



MOTOR TRADE INSURANCE

**PRODUCT DISCLOSURE STATEMENT
AND POLICY BOOKLET**

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- This insurance is issued by Insurance Australia Limited ABN 11 000 016 722 AFS Licence No. 227681 (IAL) trading as CGU Insurance
- For contact details please refer to the back cover.

About the Motor Trade Insurance Product Disclosure Statement and Policy Booklet

This booklet contains three sections:

- a) The Motor Trade Insurance Product Disclosure Statement (PDS) - the law requires us to issue a PDS for products we offer or issue to retail clients. The PDS applies to the following four covers available under the Motor Trade Insurance Policy that may be provided to you as a retail client:
 - i. Composite Vehicles.
 - ii. Personal Accident and Illness.
 - iii. Domestic House and Contents.
 - iv. Composite Watercraft.
- b) Important Information - contains general information about the Motor Trade Insurance Policy.
- c) The Motor Trade Insurance Policy - contains the terms and conditions of the policy.

Motor Trade Insurance Product Disclosure Statement (PDS)

1. About the Motor Trade Insurance PDS

- a) This PDS has been prepared to assist you in understanding the Composite Vehicles cover, Personal Accident and Illness cover, Domestic House and Contents cover, and Composite Watercraft cover available under the Motor Trade Insurance Policy and in making an informed choice about your insurance requirements.
- b) This PDS has three parts:
 - i. Part 1 of the PDS is set out on pages 1 to 3 of this Motor Trade Insurance Product Disclosure Statement and Policy booklet. It includes information about costs and your cooling-off rights.
 - ii. Part 2 of the PDS is the information about resolving a complaint or dispute and the Motor Vehicle Insurance and Repair Industry Code of Conduct set out on pages 5 to 5.
 - iii. Part 3 of the PDS is the terms and conditions of the Policy set out in Section 4 – Composite Vehicles (pages 26 to 39), Section 9 – Personal Accident and Illness (pages 59 to 64), Section 15 – Domestic House and

Contents (pages 77 to 89), and Section 16 – Composite Watercraft (pages 89 to 99), together with Our agreement with you and General Definitions (pages 8 to 10), Section 17 – General Exclusions (pages 99 to 101) and Section 18 – General Conditions (pages 102 to 104).

2. Cost of the policy

- a) The Premium payable by you for this insurance will be shown on your Certificate of Insurance.
- b) The key factors that influence the Premium calculation are reflected in the questions asked and the information sought at the time of your enquiry or application for insurance. The factors vary depending on the type of insurance you have selected.
- c) The things that influence the Premium for these covers include:
 - i. Composite Vehicles – the make, model and type of vehicle, the sum insured of the vehicle, how the vehicle is being used, where the vehicle is garaged and your previous claims history.
 - ii. Personal Accident and Illness - your type of occupation, the length of time you elect to wait before a claim payment will be made, the sum insured of your Average Weekly Earnings and chosen Capital Benefit.
 - iii. Domestic House and Contents - the type of property being insured, the sum insured of the Domestic House and Contents, where the property is located, the type of construction and your previous claims history.
 - iv. Composite Watercraft – value of the boat, type of boat, maximum speed capability of the boat, how and where the boat is kept and your previous claims history.
- d) Your Premium, including any discounts you may be eligible for, are subject to minimum premiums. We consider the minimum amount we are prepared to sell the policy for and may adjust your Premium to ensure it does not fall below that amount. Any discounts will be applied to your policy only to the extent any minimum Premium is not reached. This means any discount you may be eligible for may be reduced.
- e) When we determine your Premium on renewal, we may also limit any increases or decreases in your Premium by considering factors such as your previous year's Premium amount.
- f) Premiums are also subject to Commonwealth and State taxes and/or charges. These include the Goods and Services Tax and stamp duty. The amount of these taxes and/or charges will be shown in your Certificate of Insurance.
- g) If you request an amendment to the cover during the Period of Insurance, you will be informed of the cost (if any) of making the amendment. The things that will influence the cost of an amendment are those listed in (c) above.

Important information

3. Are any excesses payable?

- a) If you make a claim under the policy, you may have to contribute some money towards the cost of the claim which is known as an "Excess". We will tell you if you need to pay an Excess when you make a claim but this will also be set out in the terms and conditions of the Policy.
- b) The amount of any Excess and when it applies is detailed in the terms and conditions section of this booklet or your written quotation, cover note or Certificate of Insurance.
- c) You may be required to pay one Excess or more.

4. Paying for your policy

- a) You can choose to pay your Premium upfront annually or by direct debit on a monthly basis.
- b) If you choose to pay by monthly direct debit, you must ensure that your payments are made each month. An instalment is unpaid if it cannot be deducted from your nominated account or credit card.
- c) If your payment or instalment is overdue, we will send you a notice outlining the overdue amount and when it needs to be paid.
- d) If your payment remains unpaid after the time period specified in the notice we send, we will:
 - i. cancel your policy for non-payment; and
 - ii. refuse to pay any claim for an incident occurring after the cancellation date.
- e) If you pay by instalment, we will send you a second notice either before cancellation informing you of the effective date of cancellation, or within 14 days after the cancellation confirming the effective date of cancellation.
- f) If you need to make any claim when your policy is overdue, and before your policy has been cancelled for non-payment, we will require you to pay the overdue amount as part of the claim settlement process. Alternatively, where the settlement method allows, we can reduce the settlement payment by the overdue amount.

5. Is there a cooling-off period?

- a) There is a 21-day cooling-off period.
- b) If you're not completely satisfied with your policy, you can request cancellation in writing within 21 days of the issue date and receive a full refund.

This will not apply if you make a claim within the cooling-off period.

6. How can I resolve a dispute?

Our dispute resolution process is set out on pages 4.

1. About the Motor Trade Insurance Policy

- a) This policy has been designed to meet the insurance needs of a wide range of Motor Trade businesses, while offering the flexibility to provide for the specific insurance needs of your Business.
- b) There are 16 different types of insurance cover available under the policy which are set out in Sections 1 to 16. The General Definitions, Section 17 – General Exclusions and Section 18 – General Conditions also apply to the 16 types of cover. You should carefully read each Section and select those covers which you believe will best suit your needs.
- c) If you have any questions, please do not hesitate to contact us.

2. What makes up your contract

- a) When we accept your application, or renew your policy, or if your insurance is amended, your insurance contract is made up of the following two documents:
 - i. the terms and conditions of the policy contained in this booklet which apply to the type of cover you have selected; and
 - ii. your Certificate of Insurance, which shows the type of cover you have, any change or addition to that cover as well as other information specific to your contract of insurance.
- b) Read this booklet and your Certificate of Insurance carefully and keep them together with your important papers.

3. Covers selected

We only cover you under those Sections requested by you and specified in the Certificate of Insurance.

4. How much should I insure my property for?

- a) Where cover is on a "new for old" basis, the Sum Insured you choose should reflect the full new replacement cost of the property and an allowance for professional fees and removal of debris. All amounts should include GST.
- b) Where cover is on a "market value" basis, the Sum Insured you choose should reflect the market value of the property at the time of taking out the policy (including GST).
- c) The following Sections of the policy contain underinsurance provisions which require you to insure for full value: Section 1 – Fire and Other Defined Events, Section 2 – Business Interruption and Section 10 – Electronic Equipment. If you insure for less than full value, we may reduce the amount we pay you after taking into account the proportion of the underinsurance or you may be required to pay a portion of the loss yourself.
- d) Your Sum Insured under Section 1 – Fire and Other Defined Events and Section 15 – Domestic House and Contents may be increased at renewal to allow for inflation. Please check all Sums Insured shown on your Certificate of Insurance to ensure that they suit your requirements.

5. Information you need to provide

- a) When you apply for insurance you will need to give us information about you and your circumstances. We need this to decide whether to enter into an insurance contract with you and, if so, on what terms. The type of information we require depends on the Sections of the policy that you want to be covered under.
- b) If you do not comply with your Disclosure obligations, we may be entitled to:
 - i. reduce our liability for any claim if your noncompliance causes or contributes to a claim;
 - ii. cancel the policy if we would not have issued you cover; or
 - iii. avoid the contract from its beginning, if your non-disclosure was fraudulent.
- c) The course of action we take when you fail to tell us these things will be considered in each circumstance based on what impact or effect your failure caused or contributed to a claim or our decision to issue your Policy.
- d) Any personal information you give us will be treated in accordance with the Privacy Act.

6. Claims procedures

- a) If you believe you may have a claim it is important that you carefully read and follow the general claims procedures set out in Section 18(1) General Conditions and the procedures set out in the Specific Conditions that apply to claims under the following Sections (if applicable):
 - i. Broadform Liability in Section 7.5;
 - ii. Professional Indemnity in Section 8.6;
 - iii. Personal Accident and Illness in Section 9.6;
 - iv. Electronic Equipment in Section 10.6;
 - v. Machinery in Section 11.6;
 - vi. Fraud or Dishonesty in Section 13.6; and
 - vii. Tax Audit in Section 14.5.
- b) The procedures you must comply with include:
 - i. as soon as reasonably possible contact the Police in the event of burglary or if your property is lost, stolen, or maliciously damaged;
 - ii. take all reasonable steps to prevent or minimise any further loss, damage, or liability; and
 - iii. advise us as soon as reasonably possible, providing full details of the facts and circumstances of the loss, damage, injuries, illness, or claim against you.

7. Claims made disclosure – Section 8 Professional Indemnity

- a) Cover under Section 8 of this policy is a 'claims made' cover. This means that cover under that section will only apply to:
 - i. claims made against you in the Period of Insurance and notified to us in that period. Section 8 will not cover you for claims that arise from circumstances that you knew about or reasonably should have known about before the beginning of the Period of Insurance;

- ii. circumstances that you have notified to us in the Period of Insurance in accordance with section 40(2) of the Insurance Contracts Act 1984 (Cth) and that later give rise to a claim against you. The effect of section 40(2) of the Insurance Contracts Act is that we are not relieved of liability to pay a claim under section 8 that is made against you after the Period of Insurance, if you notified us of the circumstances giving rise to that claim as soon as reasonably practicable after you first became aware of those circumstances and during the Period of Insurance.
- b) To ensure you do not prejudice your cover under Section 8 you must notify us in the Period of Insurance of any claims made against you in that period or any circumstances that arise in the Period of Insurance and which might give rise to a claim against you in the future.

General Insurance Code of Practice & Financial Claims Scheme

General Insurance Code of Practice

We proudly support the General Insurance Code of Practice (Code). The purpose of the Code is to raise the standards of practice and service in the general insurance industry.

The objectives of the Code are:

- to commit us to high standards of service;
- to promote better, more-informed relations between us and you;
- to maintain and promote trust and confidence in the general insurance industry;
- to provide fair and effective mechanisms for resolving complaints you make about us; and
- to promote continuous improvement of the general insurance industry through education and training.

The Code Governance Committee is an independent body that monitors and enforces insurers' compliance with the Code.

Our Commitment to you:

We have adopted and support the Code and are committed to complying with it.

Please contact us if you would like more information about the Code or the Code Governance Committee.

Financial Claims Scheme

You may be entitled to payment under the financial claims scheme in the event that Insurance Australia Limited becomes insolvent. Access to the scheme is subject to eligibility criteria. Information about the scheme can be obtained from <http://www.fcs.gov.au>

Resolving a complaint or dispute

We will always do our best to provide you the highest level of service but if you are not happy or have a complaint or dispute, here is what you can do.

If you experience a problem or are not satisfied with our products, our services or a decision we have made, let us know so we can help.

You can contact us in various ways to make a complaint. Our website and contact information can be found on the back cover of this document.

We will try to resolve complaints at first contact or shortly thereafter.

If we are not able to resolve your complaint when you contact us or you would prefer not to contact the people who provided your initial service, our Customer Relations team can assist:

Free Call: 1800 045 517

Email: Customer.Relations@iag.com.au

Customer Relations will contact you if they require additional information or have reached a decision. Customer Relations will advise you of the progress of your complaint and the timeframe for a decision in relation to your complaint.

We expect our procedures will deal fairly and promptly with your complaint. If you are unhappy with the decision made by Customer Relations you may wish to seek an external review, such as referring the issue to the Australian Financial Complaints Authority (AFCA). AFCA provides fair and independent financial services complaint resolution that is free to customers. AFCA has authority to hear certain complaints. AFCA will confirm if they can assist you:

Free Call: 1800 931 678

Email: info@afca.org.au

Mail: Australian Financial Complaints Authority
GPO Box 3 Melbourne VIC 3001

Visit: www.afca.org.au

Further information about our complaint and dispute resolution process is available by contacting us.

Privacy of your personal information

Our service commitment to you

We value the privacy of personal information we collect about you.

We collect your personal information directly from you or through others including entities listed in our Privacy Policy. They include our related entities, agents and distributors.

How we use your personal information

We and the parties listed in our Privacy Policy will use your personal information for the purposes it was collected for. That usually includes to provide you with assistance, a product or service you requested and to deal with claims.

Your personal information may also be used for other purposes that are set out in our Privacy Policy. You may choose to not give us your personal information. However, not giving us your personal information may affect our ability to provide you with a product or service, including processing a claim.

Further information

We may disclose your personal information to:

- our related entities
- our service providers – which includes some service providers that may be based overseas, and
- other parties as set out in our Privacy Policy.

Our Privacy Policy provides more information about how we collect, from whom we collect and how we hold, use and disclose your personal information. Our Privacy Policy also provides information about how you can:

- access your personal information
- ask us to correct your personal information, and
- complain about a breach of the privacy principles set out in the Privacy Act 1988(Cth) and how we will deal with your complaint.

To get a free copy of our Privacy Policy:

- Call us on 13 24 81
- Visit cgu.com.au/privacy

Your consent

You agree to us collecting, holding, using and disclosing your personal information as set out in our Privacy Policy when you:

- provide us with your personal information, or
- apply for, use or renew any of our products or services.

Fraud hotline

A significant number of insurance claims are fraudulent. This not only leads to increased premiums for customers, but thousands of dollars are spent each year investigating fraudulent claims.

Help stop insurance fraud by calling our hotline:

1800 A FRAUD – 1800 237 283.

If you choose to give your name, it will be held in the strictest confidence.

Motor Vehicle Insurance Repair and Code of Conduct

This Code aims to promote a transparent, informed, effective and co-operative relationships between smash repairers and insurance companies based on mutual respect and open communication. We support the Code and are committed to continually reviewing our operations to make sure we comply with it.

Generally, we use the following parts to repair your Vehicle. If your Vehicle is:

- under 3 years, we use genuine new parts (when reasonably available)
- 3 years or older, we use:
 - genuine new parts, or
 - quality non-mechanical reusable parts.

Regardless of your Vehicle's age, we may use non-genuine parts for windscreens, sunroofs, window glass, radiators and air conditioning components.

We only use quality non-mechanical reusable parts when it:

- Is consistent with the age and condition of your Vehicle;
- Does not affect the safety of the structural integrity of your Vehicle;
- Complies with your Vehicle manufacturer's specifications and applicable Australian Design Rules;
- Does not adversely affect the way your Vehicle looks after it has been repaired; and
- Does not void or affect the warrant provided by your Vehicle's manufacturer.

In repairing your Vehicle, we may arrange for the repair to be carried out by a specialist service provider, for example windscreen repairs.

We offer a guarantee on the workmanship of repairs authorised by us. This guarantee is for the life of the Vehicle and is in addition to any statutory rights and warranties you may be entitled to. We will arrange for the repairs by us to be rectified at no cost to you if we agree that the repairs are defective.

Before we can arrange for the defective repairs to be rectified, you must allow us to inspect the Vehicle at any reasonable time and place. Wear and tear is not covered by this guarantee.

*Non-genuine parts are those parts not manufactured by a supplier to the original manufacturer of the Vehicle.

Motor Trade Insurance Policy – terms and conditions

Our agreement with you

- a) If you have paid, or agreed to pay us the Premium, we will cover you in accordance with the terms and conditions of the policy that apply to the covers selected by you and specified in your Certificate of Insurance.
- b) The insurance we provide in each Section of this policy is subject to the terms, Specific Conditions, Specific Exclusions, and limits set out in that Section together with General Definitions the General Exclusions in Section 17, the General Conditions in Section 18, and any endorsements or clauses shown in your Certificate of Insurance.

You, or any other person insured under this policy, must comply with all applicable terms, conditions, exclusions, limits, clauses and endorsements, otherwise we may deny liability to pay any claim or reduce the amount we pay for a claim. The course of action we take when you fail to comply will be considered in each circumstance based on what impact or effect your failure caused or contributed to the claim or our decision to issue your policy.

Claim payment examples

These claim payment examples show you how a claim settlement is calculated based on some practical scenarios. Any claim settlement amount will depend on the facts of each case.

Domestic house and contents claims examples

Claim Example 1: Repairing Your Home	
Excess	\$350
Loss or Damage	A storm damages the roof of your home building, and the cost of the repair is \$3,500
How we settle your claim	<ul style="list-style-type: none">• We will arrange for builders to repair your roof• We will pay the builder \$3,150• We will ask you to pay the builder the \$350 excess

Personal accident & illness claims examples

Claim Example 2: Replacing Your Home Contents	
Excess	\$350
Loss or Damage	Someone has stolen your laptop and TV from inside your home. The cost to replace them is \$5,000
How we settle your claim	<ul style="list-style-type: none"> We will pay our suppliers \$4,650 to replace your laptop and TV. We will ask you to pay our suppliers the \$350 Excess.
Claim Example 3: Replacing your Portable Contents	
Excess	\$350
Loss or Damage	You lose your 18ct yellow gold ring while swimming at the beach.
How we settle your claim	<ul style="list-style-type: none"> You will need to provide us with a current valuation for the ring. You will also need to provide us with 2 separate quotes to replace your ring based on the description in the valuation. We will settle your claim for your ring based on the most fair and reasonable quote you have provided us. You need to pay us the \$350 basic Excess.
Claim Example 4: Your Home and Contents are a Total Loss	
Excess	\$350
Loss or Damage	<p>Your home and contents are insured for their correct replacement value and are destroyed by fire.</p> <p>We agree to arrange temporary accommodation for the 6 months it will take to rebuild your home.</p>
How we settle your claim	<p>We choose to pay you directly for the damage. We pay you \$400,050 as follows:</p> <ul style="list-style-type: none"> Building Sum Insured \$300,000 Contents Sum Insured \$90,000 Less basic Excess \$350 <ul style="list-style-type: none"> Sub Total \$389,650 Plus Temporary Accommodation \$10,400 <ul style="list-style-type: none"> Total \$400,050
Claim Example 5: Liability Claim at your Home	
Excess	\$350
Loss or Damage	A visitor falls over a loose tile in your kitchen and sprains their ankle. We or a court decide that you are liable to pay \$3,000 for the claim made against you by the visitor.
How we settle your claim	<ul style="list-style-type: none"> We pay the visitor \$3,000 We pay our lawyers \$500 to defend the claim on your behalf. You pay us the \$350 Excess.

Claim Example 1: Personal Injury	
Excess Period	14 Days
Loss or Damage	During the course of your work, you accidentally tripped and broke your leg. You have seen a doctor and had x-rays taken. You have been informed that your leg will be in a cast and will not be able to return to work for 10 weeks.
How we settle your claim	<ul style="list-style-type: none"> We pay up to 85% of your Average Weekly Earnings (85% of \$1,000 is \$850) You have been out of work for 10 weeks (\$850 x 10 = \$8,500) We deduct the 2 week Excess Period (\$8,500 - \$1,700 = \$6,800) We pay you \$6,800
Claim Example 2: Personal Illness	
Excess Period	14 Days
Loss or Damage	You have not been feeling well and decide to visit a doctor. During your consultation you have been diagnosed with galangal fever. The doctor informs you that you will be unable to work for 14 weeks while you recover.
How we settle your claim	<ul style="list-style-type: none"> We pay up to 85% of your Average Weekly Earnings (85% of \$1,000 is \$850) You have been out of work for 14 weeks (\$850 x 14 = \$11,900) We deduct the 2 week Excess Period (\$11,900 - \$1,700 = \$10,200) We pay you \$10,200
Claim Example 3: Personal Accident & Illness with Capital Benefit	
Excess Period	14 Days
Loss or Damage	At work you had an accident where a chemical has sprayed directly into your eyes. You have consulted a doctor who initially informed you that you will not be able to return to work for 7 weeks. However after further consultation and examination it turns out that you have total loss of all sight in both eyes.
How we settle your claim	<ul style="list-style-type: none"> We pay up to 85% of your Average Weekly Earnings (85% of \$1,000 is \$850) You have been out of work for 7 weeks (\$850 x 7 = \$5,950) We deduct the 2 week Excess Period (\$5,950 - \$1,700 = \$4,250) We pay you \$4,250 <p>We then decide you qualify for the Capital Benefit as you have total loss or sight in both eyes. We pay you the \$100,000 Capital Benefit.</p> <ul style="list-style-type: none"> The total we pay you is \$104,250

Claim Example 4: Personal Accident with Motor Cycling Optional Cover	
Excess Period	14 Days
Loss or Damage	Your favourite weekend hobby is riding your motor cycle. One weekend while out riding you had an accident and fell off your motor bike and broke your leg. You have consulted a doctor and have been told it would be 12 weeks before you can go back to work.
How we settle your claim	<ul style="list-style-type: none"> We pay up to 85% of your Average Weekly Earnings (85% of \$1,000 is \$850) You have been out of work for 12 weeks (\$850 x 12 = \$10,200) We deduct the 2 week Excess Period (\$10,200 - \$1,700 = \$8,500) We pay you \$8,500

Claim Example 3: Stolen Vehicle with a New Replacement Vehicle	
Excess	\$650
Loss or Damage	Your Vehicle is stolen and not recovered. It was only 7 months old. You choose to replace your vehicle with a new one under "New Vehicle Additional Benefit" We arrange a hire car for you.
How we settle your claim	<p>We arrange for:</p> <ul style="list-style-type: none"> Your replacement vehicle New registration and CTP insurance for that Vehicle You to hire a car until we settle your claim for up to 21 days. <p>You need to:</p> <ul style="list-style-type: none"> Pay us your basic excess of \$650

Motor vehicles claims examples

Claim Example 1: Repairing your Vehicle	
Excess	\$650
Loss or Damage	<p>You have a crash with another vehicle. Your vehicle is towed from the scene of the accident to a repairer. The towing cost is \$350</p> <p>We decide to repair your vehicle. The cost of the repairs is \$2,250</p>
How we settle your claim	<ul style="list-style-type: none"> We pay the towing company \$350 You need to pay the repairer the basic Excess of \$650 We pay the repairer \$1,600

Claim Example 4: Liability claim for damage to someone else's property	
Excess	\$650
Loss or Damage	You lose control of your vehicle and crash into someone's front fence and garden. A court decides that you are liable to pay \$8,000 for the claim made against you by the home owner.
How we settle your claim	<ul style="list-style-type: none"> You need to pay us the basic excess of \$650 We pay the owner of the home \$8,000 We pay our lawyers \$1,500 for acting on your behalf

Claim Example 2: Your Vehicle is a Total Loss	
Excess	\$650
Loss or Damage	<p>Your 22 year old son is driving your vehicle and has a crash with another vehicle. He was named as a driver on your policy.</p> <p>Your vehicle is towed from the scene of the accident to a repairer. The towing cost is \$300. We decide that your vehicle is a total loss. Also, when we assessed the incident, we find that your son was at fault.</p> <p>You pay your monthly instalments from your bank account.</p>
How we settle your claim	<ul style="list-style-type: none"> We pay the towing company \$300 <p>We pay you \$12,830 as follows:</p> <ul style="list-style-type: none"> Agreed Value \$14,200 Less Basic Excess \$650 Less age Excess \$500 Less remaining unpaid monthly instalments \$220 <p>The cover for the Motor Vehicle ends and we keep the vehicle.</p>

General definitions

Some of the words used throughout this policy have a special meaning which is shown in the following table.

At the beginning of each Section of the policy you will find further definitions that are applicable only to the cover under that Section.

“Burglary”

- a) Stealing as a result of actual forcible and violent entry into or out of the Premises;
- b) stealing or any attempted stealing, that occurs outside business hours, by any person having been feloniously concealed on the Premises, provided that there is evidence of such a person having been present outside business hours or having exited outside business hours;
- c) stealing as a result of threat of immediate violence or violent intimidation.

See also Section 15.1 – Domestic House and Contents for the definition applicable only in that Section.

“Business”

Your business, trade, or profession, as specified in the Certificate of Insurance.

See also Section 7.1 – Broadform Liability for the definition applicable only in that Section.

“Certificate of Insurance”

The certificate issued by us which forms part of your policy and shows your policy number, the Premium, the covers selected by you, and any special terms, conditions, exclusions, limits, clauses or endorsements that apply to your policy. You receive a Certificate of Insurance when you first take out your policy and again when the policy is renewed or amended.

“Communicable Disease”

Any disease which can be transmitted by means of any substance or agent from any organism to another organism where:

- a) the substance or agent includes, but is not limited to, a virus, bacterium, parasite or other organism or any variation thereof, whether deemed living or not;
- b) the method of transmission, whether direct or indirect, includes but is not limited to, airborne transmission, bodily fluid transmission, transmission from or to any surface or object, solid, liquid or gas between organisms; and
- c) the disease, substance or agent can cause or threaten bodily injury, illness, emotional distress or damage to human health or human welfare or can cause or threaten damage to, deterioration of, loss of value of, marketability of or loss of use of property.

“Computer System”

Any computer, hardware, software, communications system, electronic device (including, but not limited to, smart phone, laptop, tablet, wearable device), server, cloud or microcontroller including any similar system or any configuration of the aforementioned and including any associated input, output, Electronic Data storage device, networking equipment or back up facility, owned or operated by the insured or any other party.

“Customers’ Vehicles, Watercraft and Property”

Any Vehicles, Watercraft, and other property owned by your customers and left in your care, custody, or control for servicing, repair, road testing, garaging, maintenance, alteration, inspection, valuation, testing, storage or delivery while held in the Building or in the open air at the Premises.

“Cyber Act”

An unauthorised, malicious or criminal act or series of related unauthorised, malicious or criminal acts, regardless of time and place, or the threat or hoax thereof involving access to, processing of, use of or operation of any Computer System.

To the extent that physical loss or physical damage to Property insured under the policy and any Time Element Loss directly resulting therefrom is directly occasioned by Theft, Burglary or forcible entry involving the use or operation of any Computer System to facilitate any physical entry or exit, such use or operation shall not be considered as a Cyber Act.

“Cyber Incident”

- a) any error or omission or series of related errors or omissions involving access to, processing of, use of or operation of any Computer System; or
- b) any partial or total unavailability or failure or series of related partial or total unavailability or failures to access, process, use or operate any Computer System.

“Data Processing Media”

Any Property insured by this policy on which Electronic Data can be stored but not the Electronic Data itself.

“Electronic Data”

Information, facts, concepts, code or any other information of any kind that is recorded or transmitted in a form to be used, accessed, processed, transmitted or stored by a Computer System.

“Excess”

The amount which you may be required to pay towards the cost of any claim under this policy.

“Family”

Your family members who normally live with you at your home, including your legal or de facto spouse and any member of their family who normally lives with you.

“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) a lake (whether or not it has been altered or modified);
- b) a river (whether or not it has been altered or modified);
- c) a creek (whether or not it has been altered or modified);
- d) another natural watercourse (whether or not it has been altered or modified);
- e) a reservoir;
- f) a canal;
- g) a dam.

“Human Infectious or Contagious Disease”

- a) influenza but not Highly Pathogenic Avian Influenza in humans or human influenza with pandemic potential; or
- b) viral gastroenteritis, norovirus and rotavirus; or
- c) legionnaires’ disease (legionellosis).

“Indemnify”

- a) Where the Property is lost or destroyed:
 - i. in the case of a Building, the value of the Building; or
 - ii. in the case of other Property, its replacement by similar property;in a condition equal to, but not better or more extensive than, its condition at the time of loss or destruction; and
- b) where the Property is damaged, the repair and/or restoration of the Property to a condition substantially the same as, **but not** better or more extensive than, its condition at the time of damage.

See also Section 10.1 – Electronic Equipment for the definition applicable only in that Section.

“Limit of Liability”

The most we will pay for a claim. The limit that applies to a Section or part of a Section of the Policy will be specified in your Certificate of Insurance or will be detailed in the terms and conditions of the Policy.

“Money”

Current coins, bank notes, currency notes, cheques, postal orders, money orders, unused postage or revenue stamps, including the value of stamps contained in franking machines, debit cards, credit cards, sales vouchers, phone cards, car wash tokens, instant lottery tickets, transport tickets (excluding airline tickets), telephone cards, and any other negotiable instruments, including cash boxes, bags or other portable containers used to convey money:

- a) belonging to you; or
- b) for which you are legally responsible.

“Period of Insurance”

The period specified in the Certificate of Insurance.

“Premises”

The Business premises specified in the Certificate of Insurance.

See also Section 3.1 – Burglary and Section 15.1 – Domestic House and Contents for the definition applicable only in those sections.

“Premium”

The amount payable by you for the insurance provided by us under your policy.

“Property”

The property specified in the Certificate of Insurance as being insured by this policy.

See also Section 12.1 – General Property and Section 13.1 – Fraud or Dishonesty for the definition applicable only in those Sections.

“Proposal”

The record of your answers, particulars, and statements in respect of the insurance required by you.

“Rainwater”

Water falling from the atmosphere in the form of rain including rainwater run off over the surface of the land or which has escaped from public roadside gutters, but not Flood.

“Reinstatement” or “Reinstate”

- a) Where the Property is lost or destroyed:
 - i. in the case of a Building, the rebuilding; or
 - ii. in the case of other Property, the replacement by similar property;to a condition equal to, but not better or more extensive than, its condition when new;
- b) where the Property is damaged, the repair and/or restoration of the Property to a condition substantially the same as, but not better or more extensive than, its condition when new; and
- c) the extra cost, including demolition, incurred subsequent to the loss, destruction, or damage, needed to comply with the requirements at the time of Reinstatement of:
 - i. any statute or regulation; or
 - ii. any by-law or regulation of any municipal or other statutory authority;

provided that our liability will not exceed the Sum Insured for that Property.

“Stock of Petrol and other Fuel”

Stock of petrol and other fuel, owned by you, or for which you are legally responsible, while held in storage tanks at the Premises.

“Sum Insured”

The amount of cover you have chosen and the most we will pay for a claim.

The sum insured that applies to a Section or part of a Section of the Policy will be specified in your Certificate of Insurance or will be detailed in the terms and conditions of the Policy.

