. Personal accident

### ✔ What we cover

**We** will pay $5,000 provided:

- the **customer vehicle** was being driven by **you** or any **authorised driver;** and
- as a direct and sole result of the **event**, the driver:
  - (i) permanently and totally loses sight in one or both eyes; or
  - (ii) permanently and totally loses the efficient use of one or both hands or one or both feet.

**We** will pay the driver.

### ✘ What we exclude

**We** will not pay:

- more than $5,000 in total for any one (1) **event;**
- any claim if the permanent and total loss happens:
  - (i) more than 12 months after the **event**; or
  - (ii) because the driver attempted to commit suicide.
- any claim if **we** have paid an amount under Extra Cover 3 – 'Funeral Expenses' of Part 1 of this Policy Section.

## 5. Emergency repairs

### ✔ What we cover

**We** will cover the reasonable costs of **emergency repairs** incurred by **you** if they are necessary to get the **customer vehicle** to **your** destination or a repairer after the **event**.

If **you** need **emergency repairs**, **we** give **you** the authority to arrange these matters on **our** behalf. **You** must produce tax invoices and receipts for all costs if **we** ask for them.

### ✘ What we exclude

For any one (1) **event**, **we** do not cover more than:

- $500 if the **customer vehicle** is a motorcycle, car, 4WD, utility or van of not more than 2 tonne carrying capacity; or
- $3,000 if **your vehicle** is any other type of vehicle not specified above.

## 6. Emergency travel

### ✔ What we cover

**We** will cover the reasonable costs of emergency travel for **you** or the **authorised driver** and any passengers of the **customer vehicle** if it is unroadworthy or unsafe to drive following the **event**.

If **you** need emergency travel, **we** give **you** the authority to arrange these matters on **our** behalf. **You** must produce tax invoices and receipts for all costs if **we** ask for them.

### ✘ What we exclude

**We** will not pay more than $1,250 in total for any one (1) **event**.

## 7. Inconvenience allowance

### ✔ What we cover

**We** will cover the reasonable costs of travel **your** customer incurs as a result of **loss** of, or **damage** to, the **customer vehicle** while in **your** possession.

We will pay **your** customer.

### ✘ What we exclude

**We** will not pay more than $200 in total for any one (1) **event**.

## 8. Towing and storage

### ✔ What we cover

**We** will cover the reasonable and necessary costs of towing the **customer vehicle** when as a result of the **event** it cannot be driven to:

- **our** nearest assessing centre;
- a **recommended repairer** that **we** nominate; or
- a repairer **we** agree to.

**We** will also pay the reasonable costs of storing the **customer vehicle**.

### ✘ What we exclude

**We** do not cover storage costs for any period after **your** claim is settled.

# Additional Benefits

If **your vehicle** is insured for Comprehensive Cover, the following Additional Benefits will apply during the **period of insurance**. All of the terms, conditions and exclusions of this **policy** apply to the Additional Benefits (including, without limitation, the exclusions applicable to Part 1, Part 2, the Policy Section Exclusions, the General Exclusions and any **endorsement**) unless otherwise specified.

## 1. Locks and keys

### ✔ What we cover

**We** cover the cost of replacing the keys or re-coding the **customer vehicle's** locks if during the **period of insurance**, the keys to the **customer vehicle** were in **your** control and:

- have been stolen (even if the **customer vehicle** was not);
- have been **damaged** or **lost** after an **event** as a result of which **we** have paid a claim under Part 1; or
- may have been duplicated and there is reasonable grounds to believe so.

### ✘ What we exclude

**We** will not pay more than $3,000 in total for any one (1) **event**.

**You** must pay the Basic Excess applicable to the **customer vehicle** for any claim accepted under this Additional Benefit.

## 2. Recovery costs – no damage

### ✔ What we cover

**We** cover the reasonable cost of moving the **customer vehicle** to a place of safety following it becoming immobilised, bogged or stranded in the **period of insurance** even if there is no **damage** to the **customer vehicle**.

**You** must pay for these costs and provide tax invoices and receipts for all costs if **we** ask for them.

### ✘ What we exclude

**We** will not pay:

- more than $5,000 in total for any one (1) **event**; or
- any claim where the **customer vehicle** is immobilised, bogged or stranded solely as a result of **vehicle** failure or breakdown.

**You** must pay the Basic Excess applicable to the **customer vehicle** for any claim accepted under this Additional Benefit.

# What we pay under Part 1

For this section, a reference to 'the owner of the **customer vehicle**' also includes (where necessary) **your** customer.

If **we** agree to pay a claim under Part 1, **we** will either pay the owner of the **customer vehicle** for a **partial loss** or a **total loss**.

If **we** agree to pay a claim for **legal liability** under any Additional Benefit in this Part, the "Limits to what we pay" in Part 2 of this Policy Section will also apply.

## Total loss

The **customer vehicle** is a **total loss** if it is stolen and not recovered within a reasonable time after **you** have reported its theft to **us** and **we** agree to accept a claim for theft of the **customer vehicle**, or when **we** decide it is uneconomical or unsafe to repair.

Where **we** decide the **customer vehicle** is a **total loss** and the conditions applying to Extra Cover 1 – 'New vehicle after total loss' are met, the owner of the **customer vehicle** can choose to accept a new replacement vehicle of the same make, model and series as the **customer vehicle**. If they do not choose to accept a new replacement vehicle or Extra Cover 1 – 'New vehicle after total loss' does not apply, **we** will settle **your** claim by paying the owner of the **customer vehicle** the **insured amount** for the **customer vehicle**.

Any **excess you** must pay is deducted from the amount **we** pay.

If the **customer vehicle** is retained by its owner or **your** customer, **we** also deduct **our** estimate of the residual value of the **customer vehicle** from the amount **we** pay.

### Partial loss

Where **we** decide the **customer vehicle** is a **partial loss**, **we** will decide if **we**:

- repair the **damage**;
- replace the **damaged** parts of the **customer vehicle**; or
- pay the owner of the **customer vehicle** what it would cost **us** to repair the **damage** or replace the **damaged** parts of the **customer vehicle**.

For an example of how **we** settle a **partial loss** claim, see page 151 of this **PDS** and Policy Wording.

#### Choice of repairer

**We** can arrange the repair of the **customer vehicle** with a **recommended repairer** if one is available, or alternatively, the owner of the **customer vehicle** can choose their own repairer and arrange repairs with them. Where **we** are able to provide access to one of **our recommended repairers**, **we** will offer a choice if there is more than one nearby. However, **we** may only be able to nominate one **recommended repairer** if there are no others available or nearby. Where **we** are unable to provide access to one of **our recommended repairers**, **we** will require the owner of the **customer vehicle** to choose their own repairer.

If **we** authorise repairs with a **recommended repairer** or the repairer selected by the owner of the **customer vehicle**, **we** will:

- authorise the repair of the **customer vehicle** to the same or reasonably similar condition and standard it was in immediately before the **event**;
- authorise only the use of new parts or parts which are consistent with the age and condition of the **customer vehicle** (which may include using non-genuine and/or recycled parts);
- authorise only the use of manufacturer's approved parts if the **customer vehicle** is under warranty, but not when the **customer vehicle** has an extended warranty or for windscreen replacement, window glass or radiator and air conditioning parts replacement. In the case of radiators and air conditioning systems, parts produced by genuine parts suppliers may be used;
- only pay the market value of damaged parts **we** consider to be obsolete;
- not pay for the replacement of undamaged parts which includes items that are part of a whole set when the **loss** or **damage** occurred to only part of the set (such as alloy wheels);
- replace damaged windscreen or window glass with glass which may not be produced by the original manufacturer but will meet Australian Design Rules; and
- guarantee the quality of materials and workmanship in respect of the repairs for the life of the **customer vehicle**. See 'Lifetime guarantee for repairs' below.

Any repairer **we** authorise to repair the **customer vehicle** may sub-contract some of the repairs to a person of their choice. This will usually occur when the repairer is unable to perform the repairs themselves.

If the owner of the **customer vehicle** chooses their own repairer and **we** do not authorise repairs, **we**:

- will pay an amount equal to the **reasonable repair costs**; and
- will not provide any guarantee for the quality of materials and workmanship in respect of the repairs.

**We** are not responsible for any costs or losses which occur because of delays in delivery of parts. If a part is not available in Australia, **we** will pay the cost of surface freight from the nearest reasonable source of supply.

**You, your** customer or the owner of the **customer vehicle** are responsible for the cost of any air-conditioning refit, re-gas or modification required by law.

#### Contribution to repair work

**You, your** customer or the owner of the **customer vehicle** may have to contribute to the cost of replacing or repairing tyres, engines, accessories, paintwork, bodywork, radiators, batteries, interior trims, or caravan annexes affected by wear and tear or rust and corrosion. How much is required to be paid will depend on how worn **we** consider these items were when the **damage** happened.

If **you, you customer** or the owner of the **customer vehicle** do not agree to pay these amounts, **we** will pay the **reasonable repair cost** less any contribution charges.

**We** will subtract any **excess** that may apply.

## Limits to what we pay under Part 1

If **we** agree to pay a claim for **loss** of, or **damage** to, a **customer vehicle**, the most we will pay for each **customer vehicle**, is the **insured amount**.

**We** will not pay more than $1,000,000 for all **loss** or **damage** arising directly or indirectly, or in connection with, any one (1) **event**.