“Theft”

Stealing other than Burglary.

“Time Element Loss”

Any business interruption, contingent business interruption or any other consequential losses insured under this policy.

“Vehicle”

Any mechanically propelled vehicle designed for use on land only, including a motor car, motor cycle, goods carrying vehicle, trailer, caravan, mobile plant and equipment, tractor, self-propelled agricultural machine, or other vehicle specified in the Certificate of Insurance, and its accessories.

See also Section 4 – Composite Vehicles and Section 7 – Broadform Liability for the definition applicable only in those sections.

“Watercraft”

Any vessel, craft, or thing, designed to float or travel on, in, or through water, and its accessories.

See also Section 16.1 – Composite Watercraft, Section 7.1 – Broadform Liability and Section 15.1 – Domestic House and Contents for the definition applicable only in those Sections.

“we”, “us” or “our”

The Insurer named in the Certificate of Insurance.

“you” or “your”.

Each person, company, or other entity specified in the Certificate of Insurance as being insured under this policy.

See also Section 7 – Broadform Liability, Section 8 – Professional Indemnity and Section 15 – Domestic House and Contents for the definition applicable only in those Sections.

To the extent that physical loss or physical damage to Property insured under the policy and any Time Element Loss directly resulting therefrom is directly occasioned by Theft, Burglary or forcible entry involving the use or operation of any Computer System to facilitate any physical entry or exit, such use or operation shall not be considered as a Cyber Act.

Section 1

Fire and other defined events

1.1 Definitions

The meaning of the following words that apply only when used in Section 1 are shown below.

“Accidental Damage”

Loss, destruction, or damage that is unexpected, unintentional, sudden and unforeseen.

“Building”

- a) Structural improvements, outbuildings, foundations, paths, driveways, car parks, fixed storage tanks, awnings, signs, lettering, letter boxes, switchboards, exterior lights, lifts, hoists and all their attachments, electrical installations, aerials, alarm or surveillance systems, fire extinguishing equipment, walls, gates and fences, plant and apparatus permanently fixed and non-portable, forming part of the building owned by you or for which you are legally responsible; and
- b) pipes, towers, power lines, poles, ducts, wires, cables, meters, switches, and ancillary equipment used in connection with the provision of lighting, heating, cooling, communication, water supply, drainage, sewerage and other services provided to the Premises.

“Machinery and other Contents”

- a) Plant and machinery including:
 - i) their foundations, settings and beddings;
 - ii) all other contents of every description not more specifically insured by this policy, owned by you or for which you are legally responsible; and
 - iii) all landlord’s fixtures and fittings for which you are legally responsible;
- b) but does not include:
 - i) Stock in Trade;
 - ii) Money;
 - iii) Stock of Petrol and other Fuel; or
 - iv) Directors’ and employees’ personal property.

“Stock in Trade”

Stock or merchandise which is manufactured, unmanufactured, or in the course of manufacture, that is owned by you, or for which you are legally responsible, including:

- a) materials used in their packing; and
- b) raw materials;

but not Stock of Petrol and other Fuel.

See also the General Definitions for the meanings of other words which are applicable to Section 1.

1.2 Defined events

If your Certificate of Insurance indicates that you have taken out cover under Section 1, we cover you for loss, destruction, or damage to the Property at the Premises being caused by any of the Defined Events listed below occurring in the Period of Insurance except as provided under We Will Not Pay.

The Specific Exclusions in Section 1.5 and the General Exclusions in Section 17 also apply

1) Fire

We will not pay for loss, destruction, or damage caused by:

- a) the Property's own spontaneous combustion, fermentation, heating; or
- b) any process involving the direct application of heat.

2) Lightning or thunderbolt

3) Explosion

We will not pay for loss, destruction, or damage to boilers and their contents, except for boilers, economisers, or vessels under pressure that do not require a certificate to be issued under the terms of any statute or regulation.

4) Earthquake, tsunami, subterranean fire, or volcanic eruption

We will not pay the first:

- a) 1% of the total Sum Insured; or
- b) \$20,000;

whichever is the lesser, for loss, destruction, or damage to the Property during any period of 72 consecutive hours of the Earthquake, Tsunami, Subterranean Fire, or Volcanic Eruption. However, this is subject to a minimum Excess of \$250.

5) Riots, strikes and civil commotion

6) Escape of liquids resulting from bursting, leaking, discharging, or overflowing of pipes, tanks, fixed room heating, or water apparatus

We will not pay for loss, destruction, or damage to the pipes, tanks, fixed room heating, or water apparatus themselves.

7) Impact by vehicles or animals

We will not pay for loss, destruction, or damage to fencing caused by animals.

8) Impact by trees, watercraft, or aircraft and other aerial devices, including space debris, whether artificially created or not, and articles dropped from them

We will not pay for loss, destruction, or damage caused by the impact of trees or parts of trees resulting from felling or lopping of trees.

9) Vandalism, malicious damage or damage by burglars

We will not pay for:

- a) loss, destruction, or damage caused by tenants;
- b) theft of Property; or
- c) loss, destruction, or damage to glass.

10) Storm, tempest, rainwater or hail

We will not pay for loss, destruction, or damage:

- a) to gates, fences, retaining and free standing walls whether or not forming part of the Building, signs, glasshouses, hothouses, greenhouses or igloos;
- b) to the Property in the open air unless that Property comprises or is part of a permanent structure designed to function without the protection of walls or a roof;
- c) caused by water seeping or percolating through a wall, roof, or floor; or
- d) to hail nets, shade cloths, shades, shade sails, textile or plastic awnings and blinds and textile canopies, except and to the extent provided in Optional Cover 1.6 (4) Storm, Hail, Tempest, and Rainwater; and Hail Damage to Hail Nets and items of similar construction.

11) Accidental damage

- a) We will not pay for loss, destruction, or damage caused by or resulting from:
 - i) any Defined Event in Section 1.2;
 - ii) Flood;
 - iii) the Property's own fermentation or heating;
 - iv) Burglary, theft, armed hold up, kidnapping, bomb threat, sabotage, extortion, or any threat or attempt of it;
 - v) any fraudulent or dishonest acts by your employees;
 - vi) clerical or accounting errors, or unexplained inventory shortage or disappearance;
 - vii) shortages in the supply or delivery of materials to, or by, you;
 - viii) the action of birds, moths, termites or other insects or vermin, rust or oxidation, mildew, mould, wet or dry rot, corrosion, dampness or dryness of atmosphere or other variation in temperature, action of light, shrinkage, evaporation, contamination, inherent vice or latent defect, adjusting or servicing operations, loss of weight, change in flavour, colour, texture or finish;

- ix) smoke, smut, sludge, or chemicals from industrial or agricultural operations but we will pay for sudden and unforeseen damage that results;
 - x) dust, sand, mud, or smog, but we will pay for sudden and unforeseen damage that results;
 - xi) wear, tear, fading, breakage of fragile articles, scratching or marring, gradual deterioration or continued developing flaws, the cost of normal upkeep or making good;
 - xii) failure of, or error or omission in design, plan, specification, or testing;
 - xiii) incorrect siting of buildings, as a result of incorrect design or specification;
 - xiv) faulty materials or faulty workmanship;
 - xv) normal settling, seepage, creeping, heaving, vibration, shrinkage or expansion in buildings, foundations, walls, roofs, ceilings, floors, pavements, roads, and other structural improvements;
 - xvi) electrical or magnetic damage, power surge, disturbance, or erasure of electronic recordings;
 - xvii) data processing or media failure or breakdown, or malfunction of the processing system;
 - xviii) mechanical, electrical, or electronic breakdown, failure, or derangement, or boiler or pressure vessel explosion or implosion, but this exclusion is limited to the machine, equipment, boiler or pressure vessel immediately or directly affected;
 - xix) failure of the supply of water, gas, electricity, or fuel;
 - xx) any order of any government or public or local authority including the confiscation, nationalisation, requisition, or damage of any property; or
 - xxi) any other event more specifically excluded in Section 1 or in the General Exclusions in Section 17.
- b) We will not pay for loss, destruction, or damage to:
- i) Money;
 - ii) any property in transit;
 - iii) aircraft, watercraft, motor vehicles, trailers, of every kind and description, or property contained within them;
 - iv) railways, locomotive or rolling stock, or property contained within them;
 - v) growing crops or standing timber, shrubs, or pastures;
 - vi) animals, birds, fish, or any other living thing;
 - vii) the Property arising out of renovation, repair, installation, testing, alteration, or the Property undergoing construction or erection;
 - viii) land, dams, reservoirs, canals, tunnels, bridges, docks, piers or wharves not forming part of a building;

- ix) property during the course of and as the result of its processing; or
- x) glass.

The most we will pay for Accidental Damage is \$250,000, unless there is a different Sum Insured specified in the Certificate of Insurance.

1.3 Settlement

If your claim is covered under Section 1, we will at our option pay for, reinstate, or repair the Property on the basis set out below. Our choice will have regard to the circumstances of your claim and consider any preference you may have.

1) Stock in trade, stock of petrol and other fuel

For Stock in Trade and Stock of Petrol and other Fuel, we will Indemnify you.

2) Patterns or designs

We will Indemnify you up to 5% of the Sum Insured for Machinery and other Contents for loss, destruction, or damage to patterns, models, moulds, plans, or designs.

3) Work of art

We will Indemnify you up to \$5,000 for any one item for loss, destruction, or damage to a curiosity or work of art, unless separately specified in the Certificate of Insurance.

4) All other property

- a) For all other Property, we will Reinstatement the Property but only if:
 - i) replacement, rebuilding, or repair is carried out within a reasonable time. This may be at another site provided our liability is not increased. Any additional cost that you, or a person you chose to carry out the works, caused due to a failure to carry out a replacement, rebuilding or repair with reasonable dispatch, is not covered;
 - ii) any repair costs do not exceed the Reinstatement costs that would have been payable had the Property been totally lost, destroyed, or damaged; and
 - iii) a sum equal to the cost of Reinstatement has actually been incurred;

otherwise we will Indemnify you.
- b) We are not bound to Reinstatement Property (other than Buildings) exactly or completely if the Property or any other material used to Reinstatement the Property:
 - i) is not readily available or available locally; or
 - ii) a change in law prevents Reinstatement.

In these circumstances, we will Indemnify you.

c) Where any state, local, or other statutory authority, permits the Reinstatement of a Building but only subject to:

- i) a reduced plot ratio; or
- ii) the payment of certain fees, contributions, or impost;

we will pay, in addition to any amount payable for Reinstatement:

- A) the difference between the actual cost of Reinstatement incurred in accordance with the reduced plot ratio and the cost of Reinstatement which would have been incurred had a reduced plot ratio not been applicable and any payment of the difference will be made as soon as the difference is ascertained and certified by the architect acting on your behalf in the Reinstatement of the Building; and
- B) the fee, contribution, or other impost payable to any state, local, or other statutory authority, where such fee, contribution, or impost is a condition precedent to the obtaining of consent to Reinstatement of the Building.

5) Our limit of liability

Our liability is limited to the Sum Insured of the item, less the applicable Excess.

6) Automatic reinstatement of the sum insured

Following the occurrence of a partial loss, destruction, or damage covered under this Section, the Sum Insured is reinstated to the full amount specified in the Certificate of Insurance, provided that you pay any extra Premium that applies if required by us.

7) Total loss

Where we have paid the claim as a total loss:

- a) the damaged Property becomes ours;
- b) any proceeds of any salvage sale becomes ours; and
- c) the insurance on the Property terminates and no refund of Premium applies.

8) Underinsurance

If the Sum Insured for Property is less than 80% of its value, determined in accordance with the Settlement Basis in:

- a) Section 1.3(1) for Stock in Trade, Stock of Petrol and other Fuel; or
- b) Section 1.3(4) for All other Property;
at the time the insurance under Section 1 was taken out, renewed, extended, or varied, we will only pay that portion of the claim which the Sum Insured bears to 80% of that value, in accordance with the formula:

$$\frac{\text{the Sum Insured}}{80\% \text{ of the value of the property}} \times \text{the amount of the loss, destruction, or damage}$$

Example:

Where the Property is valued at \$200,000 but only insured for \$100,000 and a loss of \$50,000 occurs, we will pay:

$$\frac{\$100,000}{(80\% \text{ of } \$200,000)} \times \$50,000 = \$31,250$$

We will not pay \$18,750 of the claim

c) Underinsurance:

- i) applies separately to each individual item of Property;
- ii) does not apply to the extra cost described in paragraph (c) of the General Definition of "Reinstatement" on page 9; and
- iii) does not apply if the loss is less than 10% of the Sum Insured of the item of Property.

1.4 Additional benefits

- 1) If your claim is covered under Section 1, we will also cover you for the following Additional Benefits. You must obtain our consent (which will not be unreasonably withheld) prior to any of the costs being incurred. Any amount we pay for these Additional Benefits is in addition to the Sum Insured.

a) Professional fees

We will pay up to:

- i) \$25,000; or
- ii) the amount specified in the Certificate of Insurance;

whichever is greater, for professional fees related to the Reinstatement of the Property, but not for claims preparation.

b) Removal of debris

We will pay up to:

- i) \$25,000; or
- ii) the amount specified in the Certificate of Insurance;

whichever is greater, for the cost of demolition, or dismantling of the damaged Property and removal, storage and disposal of debris.

c) Temporary repair

We will pay up to:

- i) \$25,000; or
- ii) the amount specified in the Certificate of Insurance;

whichever is greater, for the cost of shoring up, underpinning, propping, or other temporary repair of the Property, for the purpose of maintaining or restoring safety, integrity or accessibility.

d) Exploratory costs

- i) We will pay up to:
 - A) \$25,000; or
 - B) the amount specified in the Certificate of Insurance;whichever is greater, for the cost of:
 - I) identifying and locating the cause of the loss, destruction, or damage, that results from bursting, leaking, discharging, or overflowing of pipes, tanks, fixed room heating, or water apparatus or other systems used to hold or carry liquid of any kind; and/or
 - II) rectification of paths or driveways immediately surrounding and adjoining the Buildings, if damaged while locating the cause.
- ii) We will not pay for loss, destruction, or damage to the pipes, tanks, fixed room heating, or water apparatus themselves.

The Specific Exclusions in Section 1.5 and the General Exclusions in Section 17 apply to these Additional Benefits.

- 2) If you are insured under Section 1, we will extend your cover to include the following Additional Benefits. Any amount we pay for these Additional Benefits is in addition to the Sum Insured.

a) Seasonal increase in sum Insured for stock in trade

We will increase the Sum Insured for Stock in Trade by 35% for either of the following periods:

- i) for the 5 days prior to any Gazetted Public or Bank holiday until the conclusion of the following trading day; or
- ii) for the 20 days prior to Good Friday and Christmas Day, until the conclusion of 10 trading days following Good Friday and Christmas Day.

b) Contents or stock in trade while in transit

If Contents or Stock in Trade is specified as insured in your Certificate of Insurance, we will pay up to 20% of the Sum Insured for Contents or Stock in Trade or \$100,000, whichever is the lesser, for any one load of Stock in Trade which is lost, destroyed, or damaged during the Period of Insurance:

- i) while in transit, anywhere in the Commonwealth of Australia between a wholesaler's premises and your Premises, in a vehicle or trailer owned or driven by you, your employee, or a member of your immediate family working in the Business; and
- ii) caused by the Defined Event Fire in Section 1.2(1), Flood, or collision or overturning of the vehicle or trailer.

c) Contents or stock in trade while Temporarily removed

- i) If Contents or Stock in Trade is specified as insured in your Certificate of Insurance, we will pay up to 20% of the Sum Insured for Contents or Stock in Trade which are lost, destroyed, or damaged during the Period of Insurance:
 - A) while temporarily removed for up to 90 days from the Premises to any other premises in the Commonwealth of Australia; and
 - B) caused by a Defined Event in Section 1.2.
- ii) The Sum Insured for the Contents or Stock in Trade remaining at the Premises will be reduced accordingly up to a maximum of 20% for each item that is temporarily removed.

d) Alterations and additions

If you make alterations or additions to the Property during the Period of Insurance, we will increase the Sum Insured for all Property other than Stock in Trade by:

- i) 20% of the Sum Insured for that item; or
 - ii) \$500,000;
- whichever is the lesser.

e) Fire extinguishing costs

We will pay up to:

- i) \$25,000; or
- ii) the amount specified in the Certificate of Insurance;

whichever is greater, for the cost of:

- iii) the wages of your employees;
- iv) replenishment of fire fighting appliances; and
- v) repairing or replacing destroyed or damaged materials including employees' clothing not more specifically insured under this policy or any other policy of insurance entered into by a third party or a policy required by law;

if your employees take action to extinguish fire or to prevent damage to property resulting from a fire at, or in the immediate vicinity of the Premises.

f) Cost of rewriting record books

We will pay up to:

- i) \$25,000; or
- ii) the amount specified in the Certificate of Insurance;

whichever is greater, for the cost of rewriting your records and books of account lost, destroyed, or damaged as a result of a Defined Event in Section 1.2.

g) Directors' and employees' personal Property

We will pay up to:

- i) a total of \$5,000 in respect of any one director or employee but limited to \$20,000 in total for any one Period of Insurance; or
- ii) the amount specified in the Certificate of Insurance;

whichever is greater, in total, during the Period of Insurance, to Reinstate directors' and employees' tools of trade and personal property, other than Money:

- A) on the Premises; and
- B) lost, destroyed, or damaged as a result of a Defined Event in Section 1.2.

h) Landscaping

- i) We will Indemnify you up to \$10,000 for damage to landscaping caused by a Defined Event in Section 1.2 but we will not pay for any loss or damage arising out of storm, tempest, Rainwater, Flood or hail, or caused by Defined Event 1.2(11) Accidental Damage.
- ii) We will only pay to replace mature trees, plants, and shrubs with infant trees, plants and shrubs.

The Specific Exclusions in Section 1.5 and the General Exclusions in Section 17 apply to these Additional Benefits.

5) Cessation of work

We will not pay for loss, destruction, or damage caused directly or indirectly by cessation of work.

6) Documents or business books

We will not pay for loss, destruction, or damage to documents, manuscripts, or business books, except and to the extent provided in Section 1.4(2) (f) Cost of Rewriting Record Books.

7) Jewellery or furs

We will not pay for loss, destruction, or damage to jewellery, precious stones, precious metals, bullion, furs, or stamps.

8) Explosives

We will not pay for loss, destruction, or damage to explosives.

9) Watercraft

We will not pay for loss, destruction, or damage to Watercraft, their attached accessories and any property contained within them.

10) Vehicles

We will not pay for loss, destruction, or damage to Vehicles or their attached accessories and any property contained within them.

See also the General Exclusions in Section 17 which are applicable to all Sections.

1.5 Specific exclusions

We do not cover you under Section 1, in the following circumstances, other than to the extent indicated.

1) Sea

We will not pay for loss, destruction, or damage caused directly or indirectly by the action of the sea, or tidal wave unless caused by or arising from tsunamis.

2) Earth movement

We will not pay for loss, destruction, or damage caused directly or indirectly by erosion, subsidence, landslide, or other earth movement unless arising from a Defined Event.

3) Flood

We will not pay for loss, destruction, or damage caused directly or indirectly by Flood.

4) Dangerous goods

We will not pay for loss, destruction, or damage caused directly or indirectly from circumstances where you are in breach of any relevant law, by-law, municipal or other public body regulation dealing with the storage of dangerous goods on the Premises.

1.6 Optional covers

If selected by you and specified in your Certificate of Insurance, the Optional Covers as indicated below will apply.

1) Loss of rent

We will pay for the:

- a) loss of rent payable to you; or
- b) any expenses necessarily and reasonably incurred for the sole purpose of avoiding or diminishing loss of rent, but not more than the amount that would have been lost if those expenses had not been incurred;

while the Premises are untenable as a result of the Property being lost, destroyed, or damaged by a Defined Event in Section 1.2 at the Premises during the Period of Insurance.

2) Book debts

We will:

- a) pay you for your customers' outstanding debts, being money owed for goods purchased from you or services rendered by you on credit, which you would have collected and you are unable to collect due directly to the loss, destruction, or damage to your books of account by:
 - i) any Defined Event covered in Section 1.2; or
 - ii) Burglary covered by Section 3;
- b) We will also pay for the cost of reasonable accountant's fees to reconcile the debts covered under (a). When we calculate your loss, we will make allowance for demonstrable trends of the Business at the time of the loss, destruction, or damage to your books of account.

- c) If we decide to replace the property or pay you the cost of replacing the property you must pay a contribution towards the cost of the replacement parts and materials in accordance with the following scale:
 - i) property less than 3 years old nil
 - ii) property greater than 3 years but less than 5 years old 25%
 - iii) property greater than 5 years but less than 7 years 50%
 - iv) property greater than 7 years but less than 10 years 75%
 - v) property greater than 10 years 100%

The Specific Exclusions in Section 1.5 and the General Exclusions in Section 17 apply to these Optional Covers.

3) Fusion

- a) We will pay up to \$1,000 for any one event to repair electrical damage to electrical motors up to and including 2kw in capacity, where such damage is caused by the burning out of the motor by electric current, in:
 - i) portable tools and equipment;
 - ii) fixed machinery; or
 - iii) pumps;used in the Business.
- b) We will not pay for damage to:
 - i) refrigeration or air-conditioning equipment;
 - ii) submersible or turbine pumps;
 - iii) dairy machinery; or
 - iv) irrigation equipment.

4) Storm, hail, tempest and rainwater; and hail damage to hail nets and items of similar construction

- a) We insure you for loss, destruction, or damage to hail nets, shade cloths, shades, shade sails, textile or plastic awnings and blinds and textile canopies occurring at the Premises in the Period of Insurance by the Defined Event 1.2(10) Storm, Tempest, Rainwater or Hail.
- b) We will, at our option, either repair or replace the property, or pay up to:
 - i) the amount to repair or replace the property; or
 - ii) the amount specified in the Certificate of Insurance;

Our choice will have regard to the circumstances of your claim and consider any preference you may have.

Section 2

Business interruption

2.1 Definitions

The meaning of the following words that apply only when used in Section 2 are shown below.

“Annual Turnover”

The amount calculated by adjusting the Turnover obtained in the Business during the 12 months immediately before the date of the Damage to provide for trends, variations, or other circumstances:

- c) affecting the Business either before or after the Damage; or
- d) that would have affected the Business had the Damage not occurred.

“Boiler or Economiser”

Boiler, pressure vessel, or economiser for which a certificate is required to be issued under the terms of any statute or regulation.

“Charges”

Fixed Business costs that do not vary in direct proportion to an increase or reduction in Turnover.

“Closing Stock”

The closing stock figures arrived at from your normal account records less an allowance for obsolescence.

“Collapse”

The sudden and dangerous distortion of a boiler or pressure vessel caused by bending or crushing of the permanent structure by vacuum or reduced pressure, or by force of steam, gas, or fluid pressure other than pressure of ignited flue gases, including damage caused by overheating resulting from deficiency of water.

“Damage”

Loss, destruction, or damage to your Property, or property used by you, caused by:

- a) Fire and Other Defined Events in Section 1;
- b) Burglary in Section 3;
- c) Composite Vehicles in Section 4 and Composite Watercraft in Section 16, **but only** for loss, destruction, or damage, at the Premises, caused by:
 - i. fire;
 - ii. explosion;
 - iii. lightning;
 - iv. earthquake;
 - v. Flood, except with respect to Unspecified Vehicles under Section 4 - Composite Vehicles for which no Flood cover is provided;
- d) Money in Section 5;
- e) Glass in Section 6; or

- f) General Property in Section 12;

and is, or which would have been covered under this policy, but for the application of an Excess.

“Documents”

Deeds, wills, agreements, manuscripts, maps, plans, drawings, designs, records, computer data, books of account, books, letters, certificates, documents or forms of any nature, but not bearer bonds or coupons, bank or currency notes, other negotiable instruments and book debts.

“Explosion”

The sudden and violent rending of the boiler or economiser by force of internal steam, gas or fluid pressure (including the pressure of ignited flue gases) causing bodily displacement of its structure together with forcible ejection of its contents.

“Gross Profit”

The difference between:

- a) the sum of Turnover and Closing Stock; and
- b) the sum of Opening Stock and the Uninsured Working Expenses.

“Gross Rentals”

The amount receivable by you in accordance with a lease or tenancy agreement existing at the time of damage to the building at the Premises.

“Indemnity Period”

The period beginning with the date of the occurrence of the Damage and ending not later than the last day of the indemnity period specified in the Certificate of Insurance, during which period the results of the Business are affected in consequence of the Damage.

“Opening Stock”

The opening stock figures arrived at from your normal account records less an allowance for obsolescence.

“Output”

The sales value of goods manufactured, both at and away from the Premises, by you or on your behalf, in the course of the Business.

“Rate of Gross Profit”

The percentage representing the rate of Gross Profit earned on the Turnover during the financial year before the date of the Damage, to which adjustments shall be made to provide for trends, variations, or other circumstances:

- a) affecting the Business either before or after the Damage; or
- b) that would have affected the Business had the Damage not occurred.

“Shortage in Turnover”

The amount by which the Turnover falls short of the Standard Turnover during the Indemnity Period in consequence of the Damage.

“Standard Gross Rentals”

The Gross Rentals earned during that period in the 12 months immediately before the date of the occurrence of the Damage that corresponds with the Indemnity Period (appropriately adjusted where the Indemnity Period exceeds 12 months), to which adjustments are made to provide for trends, variations, or other circumstances:

- a) affecting the Business either before or after the Damage; or
- b) that would have affected the Business had the Damage not occurred.

“Standard Turnover”

The sum representing the Turnover during that period in the 12 months immediately before the date of the Damage which corresponds with the Indemnity Period, to which adjustments are made to provide for trends, variations, or other circumstances:

- a) affecting the Business either before or after the Damage; or
- b) that would have affected the Business had the Damage not occurred.

“Turnover”

Money paid or payable to you for goods sold, delivered, and services rendered in the course of the Business at the Premises but does not include Gross Rentals.

“Uninsured Working Expenses”

The items specified as “Uninsured Working Expenses” in the Certificate of Insurance.

See also the General Definitions for the meanings of other words which are applicable to Section 2.

2.2 Defined event

If your Certificate of Insurance indicates that you have taken out cover under Section 2, we cover you for loss resulting from interruption to or interference with the Business due to Damage, occurring in the Period of Insurance.

We will not pay for any loss as set out in the Specific Exclusions in Section 2.5 or the General Exclusions in Section 17.

2.3 Settlement

If your claim is covered under Section 2, we will pay you on the basis set out below.

1) Loss of profit

- a) We will pay:
 - i) the Rate of Gross Profit multiplied by the Shortage in Turnover; and

- ii) the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the Shortage in Turnover which, but for that expenditure, would have occurred during the Indemnity Period in consequence of the Damage, but only if the additional expenditure does not exceed the product of the Rate of Gross Profit and the amount avoided or diminished.

- b) We will deduct from any amount payable under (a) above, any savings during the Indemnity Period in respect of Charges and expenses payable out of Gross Profit as may cease or be reduced, in consequence of the Damage.

2) Turnover elsewhere after damage

If turnover is being derived from goods sold or services rendered elsewhere than at the Premises, then this turnover will be included in calculating the Turnover during the Indemnity Period.

3) Accumulated stocks

If Turnover is being temporarily maintained from accumulated stock of finished goods, then an allowance will be made in the amount recoverable for Loss of Profit in Section 2.3(1) to reflect the depletion of accumulated stock.

4) Departmental clause

If the Business is conducted in departments which have individual trading results, then in calculating the amount recoverable, we may, at your option, separately apply the formula for Loss of Profit in Section 2.3(1) to each department affected by the Damage, however, if the Limit of Liability for Loss of Profit in Section 2.3(1) is less than the sum of the product of the Rate of Gross Profit and Annual Turnover for each department, including those not affected by the Damage, then the amount payable will be adjusted as set out in Underinsurance in Section 2.3(8).

5) Salvage sale

If you hold a salvage sale during the Indemnity Period, the Turnover resulting from the salvage sale will not be taken into account when calculating the Shortage in Turnover.

6) New business

If Damage occurs at the Premises before the completion of the first year's trading of the Business, the Definitions in Section 2.1 for:

- a) Annual Turnover;
- b) Rate of Gross Profit; and
- c) Standard Turnover;

will be adjusted to reflect the proportional equivalent of the respective periods.

7) Our limit of liability

Our liability is limited to the Sum Insured, less the applicable Excess.

8) Underinsurance

- a) If your Gross Profit is insured for less than 80% of its value at the time the insurance under Section 2 was taken out, renewed, extended or varied, we will only pay that portion of the claim which the Sum Insured bears to 80% of the value, in accordance with the formula:

$$\frac{\text{Loss of Gross Profit}}{80\% \text{ of the product of the Rate of Gross Profit and the Annual Turnover}} \times \text{Sum Insured}$$

Example:

Where the Gross Profit is valued at \$200,000 but only insured for \$100,000 and a loss of \$50,000 occurs, we will pay:

$$\frac{\$50,000}{(80\% \text{ of } \$200,000)} \times \$100,000 = \$31,250$$

We will not pay \$18,750 of the claim

- b) Underinsurance does not apply:
- if the loss is less than 10% of the Sum Insured at the Premises; or
 - to the additional increased cost described in Optional Cover 2.6(1).

9) Automatic reinstatement of sum insured

If we agree to pay you for loss under Section 2, we will reinstate your Business Interruption Sum Insured provided that you pay any additional premium required by us.

10) Reinstatement of documents

We will pay the necessary and reasonable cost of legal, clerical and other charges incurred in reinstating Documents.

11) Gross rentals

We will pay you:

- the amount by which the Gross Rentals earned during the Indemnity Period fall short of the Standard Gross Rentals; and
- any additional expenditure necessarily and reasonably incurred by you for the sole purpose of minimising the loss suffered during the Indemnity Period, but not exceeding the reduction in Gross Rentals avoided.

2.4 Additional benefits

- If your claim is covered under Section 2, we will also cover you for the following Additional Benefits, but you must obtain our consent (which will not be unreasonably withheld) prior to any of the costs being incurred. Any amount we pay for these Additional Benefits is in addition to the Sum Insured.

a) Accountants' fees

We will pay up to:

- \$10,000; or
- the amount specified in the Certificate of Insurance;

whichever is greater, for the reasonable costs of your auditors or accountants for producing and certifying any particular, detail, information, proof, or evidence required for the preparation of a:

- claim under Business Interruption in Section 2; or
- combined claim under Fire and Other Defined Events in Section 1 and Business Interruption in Section 2.

b) Fines and damages

We will pay up to 5% of the Sum Insured for your liability, incurred during the Indemnity Period, to pay cancellation charges, or fines or damages, directly attributable to the event claimed, other than aggravated, punitive or exemplary damages:

- for breach of contract resulting from non-completion or late completion of orders for your goods or services, or in discharge of contract purchases of your goods or services; or
- for breach of contract for the purchase by you of goods and services that cannot be utilised by you during the Indemnity Period, less any value to you of such goods or services or the amount received from sale.

c) Government incentives

In calculating the amount of Loss of Profit in Section 2.3(1), we will include the loss of any Government approved incentives, subsidies, or market development allowances to which you may have been entitled in relation to the Business resulting from interruption or interference with your Business.