# Part 1 - Policy Section Conditions

## Lifetime guarantee for repairs

If **we** authorise repairs for the **customer vehicle**, **we** will guarantee the repairs against any defect due to workmanship or faulty material for the life of the **customer vehicle**. The parts used in any lifetime guarantee repairs to a **customer vehicle** will be the same as those described under the heading 'Choice of repairer' above. If **you** are concerned about the quality of the repairs to a **customer vehicle**, **you** or the owner of the **customer vehicle** must contact **us** and make it available to **us**. **You** or the owner of the **customer vehicle** must not authorise any rectification work without **our** written authority.

**We** will inspect the repair and arrange any necessary rectification work. If, in **our** opinion, it would not be safe or economical to carry out the rectification work required, **we** will declare the **customer vehicle** a **total loss** and pay an amount under the heading 'Total Loss' above (see pages 150 to 151) If the owner of the **customer vehicle** chooses their own repairer and **we** pay **reasonable repair costs** instead of authorising repairs, **we** will not provide a lifetime guarantee for the repairs.

## Underinsurance

If at the time of the **event**, the **customer vehicle** was insured for less than 80% of its **market value** and **we** decide it is:

- a **total loss**, **we** will not apply this underinsurance condition; or
- a **partial loss**, **we** will pay the same proportion of the **loss** as the **insured amount** bears to 80% of the **market value** of the **customer vehicle**.

In assessing the amount **we** pay, prime movers and attached trailers and dollies are regarded as separate and distinct insured **vehicles**.

This underinsurance condition does not apply if the **customer vehicle** is a motorcycle, car, 4WD, utility or van of not more than 2 tonne carrying capacity.

## No Claim Bonus

A No Claim Bonus recognises **your** good driving and claims history record in respect of **customer vehicles**.

**Your policy schedule** will show the type of No Claim Bonus **you** are entitled to (if any), and **your** premium will be charged accordingly.

## How you earn a No Claim Bonus

If **you** are not entitled to a maximum No Claim Bonus, **you** will earn an entitlement to a bonus for the next **period of insurance** if there has been no claims that fall within the definition of a **penalty claim**.

The following will apply if **you** qualify for a No Claim Bonus:

For sedans, station wagons, 4 wheel drives or goods carrying vehicles with a carrying capacity of 2 tonnes or less:

| Year | Existing bonus | Renewal bonus |
|---|---|---|
| 1st Year | 0% | 25% |
| 2nd Year | 25% | 45% |
| 3rd Year | 45% | 55% |
| 4th Year | 55% | 65% |
| Subsequent Years | 65% | 65% |

For all other **vehicles**:

| Year | Existing bonus | Renewal bonus |
|---|---|---|
| 1st Year | 0% | 20% |
| 2nd Year | 20% | 30% |
| 3rd Year | 30% | 40% |
| 4th Year | 40% | 50% |
| Subsequent Years | 50% | 50% |

## How making a claim could affect your No Claim Bonus

### If you do not lodge a penalty claim

If **you** did not lodge a **penalty claim** during the **period of insurance**, then **your** No Claim Bonus will not be detrimentally affected at renewal of **your policy**.

### Windscreen claims

When **you** renew **your policy**, **your** No Claim Bonus will not be affected for any windscreen or window glass claim **you** make.

### Other claims

When **you** renew **your policy**, **we** reduce **your** No Claim Bonus for each **penalty claim you** have made during the **period of insurance**.

The amount **we** reduce **your** No Claim Bonus to is set out below:

For sedans, station wagons, 4 wheel drives or good carrying vehicles with a carrying capacity of not more than 2 tonnes:

| Your current No claim bonus | Following 1 penalty claim | Following more than one penalty claim |
|---|---|---|
| 50% | 30% | Nil |
| 40% | 20% | Nil |
| 30% | Nil | Nil |
| 20% | Nil | Nil |
| Nil | Nil | Nil |

# Part 2 – Legal liability

For the purposes of Part 2, **customer vehicle** also means:

- a trailer;
- a caravan; or
- another vehicle which has broken down,

that is being towed by the **customer vehicle** legally and not for reward.

## What is legal liability?

**Legal liability** means that an Australian court or a court of an Australian external territory finds, or **we** accept, that:

- **you**;
- an **authorised driver** of the **customer vehicle**;
- a passenger in the **customer vehicle**; or
- **your** employer, principal or **business** partner,

are legally responsible to pay compensation for:

(i) **loss** of, or **damage to property**, owned or controlled by someone else; or

(ii) **personal injury** to another person (but only where the **legal liability** is not covered or capable of being covered by any compulsory third party insurance or public liability insurance),

caused by an **event** which occurs during the **period of insurance** in Australia or its external territories.

**We** will pay a claim for **legal liability** made against the persons named above as described in 'What we cover" if:

- "Customer Vehicles" is specified in **your policy schedule**;
- it is not excluded by anything under "What we exclude";
- it is not excluded by the Policy Section Exclusions;
- it is not excluded by the General Exclusions on pages 21 to 22; and
- it is not excluded by any **endorsement**.

## ✔ What we cover

**We** will cover **legal liability** if the **event** that gives rise to the **legal liability** was not expected or intended, and the **event** was caused by:

- **you** or an **employee** driving, using or being in charge of the **customer vehicle**;
- goods being carried by or falling from the **customer vehicle;**
- loading goods onto the **customer vehicle** from a fixed place of rest directly beside the **customer vehicle**;
- unloading goods off the **customer vehicle** to a fixed place of rest directly beside the **customer vehicle**; or
- a passenger in the **customer vehicle** with **your** permission while travelling or getting in or getting out of the **customer vehicle**.

## ✘ What we exclude

**We** will not cover **legal liability**:

- for anything excluded by any other "What we exclude" section in Part 1 or Part 2 of this Policy Section;
- which is a direct or indirect result of discharge or escape of **contaminants or pollutants** or **dangerous goods** from the **customer vehicle** unless they are substances **you** are legally allowed to carry;
- for **damage to property you** own, control or are responsible for, or which belongs to someone who normally lives with **you**. However, this exclusion will not apply to **your legal liability** for **damage** to motor vehicles belonging to an **employee** or visitor which occurs within the confines of a private car park owned or operated by **you**;
- for **personal injury** to anyone who was **your employee** at the time of the **event**;
- for **personal injury** if **you** were or anyone else was required by law to have insurance for compensation, damages or similar insurance for injury (e.g. compulsory third party insurance or workers' compensation required by law);
- for **personal injury** if the **customer vehicle** is registered in the Northern Territory of Australia;
- where **you** or another person covered for **legal liability** under this Policy Section cause **your** or their own **personal injury**, or if **you** or they injure or cause the death of someone who normally lives with **you** or them;
- arising because **you**, an **authorised driver** of the **customer vehicle**, a passenger in the **customer vehicle**, or **your** employer, partner of **your business** or principal agreed to accept liability;
- arising from any agreement **you** or anyone insured under this **policy** has entered into, unless **legal liability** would have applied anyway;
- for **personal injury** if at the time of the **event** the **customer vehicle** was being used as a show, carnival or festival attraction, parade float or for any similar activity;
- if at the time of the **event** the **customer vehicle** was being driven or used at, in, or on any hangar or any part of an airport or airfield used by **aircraft** for loading, unloading, taxiing, takeoffs or landings;
- resulting from the use of the **customer vehicle** if it was unregistered at the time of the **event**, unless the customer **vehicle** is an unregistered on-site caravan;
- in respect of fuel contamination caused by **you** delivering:
  - the incorrect type of fuel; or
  - the fuel to the incorrect place.
- for **damage to property** resulting from an **event** arising out of the use of the **customer vehicle** while it is digging, excavating, boring or drilling. However, **we** will pay if the **customer vehicle** is being used for the sole purpose of travelling to or from any work site or transporting or carting goods at the time of the **event** and is not being used at the time of the **event** for any other purpose including any specific activity for which it was designed;
- to pay fines or punitive, exemplary or aggravated damages;
- arising directly or indirectly from:
  - the transportation, distribution, or storage of asbestos; or
  - any material containing asbestos or any process of decontamination, treatment or control of asbestos.

**✘ What we exclude (cont.)**

For the avoidance of doubt, the above asbestos exclusions only apply to **personal injury** arising in consequence of inhalation or physical exposure to any type of asbestos fibre or its derivative, and to **damage to property** due to the presence of asbestos.

- for **personal injury**, or **damage to property,** arising directly or indirectly out of the actual, alleged or threatened discharge, seepage, dispersal, migration, release or escape of **contaminants or pollutants**:
  - into or upon any property, land, the atmosphere, water course or body of water (including ground water); or
  - caused by any product or physical liquid item that has been discarded, dumped, abandoned or thrown away by **you**, **your employee**, other person under **your** control or by others.

However, this exclusion does not apply to Additional Benefit 1 – 'Pollution' of Part 2 of this Policy Section.

# Extra Cover

**We** will also pay or provide the following Extra Cover in this Policy Section.

**We** will not pay if the claim is excluded by any condition applicable to this Policy Section, anything in the applicable 'What we exclude' section, anything in any other 'What we exclude' section in Part 1 or Part 2 of this Policy Section, the General Exclusions, the Policy Section Exclusions or any **endorsement**.

## 1. Emergency services

**✔ What we cover**

If **we** agree to pay a claim under Part 1 or Part 2 of this Policy Section, **we** will cover the reasonable costs and charges levied by the police force or any fire brigade or other authority due to the **customer vehicle** causing the attendance at the accident site of a member of the:

- fire brigade or authority for the purpose of fire extinguishment or other purposes; and/or
- police force.

# Additional Benefits

**We** will also pay or provide the following Additional Benefits in this Policy Section for **your legal liability** if the event giving rise to the **legal liability** was not expected or intended.

**We** will not pay if the **legal liability** is excluded by any condition applicable to this Policy Section, anything in the applicable 'What we exclude' section, anything in any other 'What we exclude' section in Part 1 or Part 2 of this Policy Section, the General Exclusions, the Policy Section Exclusions or any **endorsement**.