The Specific Exclusions in Section 2.5 and the General Exclusions in Section 17 apply to these Additional Benefits.

- 2) If you are insured under Section 2, we will extend your insurance to include the following Additional Benefits.

a) Explosion or collapse of boilers or economisers

- i) If loss results from the interruption to or interference with the Business due to loss, destruction, or damage to any Building or Property used by you at the Premises directly caused by Explosion or Collapse of:

- A) steam pipes;
- B) vessels under steam, gas, air, or other fluid pressure; or
- C) Boilers or Economisers;

then, for the purposes of Section 2, that loss will be treated as loss resulting from interruption to or interference with the Business due to Damage.

- ii) We will not cover loss resulting from the interruption to or interference with the Business due to loss, destruction, or damage caused by, or resulting from:

- A) wearing away or wasting of the material of any plant whether caused by leakage, corrosion, action of fuel, or otherwise;
- B) slowly developing deformation or distortion of any part of any plant;
- C) cracks, fractures, blisters, laminations, flaws, or grooving even when accompanied by leakage, or damage to tubes, headers, or other parts of the plant caused by overheating or leakage at seams, tubes, or other parts of any plant; or
- D) failure of joints.

b) Prevention of access, public utilities, computer installations, commercial complexes

If loss results from the interruption to or interference with the Business due to damage to property not owned by you that would have been covered under Section 1 – Fire and other Defined Events in this policy, and such property being located:

- i) within 20 kilometres of the Premises, and where such damage prevents or hinders access to, or use of, the Property;
- ii) anywhere within Australia, and where such property belongs to or is under the control of suppliers of electric power, gas, communications, water or sewage reticulation control systems from which you obtain services, but not the first 2 usual trading days of any such loss;

- iii) at computer installations utilised by you anywhere in Australia, including damage to property comprising ancillary equipment and data processing media; or
- iv) in any commercial complex of which the Business forms a part or in which the Business is contained, and where such damage results in cessation or diminution of trade, including any cessation or diminution of trade due to temporary falling away of custom;

then, for the purpose of this Section 2, that loss will be treated as loss resulting from interruption to or interference with the Business due to Damage.

c) Murder, suicide & infectious disease

If loss results from interruption or interference with your Business directly arising from closure or evacuation of the whole or part of the Insured Premises by order of a competent public authority consequent upon:

- i) a Human Infectious or Contagious Disease at the Insured Premises, not otherwise excluded under the policy;
- ii) the discovery of vermin or pests or defects in the drains or other sanitary arrangements at the Insured Premises;
- iii) poisoning directly caused by the consumption of food or drink provided on the Insured Premises; or
- iv) murder or suicide occurring in or at the Insured Premises,

occurring during the Period of Insurance (this shall be deemed to be in consequence of Damage).

Provided that:

- A) for the avoidance of doubt, the '7. Communicable diseases' exclusion within the 'General exclusions' section of the policy applies to the cover provided by this Additional Benefit; and
- B) the maximum amount payable under this Additional Benefit in the aggregate for the Period of Insurance is \$250,000 unless otherwise specified in the Certificate of Insurance; and
- C) we will not cover the first 48 hours of any interruption or interference with Your Business unless otherwise specified in the Certificate of Insurance; and
- D) we will not pay for any cost to clean up, decontaminate, disinfect, remove, replace, monitor and/or test for any diseases, conditions or circumstances described in this Additional Benefit.

For the purpose of this Additional Benefit only the following definition applies:

Insured Premises means only the Premises shown in the Certificate of Insurance that are directly owned, leased or controlled by you and does not include any extension to the definition of Premises elsewhere in the policy or Certificate of Insurance.

d) Turnover/output

If selected by you, Output may be used instead of Turnover in order to calculate loss, but only one meaning may be operative in connection with any one occurrence of the Damage.

e) Owner's premises

If loss results from the interruption to or interference with the Business due to damage to any building at the Premises, for which:

- i) you are a tenant under a current tenancy agreement;
- ii) the damage to the building could have been insured for Fire and Other Defined Events under Section 1 of this policy if owned by you;
- iii) the owner of the building has in force a policy of insurance in respect of such damage to the building; and
- iv) the policy described in paragraph (iii) covers the loss, or would have covered the loss but for the application of a policy excess, for such damage to the building;

then, for the purpose of this Section 2, that loss will be treated as loss resulting from interruption to or interference with the Business due to Damage.

f) Documents

If loss results from the interruption to or interference with the Business due to damage to Documents that belong to you or are held in trust by you, while they are in transit or in a building that is not occupied by you, then, for the purpose of this Section 2, that loss will be treated as loss resulting from interruption to or interference with the Business due to Damage.

g) Property used but not owned by you

If loss results from the interruption to or interference with the Business due to damage occurring during the Period of Insurance to Property used but not owned by you, within Australia:

- i) for which you are not legally responsible;
- ii) you have not assumed a liability to insure at the Premises; and
- iii) such damage could have been insured under Section 1 of this policy;

then, for the purpose of Section 2, that loss will be treated as loss resulting from interruption to or interference with the Business due to Damage.

The Specific Exclusions in Section 2.5 and the General Exclusions in Section 17 apply to these Additional Benefits.

- 3) If you are insured under Section 2, we will extend your insurance to include the following Additional Benefits. Any amount we pay for these Additional Benefits is included in the Sum Insured.

a) Transit

If loss results from the interruption to or interference with the Business due to damage to your stock in trade (but not Vehicles or Watercraft), tools of trade, plant and equipment which you own or for which you are legally responsible, and the damage was sustained while it is in transit by road, rail, sea or air within Australia and outside of the Premises occupied by you, then, for the purpose of this Section 2, that loss will be treated as loss resulting from interruption to or interference with the Business due to Damage.

We will pay up to 10% of the Gross Profit Sum Insured, but only if, and to the extent that the Sum Insured is not otherwise exhausted.

b) Unspecified suppliers' and/or customers' premises

If loss results from the interruption to or interference with the Business due to damage to property within Australia:

- i) at suppliers' and/or customers' premises (not being domestic premises); or
- ii) preventing movement of goods to, or from, a suppliers' or customers' premises (not being domestic premises);

and if a claim in relation to such damage would have been payable under Section 1 – Fire and Other Defined Events of this policy if such property had been insured under this policy, then, for the purpose of this Section 2, that loss will be treated as loss resulting from interruption to or interference with the Business due to Damage.

We will pay up to 20% of the Gross Profit Sum Insured.

c) Storage sites

If loss results from the interruption to or interference with the Business due to damage to your property sustained while it is stored or being processed in a building not occupied by you, within Australia, then, for the purpose of this Section 2, that loss will be treated as loss resulting from interruption to or interference with the Business due to Damage.

We will pay up to 20% of the Gross Profit Sum Insured, but only if, and to the extent that, the Sum Insured is not otherwise exhausted.

The Specific Exclusions in Section 2.5 and the General Exclusions in Section 17 apply to these Additional Benefits.

2.5 Specific exclusions

We do not cover you under Section 2, in the following circumstances, other than to the extent indicated.

1) Business ceases

We will not pay for loss of any kind due to interruption to or interference with the Business if the Business is wound up, carried on by a liquidator or receiver, or your interest ceases other than by death.

2) Delay or loss of contract

We will not pay for loss of any kind due to interruption to or interference with the Business which is due to delay, lack of performance, loss of contracts, or depreciation in the value of land or stock except as otherwise provided for under Section 2.

3) Underinsurance

We will not pay for loss of any kind due to interruption to or interference with the Business which is due to underinsurance under any Section of this policy or any other policy of insurance.

4) Public utilities

We will not pay for loss of any kind due to interruption to or interference with the Business which is due to the failure of a public utility to supply services, except and to the extent provided in Section 2.4(2)(b)(ii).

See also the General Exclusions in Section 17 which are applicable to all Sections.

2.6 Optional covers

If selected by you and specified in your Certificate of Insurance, the Optional Covers as indicated below will apply.

1) Additional increased cost of working

We will pay the additional expenditure incurred during the Indemnity Period in consequence of the Damage, in excess of the amount payable under Section 2.3(1)(a)(ii), for the purpose of:

- a) resuming or maintaining normal Business operations or administrative facilities; or
- b) minimising any interruption to or interference with the Business;

whether there is a Shortage in Turnover or not.

2) Suppliers' or customers' premises

- a) If the Business is interrupted or interfered with in consequence of damage to the premises of a supplier or customer, which:

- i) if owned by you, and would have been covered for Fire and Other Defined Events under Section 1; and

- ii) is specified in the Certificate of Insurance; then that loss will be treated as loss resulting from interruption to or interference with the Business due to Damage.

- b) We will pay up to the percentage specified in the Certificate of Insurance, of the Sum Insured for Section 2.3(1), for each supplier or customer.
- c) We will not pay for loss resulting from damage by earthquake, tsunami, subterranean fire, or volcanic eruption, to property at any suppliers' or customers' premises located in Japan, New Zealand or the United States of America.

The Specific Exclusions in Section 2.5 and the General Exclusions in Section 17 apply to these Optional Covers.

Section 3 Burglary

3.1 Definitions

The meaning of the following words that apply only when used in Section 3 are shown below.

“Contents”

- a) All contents at the Premises owned by you or for which you are legally responsible, including, furniture, furnishings, carpets, curtains and internal blinds, machinery and plant, tools, instruments and utensils of trade, non-fixed or portable equipment, office equipment, safes, strong rooms, automatic teller machines, computers, all equipment connected to and operating from computers, and all discs, tapes, cards or other materials used for storing data, advertising material and display equipment, documents but only for their value as stationery, patterns, models, moulds, designs, unused books, books of reference, stationery, Stock in Trade;
- b) Where you are a tenant of leased or rented premises:
 - i) landlord's fixtures and fittings for which you are liable under the terms of a lease or similar agreement; and
 - ii) fixtures and fittings, or materials and supplies intended for use in the construction of fixtures and fittings, installed or to be installed for your own use;
- c) but does not include:
 - i) customers' Property; and
 - ii) Stock of Petrol and other Fuel.

“Premises”

The premises specified in the Certificate of Insurance, but does not include any garden, yard, open verandah, open building, or other open areas except and to the extent provided in Optional Cover 3.7(1) Theft of Property from the Open Air.

“Stock in Trade”

Stock or merchandise, manufactured, unmanufactured, or in the course of manufacture, including:

- a) materials used in their packing; and
- b) raw materials;

owned by you, or for which you are legally responsible, while held in the building or in the open air at the Premises.

See also the General Definitions for the meanings of other words which are applicable to Section 3.

3.2 Defined event

If your Certificate of Insurance indicates that you have taken out cover under Section 3, we cover you if the Property at the Premises is lost, destroyed, or damaged during the Period of Insurance as a result of Burglary.

We will not pay for any loss, destruction, or damage if any of the Specific Exclusions in Section 3.5 or the General Exclusions in Section 17 apply.

3.3 Settlement

If your claim is covered under Section 3, we will at our option pay for, reinstate, or repair the Property on the basis set out below. Our choice will have regard to the circumstances of your claim and consider any preference you may have.

1) Contents

Where the Contents item is:

- a) lost or destroyed, we will replace it with a similar item, to a condition equal to but not better or more extensive than its condition when new; or
- b) damaged, we will repair or restore the item to a condition substantially the same as but not better or more extensive than its condition when new;
but only if:
 - i) the replacement or repair is carried out within a reasonable time;
 - ii) the repair cost does not exceed the Reinstatement cost that would have been incurred had the Property been totally lost, destroyed or damaged;
 - iii) a sum at least equal to the cost of Reinstatement has actually been incurred;
 - iv) the Contents item and all material required to Reinstatement the Contents are readily available or available locally;

otherwise we will Indemnify you.

2) Stock of petrol and other fuel

For Stock of Petrol and other Fuel, we will Indemnify you.

3) Our limit of liability

Our liability is limited to the Sum Insured, less the applicable Excess.

4) Automatic reinstatement of the sum insured

If we agree to pay you for loss under Section 3, we will reinstate your Burglary Sum Insured from the date of the loss provided you pay or agree to pay any additional premium required by us. Such reinstatement will be automatic only once during any one Period of Insurance. Any subsequent reinstatements will only be effected on such terms as we agree with you in writing.

We will not automatically reinstate the Sum Insured for Optional Cover 3.7(1) Theft of Property from the Open Air.

3.4 Additional benefits

- 1) If your claim is covered under Section 3, we will also cover you for the following Additional Benefits but you must obtain our consent prior to any of the costs being incurred. Any amount we pay for these Additional Benefits is in addition to the Sum Insured.

a) Temporary protection

We will pay up to:

- i) \$5,000; or
- ii) the amount specified in the Certificate of Insurance;

whichever is greater, for the cost of temporary protection for the safety of the Property pending repair of the damage.

b) Locks and keys

We will pay the reasonable and necessary cost, up to \$5,000 in total during the Period of Insurance, if keys to the Building or Contents are stolen, or if there are reasonable grounds to believe that such keys have been stolen and duplicated, for:

- i) the keys and locks to be recoded or replaced;
- ii) restoring security to the same level of security as existed immediately prior to the loss; and
- iii) the cost of temporary protection of the Property, pending restoration of the security.

c) Vehicle and/or watercraft keys and remotes

- i) We will pay up to a total of:
 - A) \$10,000; or
 - B) the amount specified in the Certificate of Insurance;

whichever is greater, in the Period of Insurance, if Vehicle and/or Watercraft keys or remote controls are stolen or there are reasonable grounds to believe that such keys have been stolen and duplicated, for:

- i)
 - I) replacement of the Vehicle and/or Watercraft keys or remote controls; and
 - II) recoding of locks.
- ii) We will only cover you under this additional benefit for keys or remote controls stolen from a securely locked safe, key safe, key cabinet or strong room, and access was gained by the use of visible force and violence at the Premises.

The Specific Exclusions in Section 3.5 and the General Exclusions in Section 17 apply to these Additional Benefits.

- 2) If you are covered under Section 3, we will extend your cover to include the following Additional Benefits. Any amount we pay for these Additional Benefits is in addition to the Sum Insured.

a) Directors' and employees' personal property

We will pay up to a total of:

- i) \$3,000; or
- ii) the amount specified in the Certificate of Insurance;

whichever is greater, in the Period of Insurance to Reinstate directors' and employees' tools of trade and personal property, other than Money, that is:

- A) on the Premises; and
- B) lost, destroyed, or damaged as a result of a Burglary occurring in the Period of Insurance.

b) Repairing damage to any building at the premises

We will pay up to \$5,000 in total during the Period of Insurance, for the amount you incur to repair damage to any building at the Premises arising from Burglary in the Period of Insurance, but only if you are a tenant and liable under the terms of the lease for damage to the building.

c) Temporary removal

We will pay up to 20% of the Sum Insured for Contents, that are lost, destroyed or damaged during the Period of Insurance as a result of actual, forcible and violent entry into or exit from a building, while those Contents are temporarily removed from the Premises, but excluding:

- i) Stock in Trade that is held by you on consignment to sell on behalf of someone else;
- ii) Money, clothing or personal effects owned by you or by the owners, partners, proprietors, directors or employees of your Business;
- iii) employee's tools of trade;
- iv) Contents in transit; and
- v) Contents that have been removed from the Premises for a period in excess of 30 days without our written agreement to continue cover.

d) Permanently fixed (non-portable) apparatus

- a) We will pay up to \$2,500 in total during the Period of Insurance for loss, destruction, or damage as a result of Theft to any permanently and securely fixed (non-portable) apparatus or appliances, provided that:

- i) they are owned by you, or for which you are legally responsible; and
 - ii) they are permanently and securely attached to a building at the Premises.
- b) We will not pay where such apparatus or appliances are:
- i) portable; or
 - ii) not permanently and securely attached to a building at the Premises; or
 - iii) attached to a building at the Premises only by means of a flexible or tensile cord to a power point.

e) Seasonal increase in sum insured for stock in trade

We will increase the Sum Insured for Stock in Trade by 35% for either of the following periods:

- i) for the 5 days prior to any Gazetted Public or Bank holiday until the conclusion of the following trading day; or
- ii) for the 20 days prior to Good Friday, and Christmas Day, until the conclusion of 10 trading days following Good Friday and Christmas Day.

The Specific Exclusions in Section 3.5 and the General Exclusions in Section 17 apply to these Additional Benefits.

3.5 Specific exclusions

We do not cover you under Section 3 in the following circumstances, other than to the extent indicated.

1) Money

We will not pay for loss, destruction, or damage of Money.

2) Tobacco

We will not pay for loss, destruction, or damage of tobacco, cigars, or cigarettes, unless specified in the Certificate of Insurance.

3) Vehicles, aircraft, or watercraft

We will not pay for loss, destruction, or damage of aircraft, watercraft, motor vehicles of any type, including caravans, motorcycles, trailers, tractors, self-propelled implements or their accessories, except and to the extent provided in 3.4(1)(c) Vehicles and/or Watercraft Keys and Remotes.

4) Plans or designs

We will not pay for loss, destruction, or damage of patterns, models, moulds, plans, or designs.

5) Glass

We will not pay for breakage of glass.

6) Personal property and household property

We will not pay for loss, destruction, or damage of personal valuables, clothing and personal effects, and all other household property except and to the extent provided in 3.4(2)(a) Directors' and Employees' Personal Property.

7) During or following fire

We will not pay for loss, destruction, or damage resulting from Burglary or Theft during or following a fire at the Premises.

8) Unexplained shortages

We will not pay for loss, destruction, or damage in the form of unexplained shortages or disappearances.

9) Connivance, family, or employees

We will not pay for loss, destruction, or damage resulting from your connivance, or caused by any of your Family or your employees, or a person lawfully on the Premises.

10) Theft

We will not pay for loss, destruction, or damage resulting from Theft, except and to the extent provided in:

- a) Additional Benefit 3.4(2)(d) Permanently Fixed (non-portable) Apparatus; or
- b) Optional Cover 3.7(1) Theft of Property from the Open Air, if selected by you and shown in the Certificate of Insurance.

See also the General Exclusions in Section 17 which are applicable to all Sections.

3.6 Specific conditions

If you are covered under Section 3 of this policy, you must comply with the Specific Conditions noted below otherwise we may reduce or deny liability to pay your claim under Section 3. The course of action we take when you fail to follow a Specific Condition will be considered in each circumstance based on what impact or effect your failure to comply caused or contributed to the claim or our decision to issue your policy.

1) Burglar alarm systems

Where the Property at the Premises is protected by a burglar alarm system, you must ensure that:

- a) the burglar alarm system is made operative whenever the Premises are left unattended; and
- b) you exercise all due care to maintain all burglar alarm systems under your control so that they are in good working order at all times.

If you do not meet both of these conditions, we may refuse to pay, or reduce the amount we pay, for any claim, to the extent that your failure to meet these conditions caused or contributed to the loss.

See also the General Conditions in Section 18 which are applicable all Sections.

3.7 Optional cover

If selected by you and specified in your Certificate of Insurance, the Optional Cover as indicated below will apply.

1) Theft of property from the open air

- a) We will pay up to a total of:
- i) \$2,000; or
 - ii) the amount specified in the Certificate of Insurance;
- whichever is greater, for all items, in the Period of Insurance, for loss, destruction, or damage resulting from Theft of Property at the Premises, including any garden, yard, open verandah, open building, or other open areas, occurring during the Period of Insurance.
- b) We will not pay for loss, destruction, or damage to:
- i) directors' and employees' tools of trade or personal property;
 - ii) Money;
 - iii) tobacco;
 - iv) Stock of Petrol and other Fuel; or
 - v) Vehicle and/or Watercraft keys or remote controls.

The Specific Exclusions in Section 3.5 and the General Exclusions in Section 17 apply to this Optional Cover.

Section 4 Composite vehicles

4.1 Definitions

The meaning of the following words that apply only when used in Section 4 are shown below.

“Accessories”

Means:

- a) equipment specifically manufactured and designed for a Vehicle and permanently attached to the Vehicle as additional equipment, including:
 - i) audio visual equipment;
 - ii) air-conditioning units;
 - iii) alarms and other security devices; or
 - iv) radio receivers, satellite navigation and citizen band radio service equipment;
- b) artwork or signwriting, gates, tarpaulins, chains, ropes, and winches, while attached to the Vehicle; or
- c) other options and accessories that are specified in the Certificate of Insurance while permanently attached to the Vehicle.

“Agreed Value”

The Sum Insured specified in the Certificate of Insurance for a sedan, station wagon, van, or utility with a carrying capacity of less than 2 tonnes.

“Business Hours”

Your trading hours or while you or your employees authorised by you are at the Premises for the purposes of the Business.

“Customers' Vehicles”

Vehicles owned by your customers and left in your care, custody, or control for servicing, repair, evaluation, road testing, storage, or garaging but does not include Vehicles held on consignment for sale.

“Dealer Holdback”

The percentage of the invoice cost paid to you by the manufacturer, distributor, importer, or other supplier following the retail sale of a new Unspecified Vehicle provided that any such amounts can be verified in writing by the manufacturer, distributor, importer, or other supplier.

“Limit of Liability”

The limit of liability is the maximum amount payable by us for any one loss or series of losses arising out of any one original source or cause.

“Market Value”

The cash purchase price of a vehicle identical to your Vehicle or your Customer's Vehicle, taking into account:

- a) the value at the time of loss, destruction, or damage; and

b) the age and condition of the Vehicle;

calculated by an assessor appointed by us, and with reference to trade publications and other market information.

“Personal Effects”

Items of clothing and personal belongings normally worn or carried by a person, but does not include:

- a) firearms, sporting, or photographic equipment;
- b) mobile phones, global positioning systems (GPS) or satellite navigation systems, musical instruments, or computers;
- c) Money; or
- d) jewellery, watches, or furs.

“Specified Vehicles”

Any Vehicle specified in the Certificate of Insurance.

“Tool of Trade”

Any Vehicle which has any tool or plant forming part of, or attached to, or used in connection with the Vehicle while the tool or plant is engaged on a work site, but does not include:

- a) Vehicles while in transit to or from any worksite; or
- b) Vehicles used for transport or haulage.

“Total Loss”

When:

- a) the likely cost to repair the Vehicle plus the value of any salvage exceeds the lesser of the Market Value or Wholesale Market Value; or
- b) the likely cost to repair the Vehicle plus the value of any salvage exceed the Agreed Value; or
- c) the Vehicle is stolen and not recovered within 21 days of the Vehicle being reported to us as stolen.

“Unspecified Vehicles”

- a) Any Vehicle which is:
 - i) held for sale by you including vehicles financed under a floor plan or bailment arrangement, and you hold records of the purchase details; or
 - ii) held on consignment for the purposes of sale, exchange, or disposal where permitted by law;

for the purpose of demonstration, test driving, evaluation, or private use by you or your employees, family members, or for any other purpose by any persons authorised by you.

- b) But does not mean Vehicles that are used for any of the following purposes:
 - i) towing or breakdown services;
 - ii) mobile mechanical services or vehicle repairs;
 - iii) spare parts delivery; or
 - iv) forklifts or mobile cranes.

“Undeclared Regular Driver”

Means any director, partner, spouse, employee, or family member or any other person who uses a Vehicle for private purposes on a regular basis, and who was not declared to us, as a regular driver.

“Wholesale Market Value”

The wholesale cost to buy a Vehicle that is of the same age, condition, make and model after deducting any trade or factory discounts that are available to you, but does not include any retail price mark-up or profit, which is calculated by an assessor appointed by us, and with reference to trade publications and other market information.

See also the General Definitions for the meanings of words which are applicable to Section 4.

4.2 Defined events

If your Certificate of Insurance indicates that you have taken out cover under Section 4, for:

- Specified Vehicles;
- Unspecified Vehicles; or
- Customers’ Vehicles;

we cover you for the Defined Events listed below, unless otherwise indicated on your Certificate of Insurance occurring during the Period of Insurance within the Commonwealth of Australia, except as provided under We Will Not Pay.

The Specific Exclusions in Section 4.5 and the General Exclusions in Section 17 also apply.

1) Loss, destruction, or damage to the vehicle

- a) We will not pay for:
 - i) gradual deterioration or depreciation;
 - ii) wear and tear, rust, or corrosion;
 - iii) structural, mechanical, electrical, hydraulic or electronic breakdown or failure;
 - iv) the tyres of the Vehicle being damaged by application of brakes, or by road punctures, cuts, or bursts;
 - v) loss of use of the Vehicle, except and to the extent provided in 4.4(1)(a) Loss of Use of Customers’ Vehicles; or
 - vi) transportation of Vehicles by road, rail, sea, or air, or while being loaded before, or unloaded, after the transportation, except and to the extent provided in Additional Benefit 4.4(3)(f) Transportation of Specified or Unspecified Vehicles.
- b) We will not pay for loss, destruction, or damage to any Unspecified Vehicles or Customers’ Vehicles at any premises that are occupied by you, or under your control, for Business purposes, unless the Premises are specified in the Certificate of Insurance.

- c) We will not pay for:
 - i) loss, destruction, or damage to Unspecified Vehicles that occurs at the Premises caused by or arising from:
 - A) hail; or
 - B) burglary,
 unless there is a Sum Insured for the event specified in the Certificate of Insurance.
 - ii) loss, destruction, or damage to Unspecified Vehicles that occurs at the Premises caused by or arising from Flood.
 - d) We will not pay for loss, destruction, or damage to Customers' Vehicles that occurs at the Premises caused by or arising from:
 - i) hail, except and to the extent as provided in Additional Benefit 4.4 (3)(a) Hail Damage to Customers' Vehicles at the Premises; or
 - ii) Burglary, unless there is a Sum Insured for the event specified in the Certificate of Insurance.
 - e) We will not pay for the Burglary of Unspecified Vehicles and Customers' Vehicles from the Premises where it is stolen through the use of the Vehicle's own key, unless the key was stolen from a securely locked safe, key safe, key cabinet or strongroom, and access was gained by the use of visible force and violence.
 - f) We will not pay for loss, destruction, or damage of Unspecified Vehicles or Customers' Vehicles caused by Theft that occurs at the Premises unless:
 - i) there is a Sum Insured specified in the Certificate of Insurance;
 - ii) Theft of the entire Vehicle occurred during Business Hours; and
 - iii) the Theft did not involve the use of the Vehicle's own key.
 - g) We will not pay for loss, destruction, or damage of Accessories or parts attached to Unspecified Vehicles or Customers' Vehicles held in the open air caused by Burglary, Theft or attempted Theft, that occurs at the Premises unless there is a Sum Insured specified in the Certificate of Insurance.
 - h) The most we will pay for any one loss, or series of losses for Burglary or Theft arising from the one event at any one Premises, is the Sum Insured specified in the Certificate of Insurance, less the applicable Excess.
- ii) the use of any unregistered or unlicensed Vehicle owned by you or in your custody or control;
 - iii) the use of the Vehicle as a Tool of Trade, except where the liability is caused:
 - A) directly by the Vehicle and does not involve loss or damage to underground cables, pipes, or other services;
 - B) by goods or vehicles, being lifted, lowered, or carried by the Vehicle; or
 - C) by the falling of goods or vehicles being lifted, lowered, or carried by the Vehicle;
 - iv) delivery to or collection from the Vehicle; or
 - v) the commercial transportation of dangerous goods, except and to the extent provided in Section 4.4(2)(f) Dangerous Goods.
- b) We will not pay for any liability:
 - i) for loss or damage to Customers' Vehicles or other property belonging to you or in your physical or legal control;
 - ii) for fines or penalties, or punitive, exemplary, or aggravated damages;
 - iii) to any member of your Family or to any person ordinarily residing with you or with whom you ordinarily reside;
 - iv) in respect of which you are, or any person is, required by law to have in force at the time such liability is incurred, a policy of insurance;
 - v) in respect of which insurance is required by virtue of any statutory workers compensation scheme; or
 - vi) for Removal of Debris, except and to the extent provided in Section 4.4(2)(e) Removal of Debris.

4.3 Settlement

- 1) If your claim for loss, destruction, or damage to the Vehicle is covered under Section 4.2(1), we will settle your claim on the basis set out below.

a) Repair

- i) We will either repair or replace the Vehicle, or at our option, make a cash payment equivalent to the cost of repairing or replacing the Vehicle. Our choice will have regard to the circumstances of your claim and consider any preference you may have; or
- ii) If we elect to repair the Vehicle:
 - A) you can suggest a repairer, or you can contact us to suggest one for you. If we do not accept your choice of repairer, we must co-operate with each other to select another repairer, provided they have the qualifications to undertake the required repairs, that you and we can mutually agree upon.

2) Property damage or personal injury, arising out of the use of the vehicle giving rise to a legal liability to pay compensation or damages

- a) We will not pay for any liability caused by, arising out of, or in connection with:
 - i) any contract, warranty, or agreement unless such liability would have attached to you without the contract, warranty, or agreement;

- B) we may use reusable parts or parts not manufactured by a supplier to the original manufacturer of the Vehicle, which:
 - I) are consistent with the age and condition of the Vehicle;
 - II) do not affect the safety or the structural integrity of the Vehicle;
 - III) comply with the Vehicle manufacturer's specifications and applicable Australian Design Rules;
 - IV) do not adversely affect the post repair appearance of the Vehicle; and
 - V) do not void or affect the warranty provided by the Vehicle manufacturer; and
- C) we may arrange for a part of the repair to be carried out by a specialist service provider, for example windscreen repairs.
- iii) If the Vehicle is repaired to a better condition than it was before the loss, destruction, or damage, you may be required to contribute to the cost of the repairs and your contribution will be based on the increased value of the Vehicle. However, we will not proceed with these repairs until we have discussed this with you and sought your agreement.

b) Cost of parts

We will not pay for the cost of:

- i) spare parts (whether available in the Commonwealth of Australia or not) in excess of the manufacturer's last issued catalogue or price list for use in the Commonwealth of Australia;
- ii) air freight of parts; or
- iii) fabrication of parts.

c) Total loss

Where we have paid the claim as a Total Loss for Specified Vehicles or Unspecified Vehicles:

- i) the wreckage becomes our property;
- ii) any proceeds of any salvage sale becomes ours; and
- iii) the insurance on that Vehicle terminates and no refund of Premium applies.

d) Specified vehicles

When the Specified Vehicle is a Total Loss:

- i) we will pay you the Wholesale Market Value, less the applicable Excess if you are a licensed Vehicle dealer duly authorised to sell vehicles which are of the same make and model as the Specified Vehicle or you are able to obtain a trade or factory discount on the vehicle; or

- ii) we will pay you the Agreed Value, less the applicable Excess, if the Vehicle is a sedan, hatch back, station wagon, van, or utility with a carrying capacity of less than 2 tonnes and is individually specified in the Certificate of Insurance.