## 1. Pollution

**✔ What we cover**

**We** cover **your legal liability** arising directly or indirectly out of the actual, alleged or threatened discharge, dispersal, release or escape of **contaminants or pollutants** into or upon any property, land, the atmosphere, water course or body of water (including ground water), where such discharge, dispersal, release or escape:

- is caused by or in connection with the operation, ownership, possession or use by **you** or on **your** behalf of any **customer vehicle**;
- is caused by a sudden identifiable, unintended and unexpected **event**;
- takes place in its entirety at a specific point in time during the **period of insurance** and within Australia or its external territories; and
- does not relate to any property, land, air, water course or body of water which **you** own, occupy or have in **your** custody or control.

**We** will also only pay for clean up or removal costs if they are caused by such an incident within Australia or its external territories.

**✘ What we exclude**

**We** will not pay:

- more than $500,000 during the **period of insurance**; or
- if the **contaminants or pollutants** are **dangerous goods**.

## 2. Legal liability for caravans and trailers

### ✔ What we cover

**You** are covered for **your legal liability** arising as a result of the following which occur during the **period of insurance** in Australia or its external territories:

- the actions of a caravan or trailer while it is being towed by the **customer vehicle**;
- a caravan or trailer running out of control after separating from the **customer vehicle** while it is moving; or
- another vehicle colliding or acting to avoid a collision with:
  - property falling off a caravan or trailer while it is being towed by the **customer vehicle**; or
  - property being loaded or unloaded from a caravan or trailer attached to the **customer vehicle**.

### ✘ What we exclude

**We** do not cover **loss** or **damage** to:

- the caravan or trailer unless it is a **vehicle** insured under Policy Section 11 – Commercial Motor; or
- the property which is loaded or unloaded from or which falls from the caravan or the trailer.

**We** do not cover the cost to remove the trailer or caravan debris, unless the caravan or trailer is an insured **vehicle** under Policy Section 11 – Commercial Motor and **we** have accepted a claim for it under Part 1 of that Policy Section.

**You** must pay the **excess** applicable to the **customer vehicle** for any claim accepted under this Additional Benefit.

# What we pay under Part 2

If **we** agree to pay a claim for **legal liability**, **we** will pay:

(a) the compensation;

(b) legal costs and expenses if **we** have given **our** prior written consent to **you** incurring these costs; and

(c) costs and charges reasonably and necessarily incurred by **you** in removing or cleaning up debris, unless stated otherwise.

**We** will also pay for legal costs in representing **you** or any other person covered at any inquest, court proceedings or other inquiry relating to an **event** which may give rise to **you** being legally liable, if **we** have given **our** prior written consent to **you** incurring these costs.

**You** must pay any **excess** that may apply.

For an example of how **we** settle a liability claim, see page 152 of this **PDS**.

### Limits to what we pay under Part 2

If **we** agree to pay a claim for **legal liability**, the most **we** will pay for all claims arising directly or indirectly from one (1) **event** is $50 million (unless another amount is specified on **your policy schedule**) but restricted to:

(a) $1,000,000 for any one (1) **event** occurring within the external territories of Australia, but only in respect of the death or bodily injury to another person;

(b) $1,000,000 (unless another amount is specified on **your policy schedule**) where the **customer vehicle** is being used for the transportation of **dangerous goods** or is attached to, or is towing, a **vehicle** used for the transportation of **dangerous goods**; and

(c) $500,000 during the **period of insurance** in respect of all claims under Additional Benefit 1 – Pollution of Part 2.

These amounts include all legal costs and expenses.

These limits also apply to any cover for **legal liability** provided under any Extra Cover, Additional Benefit or Optional Insurance (both Parts 1 and 2) or **endorsement** unless a lower limit is specified in the Extra Cover, Additional Benefit or any **endorsement**.

These limits are the most **we** will pay even if there are several claims against **you** relating to the one (1) **event**.

### Excess

The Basic Excess is the amount **you** will have to pay if **you** claim under your **policy**, unless stated otherwise. **Excesses** are cumulative. If **you** also claim under another Policy Section for one (1) **event**, the **excesses** payable under this Policy Section apply in addition to all other **excesses**.

For each **event**, or series of **events** arising from the one (1) originating cause, **you** will bear the amount of the **excess** in respect of each and every insured **vehicle**, unless stated otherwise.

The Basic Excess is specified in **your policy schedule**. The amounts for any other **excesses** (or where the amounts can be found in this **PDS**) are detailed below on page 166. **You** might have to pay more than one type of **excess** when **you** claim.

**You** must pay the **excesses** in full.

**We** will decide if **you** pay the **excess** to **us** (when **we** ask for it) or to the repairer when the **customer vehicle** is picked up after it has been repaired. **We** can also choose to deduct the **excess** from the amount **we** pay. In the case of a new replacement vehicle, **we** may require **you** to pay the **excess** before delivery of the new vehicle.

**You** do not pay any **excess** when the **customer vehicle** is a motorcycle, car, 4WD, utility or van of not more than 2 tonne carrying capacity and if:

(a) a third party's vehicle is involved in the **event**, and **we** agree the driver of the **customer vehicle** was not at fault, and **you** can identify the other vehicle and the other driver responsible (by providing **us** with their name, residential address, phone number and vehicle registration details); or

(b) no other vehicle is involved in the **event**, and **we** agree the driver of the **customer vehicle** was not at fault, and **you** can identify another person at fault (by providing **us** with their name, residential address and phone number) and **we** agree that they were at fault.

## Types of excesses

### Basic excess

The Basic Excess that applies to a **customer vehicle** when **you** claim is the amount specified in **your policy schedule.**

### Age or inexperienced drivers excess

An age or **inexperienced driver excess** applies if a driver under 25 or an **inexperienced driver** was in charge of the **customer vehicle** at the time of an **event**. This **excess** will not apply to glass, damage while parked, fire, malicious damage, theft or storm claims.

If **we** accept a claim where the driver was less than 25 years of age or was an **inexperienced driver**, the following age or **inexperienced driver excesses** will apply to the claim when:

- the **customer vehicle** is a prime mover and:
  - (i) the **insured amount** for the prime mover is less than $100,000 or it is insured for Legal Liability Only – the age or **inexperienced driver excess** is $2,500 or $3,500 if the prime mover was towing more than one trailer at the time of the **event**;
  - (ii) the **insured amount** for the prime mover is $100,000 or more but not more than $200,000 – the age or **inexperienced driver excess** is $10,000 or $15,000 if the prime mover was towing more than one trailer at the time of the **event**;
  - (iii) the **insured amount** for the prime mover is more than $200,000 – the age or **inexperienced driver excess** is $25,000 or $37,500 if the prime mover was towing more than one trailer at the time of the **event**.
- the **customer vehicle** is not a prime mover - the age or **inexperienced driver excess** is $750.

**You** must pay the age or **inexperienced driver excess** in addition to any other **excess** for the **customer vehicle** that may be payable. For the purposes of the application of these age or **inexperienced driver excess**, a dolly is considered a trailer.

### Tipping excess

A tipping **excess** applies if the **customer vehicle** is a trailer or rigid body truck and it is **damaged** while the tipping hoist is partly or fully extended. The tipping **excess** is $1,000 and **you** pay this in addition to any other **excess** payable for the **customer vehicle**.

### Endorsement excess

An **endorsement excess** may apply if **you** have **endorsements** to **your policy**. Any **endorsement excess** applicable to **your policy** will be specified in the **endorsement** wording.

**You** pay the **endorsement excess** specified in the **endorsement** wording in addition to any other **excess** for the **customer vehicle** that may be payable.

### Additional Benefit excesses

Please refer to pages 142 to 143 for the amount of any **excess you** might have to pay if **you** make a claim under any Additional Benefit in Part 1 or Part 2 of this Policy Section.

### Application of excess involving trailer and towing vehicle

If a trailer being towed by the **customer vehicle damages** the property of another person and:

(a) only the trailer was **damaged**, the **excess** for the towing vehicle will apply; or

(b) there is no **damage** to either the trailer or towing vehicle, the **excess** for the towing vehicle will apply.

# General Claims Conditions

For these conditions a reference to '**you**' also includes where the context requires an **authorised driver** or owner of the **customer vehicle**.

**You** must comply with the following conditions if an **event** occurs which may lead to or results in a claim. If **you** do not comply with these conditions, **we** may refuse **your** claim or reduce the amount **we** pay **you**.

**You** must:

- Contact **our** Vero Claims Team as soon as possible on 13 14 46. **We** are available 24 hours a day, 7 days a week. **Our** staff will advise **you** whether to bring the **customer vehicle** to one of **our** assessing centres or take it to a repairer. **We** can help with any other arrangements necessary to get **you** back on the road as quickly as possible.
- Do everything reasonable to limit and prevent further **loss**, **damage** or **legal liability**.
- If someone has stolen, attempted to steal or maliciously damaged the **customer vehicle**, call the Police immediately. If **we** ask, **you** must provide **us** with the name of the Police Officer and Police Station where **you** made the report and give us all known details of the **event**.
- Obtain the full names, addresses and phone numbers of all drivers and passengers involved and any witnesses to the **event**. **You** will also need to obtain the vehicle registration number and insurance details of all vehicles involved. If **damage** is caused to building and other property, **you** will need to provide details of the address and owner's names.
- Give **us** any information, documentation and other assistance that **we** need to handle the claim. This may include being interviewed. If **we** ask **you** for a statutory declaration verifying the details of **your** claim and any other matters connected with the claim, **you** must provide it.
- If **you** get demands, a notice of prosecution, details of any legal proceedings, inquest or similar communications from other parties involved in an **event**, **you** must tell **us** immediately. If **you** delay telling **us**, **we** may not cover any legal or other costs that result from that delay.
- Retain and preserve your **damaged customer vehicle** and property for inspection by **us** or **our** agent (including a loss adjuster) prior to authorisation of repairs unless repairs are immediately necessary for safety reasons or to minimise or prevent further **loss, damage** or **legal liability**.