Otherwise we will pay you the Market Value less the applicable Excess.

e) Our limit of liability

Our liability is limited to the Sum Insured of the item, less the applicable Excess.

f) Unspecified vehicles

We will pay the purchase or factory cost price paid by you for the Vehicle, plus the costs incurred by you for any improvements, repairs, or your Accessories added to the Unspecified Vehicle, less the applicable Excess, provided that:

- i) the Vehicle is a Total Loss; and
- ii) you supply us with a copy of the purchase invoice; and
- iii) that no more than 120 days have elapsed since the date of purchase and the date of the loss, destruction, or damage;

otherwise we will pay the Wholesale Market Value, less the applicable Excess.

g) Vehicles under bailment or floor plan

Where the Vehicle is subject to a bailment or floor plan agreement, we will pay the difference between the amount recoverable under such agreement and the cost of any improvements including your Accessories added to the Vehicle prior to the loss, destruction, or damage, less the applicable Excess.

h) Customers' vehicles

When the Customers' Vehicle is a Total Loss we will pay the Market Value less the applicable Excess.

i) Excess

- i) You may be required to pay the Excess or Excesses specified in the Certificate of Insurance.

There are a number of different Excesses that may apply. They are:

- A) Basic Excess. This Excess may apply to an event or to a Vehicle.
- B) Voluntary Excess;
- C) Age Excess;
- D) Undeclared Regular Driver Excess.

- ii) You may also be required to pay any applicable Age Excess or Undeclared Regular Driver Excess (or both) in addition to the Basic Excess if the Vehicle was being

driven by a person within the Age Excess limits specified in the Certificate of Insurance or an Undeclared Regular Driver at the time of the loss, damage or liability.

- 2) If you are covered for the incurring of a liability under Section 4.2(2), we will pay for the claim on the basis set out below.

a) Our limit of liability

We will pay up to a total of \$30,000,000 or the amount specified in the Certificate of Insurance:

- i) in relation to any one accident or series of accidents arising out of the one event; and
- ii) your legal costs and expenses incurred with our written consent or recoverable from you by a claimant;

less the applicable Excess.

b) Legal expenses

We will pay for all legal expenses incurred with our written consent in defending any court proceeding for a claim.

4.4 Additional benefits

- 1) If your claim is covered under Section 4.2(1) we will extend your cover to include the following Additional Benefits. Unless otherwise indicated, any amount we pay for these Additional Benefits is not in addition to the Sum Insured.

a) Loss of use of customers' vehicles

- i) We will pay for loss of use of Customers' Vehicles when the loss, destruction, or damage occurs in an accident involving another Vehicle away from the Premises and we are satisfied that the accident was not your fault, and you can provide us with the name, address, and registration number of the person who caused the loss, destruction, or damage.

In order for us to resolve whether you or another person was at fault, we may request additional information – for example witness statements or photographs – and consider any laws, bylaws or rules that may apply to the claim circumstances. If we are unable to determine who was at fault, the Excess is payable.

- ii) We will not pay more than the reasonable cost of hiring a replacement Vehicle of a similar make, model, or carrying capacity while the Customers' Vehicle cannot be used.

b) New vehicle

- i) If a Specified Vehicle is:
 - A) a sedan, station wagon, van, or utility with a carrying capacity of less than 2 tonnes;

- B) less than 24 months old from original registration;
- C) has travelled less than 40,000 kilometres; and
- D) a Total Loss;

we may choose to replace your Vehicle with a new vehicle of the same make, model, and series including its accessories provided it is available locally, or if that vehicle is no longer available, then its nearest equivalent.

- ii) If we choose to replace the Vehicle and you:

- A) are a licensed Vehicle dealer duly authorised to sell vehicles which are of the same make and model as the damaged vehicle;
- B) obtained a trade or factory discount when you purchased the vehicle; or
- C) are able to obtain a trade or factory discount on the replacement vehicle of the same make model;

then we will only pay the actual invoice cost to you to replace the vehicle plus the cost of any Accessories or manufacturer's options added to the vehicle prior to the loss, destruction, or damage occurring.

c) Taxi fare

We will pay up to \$100 in addition to the Sum Insured for Specified Vehicles, Unspecified Vehicles, or Customers' Vehicles, for the cost of a taxi fare paid by you for transport from the scene of the accident where the Vehicle is damaged and requires towing, provided that you provide us with a receipt.

d) Return of vehicle

We will pay up to \$5,000 in addition to the Sum Insured, if your Vehicle is stolen and then recovered, the reasonable costs incurred in recovery and return of the Vehicle to the place it is usually garaged.

e) Use of trailers

We will pay up to \$500 in addition to the Sum Insured for Specified Vehicles, Unspecified Vehicles, or Customers' Vehicles, for loss, destruction, or damage to any two or four-wheel trailer, other than a caravan, while it is attached to the Vehicle.

f) Approved security device

You will not lose your No Claim Bonus applicable to any Specified Vehicle following the Theft or any attempted Theft of the Specified Vehicle, if:

- i) the Specified Vehicle was fitted with a security device approved by us; and

- ii) the device was armed and operable at the time of the Theft or attempted Theft.

g) Personal effects

We will pay up to \$500 in addition to the Sum Insured for Specified Vehicles, Unspecified Vehicles, or Customers' Vehicles, for loss, destruction, or damage to Personal Effects belonging to:

- i) you;
- ii) members of your immediate family; or
- iii) your employees;

if lost, destroyed, or damaged in an accident, fire, or Theft involving the Vehicle.

h) Funeral costs

- i) We will pay up to a total of \$5,000 in addition to the Sum Insured, for funeral expenses in the event of the death of the driver of the Specified Vehicle and the death occurred:
 - A) as a direct result of an accident involving the use of a Specified Vehicle in the Period of Insurance; and
 - B) within 12 calendar months of the date of the accident.
- ii) You will need to provide us with a certified copy of the death certificate and any other reasonable evidence to support the claim. If you are unable to provide the requested evidence, this may result in a reduction or denial of your claim.
- iii) We will not apply any Excess for a claim under this additional benefit.

i) Windscreen and window glass specified vehicles

- i) We will pay for broken windscreen glass or window glass without loss of the No Claim Bonus referred to in Section 4.4(1)(o) applicable to the Specified Vehicle.
- ii) We will not apply any Excess for a claim for a broken windscreen glass or window glass but only if the Specified Vehicle has a carrying capacity of less than 5 tonnes.

j) Towing

We will pay in addition to the Sum Insured, the reasonable cost of protection and removal of the Vehicle to a suitable repairer, repair centre, or place of safety we authorise.

k) Constructive total loss

We will treat, at your option, any Unspecified Vehicle as though it was a Total Loss provided that:

- i) the vehicle is less than 12 months old from the date of manufacture;

- ii) it has travelled less than 10,000 km at the date of loss;
- iii) the damage incurred is more than 25% of the Wholesale Market Value; and
- iv) the Wholesale Market Value is \$30,000 or greater.

l) Removal of debris

We will pay following loss, destruction, or damage to Unspecified Vehicles and Customers' Vehicles at the Premises up to:

- i) \$25,000; or
- ii) the amount specified in the Certificate of Insurance;

whichever is the greater, for the cost of removal, storage, or disposal of debris.

m) Automatic reinstatement of sum insured

We will automatically reinstate the Sum Insured if we pay you for a loss under this section provided that:

- i) for Burglary or Theft, we will only reinstate once during the Period of Insurance;
- ii) you pay any additional premium required by us; and
- iii) for hail and Flood, we will not automatically reinstate.

n) Repair guarantee

We guarantee workmanship of the repairs authorised by us. This guarantee is for the life of your vehicle and is in addition to your statutory rights against the repairer and warranties that you have from the repairer directly.

Wear and tear is not covered by this guarantee.

We will arrange for repairs authorised by us to be rectified at no cost to you if we agree that the repairs are defective. Before we can arrange for the repairs to be rectified, you must allow us to inspect the vehicle.

o) No claim bonus

A "No Claim Bonus" is a discount that can be earned in recognition of a claims-free record.

No Claim Bonus is calculated on Specified Vehicles unless your claims history does not entitle you to a No Claim Bonus.

We will calculate your No Claim Bonus based on:

- i) The claims history of you; and
- ii) The number of years you have been licenced.

For each year there is no at-fault claims made on a Specified Vehicle, we allow a discount from the basic premium for that Specified Vehicle. The discount increases each claims-free year you have for a Specified Vehicle until the maximum is reached.

The No Claims Bonus discount that applies to your basic premium is shown in your current Certificate of Insurance.

Each year at renewal, a Specified Vehicle's No Claim Bonus is re-calculated.

You will not lose the No Claim Bonus applicable to the Specified Vehicle, if the Specified Vehicle was involved in an accident if:

- i) you can provide us with the name and address of the other driver and the registration number of the other vehicle; and
- ii) the driver of the other vehicle was entirely at fault for the accident; or
- iii) your claim is only for window glass in a single accident.

We will decide who is at fault. For us to resolve whether you or another person was at fault, we may request additional information – for example witness statements or photographs – and consider any laws, bylaws or rules that may apply to the claim circumstances.

In all other cases, at the next renewal you will lose part of your No Claim Bonus following each at-fault claim. The discount then increases again after each claims-free year up to the maximum.

p) Hire cost following theft

- i) We will pay up to \$1,000 in addition to the Sum Insured following the Theft of the Specified Vehicle for the cost of hiring a similar vehicle for a period:
 - A) up to a maximum of 14 days; or
 - B) up to the date of recovery and repair of the Specified Vehicle; or
 - C) until we pay your claim if your Specified Vehicle is a Total Loss,

whichever is the shortest period of time.

- ii) We will pay you up to \$2,000 in total for any excess you are required to pay, and the amount of security bond forfeited under a hire car agreement if:
 - A) we have agreed to pay the cost of the hire car; and
 - B) the excess or security bond is payable as a result of loss or damage to the hire car or loss or damage caused by the hire car during the hire period we cover.

This Additional Benefit does not apply if you have selected Optional Cover 4.7(7) Hire Costs Following Loss, destruction, or damage – Specified Vehicles.

q) No fault excess

- i) If your Specified Vehicle is a sedan, station wagon, van, or utility with a carrying capacity of less than 2 tonnes, you will not be required to pay an Excess for a claim, provided that:

- A) you can provide us with a name and address of the other driver and the registration number of the other vehicle;
- B) the driver of the other vehicle was entirely at fault for the accident; and
- C) the amount of the claim exceeds the amount of any Excess which would have otherwise been applicable.

- ii) Where there is a dispute as to fault, you will need to pay the applicable Excess, however this will be refunded to you if it is established that the other driver was entirely at fault.

r) Emergency repairs

We will pay up to \$500 in addition to the Sum Insured for the reasonable cost of immediate repairs to enable your Vehicle to be driven safely following loss, destruction, or damage.

s) Expediting expenses

We will pay, in addition to the Sum Insured, up to:

- i) \$1,000; or
- ii) 15% of the normal repair costs;

whichever is the lesser, for the reasonable cost necessary to effect immediate temporary repairs or to expedite permanent repairs to your Specified Vehicle.

The Specific Exclusions in Section 4.5 and the General Exclusions in Section 17 apply to these Additional Benefits.

- 2) If you are covered for the incurring of a liability under Section 4.2(2), we will extend your cover to include the following Additional Benefits. Unless otherwise indicated, any amount we pay for these Additional Benefits is not in addition to the Sum Insured.

a) Substitute specified vehicle

We will pay for liability arising from the use of a substitute vehicle, provided that:

- i) the Specified Vehicle must be unable to be used as a result of damage, or mechanical or electrical breakdown or failure;
- ii) the substitute vehicle must not be owned by you but must be in your custody or control;
- iii) the substitute vehicle must be similar to the Specified Vehicle; and
- iv) not more than one substitute vehicle may be used at any one time in respect of the Specified Vehicle.

b) Use of trailer

We will pay for liability arising from any trailer or caravan while it is:

- i) attached to the Vehicle; or
- ii) accidentally becomes detached from the Vehicle while in motion.

c) Uninsured motorist specified vehicles

We will pay up to \$5,000 where a Specified Vehicle is only insured for Third Party Property Damage or Third Party, Fire and Theft, and is damaged in an accident with an uninsured vehicle, provided that:

- i) you can provide us with the name and address of the other driver and the registration number of the other vehicle;
- ii) the driver of the other vehicle was entirely at fault for the accident;
- iii) the damage to the vehicle is not otherwise insured under this, or any other policy of insurance entered into by a third party or a policy required by law;
- iv) the other vehicle was not owned by you, or registered in your name, or the name of any other person with whom you ordinarily reside, or who ordinarily resides with you; and
- v) you agree not to take any separate action against the other driver without our consent.

d) Legal liability for death or bodily injury – CTP Recovery

- i) We will indemnify you and any of your officers or employees for legal liability under a transport accident scheme or to a nominal insurer under a transport accident scheme for any death of, or bodily injury to any person that would have been covered under any contract required to be effected by or under a State law in which the Vehicle was registered or required to be registered.
- ii) We will not pay:
 - A) any amount that exceeds the limit of liability specified in Section 4.3(2)(a) Our Limit of Liability in respect to any one event;
 - B) if there has been a failure to register the Vehicle or otherwise comply with the requirements of a transport accident scheme and you knew or ought reasonably to have known of such failure;
 - C) for the death or bodily injury to any person employed by, or deemed by any legislation in respect of work related accident compensation to be employed by, or working for you;
 - D) any fines, penalties, punitive, or exemplary damages; or
 - E) if the accident is attributable in whole or in part to a motor vehicle defect that arose from a wrongful act or omission of a manufacturer or a person who carries on a business of repair of motor vehicles.

e) Removal of debris

We will pay up to \$5,000 in addition to the Limit of Liability, for Specified Vehicles, Unspecified Vehicles, or Customers' Vehicles, for the cost of removal and disposal of any debris resulting from:

- i) goods falling from the Vehicle; or
- ii) the spillage, escape, or explosion of goods being carried by the Vehicle;

as a result of an accident.

f) Dangerous goods

We will pay up to \$500,000 in respect of your liability arising out of the use of your Vehicle for the commercial transportation of:

- i) any substances which form explosive mixtures with organic and other readily oxidisable materials; or
- ii) petroleum products, toxic chemicals, corrosive acids, inflammable liquids, gases, explosives, or inflammable substances having a closed cup flashpoint below 22.7° Celsius;

provided that the transportation complies with The Australian Code for the Transport of Dangerous Goods by Road and Rail.

g) Liability for loss of use of customers' vehicles

- i) We will pay for loss of use of Customers' Vehicles arising from your liability to pay for loss, destruction, or damage to the Customer's Vehicle.
- ii) We will not pay more than the reasonable cost of hiring a replacement Vehicle of a similar make, model, or carrying capacity.

h) Emergency services costs

We will pay up to \$5,000 for your liability for charges imposed by the following authorities, as a result of an accident involving your Vehicle:

- i) Fire Brigade;
- ii) State, Federal or Local Government Emergency Services;
- iii) Police.

i) Persons insured

We will treat as though he or she were you, any person who:

- i) with your consent was driving, using, or in charge of the insured Vehicle at the time of the accident, but not a contractor or a subcontractor or their employees; or
- ii) at the time of the accident was an authorised passenger in your Vehicle;

unless stated otherwise in Section 4.

The Specific Exclusions in Section 4.5 and the General Exclusions in Section 17 apply to these Additional Benefits.

- 3) If you are covered under Section 4, we will extend your cover to include the following Additional Benefits.

a) Hail damage to customers' vehicles at the premises

We will pay for loss, destruction, or damage to Customers' Vehicles at the Premises caused by hail. The most we will pay for all losses at all Premises is \$50,000 per event and, in the aggregate, during any one Period of Insurance.

b) Cross liability

Where the definition of "you" or "your" comprise more than one party, if one party causes personal injury or property damage and thereby becomes legally liable to one or more of the other parties, we will give cover to the party which has caused the personal injury or property damage, but:

- i) our Limit of Liability is not increased by this Additional Benefit; and
- ii) this Additional Benefit is always subject to the operation of the Joint Insureds provision in Section 18(4) Joint Insureds.

c) Automatic additions and deletions of specified vehicles

- i) We will insure you for loss, destruction, or damage under Defined Event 4.2(1) for any additional Specified Vehicle purchased by you, up to:
 - A) \$100,000;
 - B) the current Market Value; or
 - C) the Wholesale Market Value if you are a licensed dealer or a person engaged in buying or selling vehicles as part of the Business of trading vehicles;whichever is the lesser, provided you:
 - A) notify us within 14 days of the purchase or sale; and
 - B) pay any additional Premium requested by us.
- ii) We will allow a Premium adjustment for any Specified Vehicle sold or disposed of in the Period of Insurance.

d) Indemnity for your employer or principal

We will pay all sums for which your employer, principal, or partner, becomes legally liable to pay as your employer, principal, or partner, in respect of personal injury or property damage caused by, or arising out of, the use of the Vehicle, as if they were you.

e) Employees using own motor vehicle

We will pay for your liability, but not that of your employee, arising out of your employees using their own vehicle while working for your Business.

f) Transportation of specified or unspecified vehicles

We will pay up to \$300,000 or the amount specified in the Certificate of Insurance, for any one event, for loss, destruction, or damage, in the Period of Insurance, to any:

- i) Specified Vehicles; or
- ii) Unspecified Vehicles;

while being transported by road, rail, sea, or air, or while being loaded before, or unloaded after, the transportation.

The Specific Exclusions in Section 4.5 and the General Exclusions in Section 17 apply to these Additional Benefits.

4.5 Specific exclusions

We do not cover you under Section 4 in the following circumstances, other than to the extent indicated.

1) Alcohol or drugs

- a) We will not pay for loss, destruction, or damage, or the incurring of a liability at a time when the Vehicle is being driven by or is in charge of, any person:
 - i) under the influence of any drug or intoxicating liquor;
 - ii) who is subsequently convicted of or issued with an infringement notice for driving under the influence of alcohol, drugs, or alcohol and drugs;
 - iii) who is subsequently convicted of or issued with an infringement notice for driving while the percentage of alcohol in the blood or prescribed concentration of a prescribed illicit drug, exceeds that permitted by the law of any State or Territory; or
 - iv) who is subsequently convicted of or issued with an infringement notice for refusing to provide or allow the taking of a sample of:
 - A) breath;
 - B) blood;
 - C) urine;
 - D) saliva; or
 - E) any other sample as requested by police;for preliminary testing or for analysis as required by the law of any State or Territory for the purpose of ascertaining the percentage of alcohol or presence of illicit drugs in the blood or other sample; or

- v) who refused a test to determine alcohol or drug levels, including a failure to report to a police station within the legal time frame following an incident that requires a drug or alcohol test, or did not remain at the scene of the incident for the time required by law, or until the police arrived, without any reasonable excuse.

b) But paragraph (a) does not apply:

- i) to loss, destruction, or damage to your Vehicle if a person, other than you, was driving or in charge of the Vehicle, and you prove that you did not know, and could not reasonably have known, that the other person was under the influence of any drug or intoxicating liquor; or
- ii) to your vicarious liability in connection with (b)(i) above however we will not indemnify the driver for his or her liability.

2) Unroadworthy

We will not pay for loss, destruction, or damage, or the incurring of a liability resulting directly or indirectly from the:

- a) unroadworthy; or
- b) unsafe;

condition of the Vehicle if you knew, or should reasonably have known, the condition of the Vehicle at the time of the loss, destruction, damage, or the incurring of a liability.

3) Intentional act

We will not pay for loss, destruction, or damage, intentionally caused by, or a liability intentionally incurred by, you or a person acting with your express or implied consent.

4) Deliberate exposure

We will not pay for loss, destruction, damage, or the incurring of a liability as a result of:

- a) a deliberate exposure to exceptional danger; or
- b) any wilful or reckless act while you are, or any other person with your express or implied consent, is driving or in charge of the Vehicle.

5) Unlawful or illegal purpose

We will not pay for loss, destruction, damage, or the incurring of a liability to the extent that the use of the Vehicle for an unlawful or illegal purpose, by you or by a person with your express or implied consent, caused or contributed to the loss, destruction, damage or the incurring of a liability.

6) Speed tests

We will not pay for loss, destruction, damage, or the incurring of a liability at a time when the Vehicle is being used in or tested in preparation for:

- a) racing or pace making;

- b) a reliability, navigational, or similar trial; or
- c) a speed, hill-climbing, or similar test;

by you, or by some other person with your express or implied consent.

7) Race track or testing grounds

We will not pay for any loss, destruction, or damage or the incurring of a liability caused by the use of a Vehicle on a racetrack or testing ground or while engaged in any motor sport or any other racing activities.

8) Experiment, test, trial, or off road demonstration

- a) We will not pay for loss, destruction, or damage, or the incurring of a liability at a time when the Vehicle is being used in connection with an experiment, test, trial, or off road demonstration.
- b) We will pay if an off road capability demonstration of a Vehicle took place on an off-road course at your Business Premises.

9) Carrying, lifting, or towing capacity

- a) We will not pay for loss, destruction, damage, or the incurring of a liability as a result of the Vehicle carrying, lifting, or towing a load greater than the designed carrying, lifting, or towing capacity of the Vehicle.
- b) We will pay if a person, other than you, was driving or in charge of the Vehicle, if you prove that you did not know, and could not reasonably have known, that the Vehicle was carrying, lifting, or towing a load greater than its designed capacity.

10) Hire vehicle

We will not pay for loss, destruction, damage, or the incurring of a liability at a time when the Vehicle is being used in the course of the business of carrying passengers for hire or reward, or let on hire by you as lessor, unless where the Vehicle is specified in the Certificate of Insurance as a loan Vehicle or is being used as a car pool Vehicle or for a car sharing agreement for social or other similar purposes, including travelling to and from work.

11) Unlicensed driver

- a) We will not pay for loss, destruction, damage, or the incurring of a liability at a time when:
 - i) you are; or
 - ii) any person with your express or implied consent is;
driving the Vehicle and is not authorised under the law in force in the State or Territory in which the Vehicle is being driven.

b) But Paragraph (a) does not apply:

- i) to loss, destruction, or damage to your Vehicle if a person, other than you, was driving or in charge of the Vehicle, and you prove that you did not know, and could not reasonably have known, that the other person was under the influence of any drug or intoxicating liquor or that the other person was not authorised under the relevant law; or
- ii) to your vicarious liability in connection with (b)(i) above, however, we will not indemnify the driver for his or her liability

12) Liquid petroleum gas

We will not pay for loss, destruction, damage, or the incurring of a liability resulting from the use of liquid petroleum gas (LPG) as a source of fuel, unless there has been strict compliance with all relevant statutes and regulations with respect to such use.

13) Customers' vehicles towing or transportation

We will not pay for loss, destruction or damage or the incurring of any liability to any Customers Vehicle towed by, carried on, loaded onto, or unloaded from any conveyance, except and to the extent provided in Optional Cover 4.7(1) Towing or Transportation of Customers' Vehicles.

14) Reasonable care after accident

We will not pay for loss, destruction, or damage occurring as a result of you failing to take steps that are, in the circumstances, reasonable for the security of the Vehicle after loss, destruction, or damage to the Vehicle.

15) Seizure or confiscation

We will not pay for loss, destruction, damage, or the incurring of a liability resulting from lawful seizure, confiscation, nationalisation, or requisition of the Vehicle.

16) Connivance, family, or employees

We will not pay for loss, destruction, or damage resulting from your connivance, or caused by any of your Family or your employees, or a person lawfully on the Premises.

17) Trickery

We will not pay for loss, destruction, or damage resulting from trickery, dishonesty, fraud, or subsequently dishonoured negotiable instruments, except and to the extent provided in Optional Cover 4.7(3) Unaccompanied Test Drives – Theft by a prospective buyer.

18) Vehicles under bailment or floor plan

We will not pay for loss, destruction, or damage to Vehicles which:

- a) are covered by an insurance policy specified in the Certificate of Insurance that is arranged by you or issued to you or on your behalf, under any bailment or floor plan agreement;
- b) would have been covered under that policy but for the application of any policy deductible or excess, an average or underinsurance clause or the policy limits or sub-limits; or
- c) would have been covered under that policy had it remained in force or cover had not been invalidated.

19) Hail damage to unspecified vehicles

We will not cover you for:

- a) a period of 48 hours from the time of the commencement of the Period of Insurance for loss or damage, caused by hail to Unspecified Vehicles at the Premises, unless this insurance commences directly after another insurance policy covering the same Unspecified Vehicles expired, without a break in cover; or
- b) the amount of any increase in cover, for a period of 48 hours from the time of the increase, for loss or damage caused by hail to Unspecified Vehicles at the Premises.

20) Cyber and electronic data

We will not pay for loss, damage, liability, claim, cost or expense directly or indirectly caused by or contributed to by:

- a) errors or omissions involving access to, processing of, use of or operation of any computer system or any unavailability or failure to access, process, use or operate any computer system, or
- b) any unauthorised, malicious or criminal act (or any threat or hoax of this) involving access to, processing of, use of or operation of any computer system,

provided that this exclusion will not apply to physical loss or damage directly caused by an Defined Event we cover you for under this cover section except if caused by vandalism or a malicious act. For example, we will not cover you if your Vehicle's GPS or security system cannot be used because of a cyber attack, but we will cover you for Theft of your Vehicle if it is stolen after your Vehicle's security system is impacted by a cyber attack.

21) Data loss

- a) We will not pay for loss, damage, liability, claim, cost or expense directly or indirectly caused by or contributed to by loss of use, reduction in functionality, repair, replacement, restoration or reproduction of any data including the value of any data.

22) Communicable disease

- a) We will not cover any loss, damage or liability directly caused by a Communicable Disease or the threat or perceived threat of any Communicable Disease.

See also the General Exclusions in Section 17, which are applicable to all Sections.

4.6 Specific conditions

If you are covered under Section 4 of this policy, you must comply with the Specific Conditions noted below otherwise we may not pay your claim under Section 4. The course of action we take when you fail to follow a Specific Condition will be considered in each circumstance based on what impact or effect your failure to comply caused or contributed to the claim or our decision to issue your policy.

1) Undeclared regular driver

You must advise us within 14 days of any regular drivers that have been granted regular private use of an insured Vehicle, otherwise you must pay the Undeclared Regular Driver Excess.

2) Reasonable care

You must at all times take reasonable care:

- a) for the safety and protection of the Vehicle;
- b) to secure and lock the Vehicle whenever it is unattended;
- c) to maintain the Vehicle in good repair;
- d) to prevent bodily injury or property damage;
- e) to comply with all relevant statutory obligations and regulations imposed by any public authority;
- f) to comply strictly with the requirements of any Motor Car Traders Act or similar law or regulation relating to sales of motor vehicles in your state;
- g) to ensure that any regular driver will complete a vehicle custodial agreement and driver declaration; and
- h) to ensure that any persons that will drive Vehicles will be duly licensed in the state or territory that the Vehicle is used in and have not in the last 5 years:
 - i) been refused insurance or had a policy cancelled;
 - ii) had a compulsory excess increased or imposed;
 - iii) been fined or convicted for any driving offences;
 - iv) had their license cancelled or suspended;
 - v) had an accident or made a motor vehicle insurance claim; and
 - vi) been charged or convicted of any criminal offence.

We may reduce the amount we pay for a claim to the extent that your failure to comply with these conditions caused or contributed to the loss.

3) Vehicle keys following burglary or theft

You must provide us with all keys for the stolen Vehicle that you had in your possession prior to the Burglary or Theft.

4) Notifying police

You must notify the Police as soon as reasonably possible in the event that your Vehicle(s) is stolen, lost, vandalised or maliciously damaged, and provide us with the Police Report number.

See also the General Conditions in Section 18 which are applicable to all Sections.

4.7 Optional covers

If selected by you and specified in the Certificate of Insurance, the Optional Cover as indicated below will apply.

1) Towing or transportation of customers' vehicles

- a) We will pay for loss, destruction, or damage to any Customers' Vehicle being:
 - i) towed by;
 - ii) carried by;
 - iii) loaded onto; or
 - iv) unloaded from;a Specified Vehicle under your direct control or the control of your employees, provided that you and your employees:
 - A) comply with the relevant law of any State or Territory in respect of the towing or carrying of vehicles; and
 - B) comply with the Vehicle manufacturer's documented towing or carrying instructions applying to the Vehicle being towed or carried. We will not pay if your noncompliance causes or contributes to the loss, destruction or damage.
- b) We will not pay more than \$250,000 or the amount specified in the Certificate of Insurance in respect of any one event, whichever the greater.

2) Depreciated vehicle allowance

We will pay up to the amount specified in the Certificate of Insurance for a reduction in the value of an Unspecified Vehicle consequent upon loss, destruction, or damage, other than a Total Loss, as follows:

- a) if the Vehicle is new, we will pay 5% of the factory invoice cost, provided that the Vehicle:
 - i) has lost, or has limited, its new vehicle manufacturer's warranty; or
 - ii) is unavailable for sale for a period greater than 30 days.

- b) If the Vehicle is used, we will pay 2.5% of the Wholesale Market Value but excluding any costs of any reconditioning undertaken by or for you before the loss, destruction or damage and provided that the Vehicle is unavailable for sale for a period greater than 30 days.

3) Unaccompanied test drives – theft by a prospective buyer

- a) We will pay for loss by Theft or attempted Theft of a Specified Vehicle or Unspecified Vehicle when possession has been passed to a prospective buyer for the purpose of evaluating or testing and provided that you obtain and retain on your Premises:
 - i) a copy of the prospective buyer's or test driver's current photo driver's licence; and
 - ii) a copy of a secondary form of identification.
- b) You may be required to pay an Excess of \$2,500, or the amount specified in the Certificate of Insurance.
- c) For the purposes of this Optional Cover, a secondary form of identification means any one of the following:
 - i) Medicare card;
 - ii) Pensioners concession card;
 - iii) Watercraft operator licence;
 - iv) Firearms licence;
 - v) valid credit card issued by a bank, building society, or credit union;
 - vi) valid photo student identity card;
 - vii) Federal or State government employee identity card;
 - viii) Department of Veteran Affairs card;
 - ix) valid Australian Passport;
 - x) Telephone, Gas or Electricity bill; or
 - xi) Water rates, Council rates, or land evaluation notice;

and is current and is in the test driver's name.
- d) You must also obtain contact phone numbers and current residential and postal address details if the Vehicle is loaned out in excess of 12 hours for the purpose of evaluating or testing.