What **you** must not do:

- Unless **we** have agreed, negotiate or promise anyone a payment, authorise any repairs (except emergency repairs to the **customer vehicle**, see page [insert #] for details) or dispose of any **damaged** property.
- Accept any payment (including excess payments) from anyone unless **we** agree first.

When **you** make a claim **you** agree that:

- **You** must let **us** inspect and, if necessary, move the **customer vehicle** before repairs begin.
- **You** must co-operate and provide **us** with all reasonable assistance in connection with any investigation, negotiation, recovery, defence or settlement of any claim, including doing all things necessary to allow **us** to take over legal proceedings in the circumstances described in General Claims Conditions – Rights of Recovery on page 20.
- **We** have the right and full discretion to conduct claims. If **we** decide to defend **you**, settle any claim against **you**, represent **you** or try to recover money from the person who caused the **loss** or **damage**, **you** must give **us** all the assistance **we** need, including assistance after **your** claim has been paid. **We** may engage legal or other representatives to assist in the conduct of a claim.
- **You** must allow **us** to make admissions, settle or defend claims on **your** behalf on terms **we** consider appropriate.
- **You** must allow **us** to take legal action in **your** name against another person to recover any payment **we** have made on a claim whether before or after **we** have paid **your** claim, or whether or not **you** have been compensated or paid in full for **your** actual **loss**.
- **You** must provide proof of **your** ownership of any **lost** or **damaged customer vehicle** or property. **We** will decide what is acceptable proof of ownership, however, it may include the vehicle's log book, receipts, a valuation or warranty documents.
- **You** must pay any **excess** that applies to a claim under this **policy** in full prior to settlement of that claim. **We** have no liability to **you** under this **policy** until **you** have paid the **excess**. If the **excess** has been requested but remains unpaid, **we** may:
  - decline to settle the claim until full payment of the **excess** has been received; or
  - deduct the **excess** from the settlement **we** pay.

# Policy Section Exclusions

**You** are not covered under this Policy Section:

(a) for an **event** occurring when the **customer vehicle** is being driven by, or is in the charge of, someone who:

(i) was under the influence of, or had their judgement affected by, any drug or medication;

(ii) had more than the legal limit of alcohol in their breath, blood, urine or saliva as shown by analysis;

(iii) refused to take a test for alcohol, drugs or medication; or

(iv) was not licensed, not correctly licensed or not complying with the conditions of their licence.

However, **we** will cover **you** if **you** were not the driver or person in charge of the **customer vehicle** at the time of the **event** and **you** can satisfy **us** that **you** did not know, and could not have reasonably known, of any of the above circumstances. If **we** pay a claim, **we** can recover those costs from the person who was driving or in charge of the **customer vehicle**, unless the law prohibits recovery by **us**.

(b) if **you** or an **authorised driver** does something or neglects to do something that is not in accordance with this **policy** or does not give **us** the information or assistance that **we** ask for;

(c) for theft of or malicious damage to the **customer vehicle** when anyone insured under this **policy** has not taken reasonable care to prevent this **loss** or damage;

(d) for consequential losses (financial and non-financial loss) or extra costs following an **event** covered by this **policy**, such as:

(i) loss of income or wages;

(ii) loss caused by delay, confiscation or detention, for example, by customers or another lawful authority;

(iii) lack of market or lack of any type of performance;

(iv) medical expenses not covered by this **policy**;

(v) professional, expert, legal consulting or valuation costs unless **our** prior written authority to incur these costs has been obtained;

(vi) loss related to stress or anxiety;

(vii) loss occurring because the **customer vehicle** cannot be used;

(viii) reduction of the **customer vehicle's** value (including its trade in or resale value) after being repaired;

(ix) reduction of the **customer vehicle's** working life;

(x) loss or costs, including the costs of **your** or the **customer vehicle** owner's time to prove **loss** or **damage** to help **us** with a claim;

(xi) travel costs or other types of costs because the **customer vehicle** cannot be used, unless expressly covered elsewhere in this Policy Section;

(xii) cleaning costs unless expressly covered by this Policy Section; or

(xiii) any costs not otherwise covered by this Policy Section.

However, **we** will cover other people's losses and costs to the extent they are insured under Part 2 of this Policy Section.

(e) for **loss** of, or **damage** to, a drill rod or bit attached to the **customer vehicle** while the drill rod or bit is being used for its designed purpose. For the purposes of this exclusion, a drill rod or bit includes any part attaching to or forming part of the drill rod or bit including but not limited to pipes, guides, filters, gaskets, plugs, caps, beacon housings, tool heads, nozzles and/or any other electronic mechanism;

(f) for **loss** or **damage** or **legal liability** caused or contributed to by or arising from any biological, bacterial, viral, germ, chemical or poisonous **contaminants or pollutants** or any looting or rioting following these occurrences (except for any cover provided under Additional Benefit 1 – Pollution of Part 2), or the action taken by a public authority to prevent, limit or remedy the actual or threatened release of any such materials;

(g) for theft by anyone who has hired or leased the **customer vehicle** or who has taken it as security for a debt;

(h) for any **loss**, **damage** or **legal liability** caused by any person or organisation who lawfully destroys or takes away **your** ownership or control of any property or **customer vehicle** covered under this Policy Section;

(i) for any **loss**, **damage** or **legal liability** which happens before the **period of insurance** or which arises from an **event** before the **period of insurance** starts unless specifically stated otherwise;

(j) for an **event** that occurs outside Australia or its external territories;

(k) if the **event** that is the subject of the claim was caused intentionally, or with reckless disregard for the consequence, by **you,** any **employee**, business partner or **authorised driver** or someone acting with **your** or their express or implied consent;

(l) if excluded by any **endorsement**;

(m) if, at the time of an **event**, the **customer vehicle** was **damaged**, unsafe or unroadworthy. However, **we** will cover **you**, if **you** prove to **our** satisfaction that the unroadworthy or unsafe condition of the **customer vehicle**:

- did not cause or contribute to the **loss**, **damage** or **legal liability** being incurred; or
- could not reasonably have been detected by **you.**

(n) if, at the time of an **event**, the **customer vehicle** was:

- being used in a race, contest, trial, test, hill climb or any similar activity;
- being used on a competition race track, circuit, course or arena;
- being used by **you** or an **authorised driver** for any type of illegal purpose;
- carrying passengers for payment or reward unless it was a car pool, child care arrangement or fare paying passenger bus;
- carrying a greater number of passengers than it was designed for or is allowable according to law;
- conveying, towing, lifting or carrying a load not secured according to law;
- conveying, towing, lifting or carrying a load in excess of that which it was designed for or is allowable according to law;
- being used to move **dangerous goods** or substances that pollute or contaminate unless this was done legally;
- travelling on railway lines; or
- being operated, transported or driven in an underground mine or mining shaft.

# Worked dollar claim examples

The following worked dollar claim examples are designed to assist **you** in understanding some of the benefits in this Policy Section and how claims are calculated. The examples do not cover all scenarios or all benefits and do not form part of **your policy** terms and conditions. The following should be used as a general guide only. **We** always determine real claim payments on an individual basis, after **we** have assessed each claim. **You** should consider all examples as each example covers different benefits and scenarios.

All amounts are shown in Australian dollars and are GST inclusive unless indicated otherwise. **You** should read the **PDS** and Policy Wording and **your policy schedule** for full details of what **we** cover as well as what policy limits, conditions and exclusions apply.

## Example: Repair of customer vehicle

*A customer vehicle is insured under this Policy Section for an insured amount of $100,000 with a basic excess of $1,000. Whilst being road tested by a mechanic, the vehicle is damaged in an at fault accident and we assess the cost of repair to be $20,000. The vehicle is a 2 year old sedan in good condition. A motor vehicle guide records the market value of the customer vehicle as $45,000 for good condition and we assess the market value to be $45,000.*

| How much we pay | | Further information |
|---|---|---|
| Damage to customer vehicle | $20,000 | We normally decide the vehicle is repairable if it is economical and safe to repair. |
| Less excess | -$1,000 | Only the basic excess applies in this example. |
| Total claim | **$19,000** | We normally pay this amount directly to the repairer or to you if you are repairing the vehicle. |

### Example: Theft of customer vehicle

*A customer vehicle which is used for private purposes is left at your premises for alterations and is insured under this Policy Section for an insured amount of $100,000 with a basic excess of $1,000. When the vehicle's alterations were complete the vehicle was locked and left on the forecourt for collection during business hours. The customer vehicle, a 1 year old sedan with a market value of $40,000, is stolen.*

| How much we pay | | Further information |
|---|---|---|
| Loss of vehicle | $40,000 | Where the customer vehicle has been stolen and not recovered we would declare the customer vehicle a total loss. |
| Less excess | -$1,000 | Only the Basic Excess applies in this example. |
| Total claim | **$39,000** | We would either try and source a similar replacement vehicle or pay this amount directly to the owner of the customer vehicle. |
| If personal effects to the value of $350 are also in the stolen customer vehicle: | | |
| Plus personal effects | + $350 | Personal effects cover is limited to $1,000 per event. The sub-limit of this Extra Cover is in addition to the repair costs. |
| Total claim | **$39,350** | We would pay the $350 for personal effects to the owner of the customer vehicle. |

### Repair of customers vehicle and legal liability for other vehicle damages

*A customer vehicle used for private purposes is left at your premises for alterations and is insured under this Policy Section for an insured amount of $100,000 with a basic excess of $1,000. Whilst being road tested by a mechanic, the customer vehicle is damaged in an at fault accident and we assess the cost of repair to be $20,000 and the other driver claims that the driver of the customer vehicle has a legal liability for the accident.*

*The customer vehicle, a 1 year old sedan has a market value of $45,000.*

*The damage to the other vehicle is assessed at $12,500 and we agree that the driver of the customer vehicle was at fault. There is a basic excess of $1,000 on your policy.*

| How much we pay | | Further information |
|---|---|---|
| Damage to customer vehicle | $20,000 | We normally decide the vehicle is repairable if it is economical and safe to repair. |
| Damage to other vehicle | $12,500 | We normally pay the cost of repairs directly to the third-party claimant. |
| Less excess | -$1,000 | Only the basic excess applies in this example. |
| Total claim | **$31,500** | |

# Definitions

These words have the following meanings and apply only to this Policy Section. These defined terms prevail over any other meaning given to them in other parts of the **PDS** and Policy Wording. **You** should also refer to the General Definitions on pages to 23 to 27.

### Authorised driver

A person controlling, driving or using the **customer vehicle** with **your** consent.

### Contaminants or pollutants

Has the same meaning given to it in Policy Section 11 – Commercial Motor. Please refer to the definitions of that Policy Section.

### Customer vehicle

A **vehicle** owned or leased by **your** customer which is in **your** care, custody or control in the course of **your business** for the purpose of servicing, repair, road testing, maintenance, alteration, inspection, valuation, testing or delivery including customer vehicles fitted with a trade plate.

A customer vehicle does not include a **vehicle** owned or leased by **you** or **your employee**.

### Damage to property

Has the same meaning given to it in Policy Section 11 – Commercial Motor. Please refer to the definitions in that Policy Section.

### Dangerous goods

Has the same meaning given to it in Policy Section 11 – Commercial Motor. Please refer to the definitions in that Policy Section.

### Emergency repairs

Minor repairs which are essential for **you** to be able to drive the **customer vehicle** safely from an accident or **event** causing **damage**.

### Employee

Has the same meaning given to it in Policy Section 11 – Commercial Motor. Please refer to the definitions in that Policy Section.

### Inexperienced driver

Has the same meaning given to it in Policy Section 11 – Commercial Motor. Please refer to the definitions in that Policy Section.

### Insured amount

The dollar amount for the **customer vehicle** specified in **your policy schedule** or the **market value** of the **customer vehicle**, whichever is less.

### Legal liability

Has the meaning given to it on page 162.

### Market value

The amount **we** calculate the market would pay for the **customer vehicle**. It takes into account the age, make, model, kilometres travelled and condition of the **customer vehicle** immediately before the **loss** or **damage**. **We** might use recognised industry publications to assist **us** to calculate the amount. If **we** do so, **we** may also take into account the kilometres it has travelled.

### Partial loss

When **we** decide at **our** option, to repair the **customer vehicle**, replace any part of it or reimburse the **loss** or **damage** to it. In this case, **we** will not treat the vehicle as a **total loss**.

### Penalty claim

An **event** or claim where **we** consider **you** to be at fault, or a claim where **we** are not able to recover the costs of repairing or replacing the **customer vehicle**.

### Personal effects

Has the same meaning given to it in Policy Section 11 - Commercial Motor. Please refer to the definitions in that Policy Section.

### Personal injury

Has the same meaning given to it in Policy Section 11 – Commercial Motor. Please refer to the definitions in that Policy Section.

### Reasonable repair costs

Has the same meaning given to it in Policy Section 11 – Commercial Motor. Please refer to the definitions in that Policy Section.

### Recommended repairer

Has the same meaning given to it in Policy Section 11 – Commercial Motor. Please refer to the definitions in that Policy Section.

### Total loss

When the **customer vehicle** is:

- stolen and not recovered within a reasonable time of its theft being reported to us, and **we** are satisfied that **your** claim is in order; or
- **we** decide the **customer vehicle** is uneconomical or unsafe to repair.

# Policy Section 13 – Goods in Transit

## About this Policy Section

This Policy Section covers **you** for **loss** of or **damage** to **goods you** sell, buy or use in **your business** when they are in **transit**. **You** have a choice of two types of cover in this Policy Section. **You** may insure under either:

- Specified Perils; or
- Accidental Damage.

The option **you** choose will be specified in **your policy schedule**.

**You** can claim for **loss** or **damage** as described under "What we cover" if:

- "Goods in Transit" is specified in **your policy schedule**;
- the **loss** or **damage** to **goods** occurs during the **period of insurance**;
- the **loss** or **damage** is not excluded by any of the exclusions under "What we exclude"; and
- the **loss** or **damage** is not excluded by any of the General Exclusions listed on pages 21 to 22.

## Your insurance under the Policy Section

### ✔ What we cover

**We** cover **you** for **loss** of, or **damage** to, **goods** during the **period of insurance** when they are in **transit** and **you** have selected either:

- Option A – Specified Perils; or
- Option B – Accidental Damage.

**Specified Perils**

Where Option A – Specified Perils is recorded in **your policy schedule**, **we** will cover **you** for **loss** of, or **damage** to, the **goods** during **transit**, directly caused by any of the following **insured events** occurring during the **period of insurance**:

1. fire;
2. explosion;
3. lightning;
4. **flood;**
5. collision of the conveying **vehicle** with any external object other than the road, gutter, or similar surrounding surfaces;
6. overturning, jack-knifing or derailment of the land **conveyance;**
7. impact of the **goods** with something that is not on or part of the conveying **vehicle** provided the **loss** of, or **damage** to, the **goods** is caused by **insured events** (1) to (6) listed above;
8. theft or attempted theft from a locked and unattended transporting **vehicle** following forcible and violent entry which causes visible damage to the transporting **vehicle**;
9. collision, crashing or forced landing of the conveying **aircraft;**
10. jettison, washing overboard and **loss** or **damage** incurred in time of peril; or
11. war or warlike activities, which means invasion, acts of foreign enemy, hostilities (whether war is declared or not), civil war, rebellion, revolution, insurrection or civil strife following any of these.

**Accidental Damage**

Where Option B - Accidental Damage is specified in **your policy schedule**, **we** will cover **loss** of, or **damage** to, the **goods** in **transit,** including **loading** and **unloading**, directly caused by any of the following **insured events** occurring during the **period of insurance**:

1. **accidental loss** of, or **damage** to, the **goods** during the **transit**;
2. acts of strikers, locked-out workers or persons taking part in labour disturbances, riots or civil commotions;
3. malicious acts of persons, unless caused or directed by **you**;
4. insufficiency or unsuitability of packing or preparation of the **goods**, unless such was caused, directed or agreed by **you**; or
5. unexpected deterioration of **temperature controlled goods**.

If the **transit** is interrupted or terminated due to the insolvency or financial default of the carrier, whether or not **loss** or **damage** is caused to the **goods**, **we** will pay the extra costs of freight or storage to forward the **goods** to their intended destination, or to return the **goods** to the place from which they were dispatched, up to a maximum of 10% of the **insured amount** of the **goods**.

### ✘ What we exclude

Whether **you** choose Option A – Specified Perils or Option B – Accidental Damage, this Policy Section will not cover **you** for:

- **loss** or **damage** that existed or occurred prior to the commencement of the **transit**;
- **loss** or **damage** caused by dismantling, erection, commissioning, testing or storage other than in the ordinary course of **transit**;
- **loss** of, or **damage** to, **goods** directly or indirectly as a result of mechanical, electrical or electronic breakdown or malfunction where there is no external evidence of **damage** in **transit** from an **insured event** specified under Option A – Specified Perils cover or Option B - Accidental Damage cover;
- delay, loss of market or consequential loss or damage including loss of profits;
- **loss** of, or **damage** to, livestock;
- **loss** or **damage** caused directly or indirectly by the unroadworthy condition of the conveying **vehicle** if it is owned by **you**;
- confiscation or disappearances by Customs or any lawful authority;
- unexplained inventory shortage, disappearance resulting from clerical errors, or shortage in the supply or delivery of materials; or
- **loss** or **damage** caused directly or indirectly by:
  - rust, oxidisation, discolouration, mildew, moths, mould, vermin or insects;
  - heating, sweating or any variation in temperature;
  - the inherent nature of the **goods**;
  - ordinary leakage, ordinary loss in weight or volume, or ordinary wear and tear; or
  - scratching, denting, chipping, cracking or breakage of **glass** or any fragile items.

# Extra Covers

If **we** agree to pay a claim under this Policy Section for **loss** of, or **damage** to, **goods** in **transit**, **we** will also pay or provide the Extra Covers set out below. Any amounts payable under these Extra Covers are in addition to the **insured amount** specified in **your policy schedule** for this Policy Section.

## 1. Air freight of replacement parts

### ✔ What we cover

**We** will cover **you** for the cost of sending replacement parts from suppliers to the original destination by air freight, even if the original **transit** was not by air freight.

### ✘ What we exclude

**We** will not cover **you** for more than $10,000 for each **event**.

## 2. Clean up costs

### ✔ What we cover

**We** will cover **you** for the clean up and disposal costs at any accident site, where **you** are legally or contractually obliged to pay those costs.

### ✘ What we exclude

**We** will not cover **you** for more than $25,000 for each **event**.

## 3. Transport and disposal costs

### ✔ What we cover

**We** will cover **you** for the reasonable costs and expenses incurred in cleaning up or decontaminating **your premises** following the delivery or return of salvaged **goods**, plus the cost of transport and disposal costs to remove those **goods**.