4) Advertising costs – hail damage

- a) We will pay for costs incurred by you to advertise the sale of any Unspecified Vehicle, insured by us, following loss, destruction, or damage caused by hail while at the Premises, provided that:
 - i) we have given you written approval prior to the incurring of the costs; and
 - ii) such costs incurred by you must be in addition to any of your usual advertising costs.
- b) We will not pay for advertising costs which are:

- i) not directly related to the sale of hail damaged Vehicles covered under this Policy;
- ii) greater than \$250 per Vehicle; or
- iii) greater than \$25,000 for any one event.
- c) The most we will pay for all claims in the Period of Insurance is \$50,000 or the amount specified in the Certificate of Insurance.

5) Dealer holdback (new vehicles)

- a) We will pay for any loss of Dealer Holdback arising from a valid claim under Section 4.2 (1) Loss, destruction, or damage to the Vehicle, to a new Unspecified Vehicle provided that a replacement Vehicle cannot be sourced from the manufacturer, distributor, importer, or other supplier to satisfy a customer order.
- b) We will not pay more than:
 - i) \$10,000 or the amount specified in the Certificate of Insurance, for any one event; and
 - ii) \$25,000 in total for all claims during the Period of Insurance.

6) Maximum No Claim Bonus Protection – Specified Vehicles

If the Specified Vehicles are eligible for the 'Maximum No Claim Bonus Protection' optional cover, your current Certificate of Insurance will show "No Claims Bonus protected" when this option has been selected.

You are entitled to make one at-fault claim in the Period of Insurance without losing the No Claim Bonus referred to in Section 4.4 1) o) applicable to the Specified Vehicle, if the Specified Vehicle:

- a) has a carrying capacity of less than 2 tonnes; and
- b) is receiving our maximum No Claim Bonus discount.

7) Hire costs following loss, destruction, or damage – specified vehicles

When loss, destruction, or damage to the Specified Vehicle is covered under Defined Event 4.2(1) of this policy:

- a) We will pay the reasonable cost incurred by you for hiring a replacement Specified Vehicle, of similar make and model or carrying capacity, for loss, destruction, or damage to the Specified Vehicle caused by accident or fire for:
 - i) up to \$100 per day;
 - ii) a maximum period of 14 days; and
 - iii) no more than \$1,000 in total.

Until your Specified Vehicle is repaired, or until we pay your claim if your Specified Vehicle is a Total Loss, whichever is the shortest period of time.

- b) We will pay you up to \$2,000 in total for any excess you are required to pay, and the amount of security bond forfeited under a hire car agreement if:
 - i) we have agreed to pay the cost of the hire car; and
 - ii) the excess or security bond is payable as a result of loss or damage to the hire car or loss or damage caused by the hire car during the hire period.

The Specific Exclusions in Section 4.5 and the General Exclusions in Section 17 apply to these Optional Covers.

- a) drawn as wages and salaries more than 24 hours after the withdrawal;
- b) while in a securely locked safe or strongroom; or
- c) when removed from the safe or strongroom for preparation for banking.

3) Loss, destruction, or damage to money on the premises outside your business hours

We will not pay for loss, destruction, or damage to Money on the Premises:

- a) while in a securely locked safe or strongroom; or
- b) when removed from the safe or strongroom for preparation for banking.

4) Loss, destruction, or damage to money on the premises while in a securely locked safe or strongroom, or when removed from the safe or strongroom for preparation for banking

We will not pay for any loss, destruction, or damage:

- a) from a safe or strongroom opened by a key or by combination details, either of which has been left on the Premises outside normal Business hours, unless they have been obtained through violence or a threat of violence;
- b) which did not occur at the Premises; or
- c) if the Money is not immediately returned to a securely locked safe or securely locked strongroom:
 - i) should any interruption occur during preparation for banking; or
 - ii) while awaiting transit to your bank.

5) Loss, destruction, or damage to money in your personal custody, or in the custody of persons authorised by you, while contained in your, or their, private residence

We will not pay for any loss, destruction, or damage:

- a) which did not occur within the Commonwealth of Australia; or
- b) after the bank closing time on the next bank business day following the day the Money was first stored at the private residence.

Section 5 Money

5.1 Definitions

The meaning of the following words that apply only when used in Section 5 are shown below.

“Money in Transit”

- a) Money:
 - i) in transit to and from the Premises, while in your personal custody, or in the custody of persons authorised by you; or
 - ii) while contained in the night safe of any bank where you transact business.
- b) Money in Transit does not include Money on the Premises or in a private residence.

See also the General Definitions for the meanings of other words which are applicable to Section 5.

5.2 Defined events

If your Certificate of Insurance indicates that you have taken out cover under Section 5, we cover you for loss, destruction, or damage to Money caused by the Defined Events listed that are specified as covered in your Certificate of Insurance, occurring in the Period of Insurance, except as provided for under We Will Not Pay.

The Specific Exclusions in Section 5.5 and the General Exclusions in Section 17 also apply.

1) Loss, destruction, or damage to money in transit

We will not pay for loss, destruction, or damage:

- a) to Money in the night safe of a bank after closing time on the next bank business day following the deposit into the night safe; or
- b) that did not occur in the Commonwealth of Australia.

2) Loss, destruction, or damage to money on the premises during your business hours

We will not pay for loss, destruction, or damage to Money on the Premises:

5.3 Settlement

If your claim is covered under Section 5, we will pay you on the basis set out below.

1) Our limit of liability

Our liability is limited to the Sum Insured, less the applicable Excess.

2) Automatic reinstatement of the sum insured

If we agree to pay you for loss under Section 5, we will reinstate your Money Sum Insured provided that you pay any additional premium required by us.

5.4 Additional benefits

- 1) If your claim is covered under Section 5.2(4), we will also cover you for the following Additional Benefit. You must obtain our consent prior to any of the costs being incurred. Any amount we pay for this Additional Benefit is in addition to the Sum Insured.

a) Safes, strongrooms and automatic teller machines

We will pay up to a total of:

- i) \$5,000; or
- ii) the amount specified in your Certificate of Insurance;

whichever is greater, during the Period of Insurance for loss, destruction, or damage to the safe, strongroom or automatic teller machine caused by any person, not authorised by you, attempting to effect entry.

The Specific Exclusions in Section 5.5 and the General Exclusions in Section 17 apply to this Additional Benefit.

- 2) If your claim is covered under Section 5, we will extend your insurance to include the following Additional Benefits. Any amount we pay for these Additional Benefits is in addition to the Sum Insured.

a) Seasonal increase in sum insured

We will increase the Sum Insured for Money by 35% for either of the following periods:

- i) 5 days prior to any Gazetted Public or Bank holiday until the conclusion of the following trading day; or
- ii) 20 days prior to Good Friday, and Christmas Day, until the conclusion of 10 trading days following Good Friday and Christmas Day.

b) Counterfeit money

We will pay up to \$500 in total, in the Period of Insurance, for losses you sustain due to acceptance during the Period of Insurance, in good faith and in exchange for merchandise, money or services, of counterfeit Australian currency notes.

The Specific Exclusions in Section 5.5 and the General Exclusions in Section 17 apply to these Additional Benefits.

- 3) If you are insured under Section 5, we will extend your insurance to include the following Additional Benefits. Any amount we pay for these Additional Benefits is in addition to the Sum Insured.

a) Theft by employees

- i) We will pay up to a total of \$1,000 in any one Period of Insurance for loss, destruction, or damage from acts of fraud, or dishonesty, committed by an employee or group of employees acting in collusion in the Period of Insurance, provided that you:

- A) report the matter to the Police as soon as reasonably possible after you discover the loss; and
 - B) take all reasonable steps to regain possession of the Money.
- ii) We will not pay for any loss arising from an act of fraud or dishonesty committed by:
 - A) an employee after you have knowledge of, or reasonable cause to suspect, the commission by the employee of an act of fraud or dishonesty, unless when you first obtained knowledge or reasonable cause for suspicion, the money, the subject of the loss, was in the possession of the employee; or
 - B) a Family member, your company directors or your partners.

The Specific Exclusions in Section 5.5 and the General Exclusions in Section 17 apply to this Additional Benefit.

5.5 Specific exclusions

We do not cover you under Section 5 in the following circumstances, other than to the extent indicated.

1) Shortages

We will not pay for shortages resulting from clerical or accounting errors or errors in receiving or paying out Money.

2) Discovery after ten days

We will not pay for loss, destruction, or damage not discovered within ten working days of its occurrence.

3) Family or employee

We will not pay for loss, destruction, or damage resulting from collusion, embezzlement, or misappropriation by you, any member of your Family, your company directors, your partners, or employees, except and to the extent provided in 5.4(3)(a) Theft by Employees.

4) Carriers

We will not pay for loss, destruction, or damage to Money carried by professional money carriers, professional carriers, or common carriers.

5) Unattended vehicle

We will not pay for loss, destruction, or damage from an unattended vehicle.

6) Ransom or extortion

We will not pay for loss, destruction, or damage resulting from ransom or extortion, other than actual assault or the threat of immediate violence to any person on the Premises.

7) Trickery

We will not pay for loss, destruction, or damage as a result of Trickery or deception, except and to the extent provided in 5.4(2)(b) Counterfeit Money.

See also the General Exclusions in Section 17 which are applicable to all Sections.

5.6 Specific conditions

If you are covered under Section 5 of this policy, you must comply with the Specific Conditions noted below otherwise we may reduce the amount we pay for a claim under Section 5. The course of action we take when you fail to follow a Specific Condition will be considered in each circumstance based on what impact or effect your failure to comply caused or contributed to the claim or our decision to issue your policy.

1) Burglar alarm systems

Where the Property at the Premises is protected by a burglar alarm system, you must ensure that:

- a) the burglar alarm system is made operative whenever the Premises are left unattended; and
- b) you exercise all due care to maintain all burglar alarm systems under your control so that they are in good working order at all times.

If you do not meet both of these conditions, we may refuse to pay, or reduce the amount we pay, for any claim to the extent that your failure to comply to meet these conditions caused or contributed to the loss.

See also the General Conditions in Section 18 which are applicable to all Sections.

Section 6 Glass

6.1 Definitions

The meaning of the following words that apply only when used in Section 6 are shown below.

“Advertising Signs”

Glass or plastic advertising signs, or fluorescent display tubes, in or attached to the Premises.

“Breakage”

Loss, destruction, or damage, to External Glass, Internal Glass or Advertising Signs.

“External Glass”

The following which you own or for which you are legally responsible:

- a) fixed glass in windows including window film, fanlights, and skylights; or
- b) ceramic tiled shop fronts;
forming part of any building.

“Internal Glass”

The following which you own or for which you are legally responsible:

- a) fixed glass in cabinets, table tops, shelves, and showcases;
- b) vitreous china urinals, toilet pans, and hand basins; or
- c) fixed mirrors;
in any building.

See also the General Definitions for the meaning of other words which are applicable to Section 6.

6.2 Defined events

If your Certificate of Insurance indicates that you have taken out cover under Section 6, we will cover you for the Breakage of:

- 1) **External Glass;**
- 2) **Internal Glass; or**
- 3) **Advertising Signs;**

if specified in the Certificate of Insurance, occurring during the Period of Insurance at the Premises, except as provided for under We Will Not Pay.

We will not pay for any loss, destruction, or damage if any of the Specific Exclusions in Section 6.5 or the General Exclusions in Section 17 apply.

6.3 Settlement

If your claim is covered under Section 6, we will pay you on the basis set out below.

1) External glass or internal glass

We will Reinstatement the glass in it's frame.

2) Advertising signs

We will Reinstatement the Advertising Signs.

3) Our limit of liability

Our liability is limited to the:

- a) replacement value for External Glass or Internal Glass; or
- b) Sum Insured for Advertising Signs;
less the applicable Excess.

4) Automatic reinstatement of the sum insured

If we agree to pay you for loss under Section 6, we will reinstate your Glass Sum Insured provided that you pay any additional premium required by us.

6.4 Additional benefit

If your claim is covered under Section 6, we will also cover you for the following Additional Benefit but you must obtain our consent prior to any of the costs being incurred. Any amount we pay for this Additional Benefit is in addition to the replacement value or the Sum Insured.

1) Signwriting and repairs

We will pay up to a total of:

- a) \$10,000; or
- b) the amount specified in the Certificate of Insurance;

whichever is greater, in the Period of Insurance, for the cost of the following expenses incurred by you arising from Breakage covered by this Section 6:

- i) signwriting or lettering;
- ii) temporary shuttering;
- iii) repairing damage to window frames, door frames, and burglar alarm tapes; and
- iv) replacing at cost price only, Property spoiled by broken glass;

less the applicable Excess.

The Specific Exclusions in Section 6.5 and the General Exclusions in Section 17 apply to this Additional Benefit.

6.5 Specific exclusions

We do not cover you under Section 6, in the following circumstances other than to the extent indicated.

1) Transit

We will not pay for Breakage during transit of any glass or Advertising Signs.

2) Removal or alteration

We will not pay for Breakage during the removal or alteration of any glass or Advertising Signs.

3) Framework, beadings, or fittings

We will not pay for Breakage during the removal or alterations of the framework, beadings, or other fittings.

4) Fire and other events

We will not pay for Breakage covered under Section 1 – Fire and Other Defined Events.

5) Stock in trade – glass

We will not pay for breakage to glass which you hold as stock including, but not limited to automotive windscreens and automotive glass.

See also the General Exclusions in Section 17 which are applicable to all Sections.

Section 7 Broadform liability

7.1 Definitions

The meaning of the following words that apply only when used in Section 7 are shown below.

“Additional Work”

The fitting of non-standard or after market parts or accessories, but does not include the completion of any work on a Vehicle or the fitting or refitting of parts or accessories that formed part of a Vehicle at the time the Vehicle was purchased by you.

“Aircraft”

Any vessel, craft, aerial device, or thing, designed to fly in or through the atmosphere or space, including air cushioned vehicles.

“Business”

The business, trade, or profession specified in the Certificate of Insurance including:

- a) the provision and management by you of:
 - i) canteen, social, sports, welfare, and child care facilities for your employees benefit;
 - ii) first aid, medical, fire, and ambulance services; and
 - iii) your ownership or occupation of the Premises.
- b) private work undertaken by your employees for any of your directors, partners, proprietors, officers, or executives.

“Event”

- a) A single incident;
- b) a series or number of incidents either having the same original cause or attributable to the one source; or
- c) a continuous or repeated exposure to substantially the same general conditions.

“Faulty Work”

Any error or omission in relation to:

- a) work undertaken by you;
- b) work which you fail, omit, or neglect to undertake; or
- c) advice, other than advice for a fee, which you provide or fail, omit, or neglect to provide in relation to work referred to in (a) and (b) above;

in relation to property in your physical or legal control for repair, servicing, refuelling, maintenance, alteration, inspection, valuation, testing, cleaning, or painting.

“Manufacturer”

A person or entity which:

- a) manufactures goods; or
- b) is deemed to be a manufacturer under the Trade Practices Act 1974, because it:
 - i) holds itself out to the public as a manufacturer;
 - ii) has its own brand name on the goods;
 - iii) permits another person to promote the goods manufactured by the business; or
 - iv) imports the goods.

“North America”

- a) The United States of America and Canada; and
- b) any State or Territory incorporated in, or administered by or from, either the United States of America or Canada.

“Occurrence”

An Event which results in Personal Injury or Property Damage neither expected nor intended by you, and would not be expected from the standpoint of a reasonable person in your position.

“Personal Injury”

- a) Bodily injury, sickness, or disease including death, shock, fright, mental anguish, mental injury, or disability;
- b) unlawful arrest, wrongful detention, or false imprisonment;
- c) wrongful entry or eviction or other invasion of privacy; or
- d) a publication of a libel or utterance of a slander or other defamatory material.

“Product Liability”

Your liability for Personal Injury or Property Damage caused by an Unknown Defect in Your Product but only if the Personal Injury or Property Damage occurs away from your Premises or premises leased or rented to you and after physical possession of Your Product has been passed to others.

“Property Damage”

- a) Physical loss, destruction, or damage to tangible property;
- b) loss of use of tangible property as a result of physical loss, destruction, or damage to the tangible property; or
- c) loss of use of tangible property that has not been lost, destroyed, or damaged which has caused physical injury to, or destruction or loss of, other tangible property.

“Rectifying Faulty Work”

Your liability to rectify, perform, re-perform in whole or in part, complete, or improve any Faulty Work, but only after Faulty Work has caused resultant damage.

“Territorial Limit”

Anywhere in the world, except in North America where we only cover you for Occurrences in connection with:

- a) the performance of manual work;
- b) the ownership, occupancy, or tenancy of any building, land, or structure; or
- c) an Unknown Defect in your Products, exported to, sold in, or supplied in North America, by you or on your behalf.

“Unknown Defect”

- a) A defect in, or the harmful nature of, Your Products;
- b) a defect or deficiency in any direction or advice provided or intended to be provided by you concerning the use or storage of Your Products; or
- c) a failure by you to provide direction or advice concerning the use or storage of Products;

that was not known to, or which should not reasonably have been suspected by, you or your directors, partners, or senior executives, before Your Products left your possession.

“Vehicle”

Any machine on wheels or self laid tracks, designed to be propelled by other than manual or animal power, and any trailer or other attachment designed to be drawn by any such machine, but does not include Aircraft or Watercraft, locomotives or railway rolling stock.

“Watercraft”

Any vessel, craft, or thing, designed to float or travel on, or in water, or to travel on, or through water but does not include any air cushioned vehicle.

“you” and “your”

Each person, company, or other entity specified in the Certificate of Insurance as being insured under this policy and includes:

- a) all subsidiary companies of any company specified in the Certificate of Insurance:
 - i) incorporated or acquired in the Territorial Limit;
 - ii) existing before the inception date of Section 7; and
 - iii) declared in the Proposal;
- b) all companies incorporated or acquired by a person, company, or other entity specified in the Certificate of Insurance during the Period of Insurance and relating to the Business, where the incorporation or acquisition is notified to us in writing within 60 days of the incorporation or acquisition;
- c) any:
 - i) director, executive, officer, employee, partner, or shareholder of the Business;
 - ii) office bearer or member of a canteen, social, sports, welfare, or child care facility provided by the Business for the employees' benefit;
 - iii) member of a first aid, medical, fire, or ambulance service provided by the Business; and

- iv) voluntary worker of a company, or other entity specified in the Certificate of Insurance;

while acting in such capacity; and

- d) any person engaged in the Business 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, while acting in such capacity.

“Your Product” or “Product”

Any thing, (including any packaging, containers, directions, markings, instructions, warnings, or specifications) manufactured, deemed manufactured, grown, extracted, produced, processed, assembled, constructed, erected, installed, repaired, serviced, treated, sold, supplied, resupplied, or distributed by you or for you, in the course of the Business, after physical possession has been passed to others.

See also the General Definitions for the meaning of other words which are applicable to Section 7.

7.2 Cover and limitations

If your Certificate of Insurance indicates that you have taken out cover under Section 7, we cover you against all sums for which you become liable to pay as compensation in respect of:

- 1) **Personal Injury; or**
- 2) **Property Damage;**

happening during the Period of Insurance as a result of an Occurrence within the Territorial Limit in connection with your Business.

The Specific Exclusions in Section 7.4 and General Exclusions in Section 17 also apply.

1) Our limit of liability

- a) We will pay up to the Limit of Liability subject to (b) below, less the stated Excess, for all claims for Personal Injury or Property Damage as a result of any one Occurrence during the Period of Insurance.
- b) Our total liability for all Products Liability claims are a result of all Occurrences during the Period of Insurance is limited to the Limit of Liability.
- c) We will not pay more than the Limit of Liability referred to in (a) or (b) above, regardless of the number of:
 - i) legal entities included in the definition of “you” in Section 7.1; or
 - ii) persons or organisations who sustain Personal Injury or Property Damage.
- d) If we pay a claim we will also pay in addition to the Limit of Liability referred to in (a) and (b) above for:
 - i) Legal costs and expenses incurred by you with our written consent for representation in any court, or in the settlement or defence of the claim; and

- ii) first aid costs incurred by you for first aid rendered to others at the time of an Occurrence which results in Personal Injury;

subject to (e) as detailed below.

However, if a judgement, or an amount to settle a claim, exceeds the Limit of Liability, any amount we pay for legal costs and expenses is limited to the proportion the Limit of Liability bears to the judgement or settlement sum.

- e) The costs and expenses we will pay under (d) are included in the Limit of Liability for:
 - i) Claims arising from Personal Injury or Property Damage occurring during Business visits to North America by your directors or employees who are normally resident outside North America; and
 - ii) Product Liability claims.
- f) The Excess that applies to each claim is as specified on your Certificate of Insurance.

2) Discharge of liabilities

- a) We may at any time pay to you, in respect of all claims:
 - i) the amount of the Limit of Liability; or
 - ii) any lesser sum for which the claims can be settled;after deduction of any sum already paid as compensation in respect of the claims.
- b) Upon the payment set out in (a), we will relinquish control of, and be under no further liability under this Section in connection with the claims except for costs, charges and expenses:
 - i) recoverable from you in respect of the period prior to the date of the payment, whether or not pursuant to an order made subsequently; and
 - ii) incurred by us or incurred by you with our written consent prior to the date of the payment.
- c) We will not pay for any claim or judgement or defend any suit after our Limit of Liability has been exhausted.

3) Property in your physical or legal control

We will pay for Property Damage to property in your physical or legal control but not belonging to you up to:

- a) \$100,000; or
- b) the amount specified in the Certificate of Insurance;

whichever is greater, for any one Occurrence, but we will not pay for liability for loss or damage to:

- i) Money; or
- ii) Vehicles or Watercraft except and to the extent provided in Section 7.6(1) Vehicles or Watercraft in your Physical or Legal Control.

4) Building and demolition

We will pay for claims arising from the alteration of, or addition to, existing buildings:

- a) that are owned or occupied by you; and
- b) where the total cost of the alteration or addition does not exceed \$500,000.

5) Underground cables, pipes and services

You may be required to pay an Excess of:

- a) \$2,000; or
- b) the amount specified in the Certificate of Insurance for Section 7;

whichever is the greater, for each claim in respect of Property Damage to underground cables, wires, pipes, or other services including their supports and fittings.

6) Contractual liabilities

We will only pay for claims arising out of a liability assumed by you under any contract or agreement, where:

- a) the liability would have been implied by law in the absence of the contract or agreement;
- b) the contract or agreement is specified in the Certificate of Insurance, as insured under Contractual Liability; or
- c) the liability is in respect of a claim made by a lessor or landlord for indemnity for:
 - i) Personal Injury; or
 - ii) Property Damage;

under the provisions of a lease or agreement for tenancy of premises occupied by you in connection with the Business, but not in respect of Property Damage to buildings, occupied in whole or in part by you, or their contents.

7.3 Additional benefits

If you are covered under Section 7, we will extend your cover to include the following Additional Benefits. Any amount we pay for these Additional Benefits is not in addition to the Limit of Liability.

1) Cross liability

Where the definition of “you” or “your” comprise more than one party, if one party is liable to one or more of the other parties for Personal Injury or Property Damage, we will give cover to the party which has caused the Personal Injury or Property Damage, but:

- a) our Limit of Liability is not increased by this Additional Benefit; and
- b) this Additional Benefit is always subject to the operation of the Joint Insureds provision in Section 18(4) Joint Insureds.

2) Principal's indemnity

We cover you for liability to indemnify any principal with whom you have entered into a contract or agreement in connection with your Business, and the terms of the contract or agreement requires that you must indemnify the principal, but only if the liability would have been implied by law in the absence of the contract or agreement and you would be entitled to cover under Section 7, if the claim was made against you.

3) Waiver of subrogation

- a) Subject to (b) below, we will not exercise our rights of subrogation under Section 7 against:
 - i) any corporation the majority of whose capital stock is owned or controlled by you;
 - ii) any corporation, firm, or individual who owns or controls the majority of your capital stock; or
 - iii) any corporation, firm, or individual covered under Section 7, but only for a liability that is covered.
- b) We will however exercise our rights of subrogation if such corporation, firm, or individual is protected from such loss by any other insurance, but only to the extent and up to the Sum Insured or Limit of Liability of the other insurance.

The Specific Exclusions in Section 7.4 and the General Exclusions in Section 17 apply to these Additional Benefits.

7.4 Specific exclusions

We do not cover you under Section 7, in the following circumstances, other than to the extent indicated.

1) Vehicles

We will not pay for claims arising out of your ownership, possession, operation, or use of any Vehicle:

- a) which is registered; or
- b) in respect of which insurance is required by virtue of any legislation relating to motor Vehicles;

except and to the extent provided in 7.6(1) Vehicles or Watercraft in your Physical or Legal Control.

2) Aircraft

We will not pay for claims arising directly or indirectly out of, caused by, or in connection with:

- a) the ownership, possession, use, existence, working, navigation, or operation by you or on your behalf, of any Aircraft;
- b) the repair, maintenance, servicing, or installation work in or on any Aircraft;
- c) the use of any of Your Products with your knowledge in the construction of any Aircraft; or

- d) Your Product being manufactured specifically for, and installed in an Aircraft, or arising out of Your Product which you knew would be so installed.

3) Watercraft

We will not pay for claims arising out of your ownership, possession, operation, or use of any Watercraft which is registered, except and to the extent provided in 7.6(1) Vehicles or Watercraft in your Physical or Legal Control.

4) Pollution

We will not pay for:

- a) claims arising directly or indirectly out of, or caused by, or in connection with, actual, alleged, or threatened seepage, discharge, dispersal, emission, release, or escape of pollutants being any solid, liquid, gaseous, or thermal irritant or contaminant including, but not limited to:
 - i) smoke, vapours, soot, or fumes;
 - ii) acids, alkalis, or chemicals, liquids, gases; or
 - iii) waste materials or other irritants, contaminants, or pollutants, including material to be recycled, reconditioned, or reclaimed, into or upon any property, land, the atmosphere, or any natural watercourse or body of water (including groundwater); or
- b) any costs or expenses incurred in preventing, removing, nullifying, or cleaning up any discharge, dispersal, release, or escape as describe in (a), unless caused by a sudden, identifiable, unintended, and unexpected happening which takes place in its entirety at a specific time and place, provided that:
 - i) if such seepage, discharge, dispersal, emission, release, or escape extends beyond more than one Period of Insurance, we will not pay more than the Limit of Liability stated in the Certificate of Insurance; and
 - ii) our total liability for claims in the Period of Insurance is limited to the Limit of Liability, less the applicable Excess.

5) Employers' liability (Workers Compensation)

- a) We will not pay:
 - i) for Personal Injury arising out of or sustained in the course of employment of a person in your service or employed by you:
 - A) where you are indemnified or entitled to be indemnified under a policy of insurance, or arrangement made by you to provide accident insurance for your workers under a licence to self insure, required by any workers compensation legislation or accident compensation legislation (or would have been if the required insurance put in place);

- B) except for a person you are deemed to be an employer of by reason only of Section 175 of the Workers Compensation and Injury Management Act 1981 (WA); or

- ii) for Personal Injury arising out of harassment, libel, slander, defamation, humiliation, or discrimination against any person while in your service or while employed by you;
- iii) for Personal Injury arising out of mental anguish suffered by any person arising out of, or in the course of, that person's employment by you or service to you;
- iv) for claims of a type that would have been covered under a policy of insurance arranged in accordance with any workers compensation legislation or accident compensation legislation, but in respect of which indemnity has been withdrawn or reduced as a consequence of a change to the scope, terms, provisions, or requirements of such legislation made after the commencement of the Period of Insurance; or
- v) for any other liability imposed by the provisions of any workers compensation legislation or accident compensation legislation or industrial award, agreement, or determination.

- b) We will pay for liability of others assumed by you under a written contract where the contractual liability has been notified and specifically accepted by us.

6) Property in your physical or legal control

We will not pay for Property Damage to property in your physical or legal control other than as provided for in:

- a) Section 7.2(3) Property in your Physical or Legal Control; and
- b) Section 7.6(1) Vehicles or Watercraft in your Physical or Legal Control, if selected by you and specified in the Certificate of Insurance.

7) Rectifying faulty work

We will not pay for:

- a) the cost of rectifying, performing, reperforming, completing, or improving any work undertaken by you as a consequence of Faulty Work; or
- b) the cost of performing or reperforming (in whole or in part) work on Property which you, prior to the Property Damage occurring, had agreed to perform;

except and to the extent provided in the Optional cover 7.6(2) Rectifying Faulty Work.

8) Contractual liabilities

We will not pay for claims arising out of a liability assumed by you under any contract or agreement, except and to the extent provided in Section 7.2(6) Contractual Liabilities.

9) Libel or slander

We will not pay for claims arising out of publication of a libel, utterance of a slander, or defamation if:

- a) the first injurious publication or utterance of the same or similar material by you or on your behalf was made prior to the inception date of Section 7; or
- b) the publication, utterance, or defamation was:
 - i) made by you or at your direction with knowledge of the falsity of; or
 - ii) in the course of or related to advertising, printing, publishing, broadcasting, or telecasting activities conducted by or on your behalf.

10) Asbestos

We will not pay for claims for Personal Injury or Property Damage caused by, or arising directly or indirectly out of, or in connection with, the use or presence of asbestos.

11) Loss of use

We will not pay for claims arising from loss of use of tangible property which has not been physically lost, destroyed, or damaged, resulting from:

- a) a delay in or a lack of performance by you or on your behalf under any contract or agreement; or
- b) the failure of Your Product to meet the level of performance, quality, fitness, or durability expressly or impliedly warranted or represented by you;

except for loss of use of other tangible property resulting from the sudden and accidental physical loss, destruction, or damage to Your Product after Your Product has been put to use by any person or organisation other than you.

12) Faulty design

We will not pay for claims caused by, or arising out of, your performance or failure to perform the making of or formulating of a design or specification within the domain of the architectural, engineering, scientific, chemical, actuarial, statistical, economic, financial, or medical profession.

13) Product damage

We will not pay for claims:

- a) to reinstate, repair, or replace Your Product; or
- b) to pay the cost of reinstating, repairing, or replacing Your Product;

where the damage was caused by Your Product, **except** to the extent provided in Optional Cover 7.6(2) Rectifying Faulty Work and 7.6(5) Damage to Vehicles Sold.