### ✘ What we exclude

**We** will not cover **you** for more than $25,000 for each **event**.

### 4. Freight and salvage charges

**✔ What we cover**

**We** will cover **you** for any additional freight or salvage charges that **you** are required to pay to remove **your goods** from any accident site, including the cost of transport to forward the **goods** to their intended destination or to return the **goods** to the place from which they were dispatched.

**✘ What we exclude**

**We** will not cover **you** for more than $10,000 for each **event**.

### 5. Minimisation costs

**✔ What we cover**

**We** will cover **you** for the reasonable costs incurred to avoid or minimise any further **loss** of, or **damage** to, the **goods**.

**✘ What we exclude**

**We** will not cover **you** for more than $10,000 for each **event**.

### 6. General average and salvage contribution

**✔ What we cover**

**We** will cover **you** for general average and or salvage contribution that **you** are required to pay under any Bill of Lading or similar document if the **transit** is by sea.

# Additional Benefit

**We** will also provide the following Additional Benefit in this Policy Section subject to any conditions applicable to the Policy Section, the General Exclusions on pages 20 to 21 and the exclusions in the 'What we exclude' section on page 172. Any amounts payable under this Additional Benefit do not apply in addition to the **insured amount** specified in **your policy schedule** for this Policy Section.

### 1. Buyer and seller protection

**✔ What we cover**

**We** cover **you** for the **loss** of, or **damage** to, **goods** if, as a buyer or seller, **you** retain a contingent financial interest in the **goods** in **transit**, and provided that:

- the **goods** are **lost** or **damaged** during the **period of insurance**;
- the **loss** or **damage** to the **goods** is caused by one or more **insured events** covered by **your policy** under this Policy Section;
- the other party under the terms of sale is legally liable to pay **you** for the **goods** or for the **loss** or **damage**, but fails to do so;
- **you** have taken all reasonable steps to safeguard the **goods** and to recover payment from the other party; and
- **you** have not disclosed to any party interested in the **goods** the existence of this cover.

# Settlement Conditions

### What we pay for loss of or damage to goods

For **loss** of, or **damage** to, plant, machinery, computers and the like up to five (5) years old, **we** will pay, at **our** option:

(a) the cost of repairing or reinstating the **goods** to a condition equal to but no better or more extensive than when new (including the reasonable costs of any necessary overtime);

(b) in the case of a purchase or sale, the purchase or sale price plus the cost of packing and transport; or

(c) in the case of movement of return **goods** (inwards or outwards), **stock** transfers, and movement of **goods** other than for the reason of purchase or sale, the new replacement cost or, if not available, as near as possible to the same make, model and specifications as available, whichever is less.

For **loss** of, or **damage** to, plant, machinery, computers and the like more than five (5) years old, **we** will pay, at **our** option:

(a) the cost of repairing or reinstating the **goods** to a condition equal to but no better or more extensive than its condition immediately prior to the **loss** or **damage** (including the reasonable cost of any necessary overtime);

(b) in the case of a purchase or sale, the purchase or sale price plus the cost of packing and transport; or

(c) in the case of movement of return **goods** (inwards or outwards), **stock** transfers, and movements of **goods** other than for the reason of purchase or sale, **we** will pay the written down book value in **your** books of account or the current market value, whichever is less.

For **loss** of, or **damage** to, **goods** other than plant, machinery, computer and the like, **we** will pay, at **our** option, the lesser of:

(a) the cost of repairing or reinstating the **goods** to a condition equal to but no better or more extensive than its condition immediately prior to the **loss** or **damage** (including the reasonable cost of any necessary overtime); or

(b) the invoice value covering the **goods** while in **transit** (including freight if separately invoiced to the receiver of the **goods**), or if there is no invoice value, the cost of replacing the **goods** with goods of the same age and condition, or as near as possible to that age and condition.

### What we pay for loss of or damage to temperature controlled goods

For **loss** of, or **damage** to, **temperature controlled goods** other than plant, machinery, computer and the like, **we** will pay the lesser of:

(a) the cost to re-condition the **goods** (including the reasonable costs of any necessary overtime); or

(b) the invoice value covering the **goods** while in **transit** (including freight if separately invoiced to the receiver of the **goods**), or if there is no invoice value, the cost of replacing the **goods** with similar goods of the same quality or as near as possible to that quality, whichever is less.

### Brands and labels

For any **damaged goods** bearing identifying brands or labels or other permanent marking, the **goods** may be retained by **you** to dispose of as **you** see fit, provided a reasonable allowance is agreed for the value of the **goods** and this allowance is deducted from the claim settlement. Where only the labels or packaging are affected, **we** will pay **you** only the costs to recondition or replace those labels or packaging.

## Limits to what we pay If

If **we** agree to pay a claim for **loss** of, or **damage** to, **goods** covered under this Policy Section, the most **we** will pay for for this Policy Section:

- all **goods** in any one **conveyance** is the **insured amount** specified in the **policy schedule**.
- trade samples in **transit** in **your** or **your employee's** care, custody and control, is $10,000 for any one claim or series of claims arising from any one **event**.
- shipping containers in **your** care, custody or control to the extent that **you** are legally liable to pay for any **loss** or **damage** to them is $20,000.

The limits specified in the **policy schedule** and the Extra Cover limits referred to in this Policy Section apply to any one claim or series of claims arising from any one **event**.

## Excess

The **excess** that applies for each claim **you** make is specified in **your policy schedule**.

## Definitions

These words have the following meanings and apply only to this Policy Section. These defined terms prevail over any other meaning given to them in other parts of this **PDS** and Policy Wording. **You** should also refer to the General Definitions on pages 23 to 27.

### Conveyance

Any ship, vessel, **aircraft**, postal service (except in the case of **temperature controlled goods**), rail and road **vehicle** used to transport the **goods**.

### Goods

**Your** goods that **you** sell, buy or use in **your business** being the following:

- **temperature controlled goods** if specified in the **policy schedule;**
- trade samples;
- return goods;
- **stock** transfers;
- retail and sales packaging;

- **customer goods your business** intends to or has repaired, serviced or maintained; or
- shipping containers in **your** care, custody or control.

Goods do not include:

- **money**, deeds, securities, bonds, bills of exchange;
- livestock;
- antiques;
- explosives, or any oxidising or radio-active substances or liquid fuel, liquid gas, toxic chemicals, corrosive acids, compressed gases, organic peroxides;
- jewellery, precious metals or stones, bullion or furs unless these items form part of your normal **stock**;
- **aircraft**, aerial devices, **watercraft, hovercraft** or **vehicles** registered for **road** use;
- **your** directors' or **employees'** tools of trade or personal effects; or
- cigarettes, tobacco, wines, spirits or other alcoholic beverages.

## Insured events

The events listed on page 172 for Option A – Specified Perils or Option B – Accidental Damage, whichever is specified in **your policy schedule**.

## Loading

The period commencing from the time the **goods** are lifted from the ground or loading dock immediately adjacent to the **conveyance** and ending when the **goods** are placed on the **conveyance**.

## Temperature controlled goods

**Goods** belonging to **you** that require a controlled temperature environment for **transit.**

## Transit

The transportation of **goods** by a **conveyance** within Australia.

Transit does not include any period of storage other than in the ordinary course of transit.

Each transit commences at **loading**.

Each transit terminates when:

- each item of **goods** are delivered to the buyer's premises or other final warehouse or place of storage; or
- forty-eight (48) hours after **unloading** from the final **conveyance,**

whichever occurs first.

If the **goods** are being delivered to **you** for the purpose of servicing, maintenance or repair as part of **your business**, then the transit will terminate when each item of **goods** is delivered to **your** premises.

If the **goods** are being delivered to any exhibition or display (other than at premises **you** control or own), then the transit will terminate when each item of **goods** is **unloaded** at the exhibition or display. Where the **goods** are being returned to **you** from any exhibition or display, the transit will terminate when each item of **goods** is **unloaded** at **your** premises.

For **temperature controlled goods**, the transit terminates when each item of **goods** is delivered to the intended destination either in the receiver's premises or such other place as the receiver may instruct, whichever occurs first.

## Unloaded/Unloading

The period commencing from the time the **goods** are lifted from the **conveyance** and ending when the **goods** are placed on the ground or loading dock immediately adjacent to the **conveyance**.

# Policy Section 14 – Professional Services

## About this Policy Section

This Policy Section covers **your civil liability** in respect of claims arising from an act, error or omission made by **you** when providing the **professional services** (for example, the incorrect issuing of a roadworthiness certificate).

This Policy Section is issued on a 'claims made and notified basis' (discussed on page 7), which means that it will only cover **you** for claims made and notified to **us** during the **period of insurance**, irrespective of when the cause of action may have arisen.

## What is civil liability?

**Civil liability** means that a court finds, or **we** accept, that **you** are legally responsible to pay compensation, claimant's costs and expenses in respect of any claim that:

- is first made against **you** and notified to **us** during the **period of insurance**; and
- is for **property damage** to property owned or controlled by someone else, **financial loss** or **personal injury** arising from an act, error or omission when providing the **professional services**,

but not in respect of any such claim that arises from an act, error or omission occurring, committed or alleged to have been committed prior to the **retroactive date**.

## Your insurance under this Policy Section

### ✔ What we cover

Provided 'Professional Services' is specified in **your policy schedule**, **we** will cover **your civil liability**.

### ✘ What we exclude

**We** do not cover **civil liability** arising directly or indirectly out of, or caused by, through, or in connection with, or for:

1. **Prior claims or known circumstances**

A claim or claims:

(a) first made against **you** prior to the inception of the **period of insurance**; or

(b) directly or indirectly arising from or in respect of any facts or circumstances which were:

(i) known to **you** prior to the inception of the **period of insurance** and a reasonable person in **your** position would have known might give rise to a claim; or

(ii) notified under any insurance policy that was in force prior to the inception of the **period of insurance**.

2. **Policy Section 6 – Public and Products Liability**

Legal liability covered or which would have been covered under Policy Section 6 – Public and Products Liability had **you** been insured under that Policy Section.

3. **Jurisdiction**

Any action brought or instituted against **you** or any judgement obtained against **you** (whether or not such judgement is enforced by the courts of Australia or New Zealand) in any country other than Australia or New Zealand, regardless of whether **you** are represented by a branch or by an **employee** domiciled in that country or by a company, firm or individual holding **your** power of attorney.

4. **Asbestos**

(a) the inhalation of or exposure to (including the fear of inhalation or exposure) asbestos, asbestos fibres, or derivatives of asbestos;

(b) **property damage**, or diminution in the value of property, arising directly or indirectly, out of, or caused by, any asbestos, asbestos fibres or any derivatives of asbestos; or

(c) the cost of cleaning up, removing, treating, controlling, storing or disposing of asbestos, asbestos fibres or any derivatives of asbestos.

5. **Defamation and slander**

Defamatory or slanderous statements which have been published, communicated or spoken:

(a) prior to the **retroactive date**; or

(b) made by **you** or at **your** direction with the knowledge that it was false.

## ✘ What we exclude (cont.)

6. **Personal injury to employee**

(a) **personal injury** to any **employee** sustained in connection with or in the course of their employment; or

(b) any liability imposed by the provisions of any workers' compensation legislation, accident compensation legislation, or any industrial award, agreement or determination.

7. **Director's and officer's liability**

**Your** functions and duties as a director or officer of any legal entity, organisation, corporation, or other incorporated body.

8. **Trading debts**

Any trading debt incurred by **you**, or any guarantee **you** have given in respect of such debt.

9. **Dishonest, fraudulent or criminal acts**

Any dishonest, fraudulent, criminal or malicious act, error or omission by **you** or **your employees**.

10. **Subrogation waiver**

Any liability which is incurred or affected by reason of **you** at any time entering into a deed or agreement excluding, limiting or delaying **your** legal rights of recovery against another person, corporation or organisation.

**11. Competition and Consumer Act**

A claim or claims:

(a) made under the penal or criminal provisions of the:

(i) Competition and Consumer Act 2010 (Cth);

(ii) Fair Trading Act 1987 (NSW) or any similar legislation in any other State or Territory in Australia; or

(b) resulting from conduct that is fraudulent or intended to mislead or deceive.

12. **Assumption of liability**

Any liability which is assumed by **you** other than that liability which **you** would have at law in the absence of **your** agreement to assume that liability.

13. **Fines, penalties, punitive or aggravated damages**

Fines or penalties (including civil penalties), punitive, exemplary or aggravated damages, however imposed.

14. **Liquidated damages**

Liquidated damages imposed upon **you** by contract or agreement, except to the extent that **you** would have been liable for those damages in the absence of any such contract or agreement.

15. **Joint venture**

**Your** participation in a joint venture or partnership, unless such liability arises out of **your** negligent act, error or omission in the conduct of the **professional services** by **you** and in a professional capacity in which case the indemnity given shall only relate to **your** proportion of any liability incurred by such joint venture.

16. **Associated entities**

Work performed:

(a) by **you** for a person related to **you**;

(b) by **you** for an organisation or corporation controlled by **you** or by **your** relative; or

(c) by an organisation or corporation in the same group of organisations or corporations as **you**.

17. **Intellectual property**

(a) an actual or alleged infringement of another person's intellectual property rights, unless a court finds that the infringement was solely the result of **your** negligence and was committed in the course of carrying on the **professional services**; or

(b) an actual or alleged infringement of **your** intellectual property rights.

18. **Pollution**

(a) the discharge, dispersal, release or escape of **pollutants** into or upon land, the atmosphere or water unless such discharge, dispersal, release or escape is sudden, identifiable, unexpected and unintended from **your** standpoint and takes place in its entirety at a specific time and place;

(b) the cost of preventing, removing, nullifying or cleaning up any contamination or pollution as a consequence of the discharge, dispersal, release or escape of any **pollutants**, unless removal, nullifying or cleaning up costs are consequent upon a sudden, identifiable, unexpected and unintended happening which takes place in its entirety at a specific time and place; or

(c) the actual, alleged or threatened discharge, dispersal, release, seepage, migration or escape of **pollutants** caused by any of **your** products that has been discarded, dumped, abandoned or thrown away by others.

## ✘ What we exclude (cont.)

19. **Products**

Anything (after it has ceased to be in **your** possession or control) including its packaging or container which is manufactured, grown, extracted, produced, processed, assembled, constructed, erected, installed, repaired, serviced, treated, sold, supplied, resupplied, or distributed in or from Australia or its external territories by **you** in the normal course of the **business**, and also including design formula or specification, directions and markings.

This exclusion does not exclude claims for **financial loss** arising from any instructions or warnings given or omitted to be given by **you** in relation to any **vehicle** or other thing serviced or inspected by **you** in the normal course of **your business** and in connection with the **professional services**.

For the purpose of this exclusion, the definition of **vehicle** is modified to mean any type of machine on wheels or on self-laid tracks made or intended to be propelled by other than manual power and any trailer made or intended to be drawn by any such machine while attached to it.

20. **Previous business**

Any matter, event, occurrence or circumstance prior to **you** becoming the principal or director of, or partner in, the **business**.

21. **Insolvency**

**Your** insolvency, external administration, bankruptcy or liquidation.

22. **Statutory insurance**

Any liability which **you** are or would be indemnified against under any insurance policy that is required to be effected under law.

23. **Employment practices liability**

**Your employees** (including former employees), relating to their employment, dismissal, redundancy, or in respect of any claim or series of claims arising from any alleged or proven case of unfair employment practices, discrimination, wrongful or unfair dismissal, denial of natural justice, defamation, misrepresentation or misleading or deceptive advertising made against **you**.

24. **Financial loss**

Any **financial loss**:

(a) in connection with:

- (i) organisational, administrative, promotional, managerial or logistical matters;
- (ii) the transaction of **money**, currency or any other form of financial transaction conducted by **you**;
- (iii) any financial or other transaction involving the transfer of assets from or to **you** conducted in connection with **your business**;
- (iv) the unauthorised use of an EFTPOS machine or credit card processing device;
- (v) cheques, similar negotiable instruments or loss of **money** held by **you**; or
- (vi) any dishonesty, fraudulent, criminal or malicious act, error or omission by **you** or **your employees**.

(b) suffered by **you**, **your employees** or **your family**.

25. **Vehicles**

in respect of **professional services** for:

(a) vehicles used for transporting or towing loads or weight of greater than 80 tonnes;

(b) forklifts with a lifting capacity greater than 5 tonnes;

(c) vehicles used for underground mining; or

(d) cranes or mobile cranes.

# Extra Cover

If **we** agree to pay a claim under this Policy Section, **we** will also pay or provide the Extra Cover set out below.

Any amount payable under the Extra Cover is in addition to the **insured amount** specified in **your policy schedule** for this Policy Section.

## 1. Legal costs

### ✔ What we cover

If **we** agree to pay a claim for **civil liability** under this Policy Section, **we** will also pay legal costs incurred by **us** or by **you**, with **our** written consent, in the settlement or defence of a claim for compensation made against **you** covered under this Policy Section.

The most **we** will pay for legal costs in respect of any one (1) claim is $100,000.

# Additional Benefits

**We** will also pay or provide the following Additional Benefits in this Policy Section subject to all terms, conditions and exclusions applicable to this Policy Section, unless otherwise stated.

Any amounts payable under these Additional Benefits do not apply in addition to the **insured amount** specified in **your policy schedule** for this Policy Section.

## 1. Lost papers

### ✔ What we cover

**We** will pay **you** for all costs and expenses reasonably incurred by **you** to replace or restore **papers** lost or **damaged** in connection with the **professional services**, provided that:

(a) the **papers** are **lost** or **damaged** during the **period of insurance** while they are:

- (i) in transit;
- (ii) in **your** custody; or
- (iii) in the custody of any person to whom **you** have entrusted them in the course of the conduct of the **professional services**,

and:

(b) the amount of any claim for such costs and expenses shall be supported by bills and accounts which shall be subject to approval by a solicitor to be nominated by **us** with **your** consent, or if **you** do not provide **your** consent, by the President of the Law Society in whatever State or Territory the **policy** was issued in.

## 2. Dishonesty of directors and employees

### ✔ What we cover

**We** will cover **your** liability to pay compensation, claimant's costs and expenses in respect of any claim first made against **you** and notified to **us** during the **period of insurance** resulting from any dishonest, fraudulent, criminal or malicious act or omission by any of **your** directors, **employees** or partners of **your business**, occurring or committed in connection with the **professional services**.

This Additional Benefit prevails over Exclusion 9 – Dishonest, Fraudulent or Criminal Acts of this Policy Section.

### ✘ What we exclude

**We** will not cover:

(a) any person who committed or was involved in the dishonest, fraudulent, criminal or malicious act or omission; or

(b) claims for loss of **money**, bearer bonds or coupons belonging to **you**.

# Optional Insurances

**We** may provide the following Optional Insurances when requested by **you**, when **you** pay any additional premium required and when specified in **your policy schedule**. The Optional Insurances are subject to all the terms, conditions and exclusions of the **policy**, unless otherwise stated.