14) Product recall

We will not pay for claims arising:

- a) from the cost of recall, withdrawal from sale, inspection, repair, or replacement of your Product;
- b) from the cost of investigation into the cause of any defect; or
- c) in connection with the loss of use of Your Product.

15) Professional liability

We will not pay for liability caused by, or arising out of, your performance or failure to perform:

- a) the rendering of or failure to render professional advice or service by you or any related error or omission; or
- b) prescription or administration of treatment of, or to, persons;

except for the rendering of or the failure to render first aid services on your premises by your employees who are not qualified medical persons.

16) Advice for a fee

We will not pay for claims caused by, or arising out of, your rendering or failure to render advice (other than advice in respect of the use or storage of Your Product), for a fee, but only where that fee, or a part of that fee, is directly payable for the advice (whether written or oral), except and to the extent provided in Optional Covers 7.6(3) Vehicle Inspection and Evaluation – Property Damage or Personal Injury and 7.6(4) Vehicle Workmanship, Inspection and Evaluation – No Property Damage or Personal Injury.

17) Discrimination

We will not pay for claims arising out of the breach of any legal obligation relating to the prohibition of discrimination or harassment referred to in any anti-discrimination legislation.

18) Assault and battery

We will not pay for claims arising out of or resulting from liability for assault or battery, unless it was committed by you or at your direction for the purpose of preventing or eliminating danger to persons or property.

19) Child and sexual molestation

We will not pay for claims arising out of, or resulting from, the molesting of any persons.

20) Building and demolition

We will not pay for claims arising directly or indirectly out of, or caused by the:

- a) erection of any new buildings or demolition of any buildings;
- b) alteration of or addition to existing buildings that are not owned or occupied by you; or
- c) alteration of or addition to existing buildings that are owned or occupied by you, except and to the extent provided in Section 7.2(4) Building and Demolition.

21) Claims in North America

We will not pay for claims:

- a) brought against you in North America; or
- b) arising as a consequence of:
 - i) you entering into contractual obligations subscribing to the jurisdiction of a court of North America; or
 - ii) any agreement by you to indemnify any other party in respect of an award, judgement, or settlement made under the jurisdiction of a court in North America.

22) Fines and punitive damages

We will not pay or be liable for fines, penalties, or punitive, exemplary, or aggravated damages.

23) Underground cables, pipes and services

- a) We will not pay for claims in respect of Property Damage to underground cables, wires, pipes, or other services caused by, or arising out of, the use of any mechanical digging, scraping, grading, drilling, or levelling apparatus affixed to or forming part of any Vehicle, except where:
 - i) such apparatus is affixed to or forms part of any unregistered Vehicle;
 - ii) the appropriate authority has been contacted to verify the existence and location of such underground services and fittings; and
 - iii) a plan detailing the location of such services and fittings is obtained from the relevant authority prior to the commencement of the work.

b) You may be required to pay an Excess of:

- i) \$2,000; or
- ii) the amount specified in the Certificate of Insurance for Section 7;

whichever is the greater, for each claim in respect of Property Damage to underground cables, wires, pipes, or other services including their supports and fittings.

24) Cutting, heating, welding, or grinding

We will not pay for claims arising directly or indirectly out of, caused by, any:

- a) cutting;
- b) heating;
- c) welding; or
- d) grinding;

unless you have complied with the current Australian Standard "AS1674.1 – 1997 and AS1674.2 – 2007 Safety in Welding and Allied Processes".

25) Racing

We will not pay for claims arising out of the use of any Vehicle engaged in, or being tested in, preparation for racing, pace making, a reliability trial, a speed or hill climbing test, or being driven on any racetrack or speedway.

26) Contractors or subcontractors

We will not pay for claims as a result of defects in products supplied or any error or omission in relation to work undertaken on your behalf by a contractor or subcontractor or which your contractor or subcontractor, fails, omits, or neglects to undertake, in relation to property in your or their physical or legal control for repair, servicing, refuelling, maintenance, alteration, inspection, valuation, testing, cleaning, or painting, except and to the extent provided in Optional Cover 7.6(6) Contractors or Subcontractors Liability.

27) Vehicle inspection and evaluation or certification

We will not pay for claims caused by, or arising out of, the assessment or evaluation of a Vehicle, where you or a contractor or subcontractor provide a;

- a) Vehicle roadworthy certificate, Vehicle condition report, or Vehicle compliance report;
- b) Vehicle pre-purchase inspection report; or
- c) Vehicle safety report;

except and to the extent provided in Optional Covers 7.6 (3) Vehicle Inspection and Evaluation – Property Damage or Personal Injury, or 7.6(4) Vehicle Workmanship, Inspection and Evaluation – No Property Damage or Personal Injury.

28) Cyber & data

We will not pay for any liability:

- a) arising out of Property Damage, defamation, humiliation, shock, fright, mental anguish, mental injury or breach of privacy directly or indirectly caused by, contributed to by or as a consequence of a Cyber Act;
- b) arising out of your Products directly or indirectly caused by, contributed to by or as a consequence of a Cyber Act;
- c) directly or indirectly caused by, contributed to by or as a consequence of Data Loss caused by a Cyber Act; or
- d) directly or indirectly caused by, contributed to by, or as a consequence of an act, error or omission by you or on your behalf in controlling, preventing, suppressing, retaliating against, or responding to a Cyber Act or Data Loss caused by a Cyber Act.

However, this exclusion does not apply to claims for:

- a) Personal Injury, excluding mental anguish or mental injury; or
- b) Property Damage, excluding Data;

directly caused by a Cyber Act.

For the purpose of this exclusion only, the following definitions apply:

“Computer System”

Any computer, hardware, software, communications system (including, but not limited to, smart phone, laptop, tablet, wearable device), server, cloud or microcontroller including any similar system or any configuration of the aforementioned and including any associated input, output, Data storage device, networking equipment or back up facility, owned or operated by you or any other party.

“Cyber Act”

Any actual or alleged illegal, malicious, reckless, wilful or criminal act or series of related illegal, malicious, reckless, wilful or criminal acts, regardless of time and place, or the threat or hoax thereof involving access to, processing of, use of or operation of any Computer System.

“Data”

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

“Data Loss”

The loss of use of, loss of access to, total or partial destruction of, corruption of, alteration of, misappropriation of, reduction in functionality of, repair of, replacement of, restoration of, reproduction of, error in the creation of, error in the amendment of, error in the entering of,

deletion of, or theft of Data including any monetary amount pertaining to the value of such Data, the infringement of intellectual property rights and breach of confidentiality.

29) Pandemic and epidemic

We will not pay for claims arising from any liability whether actual or alleged, directly or indirectly caused by, or contributed to by, or in consequence of, or in any way connected with any:

- a) disease determined to be a ‘listed human disease’ or in respect of which a ‘human biosecurity emergency’ is declared under the *Biosecurity Act 2015* (Cth) including any amendment, replacement, re-enactment, successor, equivalent or similar legislation including delegated legislation;
- b) outbreak of infectious disease declared as a pandemic or epidemic by the World Health Organization or any Australian government or Australian government agency; or
- c) disease determined by the World Health Organization to be a Public Health Emergency of International Concern (PHEIC).

See also the General Exclusions in Section 17 which are applicable to all Sections.

7.5 Specific conditions

If you are covered under Section 7, you must follow the Specific Conditions noted below otherwise we may reduce or refuse the amount we pay for a claim under Section 7. The course of action we take when you fail to follow a Specific Condition will be considered in each circumstance based on what impact or effect your failure to comply caused or contributed to the claim or our decision to issue your policy.

1) Claims procedures and requirements

You must:

- a) notify us in writing as soon as reasonably possible of the Occurrence of any Personal Injury or Property Damage;
- b) provide us with all reasonable particulars and information;
- c) as soon as reasonably possible upon receipt, forward to us every letter, writ, summons and process;
- d) give all information and assistance we may reasonably require in the prosecution, defence, or settlement of any claim; and
- e) use best endeavours to preserve any damaged, defective, or other appliances, plant, or things which might prove necessary or useful by way of evidence in connection with any claim, provided it is reasonable and safe to do so.

2) Alteration or repair

You must not alter or repair any building, appliance, plant, or thing relevant to any claim, until we have the opportunity of an inspection, unless necessary for practical or safety reasons.

3) No admission of liability

You must not make any admission of liability, offer, promise, or payment without our prior written consent.

4) Premium adjustment

- a) Unless otherwise indicated, the Premium for your insurance under Section 7 is adjustable.
- b) If the first or renewal Premium for Section 7, or any part of it, is calculated on statements and estimates furnished by you, you must:
 - i) keep an accurate record containing all relevant particulars;
 - ii) at all reasonable times allow us to inspect your records.

5) Notice

Every notice or communication to us must be in writing.

6) Inspection

- a) If required by us you must allow us:
 - i) at any reasonable time to inspect your Property and operations; and
 - ii) to examine and audit your books and records at any reasonable time in the Period of Insurance and within three years of the final termination of cover under Section 7.
- b) Neither our inspection nor any report constitutes an undertaking to determine or warrant that such Property or operations are:
 - i) safe;
 - ii) healthful; or
 - iii) in compliance with any law, rule, or regulation.

7) Product recall

You must at your own expense take reasonable action to trace, recall, or modify any of the Products containing any defect or deficiency which you have knowledge of, or have reason to suspect contain any defect or deficiency.

8) Reasonable care

You must:

- a) take all reasonable precautions to prevent Personal Injury and Property Damage and comply with all relevant statutory obligations for the safety of persons or property;

- b) in the event of an Occurrence, promptly take at your own expense all reasonable steps to prevent other Personal Injury or Property Damage from arising out of the same or similar circumstances; and
- c) comply with all relevant statutory obligations concerning the inspection of passenger lifts, Vehicle hoists or cranes, and steam pressure apparatus.

9) Maintenance of product records

You must keep and maintain the following records for a reasonable period after the date upon which such records are brought into existence:

- a) research and development documents;
- b) design and manufacturing specifications;
- c) documents made or received by you showing the source and quality of components received by you;
- d) lists of businesses in the distribution chain;
- e) sales records of goods, including batch and model numbers, by destination and date; and
- f) records or documents containing details of all of your quality control measures, inspections, testing, repairs, replacements and recalls.

10) Your responsibility to identify manufacturer/ supplier

You must:

- a) supply within 30 days, following receipt of a written request from any person, to that person, particulars identifying:
 - i) the Manufacturer of the Product; or
 - ii) the supplier of the Product to you;in respect of any Product sold or supplied by you to that person; and
- b) retain proof that the person received notification in writing within the 30 day period.

11) Cranes

You must at all times ensure that cranes are operated in a safe condition and that you observe all laws, by-laws, regulations, and recognised standards for the operation of the crane or for the safety of persons or property, in the state or territory in which the crane operates.

See also the General Conditions in Section 18 which are applicable to all Sections.

7.6 Optional covers

If selected by you and specified in your Certificate of Insurance, the Optional Cover as indicated below will apply.

1) Vehicles or watercraft in your physical or legal control

- a) We will cover you against all sums for which you become liable to pay as compensation in respect of Property Damage to Vehicles or Watercraft, including their contents or accessories not owned by you while in your physical or legal control for repair, servicing, maintenance, testing, storage, or sale, happening in the Period of Insurance as a result of an Occurrence within the Territorial Limit in connection with your Business.
- b) We will not cover any liability for Property Damage occurring whilst the Vehicle or Watercraft is being driven or towed, away from the premises:
 - i) either owned or occupied by you; or
 - ii) from any location where you have undertaken work on the Vehicle or Watercraft.
- c) You may be required to pay an Excess of:
 - i) \$2,000;
 - ii) 10% of the Market Value of the Vehicle or Watercraft; or
 - iii) the amount specified in the Certificate of Insurance;whichever is the greater, if the:
 - A) Vehicle is stolen involving the use of the Vehicle's own key; or
 - B) Watercraft is stolen from the open air at the Premises and the Watercraft was not secured by an anti-theft trailer device.
- d) You do not have to pay an Excess if:
 - i) the Vehicle key or trailer security device key was stolen from a securely locked safe, key safe, key cabinet or strongroom, and access was gained by the use of visible force and violence; or
 - ii) the Vehicle or Watercraft was stolen as a result of actual or threatened assault.

2) Rectifying faulty work

- a) We will pay for the cost incurred in the Period of Insurance for Rectifying Faulty Work up to an amount equal to the wholesale price of parts, freight costs, and net labour costs necessarily and reasonably incurred to rectify, perform, reperform, complete, or improve the work undertaken by you.
- b) The most we will pay is, the amount specified in the Certificate of Insurance for any one claim, and in the aggregate for all claims during the Period of Insurance.

3) Vehicle inspection and evaluation – property damage or personal injury

- a) We will cover you against all sums for which you become liable to pay as compensation in respect of Personal Injury or Property Damage happening in the Period of Insurance as a result

of an Occurrence within the Territorial Limit in connection with your Business where the liability arises from your assessment or evaluation of a Vehicle where you provided a:

- i) Vehicle roadworthy certificate, Vehicle condition report, or Vehicle compliance report issued by you when duly authorised to do so by a statutory body;
 - ii) Vehicle pre-purchase inspection report; or
 - iii) Vehicle safety report.
- b) We will not cover you for the following Vehicles:
- i) Vehicles used for transporting goods or towing loads of weight of greater than 80 tonnes;
 - ii) forklifts with a lifting capacity greater than 5 tonnes;
 - iii) Vehicles used for underground mining; or
 - iv) cranes or mobile cranes.

4) Vehicle workmanship, inspection and evaluation – no property damage or personal injury

- a) We will cover you against all sums for which you become liable to pay as compensation, other than in respect of Personal Injury or Property Damage, for any Event happening in the Period of Insurance within the Territorial Limit in connection with your Business where the liability is caused by or arises from:
 - i) Faulty Work; or
 - ii) your assessment or evaluation of a Vehicle, where you provide a:
 - A) Vehicle roadworthy certificate, Vehicle condition report, or Vehicle compliance report issued by you when duly authorised to do so by a statutory body; or
 - B) Vehicle pre-purchase inspection report; or
 - C) Vehicle safety report.
- b) Our total liability for all claims is limited to:
 - i) \$50,000; or
 - ii) the amount specified in the Certificate of Insurance;whichever is the lesser, for any one Occurrence, and \$100,000 in total for any one Period of Insurance.
- c) We will not cover you for the following Vehicles:
 - i) Vehicles used for transporting goods or towing loads of weight of greater than 80 tonnes;
 - ii) forklifts with a lifting capacity greater than 5 tonnes;
 - iii) Vehicles used for underground mining; or
 - iv) cranes or mobile cranes.

5) Damage to vehicles sold

- a) We will cover you against all sums for which you become liable to pay as compensation in respect of Property Damage happening during the Period of Insurance within the Territorial Limit in connection with your Business to a Vehicle caused by, or arising from, work undertaken by you, or work which you fail, omit, or neglect to undertake, on that Vehicle as required by the Vehicle sale contract, provided that:
- i) the sale contract relates to a new Vehicle and the Vehicle has never been owned or registered by any person or organisation other than you or the Vehicle manufacturer at the time that the contract to sell the Vehicle was entered into by you; or
 - ii) where the sale contract relates to a used Vehicle, will only pay for any Additional Work requested by the purchaser; and
 - iii) the Vehicle was not manufactured by you or deemed to have been manufactured by you under the Trades Practices Act or other law; and
 - iv) the Property Damage arose after the Vehicle had been put to use by any person or organisation other than you.
- b) We will not pay any loss that occurs more than 12 calendar months after the date that the Vehicle passed from your possession and ownership to another party.
- c) Our total liability for all claims is limited to:
- i) \$100,000; or
 - ii) the amount specified in the Certificate of Insurance;
- whichever is the lesser, in respect to any one Occurrence, and \$250,000 in the aggregate during the Period of Insurance.

6) Contractors or subcontractors liability

- a) We will cover you against all sums for which you become liable to pay as compensation in respect of Property Damage or Personal Injury as a result of defects in products supplied or Faulty Work, undertaken by contractors or subcontractors under a contract with you happening in the Period of Insurance as a result of an Occurrence within the Territorial Limit in connection with your Business.
- b) If you have selected Optional Covers 7.6(2) or 7.6(4), for the purpose of the cover under the options you have selected, Faulty Work includes any error or omission in relation to work:
- i) undertaken on your behalf by a contractor or subcontractor; or
 - ii) which your contractor or subcontractor, fails, omits, or neglects to undertake;
- in relation to property in your or their physical or legal control for repair, servicing, refuelling, maintenance, alteration, inspection, assessment or evaluation, testing, cleaning, or painting on your behalf.

- c) If you have selected Optional Cover 7.6(3) or 7.6(4), for the purpose of the cover under the options you have selected, we will also cover you under that option for an assessment or evaluation of a Vehicle by a contractor or subcontractor on your behalf where they provide a:
- i) Vehicle roadworthy certificate, Vehicle condition report or Vehicle compliance report, and were duly authorised to do so by a statutory body;
 - ii) Vehicle pre-purchase inspection report; or
 - iii) Vehicle safety report.
- d) If you have selected Optional Cover 7.6(5), we will also cover you under that option for liability otherwise covered by that option but caused by, or arising from, work:
- i) undertaken on your behalf by a contractor or subcontractor; or
 - ii) which your contractor or subcontractor, fails, omits, or neglects to undertake.

The Specific Exclusions in Section 7.4 and the General Exclusions in Section 17 apply to these Optional Covers.

Section 8

Professional indemnity

8.1 Definitions

The meaning of the following words that apply only when used in Section 8 are shown below.

“Civil Liability”

Liability for the damages, costs, and expenses that a civil court orders you to pay on a claim including legal costs of the person making the claim, for which you become liable, but does not include criminal liability or penalties.

“Disciplinary Enquiry”

Any legal or quasi-legal process enquiring whether you have breached any relevant professional code of conduct administered by any overseeing professional association.

“Documents”

Physical documents of any nature but not:

- a) Money or negotiable instruments;
- b) the electronically stored data, software, or computer programs for or in respect of any computer system; or
- c) electronically stored data, software, or computer programs that have suffered loss or damage (including rearrangement) from any computer virus or from any design or programming defect in any computer program or computer operating system.

“Employee”

A natural person who is not a Principal or Former Principal, and who works exclusively or predominantly for you and is, or was, at the time of the relevant act, error, or omission giving rise to the claim, under your direct control and supervision in the course of the conduct of your Professional Business.

“Former Principal”

A person who has been, but is no longer your Principal or the Principal of any entity shown in the Certificate of Insurance.

“Joint Venture”

An undertaking (regardless of what it is called) which you carry on together with someone else who is not otherwise covered under this Section.

“Known Circumstance”

Any fact, situation, or circumstance which:

- a) you knew; or
- b) a reasonable person in your position would have known;

before the Period of Insurance, might result in someone making a claim against you.

“Principal”

A sole practitioner or trader, partner of a firm, or a director of a company.

“Prior Business”

The prior business of your Principal as shown on the Certificate of Insurance.

“Professional Business”

The provision of finance, insurance, statutory registration or fleet management services offered by you, in relation to vehicles, trailers, caravans, machinery, or watercraft sold by you from your own stock in connection with the Business.

“Retroactive Date”

The date specified in the Certificate of Insurance.

“Territorial limits”

Anywhere in the Commonwealth of Australia or New Zealand.

“you” or “your”

Each of the following, individually and jointly:

- a) each person, firm, or incorporated body identified in the Certificate of Insurance as you and each current Principal or Former Principal of any such firm or incorporated body;
- b) any entity which is engaged in the Professional Business and which is created and controlled, while this Section is in force, by anyone identified in the Certificate of Insurance as you; and
- c) anyone who becomes a Principal of any person, firm, or incorporated body identified in the Certificate of Insurance in the Period of Insurance.

See also the General Definitions for meanings of other words which are applicable to Section 8.

8.2 Cover

If your Certificate of Insurance indicates that you have taken out cover under Section 8, we will cover you for claims first made against you, and notified to us, in the Period of Insurance, for Civil Liability to any third party, incurred by you in the conduct of the Professional Business and arising from an act, error, or omission on or after the Retroactive Date.

We will also cover you for the legal costs and expenses of investigating, defending, or settling any claim covered under this Section 8. You must have our written consent to incur the legal costs and expenses.

We will not pay for any Civil Liability if any of the Specific Exclusions in Section 8.5 and General Exclusions in Section 17 apply.

8.3 Limitations

If your claim is covered under Section 8.2, we will cover you subject to the limitations set out below.

1) Limit of liability

- a) We will pay up to the Limit of Liability shown in the Certificate of Insurance for:
 - i) any one claim; and
 - ii) the total of all claims, subject to Section 8.3(2).
- b) The Limit of Liability includes the legal costs and expenses of investigating, defending, or settling any claim covered under Section 8.2.
- c) The Limit of Liability does not increase if there is more than one person, firm or entity covered under this Section for one claim, act, error or omission.

2) Reinstatement of the limit of liability

If we pay a claim covered by Section 8.2, we will reinstate the Limit of Liability by the amount of the claim. We will only reinstate the Limit of Liability once in the Period of Insurance.

3) The excess

- a) **We will deduct** from any claim the Excess shown in the Certificate of Insurance.
- b) The Excess includes the legal costs and expenses, of investigating, defending or settling any claims.
- c) Only one Excess applies for all claims or losses arising from the same act, error, or omission.
- d) Only one Excess applies for all claims or losses arising from causally connected or interrelated acts, errors or omissions.

8.4 Additional benefits

If you are covered under Section 8, we will also cover you for the following Additional Benefits.

1) Continuous cover

- a) We cover you for any claim, otherwise covered by this Section, arising from a Known Circumstance if:
 - i) we were your professional indemnity insurer when you first knew of such Known Circumstance;
 - ii) we continued without interruption to be your professional indemnity insurer until the beginning of the Period of Insurance;
 - iii) you are not, but would have been covered under the policy in force at that time you first became aware of the Known Circumstance had you notified us of the Known Circumstance at that time and you would otherwise be covered under this Section, but for Specific Exclusion 8.5(1) Known Claims and Known Circumstances; and

- iv) neither the claim nor Known Circumstance have previously been notified to us or to any other insurer.
- b) If you were entitled to give notice under any other policy of insurance and have an entitlement to indemnity, in whole or in part, then this Continuous Cover does not provide cover.
- c) The maximum we will pay for any claim covered under this Additional Benefit (including legal defence costs) is the lesser of:
 - i) the limit of cover in the policy that was in force at the earlier time referred to in paragraph 8.4(1)(a)(iii); and
 - ii) the Limit of Liability under this Section.

2) Cover for others

We will cover the following under this Section, as if they were you:

- a) your Employees and former Employees, other than for claims relating to dishonest, fraudulent, criminal or malicious acts or omissions;
- b) your Principals in respect of a Civil Liability arising in their capacity as a Principal of a Prior Business;
- c) entities merged with or acquired by you during the Period of Insurance but only:
 - i) for a maximum of 30 days from the date of the merger or acquisition; or
 - ii) until the Section expires;whichever is the earlier.

We may agree to extend this period subject to payment of additional premium.

The Retroactive Date for the cover in Section 8.4(2)(c) is the date of the merger or acquisition by you unless we otherwise agree in writing.

3) Estates and legal representatives

We cover your estate, legal representative, or assigns under this Section as if they were you.

The Specific Exclusions in Section 8.5 and the General Exclusions in Section 17 apply to these Additional Benefits.

8.5 Specific exclusions

We do not insure you under Section 8, for the following circumstances other than to the extent indicated.

1) Known claims and known circumstances

We will not pay for:

- a) claims or losses known to you prior to the Period of Insurance;
- b) claims or losses arising from a Known Circumstance;

- c) claims or losses directly or indirectly based upon, attributable to, or in consequence of any such Known Circumstance or known claims or losses; or
- d) claims or losses disclosed in the Proposal or arising from facts or circumstances disclosed prior to the Period of Insurance.

2) Foreign courts

We will not pay for claims:

- a) brought in a court outside the Territorial Limits;
- b) brought in a court within the Territorial Limits to enforce a judgement handed down in a court other than in the Territorial Limits; or
- c) where the proper law of a country other than within the Territorial Limits is applied to any of the issues in any claim or loss.

3) Assumed civil liability

We will not pay for any Civil Liability under a contractual warranty, guarantee, or undertaking **unless** the Civil Liability would have existed regardless of the contractual warranty, guarantee, or undertaking.

4) Related parties

We will not pay for claims made against you by or on behalf of:

- a) any person, firm, or incorporated body covered by this Section;
- b) a Principal or Former Principal;
- c) an Employee or former Employee; or
- d) any company or trust which is operated or controlled by you or your Employees, nominees, or trustees, and in which you have a direct or indirect financial interest;

except and to the extent, provided in Section 8.7(1) Employment Practices Liability Cover.

5) Refund of professional fees and trading debts

We will not pay for claims:

- a) for a refund of fees or charges (by way of damages or otherwise); or
- b) arising from a Civil Liability to pay trading debts.

6) Profit

We will not pay for any component of profit derived or derivable by you from the sale or supply of any goods, services, or rights by or on your behalf.

7) Goods and work

We will not pay for claims directly or indirectly arising from:

- a) the manufacture, installation, assembly or processing, of goods or products by you or on your behalf;
- b) the sale, supply, or distribution of goods or products by you or on your behalf, except and to the extent provided in Optional Cover 8.7(4) Sales Advice;
- c) work in manufacture, fabrication, construction, erection, installation, assembly, alteration, servicing, remediation, repair, demolition, or disassembly (including any materials, parts, or equipment furnished in connection with them) by or on your behalf or from supervision of such work by you; or
- d) your assessment or evaluation of a vehicle or watercraft where you provide a:
 - i) vehicle roadworthy certificate, vehicle condition report, or vehicle compliance report;
 - ii) vehicle pre-purchase inspection report;
 - iii) vehicle safety report; or
 - iv) marine survey or watercraft condition report.

8) Employers', directors', officers', occupiers', motor or marine

We will not pay for claims:

- a) directly or indirectly based upon, attributable to, or in consequence of your Civil Liability as an employer;
- b) arising out of or in respect of actual or alleged unlawful discrimination (or other unlawful act, error, or omission) by you against any Employee or employment applicant;
- c) if you are either an incorporated body, a director, or officer of an incorporated body, and the claim arises from any act, error, or omission of a director or officer of that incorporated body while acting in that capacity;
- d) arising from your occupation or alleged occupation of land or buildings; or
- e) arising from or in respect of your Civil Liability as an owner or operator of any aircraft, marine craft, or motor vehicles of any kind;

except and to the extent provided in Optional Cover 8.7(1) Employment Practices Liability Cover.

9) Punitive and exemplary damages

We will not pay for punitive, aggravated, or exemplary damages or for fines or penalties.

10) Intentional damage

We will not pay for claims arising from your acts, errors, or omissions with the intention of causing a third party loss, damage, or injury, or with reckless disregard for the consequences.

11) Asbestos

We will not pay for claims that would not have arisen, but for the existence of asbestos.

12) Dishonesty and fraud

- a) We will not pay any claim or loss directly or indirectly based upon, attributed to, or in consequence of any dishonest, fraudulent, criminal, or malicious acts, or omissions committed by you, an Employee, or a former Employee of which you:
 - i) had knowledge; or
 - ii) had reason to suspect;
at or prior to the time of such acts or omissions and failed to take any reasonable action to prevent such dishonest, fraudulent, criminal, or malicious acts or omissions or any loss arising.
- b) We will not pay any claim or loss that relates only to theft or misappropriation of Money, unless:
 - i) you kept a separate trust account for that Money, and the account was audited at least annually by a qualified independent accountant; and
 - ii) all cheques prepared on that trust account were required to be signed by a Principal or two authorised people.

13) Joint venture

We do not cover you for your liability in connection with any Joint Venture, except and to the extent provided in Section 8.7(3) Joint Venture.

14) Cyber

We will not pay for claims:

- a) arising from any Hacking Attack and/or Virus that has emanated from or passed through your Computer Systems that results in a Third Party's financial loss; or
- b) caused by any Data Breach; or
- c) caused by any Social Engineering Fraud.

Notwithstanding a) above, this exclusion does not apply to 8.7 Optional covers 1) Employment practices liability cover, if this Optional cover has been selected by you and specified in your Certificate of Insurance.

For the purpose of this exclusion only, the following definitions apply:

“Commercially Confidential Information”

Any information other than Personal Information:

- a) which is not in the public domain or publicly available; and
- b) where disclosure may undermine the economic interest or competitive position of the owner of the information.

“Computer Records”

Electronically stored data and/or information including magnetic tape, software or computer programs for or in respect of a Computer System used in the course of or in relation to, providing the Professional Business.

“Computer System”

Any computer, hardware, software, firmware, communications system, operating system, electronic device website, server, cloud or microcontroller and including any associated input, output, data storage device, networking equipment or back up facility used in the course of, or in relation to, providing the Professional Business. For the avoidance of doubt a Computer System includes any Computer System operated or maintained:

- a) by you or on your behalf; or
- b) by a Service Provider; or
- c) by a Third Party.

“Data Breach”

Any actual or alleged malicious, reckless, or wilful access to and/or disclosure of, loss of, or theft of Computer Records containing:

- a) Personal Information; or
- b) Commercially Confidential Information, in your power, custody or control or that of any Service Provider.

“Hacking Attack”

Any actual or alleged malicious electronic attack including, but not limited to, any fraudulent electronic signature, brute force attack, phishing, denial of service attack, ransomware attack, or malware attack initiated by any Third Party or by any Employee and that is designed to damage, destroy, corrupt, overload, circumvent or impair the functionality of your Computer Systems or your Computer Records.

“Money”

Any legally recognised and valid physical, or electronic currency, coins or bank notes, of a generally accepted value.

“Personal Information”

Information or an opinion about an identified individual, or an individual who is reasonably identifiable whether the information or opinion is:

- a) true or not; and
- b) in a material form or not.

“Service Provider”

Any person, partnership, company, corporation, incorporated society or other body corporate or entity third party independent contractor that is not you, who provides business process and/or information technology services for you in accordance with a contract or agreement.

“Social Engineering Fraud”

The impersonation of your Employee, Principal, client or supplier, by a Third Party which prompts you to issue an instruction to a financial institution to debit, pay, deliver or transfer Money or securities from an account maintained by you to that Third Party or any person or entity. It includes a Third Party acting in collusion with an Employee or Principal to create the impersonation provided that the individual or individuals issuing the instruction were not a party to the collusion.