Any payment made under Optional Insurances is subject to and not in addition to the **insured amount** specified in **your policy schedule** for this Policy Section.

## 1. Previous business

### ✔ What we cover

**We** will cover any person who during the **period of insurance** is, becomes or ceases to be:

(a) a partner of **your business**; or

(b) a director or principal of the **business**,

for their liability to pay compensation, claimant's costs and expenses in respect of any claim:

(i) first made against **you** and notified to **us** during the **period of insurance**; and

(ii) for breach of professional duty by reason of any negligent act, error or omission on the part of that person or that person's business partners, co-directors or employees in the conduct of the same business and in connection with the provision of the **professional services**, before that person was a partner, director or principal of the **business**.

This Optional Insurance prevails over Exclusion 20 – Previous Business of this Policy Section.

### ✘ What we exclude

**We** will not cover any claim resulting from any act, error or omission occurring, committed or alleged to have been committed prior to the **retroactive date**

## 2. Outgoing principals

### ✔ What we cover

The definition of "**you**" is extended to include former principals, partners or directors of the **business**.

# What we pay

If **we** agree to cover **your civil liability**, **we** will not pay more than the **insured amount** specified in **your policy schedule** for this Policy Section for all claims first made against **you** and notified to **us** during the **period of insurance**.

# Excess

For each claim **you** must pay the amount of any compensation, claimant's costs and expenses or additional costs that are collectively less than the **excess** specified in **your policy schedule**.

**We** have no liability to pay the amount of compensation, claimant's costs and expenses or additional costs that are collectively less than the **excess** specified in **your policy schedule** for each claim.

The **excess** is deducted from compensation, claimant's costs and expenses and additional costs payable before the application of the **insured amount** specified in **your policy schedule**. If any claim made against **you** involves more than one negligent act, error or omission, the **excess** will apply separately to each negligent act, error or omission.

# Multiple claims

All claims arising out of, based upon, attributable to, or in respect of a single act, error or omission or series of acts, errors or omissions consequent upon or attributable to one source or original cause shall be considered to be a single claim and shall attract one **excess**.

# Definitions

These words have the following meanings and apply only to this Policy Section. These defined terms prevail over any other meaning given to them in other parts of the **PDS** and Policy Wording. **You** should also refer to the General Definitions on page 23 to 27.

### Civil Liability

Has the meaning given to it on page 177.

### Customer vehicle

A **vehicle** owned by **your** customer and left in **your** care, custody or control for servicing, repair, road testing, maintenance, alteration, inspection, valuation, testing, storage or delivery, including a **vehicle** fitted with a trade plate.

### Financial loss

The cost incurred by a third party for repairs, improvements or rectifications in respect of a **customer vehicle** in relation to which the **professional services** were performed.

### Paper

Deeds, wills, agreements, maps, plans, records, written or printed books, letters, certificates, written or printed documents or forms of any nature (other than bearer bonds, coupons, bank or currency notes or other negotiable instruments) which are **your** property or for which **you** are responsible.

### Personal injury

Has the same meaning given to it in Policy Section 6 – Public and Products Liability. Please refer to the definitions of that Policy Section.

### Professional services

Means any of the following provided or issued by **you** in connection with the **business**:

(a) a vehicle roadworthy certificate, vehicle condition report, or vehicle compliance report (when authorised by a statutory authority);

(b) a vehicle pre-purchase inspection report; or

(c) a vehicle safety report.

### Property damage

Has the same meaning given to it in Policy Section 6 – Public and Products Liability. Please refer to the definitions of that Policy Section.

### Retroactive date

Means:

(a) the date on which cover under this Policy Section commenced; or

(b) the commencement date of any preceding professional indemnity insurance policy, which:

  (i) is replaced by this Policy Section; and

  (ii) has been current and in force at all times up to the time of the commencement of cover under this Policy Section.

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PDS prepared 18 November 2016
AAI Limited ABN 48 005 297 807, AFSL 230859

Trading as Vero Insurance, is the insurer and issuer of this insurance

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# Supplementary Product Disclosure Statement

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This is a Supplementary Product Disclosure Statement (SPDS). It supplements the following Product Disclosure Statement's (PDS) prepared by AAI Limited ABN 48 005 297 807 AFSL 230859 (AAI):

- Vero Business Insurance Policy PDS and Policy Wording V10162 12/08/2017 A date prepared 26 October 2016
- Vero Commercial Motor Insurance Policy PDS V10165 12/08/17 A date prepared 11 March 2017
- Vero Mobile Business Insurance Policy PDS and Policy Wording V10163 V1 12/08/2017 A date prepared 11 November 2016
- Vero Professional Services Policy PDS and Policy Wording V10166 12/08/2017 A date prepared 16 November 2016
- Vero Retail Services Policy PDS and Policy Wording V10164 12/08/2017 A date prepared 17 November 2016
- Vero Motor Trade Insurance Policy PDS and Policy Wording V10167 12/08/17 A date prepared 18 November 2016

This SPDS must be read together with the relevant above PDS and replaces all previous supplementary product disclosure statements issued by AAI that have been given to you in relation to the above relevant PDS.

The purpose of this SPDS is to update the information in the above PDSs and Policy Wording for seeking an external review of a complaint due to a change to the relevant external dispute resolution scheme. The Financial Ombudsman Service (FOS) Australia will no longer accept new complaints on and from 1 November 2018. The Australian Financial Complaints Authority (AFCA) will deal with all new financial service complaints, on and from this date

### Important change to this PDS

We have made the following change to this PDS that we need to tell you about. The change applies to the PDS's listed above.

## 1. Privacy Statement

Replace the current 'How we handle your personal information' with the following:

### How we handle your personal information

We collect your personal information directly from you and, in some cases, from other people or organisations. We also provide your personal information to other related companies in the Group, and they may disclose or use your personal information for the purposes described in 'Why do we collect personal information?' in relation to products and services they may provide to you. They may also use your personal information to help them provide products and services to other customers, but they'll never disclose your personal information to another customer without your consent.

Under various laws we will be (or may be) authorised or required to collect your personal information. These laws include the Anti-Money Laundering and Counter-Terrorism Financing Act 2006, Personal Property Securities Act 2009, Corporations Act 2001, Autonomous Sanctions Act 2011, Income Tax Assessment Act 1997, Income Tax Assessment

Act 1936, Income Tax Regulations 1936, Tax Administration Act 1953, Tax Administration Regulations 1976, A New Tax System (Goods and Services Tax) Act 1999 and the Australian Securities and Investments Commission Act 2001, as those laws are amended and includes any associated regulations.

We will use and disclose your personal information for the purposes we collected it as well as purposes that are related, where you would reasonably expect us to. We may disclose your personal information to and/or collect your personal information from:

- other companies within the Group and other trading divisions or departments within the same company (please see our Group Privacy Policy for a list of brands/companies);
- any of our Group joint ventures where authorised or required;
- customer, product, business or strategic research and development organisations;
- data warehouse, strategic learning organisations, data partners, analytic consultants;
- social media and other virtual communities and networks where people create, share or exchange information; WW publicly available sources of information;
- clubs, associations, member loyalty or rewards programs and other industry relevant organisations;
  - a third party that we've contracted to provide financial services, financial products or administrative services – for example:

- information technology providers,
- administration or business management services, consultancy firms, auditors and business management consultants,
- marketing agencies and other marketing service providers,
- claims management service providers
- print/mail/digital service providers, and
- imaging and document management services;

- any intermediaries, including your agent, adviser, a broker, representative or person acting on your behalf, other Australian Financial Services Licensee or our authorised representatives, advisers and our agents;
- a third party claimant or witnesses in a claim;
- accounting or finance professionals and advisers;
- government, statutory or regulatory bodies and enforcement bodies;
- policy or product holders or others who are authorised or noted on the policy as having a legal interest, including where you are an insured person but not the policy or product holder;
- in the case of a relationship with a corporate partner such as a bank or a credit union, the corporate partner and any new incoming insurer;
- the Australian Financial Complaints Authority or any other external dispute resolution body;
- credit reporting agencies;
- other insurers, reinsurers, insurance investigators and claims or insurance reference services, loss assessors, financiers;
- legal and any other professional advisers or consultants;
- hospitals and, medical, health or wellbeing professionals;
- debt collection agencies; and
- any other organisation or person, where you've asked them to provide your personal information to us or asked us to obtain personal information from them, eg your mother.

We'll use a variety of methods to collect your personal information from, and disclose your personal information to, these persons or organisations, including written forms, telephone calls and via electronic delivery. We may collect and disclose your personal information to these persons and organisations during the information life cycle, regularly, or on an ad hoc basis, depending on the purpose of collection.

## 2. What if you are not satisfied with our final IDR decision

In your PDS, the wording underneath the heading "What if you are not satisfied with our final IDR decision?" is replaced with the following new wording:

We expect our procedures will deal fairly and promptly with your complaint. However, if you remain dissatisfied, you may be able to access the services of the Australian Financial Complaints Authority (AFCA). AFCA provides fair and independent financial services complaint resolution that is free to consumers. Any decision AFCA makes is binding on us, provided you also accept the decision. You do not have to accept their decision and you have the option of seeking remedies elsewhere.

AFCA has authority to hear certain complaints. Contact AFCA to confirm if they can assist you.

You can contact AFCA:

By phone: 1800 931 678

By email: info@afca.org.au

In writing: Australian Financial Complaints Authority,
GPO Box 3, Melbourne VIC 3001

By visiting: www.afca.org.au

This SPDS is issued by AAI Limited
ABN 48 005 297 807 AFSL 230859.

SPDS Date prepared 29 March 2019.

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