“Third Party”

Any person, partnership, company, corporation, incorporated society or other body corporate or entity who is not you, at the time of their acts, errors or omissions.

“Virus”

Any software code including but not limited to any logic bomb, trojan horse or worm that has been introduced by any Third Parties or by any Employees and that is designed to damage, destroy, corrupt, overload, circumvent or impair the functionality of your Computer Systems or the Insured’s Computer Records.

15) Infectious Disease

We will not pay for claims directly caused by or attributable to the existence of an Infectious Disease.

For the purpose of this exclusion only, the following definition applies:

“Infectious Disease”

- a) disease determined to be a ‘listed human disease’ or in respect of which a ‘human biosecurity emergency’ or ‘biosecurity emergency’ (including any amended, replacement, successor, equivalent or similar definitions of a ‘listed human disease’, ‘human biosecurity emergency’ or ‘biosecurity emergency’) has been declared under the *Biosecurity Act 2015* (Cth) or under any amended, replacement, re-enactment, successor, equivalent or similar Federal or state and territory legislation, order, administrative act or declaration including delegated legislation; or
- b) outbreak of infectious disease declared or acknowledged as a pandemic or epidemic by the World Health Organization (or any similar or replacement or successor body) or any Australian government or Australian government agency; or
- c) disease determined by the World Health Organization (or any similar or replacement or successor body) to be a Public Health Emergency of International Concern (PHEIC) or equivalent.

See also General Exclusions in Section 17, which are applicable to all Sections.

8.6 Specific conditions

If you are covered under Section 8 of this policy, you must follow the Specific Conditions noted below, otherwise we may reduce or refuse the amount we pay for a claim under Section 8. The course of action we take when you fail to follow a Specific Condition will be considered in each circumstance based on what impact or effect your failure to comply caused or contributed to the claim or our decision to issue your policy.

1) Claims procedure

- a) You must tell us in writing about a claim or loss or a fact, or circumstance that may give rise to a claim against you, as soon as reasonably possible and while this Section is in force.
- b) You must:
 - i) diligently do, and allow to be done, everything reasonably practicable to avoid or lessen your Civil Liability in relation to a claim or loss;
 - ii) as soon as reasonably possible give us all the help and information that we reasonably require to:
 - A) investigate and defend a claim or loss; and
 - B) establish our liability.
- c) When we receive a notification of a claim, a fact, or circumstance that may give rise to a claim that may be covered, then we can take whatever action we consider appropriate to protect our position.
- d) The solicitors instructed by us to act on your behalf for any claim are at liberty to disclose to us any information they receive in that capacity, wherever they obtain it from, including from you.
- e) We can:
 - i) take over and defend or settle any claim in your name; and
 - ii) claim in your name, any right you may have for contribution or indemnity.
- f) You must not:
 - i) admit liability for, or settle any claim; or
 - ii) incur any costs or expenses for a claim without first obtaining our written consent.

2) Payments to settle potential claims

Any money we pay to settle anything which might give rise to a claim, is taken to be a payment:

- a) to settle a claim; and in addition;
- b) for the purpose of calculating the total of all claims.

3) Loss prevention

You must take all reasonable steps to prevent any act, error, omission, or circumstance that may cause or contribute to any claim or loss.

4) Deregistration

You must tell us as soon as reasonably possible in writing if any registration or authorisation, which is relevant to the conduct by you of your Professional Business or your Business, is cancelled, suspended, or terminated or has had conditions imposed during the Period of Insurance.

See also the General Conditions in Section 18, which are applicable to all Sections.

8.7 Optional covers

If selected by you and specified in your Certificate of Insurance, the Optional Covers as indicated below will apply.

1) Employment practices liability cover

- a) We cover you and each Employee, for claims made against you or the Employee including claims brought by your principals, partners, directors, officers, employees, and contract or temporary workers, and notified to us, in the Period of Insurance, for a Civil Liability incurred by you in the conduct of the Business, and arising from any of the following on or after the Retroactive Date:
- i) discrimination against any Employee, former Employee, or applicant for employment because of race, colour, religion, age, sex, disability, pregnancy, marital status, sexual orientation, sexual preference, or otherwise;
 - ii) wrongful dismissal of any Employee;
 - iii) workplace harassment (whether sexual or otherwise) of an Employee;
 - iv) breach of an implied term of an oral or written employment contract;
 - v) wrongful demotion, failure to promote, wrongful deprivation of career opportunity, wrongful discipline, negligent evaluation, or failure to grant tenure of employment to an Employee;
 - vi) wrongful refusal to employ a potential Employee;
 - vii) defamation arising from employment related matters;
 - viii) misleading, misrepresentation, or advertising as to the terms and conditions of employment; or
 - ix) denial of natural justice to an Employee in respect of any issue concerning his or her employment.
- b) We will not pay for any claims or legal proceedings:
- i) brought about by, contributed to by, or which involve acts committed during or in connection with any industrial dispute (whether between employer and Employee or between Employees or their unions or generally), strike, picket, lock-out, go slow, or work to rule;

- ii) brought after the appointment of any liquidator, receiver and manager, official manager, administrator, or trustee administering your compromise or scheme of arrangement;
- iii) brought about by, contributed to by, involving claims arising under, or pursuant to, or in relation to, any Workers Compensation, Occupational Health and Safety Acts, or similar legislation;
- iv) arising from bodily injury (except emotional distress or mental anguish), sickness, disease, or death of any person;
- v) for the cost of physical modifications to premises, plant, or equipment owned or occupied by you;
- vi) in respect of a contract of employment alleged to be unfair; or
- vii) for the seeking of relief under the Independent Contractors Act (Commonwealth) 2006 or Section 106 of the Industrial Relations Act (NSW) 1996 or Section 276 of the Industrial Relations Act (Queensland) 1999 or similar legislation in the other states or territories of the Commonwealth of Australia or in New Zealand.

- c) The most we will cover you for under this Optional Cover is the Limit of Liability specified in the Certificate of Insurance.
- d) You must pay the Excess for Employment Practices Liability specified in the Certificate of Insurance. This Excess is inclusive of any defence costs for a claim under this Optional cover 8.7(1).

2) Disciplinary proceedings or enquiries

- a) We will cover you for your legal costs and expenses incurred with our written consent connected with your appearance at any disciplinary proceeding or enquiry or coronial enquiry of which:
- i) you first become aware in the Period of Insurance; and
 - ii) you tell us in writing as soon as reasonably possible.
- b) We will not pay for your regular or overtime wages, salaries, or fees, or those of your Employees.
- c) The most we will cover you for under this Optional Cover is this Limit of Liability specified in the Certificate of Insurance.
- d) You may be required to pay the Excess specified in the Certificate of Insurance.

3) Joint venture

If the name of a Joint Venture is included in the Certificate of Insurance we will cover you for your individual and joint liability in respect of that Joint Venture.

4) Sales advice

- a) The definition of Professional Business is extended to include advice provided by you or your Employees in relation to the sale of Vehicles, machinery, or Watercraft sold by you from your own stock.
- b) The most we will pay for any one claim and in total for all claims in the Period of Insurance is:
 - i) \$150,000; or
 - ii) the amount specified in the Certificate of Insurance.
- c) The Excess is:
 - i) \$2,500 for each and every claim; and
 - ii) no other Excesses apply.

The Specific Exclusions in Section 8.5 and the General Exclusions in Section 17 apply to these Optional Covers.

Section 9 Personal accident and illness

9.1 Definitions

The meaning of the following words that apply only when used in Section 9 are shown below.

“Average Weekly Earnings”

- a) The average weekly amount earned by the Insured Person (after deducting the average weekly expenses incurred in earning that income) over:
 - i) the period that the Insured Person has been continuously engaged in his or her occupation, trade, business, profession or employment; or
 - ii) over 52 weeks;

whichever is the shortest period immediately before the date on which the Defined Event occurred.

- b) If the Insured Person is a proprietor or partner in a business we will also include in Average Weekly Earnings for each week of continuing incapacity, 1/52nd of the share of the annual expenses which:
 - i) are the ongoing expenses of the business;
 - ii) are normally paid from the gross billings attributable to the personal efforts of the Insured Person; and
 - iii) the Insured Person must continue to meet.

“Capital Benefit”

The amount specified in the Certificate of Insurance as the Capital Benefit.

“Compensation”

The amount calculated by multiplying the percentage specified in the Defined Events in Section 9.2 by the Capital Benefit or Weekly Benefit.

“Excess Period”

The period, shown in your Certificate of Insurance, for which we will not pay you Compensation, beginning after the Insured Person first receives medical advice from a registered medical practitioner, in respect of each separate occurrence of any Defined Event.

“Illness”

Any sickness, disease, or physical impairment of the Insured Person, first manifesting itself in the Period of Insurance and which prevents the Insured Person from engaging in, or attending to, all of his/her normal duties of profession, business, or occupation, but does not include an Injury.

“Injury”

Bodily injury caused by accident to the Insured Person but does not include any condition which is also an Illness.

“Insured Person”

A person specified in the Certificate of Insurance as a person in respect of whose Injury or Illness insurance cover is provided under this Section.

“Weekly Benefit”

The amount specified in the Certificate of Insurance as the “Weekly Benefit”.

See also the General Definitions for the meanings of other words which are applicable to Section 9.

9.2 Defined events

If your Certificate of Insurance indicates that you have taken out cover under Section 9, we cover you against any Defined Event listed below and specified as covered in the Certificate of Insurance, occurring to the Insured Person anywhere in the world during the Period of Insurance.

We will not pay for Injury or Illness if any of the Specific Exclusions in Section 9.5 or the General Exclusions in Section 17 apply.

Defined Event	Of the capital benefit
1. Injury to the Insured Person, which must within 12 calendar months, result in his/her:	
a) Death;	100%
b) Total and irrecoverable loss of all sight in both eyes;	100%
c) Total and permanent loss of the use of both hands;	100%
d) Total and permanent loss of the use of both feet;	100%
e) Total and permanent loss of the use of one hand and one foot;	100%
f) Total and permanent disablement from engaging in or attending to any occupation at all. There must be no duties and no occupation that the Insured Person can carry out;	100%
g) Total and permanent loss of the use of one arm or of the greater part of one arm;	80%
h) Total and permanent loss of the use of one leg;	75%
i) Total and irrecoverable loss of all sight in one eye together with irrecoverable loss of at least 50% of the sight in the other eye;	75%
j) Total and permanent loss of the use of one hand or of five fingers of one hand, or the lower part of one arm;	70%
k) Total and permanent loss of the use of one foot or the lower part of one leg;	60%
l) Total and permanent loss of hearing;	50%
m) Total and irrecoverable loss of all sight in one of two eyes;	50%
n) Total and irrecoverable loss of the lens in one of two eyes;	50%
o) Total and permanent loss of the use of one thumb;	

i. both phalanges; or	30%
ii. one phalanx;	15%
p) Total and permanent loss of the use of any finger:	
i. three phalanges;	10%
ii. two phalanges; or	8%
iii. one phalanx;	4%
q) Total and permanent loss of the use of:	
i. all toes of each foot;	30%
ii. great toe - both phalanges;	10%
iii. great toe - one phalanx; or	5%
iv. each toe other than great toe; or	4%
r) Total and permanent deafness of one ear.	12.5%
Defined Event	Of weekly benefit
2. Injury which within 12 calendar months results in:	
a) total disablement of the Insured Person from engaging in or attending to his/her normal duties of profession, business, or occupation; or	100%
b) partial disablement of the Insured Person from engaging in or attending to his/her normal duties of profession, business, or occupation.	25%
3. Illness of the Insured Person.	100%
Defined Event	Of capital benefit
4. Illness of the Insured Person resulting in:	
a) total and incurable blindness; or	100%
b) complete and permanent paralysis of any two limbs;	
such blindness or paralysis having continued for a period of 12 calendar months, provided that the Insured Person has become entitled to Compensation for Illness under Section 9.2(3) only.	

9.3 Settlement

If your claim is covered under Section 9, we will settle the claim on the basis set out below.

1) Compensation

We will pay you Compensation.

2) Our limit of liability

- a) If you become entitled to Compensation for Capital Benefit under more than one Defined Event in Section 9.2(1) resulting from the same Injury, we will not pay:
 - i) for any Defined Event if it is included in any other Defined Event for which a greater amount of Compensation is payable; or
 - ii) in total, more than the Capital Benefit.
- b) We will not pay Compensation:
 - i) for the same Insured Person after you have received Compensation for Capital Benefits under Section 9.2(1)(a) to (n), or 9.2(4);
 - ii) under Sections 9.2(2) and 9.2(3):
 - A) for Weekly Benefits for a total period exceeding 104 weeks, as a result of any single Injury or Illness; or
 - B) for Weekly Benefits in respect of the same period of time; or
 - C) for any amount exceeding the lesser of:
 - I) The Compensation calculated as being payable; or
 - II) 85% of the Insured Person's Average Weekly Earnings not replaced from any other source;
 - iii) for any period prior to the Insured Person receiving medical advice from a registered medical practitioner; or
 - iv) for any Excess Period.
 - c) The Weekly Benefits in Sections 9.2(2) and 9.2(3) are in addition to the Capital Benefits in Sections 9.2(1) and 9.2(4), if cover under Sections 9.2(2) and 9.2(3) (as applicable) are selected by you and specified in the Certificate of Insurance.

3) Workers Compensation

The total amount of Compensation payable for Weekly Benefits in Sections 9.2(2) and 9.2(3), subject to our Limit of Liability in Section 9.3(2), will be reduced by the amount of weekly compensation payable to the Insured Person for the same Injury or Illness pursuant to the provisions of workers' compensation or similar legislation.

9.4 Additional benefits

- 1) If your claim for Capital Benefits is covered under Sections 9.2(1)(f) for total and permanent disablement, or Section 9.2(4), we will also pay for rehabilitation costs necessarily and reasonably incurred, you must obtain our consent prior to any of the costs being incurred. Any amount we pay for this Additional Benefit is in addition to the Sum Insured.

a) Rehabilitation costs

We will pay up to a total of \$10,000 for each Insured Person, for the costs incurred by the Insured Person to:

- i) undergo a rehabilitation program;
- ii) acquire necessary equipment; or
- iii) modify his/her home or car;

other than hospital treatment or general treatment under the Private Health Insurance Act 2007.

The Specific Exclusions in Section 9.5 and the General Exclusions in Section 17 apply to this Additional Benefit.

- 2) If you are covered under Section 9, we will extend your cover to include the following Additional Benefits. Any amount we pay for these Additional Benefits is not in addition to the Sum Insured.

a) Disappearance

- i) If the Insured Person disappears at the time of the sinking, disappearance, or wrecking of the conveyance in which the Insured Person was an occupant and the Insured Person's body is not found within one year, we will presume that the Insured Person has died as a result of Injury.
- ii) If after payment of Compensation, the Insured Person is found alive, you must repay the Compensation to us.

b) Exposure

If following Injury the Insured Person is exposed to the elements and as a result suffers a condition for which Compensation is payable, such condition will be treated as though it was an Injury.

The Specific Exclusions in Section 9.5 and the General Exclusions in Section 17 apply to these Additional Benefits.

9.5 Specific exclusions

We do not cover you under Section 9 for Injury or Illness in the following circumstances, other than to the extent indicated.

1) Self-inflicted injury

We will not pay for Injury or Illness caused directly or indirectly by or attributable to a deliberate self-inflicted injury or suicide.

2) Venereal disease

We will not pay for Injury or Illness caused directly or indirectly by, or attributable to venereal disease or the contraction or complications of any sexually transmitted disease; other than syphilis technica.

3) HIV or AIDS

We will not pay for Injury or Illness caused directly or indirectly by or attributable to infection with Human Immunodeficiency Virus (HIV) or variants including Auto Acquired Immune Deficiency Syndrome (AIDS) or any illness which is caused by or made more likely by the contraction of HIV or its variants and AIDS Related Complex (ARC).

4) Hernia

We will not pay for Injury or Illness caused directly or indirectly by, or attributable to hernia however caused, except where the Insured Person is insured for both Injury and Illness.

5) Alcohol or drugs

We will not pay for Injury or Illness caused directly or indirectly by, or attributable to the Insured Person being:

- a) under the influence of intoxicating liquor or a drug, other than a drug taken or administered by, or taken in accordance with, the advice of a registered medical practitioner; or
- b) addicted to intoxicating liquor, or a drug.

6) Riot, malicious act, or criminal act

We will not pay for Injury or Illness caused directly or indirectly by or attributable to, or consequential upon the Insured Person:

- a) taking part in a riot or civil commotion;
- b) acting maliciously; or
- c) taking part in any criminal activity.

7) Aerial activities

We will not pay for Injury or Illness caused directly or indirectly by, or attributable to, or consequential upon the Insured Person engaging in any form of aerial flight or aerial activities, except if the Insured Person travels by air as a passenger in an aircraft that is authorised to fly under any legislation that relates to the safety of aircraft.

8) Sports or motor cycling

We will not pay for Injury or Illness caused directly or indirectly by or attributable to the Insured Person engaging in:

- a) football of any code, except and to the extent provided in Optional Cover 9.7(3) Amateur Football;
- b) polo, polocrosse, boxing, kickboxing, wrestling, racing of any kind (other than on foot), underwater activities (involving artificial breathing methods), competitive snow or ice sports, ski-jumping either water or snow, pot holing, bungee jumping, mountaineering or rock climbing, abseiling, hang-gliding, paragliding, or parachuting of any kind;
- c) water skiing or riding on a floatation device being towed by a boat, except and to the extent provided in Optional Cover 9.7(2) Water Skiing;
- d) motor cycling as passenger or rider, except:
 - i) if the motor cycle is being so used in connection with the business of working on a farming or pastoral property and has an engine capacity of not more than 400 cubic centimetres; or
 - ii) to the extent provided in Optional Cover 9.7(1) Motor Cycling; or
- e) professional sporting activities.

9) Excluded condition

We will not pay for Injury:

- a) arising in any way from any "Excluded Condition" specified in the Certificate of Insurance;
- b) beyond the usual time determined by a registered medical practitioner that the Insured Person should have recovered from the Injury if recovery had not been hindered by the "Excluded Condition"; or
- c) which would not have incapacitated the Insured Person but for the "Excluded Condition".

10) Excluded illness

We will not pay for any:

- a) pre-existing illness specified in the Certificate of Insurance as excluded; or
- b) illness existing at, or contracted within 28 days after, the commencement of insurance under Sections 9.2(3) and 9.2(4).

11) Pre-existing condition

We will not pay for any pre-existing condition or illness.

12) Illness age limit

We do not cover any person over 60 years of age under Sections 9.2(3) and 9.2(4).

13) Communicable Diseases

We will not cover any actual or alleged Injury, Illness, loss, damage, liability, claim, cost, expense or any other amount of whatsoever nature directly or indirectly caused by, arising from, contributed to by, resulting from, or otherwise in connection with a Communicable Disease or fear or threat (whether actual or perceived) of a Communicable Disease provided the Communicable Disease is:

- a) a 'listed human disease' under, or any disease in respect of which a 'biosecurity emergency' or 'human biosecurity emergency' is declared under, the *Biosecurity Act 2015* (Cth) including any amendment, replacement, re-enactment, successor, equivalent or similar legislation including delegated legislation; or
- b) any disease determined by the World Health Organization to be a Public Health Emergency of International Concern (PHEIC).

See also the General Exclusions in Section 17 which are applicable to all Sections.

9.6 Specific conditions

If you are covered under Section 9 of this policy, you must follow the Specific Conditions noted below otherwise we may reduce or refuse the amount we pay for a claim under Section 9. The course of action we take when you fail to follow a Specific Condition will be considered in each circumstance based on what impact or effect your failure to comply caused or contributed to the claim or our decision to issue your policy.

1) Medical consultation

- a) As soon as reasonably possible following the occurrence of any Injury or Illness which may give rise to a claim under this Section, the Insured Person must at his/her expense consult a registered medical practitioner and follow the advice given.
- b) You must supply, at your expense, all certificates and information reasonably required by us and in a form acceptable to us. We will only request information relevant to handling your claim and will explain why the information, documents and help is required.
- c) The Insured Person must comply with all reasonable requests by us to undergo any medical examination as often as reasonably required and at our expense.

2) Post mortem

In the event of the death of the Insured Person, we may order a post mortem examination at our expense.

3) Notice of alteration to the risk

- a) You must give written notice to us of any change in the occupation of any Insured Person as soon as reasonably possible. As a result of the change, we may:

- i) charge an additional premium;
- ii) change the cover of your policy;
- iii) impose special conditions; or
- iv) cancel your policy and return to you a proportion of the Premium for the unexpired Period of Insurance.

- b) It is important for you to know that we may make changes to this policy as a result of a change in the occupation of an Insured Person. When there is a change, we will inform you.
- c) If after the commencement of this Section any Insured Person is affected by any disease or physical defect or infirmity of which you become aware, you must give written notice to us prior to the next renewal date detailing the circumstances of the change.

4) Additional accident and illness insurance

You must give written notice to us as soon as you reasonably can of any other policy of insurance which you have, or become aware of, against accident, disease, injury, or illness, effected by or on behalf of an Insured Person.

See also the General Conditions in Section 18 which are applicable to all Sections.

9.7 Optional covers

If selected by you and specified in your Certificate of Insurance, the Optional Cover as indicated below will apply.

1) Motor cycling

We will extend your insurance under Section 9 to include cover for Injury or Illness directly or indirectly caused by or attributable to motor cycling.

2) Water skiing

- a) We will extend your insurance under Section 9 to include cover for Injury or Illness directly or indirectly caused by or attributable to water skiing or riding on a floatation device being towed by a boat.
- b) We will not pay for Injury or disablement directly or indirectly, caused by, attributable to, or consequential upon ski-jumping.

3) Amateur football

We will extend your insurance under Section 9 to include cover for Injury or Illness directly or indirectly caused by or attributable to football played as an amateur for and against amateur clubs, or official amateur club training.

4) **Optional exclusion of initial period of compensation**

- a) We will not pay Weekly Benefits for Injury or Illness under Sections:
 - i) 9.2(2)(a);
 - ii) 9.2(2)(b); or
 - iii) 9.2(3);for the number of weeks specified in the Certificate of Insurance as “Optional Exclusion of Initial (number of) Weeks Period of Compensation”.
- b) We will reduce the 104 weeks aggregate period of Compensation in Section 9.3(2)(b)(ii) by the number of weeks specified in the Certificate of Insurance.

5) **Directors and board members**

We will pay Compensation as specified in the Certificate of Insurance should any Defined Event specified in the Certificate of Insurance occur to your director or board member, anywhere in the world during the Period of Insurance:

- a) but only while actually engaged on your board activities and the necessary travel to and from or during the activities; or
- b) while engaged in any activity if specified in the Certificate of Insurance as “24 Hour Cover”.

The Specific Exclusions in Section 9.5 and the General Exclusions in Section 17 apply to these Optional Covers.

Section 10 Electronic equipment

10.1 Definitions

The meaning of the following words that apply only when used in Section 10 are shown below.

“Breakdown”

Physical loss, destruction, or damage resulting from the electronic, electrical, or mechanical failure of the Equipment arising from internal defects causing sudden stoppage of the function and requiring the repair or replacement of the Equipment.

“Equipment”

The computers, word processors, electronic data processing equipment, systems, Vehicle diagnostic or testing equipment or other electronic equipment, specified in the Certificate of Insurance.

“Indemnify”

- a) Where the Equipment is lost or destroyed, its replacement by similar equipment to a condition equal to but not better or more extensive than its condition at the time of loss or destruction; or
- b) where the Equipment is damaged, the repair or restoration of the Equipment without deduction for depreciation.

“Indemnity Period”

The period beginning with the use of a Substitute System and ending when the Business ceases to be affected as a result of loss, destruction, or damage payable under Section 10 but for no longer than the period specified in the Period of Insurance.

“Maintenance Agreement”

Any agreement which provides for the remedial repair of any fault or breakdown which occurs in the course of the normal operation of the Equipment, including the costs of all parts and labour.

“Power Surge Protection Device”

A device which will protect the Equipment from loss, destruction, or damage resulting from electrical power supply:

- a) surge, interference, or overload; or
- b) transient surge spikes.

“Substitute System”

Any reasonable process undertaken to maintain the normal operation of the Business.

See also the General Definitions for the meaning of other words which are applicable to Section 10.

10.2 Defined events

If your Certificate of Insurance indicates that you have taken out cover under Section 10, we cover you for sudden and unforeseen physical loss, destruction, damage or Breakdown of the Equipment, but only:

- 1) while at the Premises;
- 2) after the completion of successful initial commissioning; and
- 3) during the Period of Insurance.

We will not pay for any loss, destruction, or damage if any of the Specific Exclusions in Section 10.5 or the General Exclusions in Section 17 apply.

10.3 Settlement

If your claim is covered under Section 10, we will at our option pay for, reinstate, or repair the Equipment on the basis set out below. Our choice will have regard to the circumstances of your claim and consider any preference you may have.

1) Equipment

- a) Where the Equipment is:
 - i) lost or destroyed, its replacement by similar equipment, to a condition equal to but not better or more extensive than its condition when new; or
 - ii) damaged, the repair or restoration of the Equipment to a condition substantially the same as but not better or more extensive than its condition when new;

provided that a sum equal to the cost of Reinstatement has actually been incurred, otherwise we will Indemnify you.

- b) We are not bound to Reinstatement Equipment exactly or completely if the Equipment or any other material used to Reinstatement the Equipment not readily available or available locally.

In these circumstances, we will Indemnify you.

2) Expenses

We will pay for all reasonable expenses incurred to return the damaged Equipment to its former state of serviceability, including:

- a) labour, travel, and call out costs;
- b) cost of dismantling, re-erection, and removal of debris;
- c) charges for overtime and work on public holidays; and
- d) freight in the Commonwealth of Australia including transportation, as freight, by any recognised airline's scheduled service.

3) Salvage

Unless otherwise agreed in writing, the agreed value of any salvage will be deducted from any claim and the salvage will remain your property.

4) Our limit of liability

Our total liability is limited to the Sum Insured, less the applicable Excess.

5) Automatic reinstatement of the sum insured

If we agree to pay you for loss under Section 10, we will reinstate your Electronic Equipment Sum Insured by the amount of the claim provided that you pay any additional premium required by us.

6) Underinsurance

- a) If your Equipment is insured for less than 80% of its Reinstatement value at the time the insurance under Section 10 was taken out, renewed, extended, or varied, we will only pay that portion of the claim which the Sum Insured bears to 80% of that value, in accordance with the formula:

$$\frac{\text{the Sum Insured}}{80\% \text{ of the value of the Equipment}} \times \text{the amount of the loss, destruction, or damage}$$

Example:

Where the Equipment is valued at \$20,000 but only insured for \$10,000 and a loss of \$5,000 occurs, we will pay:

$$\frac{\$10,000}{(80\% \text{ of } \$20,000)} \times \$5,000 = \$3,125$$

We will not pay \$1,875

- b) This Section 10.3(6) does not apply if the loss is less than 10% of the Sum Insured at the Premises.

10.4 Additional benefits

If you are covered under Section 10, we will extend your cover to include the following Additional Benefits. Any amount we pay for these Additional Benefits is not in addition to the Sum Insured unless otherwise stated.

1) Newly installed or replaced items

- a) We will cover you, in addition to the Sum Insured, up to:

- i) 25% of the total Sum Insured for Equipment; or
- ii) \$50,000;

whichever is the lesser, for successfully tested and commissioned additional equipment, newly installed at the Premises in the Period of Insurance.

We provide this cover provided that:

- b) At the end of the Period of Insurance you forward to us:
 - i) details of the Equipment newly installed or deleted in the Period of Insurance; and

- ii) copies of all guarantees or warranties that apply to that Equipment; and
- c) You pay us any additional premium, or we will refund any return Premium, that applies to the newly installed or deleted items. This will be calculated corresponding to the type and value of the Equipment and the period during which it was insured.

2) Equipment while temporarily removed

- a) We will cover you for loss, destruction, or damage in the Period of Insurance to Equipment while it is being transported away from the Premises to anywhere in the Commonwealth of Australia, for the purpose of repair, alteration, or modification.
- b) We will pay up to:
 - i) \$5,000; or
 - ii) any other amount specifically agreed in writing by us;

for any one accident, less any applicable Excess.
- c) We will not pay for loss, destruction, or damage:
 - i) due to theft or attempted theft while the Equipment is unattended unless inside a:
 - A) locked building; or
 - B) securely locked motor vehicle; or
 - ii) unless, at the time of the loss, destruction, or damage, the Equipment was packed in the original manufacturer's shipment container and packing or equivalent purpose built transportation container.

The Specific Exclusions in Section 10.5 and the General Exclusions in Section 17 apply to these Additional Benefits.

10.5 Specific exclusions

We do not cover you under Section 10, for the following circumstances other than to the extent indicated.

1) Maintenance and alterations

We will not pay for the cost of:

- a) maintenance work; or
- b) alterations, additions, improvements, or overhauls whether carried out in the course of payable repairs or as a separate operation.

2) Wear and tear

We will not pay for the cost of replacement or restoration following gradual deterioration, wear and tear, rust, corrosion, erosion, oxidation, or scale formation.

3) Temporary repairs

We will not pay for the cost of temporary repairs except where such repairs form part of the final repairs and do not increase the total repair costs.

4) Hire, rental, lease, or loan

We will not pay for loss, destruction, or damage, occurring to Equipment during any period when it is out of your possession on hire, rental, lease, or loan.

5) Atmospheric moisture or fluctuation in temperature

We will not pay for loss, destruction, or damage caused by or arising from atmospheric moisture or fluctuation in temperature.

6) Scratching of painted or polished surfaces

We will not pay for loss, destruction, or damage caused by or arising from scratching of painted or polished surfaces.

7) Maintenance agreement

We will not pay for any loss, destruction, or damage covered under any Maintenance Agreement or which would have been covered but for a breach of your obligations under the terms of the Maintenance Agreement.

8) Manufacturers' or suppliers' guarantee or warranty

We will not pay for loss, destruction, or damage covered under any manufacturers' or suppliers' guarantee or warranty or which would have been covered but for a breach of your obligations under the terms of the guarantee or warranty.

9) Data or data media

We will not pay for loss, destruction, or damage to electronic data processing media, except and to the extent provided in Optional Cover 10.7(2) Electronic Data Processing Media – Loss of Information.

10) Valves, tubes and batteries

We will not pay for the cost of replacement of:

- a) valves, tubes (including picture tubes), and light sources which are components of the Equipment and which:
 - i) have reached the end of their normal working life; or
 - ii) are being replaced because of damage, which in the opinion of the manufacturer or supplier of the Equipment affected, was caused by wearing out resulting from ordinary use or working;
- b) damaged, worn, or spent batteries, belts, chains, tapes, ribbons, films, filters, fuses, electric heating elements, glass components, or lubricants; or
- c) component parts worn or deteriorated through normal operation.

See also the General Exclusions in Section 17 which are applicable to all Sections.

10.6 Specific conditions

If you are covered under Section 10, you must comply with the Specific Conditions noted below otherwise we may reduce the amount we pay for a claim under Section 10. The course of action we take when you fail to follow a Specific Condition will be considered in each circumstance based on what impact or effect your failure to comply caused or contributed to the claim or our decision to issue your policy.

1) Claims procedures and requirements

- a) You must notify us prior to commencement of any repairs in excess of \$500 to ensure those repairs are acceptable to us.
- b) Your repairer must leave on the Premises, for our inspection, all parts that have been replaced, provided it is reasonable and safe to do so.

2) Power surge protection device

Where a Power Surge Protection Device has been installed, you must ensure that it is maintained in good working condition and activated at all times when the Equipment is connected to the electric power supply.

3) Manufacturers' or suppliers' guarantee/or warranty

You must:

- a) lodge with us prior to the Period of Insurance, a copy of all guarantees or warranties that apply to the Equipment; and
- b) give us notice in writing as soon as reasonably possible of any alteration, cancellation, or termination of the guarantee or warranty.

See also the General Conditions in Section 18 that apply to all Sections.

10.7 Optional covers

If selected by you and specified in the Certificate of Insurance, the Optional Cover as indicated below will apply.

1) Portable equipment

- a) We will cover you for Equipment shown in the Certificate of Insurance as being covered under this Optional Cover when away from the Premises, and while located (including in transit) in the Commonwealth of Australia.
- b) We will not pay for loss, destruction, or damage:
 - i) due to theft or attempted theft while the portable Equipment is unattended unless inside a:
 - A) locked building; or
 - B) securely locked motor vehicle;

- ii) from any cause whatsoever while the Equipment is being installed or carried in or on an aircraft, aerial device, train, bus, waterborne vessel or craft, unless carried as personal baggage, and not contained or transported in cargo holds.
- c) Our liability is limited to the Sum Insured, less the applicable Excess.

2) Electronic data processing software or media – loss of information

- a) If your claim is covered under Defined Event 10.2, and if any electronic data processing software or media (Data Media) stored on the Equipment is lost, destroyed, or damaged we will pay:
 - i) the reasonable cost of replacement of the lost, destroyed, or damaged Data Media by new unused materials;
 - ii) all reasonable expenses incurred by you strictly for the purpose of restoring the Data Media by reproduction of the data or information to a condition equivalent to that existing prior to the occurrence of loss, destruction, or damage;
 - iii) for lost data or information to be reproduced in an updated form, if the cost of doing so is no greater than that of reinstatement to a condition existing prior to the occurrence of loss, destruction, or damage; and
 - iv) the cost of extra charges incurred for overtime work.
- b) Our liability is limited to the Sum Insured, less the applicable Excess.
- c) We will not pay for:
 - i) costs and expenses incurred more than 12 months after the occurrence of physical loss, destruction, or damage covered under Section 10;
 - ii) loss or distortion (of data information or records) which does not arise from physical damage to the Data Media carrying material;
 - iii) wasting, wearing away or wearing out, caused by or naturally resulting from ordinary use, working, or gradual deterioration;
 - iv) faults or defects known to you or your employees and not disclosed to us at the time this policy was arranged; or
 - v) loss, destruction, or damage caused by atmospheric moisture, or temperature, but not if directly resulting from damage to air-conditioning equipment essential for controlling the working or storage environment of the Equipment.
- d) The General Exclusion 17(6) Electronic Data does not apply to this Optional Cover.

3) Increased cost of working

- a) We will cover you for all additional expenditure necessarily and reasonably incurred for the use of a Substitute System during the Indemnity Period:
 - i) to maintain normal business operation during the interruption following loss, destruction, or damage insured under Section 10; or
 - ii) if the normal operation of the Equipment is interrupted as the direct result of Breakdown, at the Premises and in the Period of Insurance, for which remedial service is provided under a manufacturer's or supplier's Maintenance Agreement.
- b) Our liability under this Option is limited to the Sum Insured for the Indemnity Period for all losses arising from all interruptions in the Period of Insurance. The Excess applies to cover under this Optional Cover.
- c) We will not pay a claim under this Optional Cover for losses incurred in the first two working days or the number of working days specified in the Certificate of Insurance, whichever is greater, of each interruption.
- d) We will not pay for:
 - i) the normal expenses which you would have incurred in the operation of the Equipment;
 - ii) more than 4 weeks of the Indemnity Period, due to delay in the repair or restoration of property of foreign manufacture resulting from:
 - A) measures, restrictions, or regulations imposed by any government, public, or local authority;
 - B) the time required to procure replacement components, parts, or complete equipment in overseas markets;
 - C) the time required to transport or ship component parts or complete equipment between the Premises and the overseas place of repair or restoration; or
 - D) the time required to engage and transport overseas specialists or consultants to assist in or supervise local repairs;
 - iii) any expenses incurred during any period where inability to resume normal operation of the Equipment arises solely by reason of the discontinuance of manufacture or obsolescence of the system or any component part of the system; or
 - iv) business interruption periods due to alterations or improvements to the Equipment, or solely due to the need for cleaning, adjustment, inspection, or maintenance.

The Specific Exclusions in Section 10.5 and the General Exclusions in Section 17 apply to these Optional Covers.

Section 11 Machinery

11.1 Definitions

The meaning of the following words that apply only when used in Section 11 are shown below.

“Blanket cover”

The intended meaning of the words “Blanket Cover” shown in the Certificate of Insurance is the electrical or mechanical machinery comprising of:

- 1) Refrigeration and Air-conditioning Equipment up to 7.6kw (10hp); or
- 2) Hoists, Microwave Ovens, Electronic Scales and Cash Registered;
- 3) Other 240 Volt Electric Motors up to 5kw (7hp) but excluding any 3 phase Motor.

“Boiler Explosion”

The sudden and violent rending of the Boiler or Pressure Vessel by force of internal steam, gas, or fluid pressure (including the pressure of ignited flue gases) causing displacement of any part of its structure together with forcible ejection of its contents.

“Boiler or Pressure Vessel”

Those parts of the permanent structure of a boiler, pressure vessel, economiser, or superheater and attaching pipe systems, specified in the Certificate of Insurance, which are subject to internal steam, gas, or fluid pressure.

“Breakdown”

Sudden and unforeseen physical damage which requires immediate repairs or any part to be replaced in order to make the Machine operate in the same manner and condition as before the sudden and unforeseen physical damage.

“Collapse”

The sudden and dangerous distortion of a Boiler or Pressure Vessel caused by bending or crushing of the permanent structure by vacuum or reduced pressure, or by force of steam, gas, or fluid pressure (other than pressure of ignited flue gases), including damage caused by overheating resulting from deficiency of water.

“Machine”

The electrical or mechanical machinery specified in the Certificate of Insurance.

See also the General Definitions for the meaning of other words which are applicable to Section 11.

11.2 Defined events

If your Certificate of Insurance indicates that you have taken out cover under Section 11, we cover you for:

- 1) **Breakdown of the Machine;** or

2) **Boiler Explosion or Collapse of the Boiler or Pressure Vessel;**

while at the Premises during the Period of Insurance.

We will not pay for any loss, destruction, or damage if any of the Specific Exclusions in Section 11.5 or the General Exclusions in Section 17 apply.

11.3 Settlement

If your claim is covered under Section 11, we will at our option pay for, reinstate, or repair the Machine, Boiler or Pressure Vessel on the basis set out below. Our choice will have regard to the circumstances of your claim and consider any preference you may have.

1) **Machine, boiler or pressure vessel**

a) Where the Machine, Boiler or Pressure Vessel is:

- i) lost or destroyed, we will replace it with a similar Machine, Boiler or Pressure Vessel;
- ii) damaged, we will repair or restore the Machine, Boiler or Pressure Vessel to a condition substantially the same as but not better or more extensive than its condition when new; or
- iii) damaged and cannot be repaired at a cost less than the value of a new equivalent unit, we will pay the cost of replacing, installing and commissioning a Machine, Boiler or Pressure Vessel of equivalent quality and size. If the Machine, Boiler or Pressure Vessel is replaced with equipment that is of a better kind, quality or size, we will only pay the cost that would have been incurred if an equivalent replacement had been installed.

b) We are not bound to Reinstate the Machine, Boiler or Pressure Vessel exactly or completely if the Machine, Boiler or Pressure Vessel or any other material used to Reinstate the Machine, Boiler or Pressure Vessel:

- i) is not readily available or available locally; or
- ii) a change in law prevents Reinstatement.

In these circumstances, we will Indemnify you.

2) **Salvage**

Unless otherwise agreed in writing, the agreed value of any salvage will be deducted from any claim and the salvage will remain your property.

3) **Our limit of liability**

Our liability is limited to the Sum Insured, less the applicable Excess.

11.4 Additional benefits

- 1) If your claim is covered under Section 11, we will also cover you for the following Additional Benefits, but you must obtain our consent prior to any of the costs being incurred. Any amount we pay for these Additional Benefits is not in addition to the Sum Insured.

a) **Overtime, freight, hire and temporary repair**

We will pay up to a total of \$5,000 for any one occurrence for:

- i) extra charges for overtime, night work, or work on public holidays;
- ii) express freight in the Commonwealth of Australia other than specifically chartered air freight;
- iii) the cost of hiring of temporary machines; and
- iv) the cost of effecting temporary repair;

incurred as a consequence of loss or damage covered under this Section.

b) **Turbine or deep well type pumps**

We will pay up to \$500, for any one occurrence, for the costs associated with the removal or reinstallation of turbine or deep well type pumps incurred as a consequence of loss or damage covered under this Section 11.

The Specific Exclusions in Section 11.5 and the General Exclusions in Section 17 apply to these Additional Benefits.

- 2) If you are covered under Section 11, we will extend your cover to include the following Additional Benefit. Any amount we pay for these Additional Benefits is not in addition to the Sum Insured.

a) **Automatic inclusion of similar items**

We will cover, for a period not exceeding 3 months, any additional machine, boiler or pressure vessel which is installed, tested and commissioned for commercial use and which is of similar category to any Machine, Boiler or Pressure Vessel, provided that:

- i) the value of the additional machine, boiler or pressure vessel must not exceed the current Sum Insured;
- ii) the additional machine, Boiler or Pressure Vessel must be free from material defects known to you and must comply with any relevant statutory obligation concerning its examination and certification; and
- iii) you inform us within 3 months of the installation of such additional machine, Boiler or Pressure Vessel and pay the necessary extra Premium required to cover the additional machine, boiler or pressure vessel under this Section 11.

The Specific Exclusions in Section 11.5 and the General Exclusions in Section 17 apply to this Additional Benefit.

11.5 Specific exclusions

We do not cover you under Section 11 in the following circumstances other than to the extent indicated.

1) Maintenance

We will not pay for maintaining, cleaning, adjusting, overhauling, or making improvements to the Machine, Boiler or Pressure Vessel.

2) Wear, tear and leakage

We will not pay for the cost of rectifying:

- a) wear, tear, or gradual deterioration;
- b) scratching or other marking of painted or polished surfaces;
- c) wearing away or wasting of the material of the Machine, Boiler or Pressure Vessel by atmospheric conditions, rust, erosion, oxidation, leakage, corrosion, or ordinary use;
- d) slowly developing deformation or distortion of any part of the Machine, Boiler or Pressure Vessel;
- e) cracks, fractures, blisters, laminations, flaws, or grooving even if accompanied by leakage or damage to tubes, heaters, or other parts of the Boiler or Pressure Vessel caused by overheating or leakage at seams, tubes, or other parts of the Boiler or Pressure Vessel; or
- f) failure of joints.

3) Hydraulic or hydrostatic test

We will not pay for the cost of rectifying damage arising during the application of or resulting from any hydraulic or hydrostatic test of the Boiler or Pressure Vessel.

4) Perils

We will not pay for loss, destruction, or damage caused by or arising from:

- a) fire, attempts to prevent the spread of fire, extinguishing of a fire, or subsequent demolition;
- b) smoke or soot;
- c) lightning;
- d) explosion, other than Boiler Explosion;
- e) impact of landborne vehicles or waterborne craft;
- f) earthquake, subterranean fire, or volcanic eruption;
- g) landslip, subsidence, or erosion;
- h) riot, strike, lockout, civil commotion, persons acting maliciously on behalf of or in connection with any political organisation, or cessation of work whether total or partial;
- i) aircraft or other aerial devices or articles dropped from them;
- j) storm, tempest, windstorm, hurricane, or cyclone;
- k) Rainwater or Flood;
- l) liquid or substance discharging or leaking from any apparatus, appliance, pipe, or other system, unless the apparatus, appliance, pipe, or other system forms part of the Machine;
- m) theft or burglary or attempted theft or burglary; or
- n) the act of malicious damage or vandalism.

5) Existing faults

We will not pay for faults or defects known to you or your employees and not disclosed to us at the time this policy was entered into.

6) Unsafe or unlawful operation

We will not pay:

- a) if at the time of loss, destruction, or damage:
 - i) the setting of any safety device was in excess of the limit imposed by any applicable regulation or the limit recommended by the manufacturer and that caused or contributed to the loss, destruction, or damage;
 - ii) any safety device was removed or rendered inoperative; or
 - iii) the Boiler or Pressure Vessel was not the subject of a current certificate of inspection as required by any regulation and that caused or contributed to the loss, destruction or damage; or
- b) where the Boiler or Pressure Vessel:
 - i) does not conform with all applicable Australian standards or codes and that failure caused or contributed to the loss, destruction or damage; or
 - ii) is operating in an unsafe condition and that caused or contributed to the loss, damage or liability; or
- c) where an inspection by a competent person has not been carried out at intervals specified in Australian Standard AS/NZS 3788 1996 and that failure caused or contributed to the loss, destruction or damage.

7) Fitting of automatic devices to unattended combustion engines

We will not pay for loss, destruction, or damage to an unattended combustion engine as a result of the combustion engine not being fitted with an effective operational engine monitoring device which will stop the combustion engine in the event of a lubricating or cooling fault or failure.

8) Fitting of flow or pressure switch to submersible or turbine pump

We will not pay for loss, destruction, or damage, to a submersible or turbine pump, as a result of it not being fitted with an effective operational water flow or pressure switch, that is capable of stopping the submersible or turbine pump in the event of:

- a) water pressure drop; or
- b) insufficient water flow.

9) Modifications, alterations, additions, improvements or overhauls

We will not pay for the cost of any modifications, alterations, additions, improvements, or overhauls of the Machine, Boiler or Pressure Vessel.

10) Liability or consequential loss

We will not pay for liability or consequential loss of any kind except if specifically covered by this policy. This means we will not pay for any direct or indirect financial or economic loss, for example loss of use or enjoyment, loss of profits or depreciation.

11) Consumables and materials

We will not pay for the cost of replacement of:

- a) heating or defrosting elements, brushes, batteries, screens, sieves, belts, ropes, wires, chains, felts, fabrics, packing, exchangeable tools, dryers, cutting blades, seals, fuses, filters, glass or ceramic components, electric contacts, filaments, tyres, rails, wear plates, dies, engraved cylinders, moulds, patterns, or other parts which by their use and nature suffer a high rate of wear or depreciation;
- b) refrigerant or transformer oils due to defective glands, seals, valves, gauges or loose connections;
- c) fuels, chemicals, filter substances, heat transfer media, cleaning agents, lubricants, oil, catalysts, or other operating material;
- d) concrete, brickwork, or refractories; or
- e) materials in the course of or undergoing processing.

12) Statutory regulations

We will not pay for the cost of replacement or exchange of:

- a) parts, equipment, or apparatus;
- b) liquids; or
- c) refrigerant gases;

to meet or comply with any statute or regulation in relation to substitution of refrigerant gas requirements whether carried out in the course of payable repairs or as a separate operation.

13) Testing

We will not pay for damage arising from the Machine, Boiler or Pressure Vessel being:

- a) subjected to tests involving abnormal stresses; or
- b) intentionally overloaded.

14) Damage to machine, boiler or pressure vessel

We will not pay for loss, destruction, or damage to:

- a) computers, telephone and closed circuit television installations, and other office electronic equipment;

- b) gaming, gambling, amusement, vending machinery, audio, or visual entertaining equipment;
- c) any vehicle, caravan, trailer, or cycle;
- d) lifts, escalators, or elevators;
- e) reticulating electrical wiring or lighting equipment;
- f) water and gas piping;
- g) storage tanks and vats;
- h) watercraft; or
- i) aircraft.

15) Warranty or guarantee

We will not pay for replacement parts, labour cost, or travelling cost recoverable under any supplier, manufacturer, or repairer's warranty or guarantee, or which would have been covered but for a breach of your obligations under the terms of the guarantee or warranty.

See also the General Exclusions in Section 17 which are applicable to all Sections.

11.6 Specific conditions

If you are covered under Section 11, you must comply with the Specific Conditions noted below otherwise we may reduce the amount we pay for a claim under Section 11. The course of action we take when you fail to follow a Specific Condition will be considered in each circumstance based on what impact or effect your failure to comply caused or contributed to the claim or our decision to issue your policy.

1) Notice of alterations and additions

- a) You must notify us within 1 month of changes in work conditions, removal, alterations, or additions to the Machine, Boiler or Pressure Vessel.
- b) As a result of the changes, we may:
 - i) charge an additional premium;
 - ii) change the cover of your policy;
 - iii) impose special conditions; or
 - iv) cancel your policy and return to you a proportion of the Premium for the unexpired Period of Insurance.
- c) It is important for you to know that we may make changes to this policy as a result of changes in work conditions, removal, alterations, or additions to the Machine, Boiler or Pressure Vessel. When there is a change, we will inform you.

2) Claims procedures and requirements

- a) You must notify us prior to commencement of any repairs in excess of \$500 to ensure repairs are acceptable to us; and
- b) your repairer must leave on the Premises, for our inspection, all parts which have been replaced, provided it is reasonable and safe to do so.

3) Inspection

You must at all reasonable times permit our representative to inspect the Machine, Boiler or Pressure Vessel.

See also the General Conditions in Section 18 which are applicable to all Sections.

11.7 Optional covers

If selected by you and specified in your Certificate of Insurance, the Optional Cover as indicated below will apply.

1) Refrigerated stock

- a) We will pay for loss, destruction, or damage to stock, including their packaging, held in a refrigerated compartment, arising from deterioration or putrefaction caused by:
 - i) a breakdown covered under Section 11 or which would have been covered other than for the application of any Excess;
 - ii) a breakdown of the public electricity supplier's system which would have been covered if insured under Section 11, but we will not pay for a deliberate act of the supplier, unless performed for the sole purpose of safeguarding life, or protecting a part of the supplier's system; or
 - iii) the operation or failure of the Machine's protective devices or thermostats, but we will not pay for loss, destruction, or damage caused by the manual operation or manual setting of switches or controls.
- b) We will pay for the reasonable expenses incurred to minimise and prevent further loss, provided the expenses do not exceed the loss avoided.
- c) Our liability is limited to:
 - i) the Sum Insured; or
 - ii) the purchase cost of the lost, destroyed, or damaged stock plus the additional expenses incurred;whichever is the lesser, less the applicable Excess.
- d) Following the occurrence of loss, destruction, or damage, the Sum Insured is reinstated to the full amount specified in the Certificate of Insurance provided You pay the extra Premium required by us.
- e) We will not pay for loss, destruction, or damage resulting from:
 - i) the inefficiency of the refrigeration system to hold the refrigerated compartment containing the refrigerated stock at the required temperature;
 - ii) the accidental or deliberate switching off of the refrigeration system controlling the refrigerated compartment containing the refrigerated stock;
 - iii) shrinkage, or inherent defects;
 - iv) improper storage or stowage or collapse of packing materials;

v) refrigerated stock that has passed their used by dates; or

vi) damage to goods which are alive or of a bacterial nature.

f) Unless we have authorised otherwise, any damaged refrigerated stock must be retained for our inspection before disposal provided it is reasonable and safe to do so.

2) Overseas air freight

- a) If your claim is covered under Section 11, or you would have been covered, but for the application of an Excess, we will also cover you for the cost of air freight necessarily and reasonably incurred from anywhere in the world to obtain replacement parts.
- b) Our liability is limited to the Sum Insured stated in the Certificate of Insurance for the cost of overseas air freight, less the applicable Excess.

The Specific Exclusions in Section 11.5 and the General Exclusions in Section 17 apply to these Optional Covers.

Section 12 General Property

12.1 Definitions

The meaning of the following words that apply only when used in Section 12 are shown below.

“In Transit”

- c) The period of time commencing when the Property is loaded for transport at the place of dispatch, continuing during the normal course of transit, and ending when the Property is delivered and unloaded at the place of destination.
- d) Contained within any Motor Vehicle owned by you or used by you.
- e) Temporarily removed for the purpose of the Business from a Motor Vehicle owned by you or used by you while away from the Premises.

“Motor Vehicle”

Any motor vehicle including any attached trailer.

“Property”

- a) Stock in trade, tools of trade, plant and equipment, and other contents which you own or for which you are legally responsible.
- b) Computers and other electronic equipment, mobile phones, personal digital assistants, or other hand held electronic devices.

See also the General Definitions for the meanings of other words which are applicable to Section 12.

12.2 Defined events

If your Certificate of Insurance indicates that you have taken out cover under Section 12, we cover you against the Property being lost, destroyed or damaged:

- 1) while In Transit as a result of fire, Flood, earthquake, explosion, impact, collision or overturning of the conveying Motor Vehicle or train carrying the Property; or
- 2) by theft as a result of actual, forcible and violent entry into or exit from:
 - a) your private residence;
 - b) a private residence or business premises of a person authorised by you, but not your Premises; or
 - c) a locked Motor Vehicle or locked compartment permanently attached to the Motor Vehicle;

occurring within the Commonwealth of Australia during the Period of Insurance.

We will not pay for any loss, destruction, or damage if any of the Specific Exclusions in Section 12.4 or the General Exclusions in Section 17 apply.

12.3 Settlement

If your claim is covered under Section 12, we will at our option pay for, reinstate, or repair the Property on the basis set out below. Our choice will have regard to the circumstances of your claim and consider any preference you may have.

1) Property

- a) Where the Property is:
 - i) lost or destroyed, we will replace it with a similar item, to a condition equal to but not better or more extensive than its condition when new; or
 - ii) damaged, we will repair or restore the item to a condition substantially the same as but not better or more extensive than its condition when new;but only if:
 - A) the replacement or repair is carried out within a reasonable time;
 - B) the repair cost does not exceed the Reinstatement cost that would have been incurred had the Property been totally lost, destroyed or damaged; and
 - C) a sum at least equal to the cost of Reinstatement has actually been incurred;

otherwise we will Indemnify you.

- b) The most we will pay for any one claim and in any one Period of Insurance in respect of computers and other electronic equipment, mobile phones, personal digital assistants, or other hand held electronic devices is \$2,000 or the amount specified in the Certificate of Insurance, whichever is the lesser.

2) Our limit of liability

Our liability is limited to the Sum Insured, less the applicable Excess.

12.4 Specific exclusions

We do not cover you under Section 12 in the following circumstances other than to the extent indicated.

1) Jewellery

We will not pay for loss, destruction, or damage to jewellery, precious stones, precious metals, or bullion.

2) Furs or leather

We will not pay for loss, destruction, or damage to furs or leather apparel.

3) Vehicles or watercraft

We will not pay for loss, destruction, or damage to Vehicles or Watercraft.

4) Family or employee

We will not pay for any loss, destruction, or damage resulting from theft or attempted theft, by you or any member of your Family, directors, partners, or an employee.

See also the General Exclusions in Section 17 which are applicable to all Sections.

Section 13 Fraud or dishonesty

13.1 Definitions

The meaning of the following words that apply only when used in Section 13 are shown below.

“Employee”

Any person who is engaged by you to work in your service in the ordinary course of your Business:

- a) whom you remunerate by salary, wages, or commission; and
- b) whom you have the right to control and direct in the performance of such work;

but does not include a director, partner, or trustee of your Business, or any broker, consignee, contractor, or agent, or a person who is a member of any committee which examines or audits or has custody of or access to your money, negotiable instruments or goods.

“Property”

Money, or tangible property belonging to you or for which you are legally responsible.

See also the General Definitions for the meanings of other words which are also applicable to Section 13.

13.2 Defined events

If your Certificate of Insurance indicates that you have taken out cover under Section 13, we cover you for loss of Property caused by any:

- 1) fraudulent; or
- 2) dishonest;

act or omission by an identified Employee with the clear intent of making improper personal financial gain, occurring within the Commonwealth of Australia and during the Period of Insurance.

We will not pay for any loss if any of the Specific Exclusions in Section 13.5 or the General Exclusions in Section 17 apply.

13.3 Settlement

If your claim is covered under Section 13, we will pay you on the basis set out below.

1) Our limit of liability

Our liability is limited to the Sum Insured, less the applicable Excess, for:

- a) any one Employee; or
- b) any number of Employees acting in collusion in respect of:
 - i) the one event; or
 - ii) series of events arising from the one source, which constitute an ongoing course of similar conduct;

irrespective of whether the acts of fraud or dishonesty were committed during more than one Period of Insurance.

13.4 Additional benefits

- 1) If your claim is covered under Section 13, we will also cover you for the following Additional Benefit, but you must obtain our consent prior to any of the costs being incurred. Any amount we pay for these Additional Benefits is in addition to the Sum Insured.

a) External auditors

- i) We will pay up to:
 - A) 10% of the Sum Insured; or
 - B) \$20,000;whichever is the lesser, for the reasonable cost of external auditors, incurred to substantiate a valid claim.
- ii) This Additional Benefit does not apply to cover provided under 13.4(2)(d) Unidentified Employees.

The Specific Exclusions in Section 13.5 and the General Exclusions in Section 17 apply to this Additional Benefit.

- 2) If you are covered under Section 13, we will extend your cover to include the following Additional Benefit. Any amount we pay for these Additional Benefits is not in addition to the Sum Insured.

a) Continuity of insurance

- i) If Section 13 replaces any prior policy of insurance and there is unbroken continuity of cover, then Section 13 will apply to any loss which is discovered within the Period of Insurance, but we will only pay if this loss would have been reimbursed:
 - A) under the prior policy except for the fact that the time limitation within which to discover such loss had expired; and
 - B) under Section 13 had this policy been in force when the acts of fraud or dishonesty were committed.
- ii) We will pay up to:
 - A) the limit of liability of the previous policy; or
 - B) the Sum Insured for Section 13; whichever is the lesser.
- iii) You must pay:
 - A) the excess shown in the previous policy; or
 - B) the Excess applicable to Section 13; whichever is the greater.

b) Superannuation funds

For the purpose of this Section 13 only, the definition of "you" or "your", includes any superannuation or pension scheme formed by you and exclusively for the benefit of Employees, but does not include any scheme that is administered by a professional funds manager.

c) Welfare, social or sporting clubs

For the purpose of this Section 13 only, the definition of "you" or "your", includes any welfare, social or sporting club formed with your knowledge and consent exclusively for the benefit of Employees and their families.

d) Unidentified employee

We will pay up to:

- i) \$2,000 for any one Employee; or
 - ii) \$5,000 in total for all Employees;
- for all claims in the Period of Insurance, less the applicable Excess, for loss of Property caused by any fraudulent or dishonest act or omission of an unidentifiable Employee.

The Specific Exclusions in Section 13.5 and the General Exclusions in Section 17 apply to these Additional Benefits.

13.5 Specific exclusions

We do not cover you under Section 13 in the following circumstances other than to the extent indicated.

1) After discovery

We will not pay for loss arising from any act of fraud or dishonesty committed by an Employee after discovery by you of any act of fraud or dishonesty on the part of that Employee.

2) Check or precaution

We may reduce or deny any liability to pay any claim if you fail to perform or observe any check or take any precaution reasonably requested by us to the extent that your failure caused or contributed to any loss.

3) Time limitation

We will not pay for loss discovered after 12 months following the termination of:

- a) Section 13; or
- b) the employment of the responsible Employee; whichever occurs first.

See also the General Exclusions in Section 17 which are applicable to all Sections.

13.6 Specific conditions

If you are insured under Section 13 of this policy, you must comply with the Specific Conditions noted below otherwise we may not pay your claim under Section 13. The course of action we take when you fail to follow a Specific Condition will be considered in each circumstance based on what impact or effect your failure to comply caused or contributed to the claim or our decision to issue your policy.

1) Change of ownership

You must notify us in writing within 30 days if your Business is merged, amalgamated, or consolidated with another business, and pay any adjusted Premium to reflect any increased risk of loss or damage.

2) Discovery of fraud or dishonesty

You must notify us as soon as reasonably possible upon the discovery of any act or reasonable cause of suspicion of fraud or dishonesty by any Employee whether giving rise to a claim or not.

3) Claims procedures

Upon discovery of any circumstances giving rise to, or likely to give rise to, a claim, you must:

- a) as soon as reasonably possible notify us and fully explain all circumstances;
- b) as soon as reasonably possible notify the police;
- c) deliver to us a detailed statement as soon as reasonably possible;

- d) permit us, or our agents, to inquire into, investigate, and examine the circumstances of the loss;
- e) at your expense, produce and supply copies of all books, vouchers, correspondence, documents, receipts, and all entries, in your possession or control, relating to the loss; and
- f) give all possible assistance, as may reasonably be required by us, relating to the claim, the correctness of the loss, and our liability under Section 13.

4) Audit controls

You must undertake your normal business process of audit, supervision and checks, as declared to us.

See also the General Conditions in Section 18 which are applicable to all Sections.

Section 14 Tax audit

14.1 Definitions

The meaning of the following words that apply only when used in Section 14 are shown below.

“Accountant or Registered Tax Agent”

A person recognised by either the Institute of Chartered Accountants or the Australian Society of Accountants, or any other person registered by the Australian Tax Office as a Tax Agent, but does not mean you, or a person working for you under a contract of employment.

“Audit”

The conduct of a taxation audit by the Australian Taxation Office of your liability to pay a Designated Tax, including the amount of such tax.

“Designated Tax”

Any investigations relating to your liability to pay the following taxes - Income Tax, Fringe Benefits Tax, Capital Gains Tax, Wholesale and Sales Tax, Payroll Tax, Goods and Services Tax and Superannuation Contributions Tax.

“Investigation”

A detailed and in-depth investigation by the Australian Taxation Office of your liability to pay a Designated Tax, including the amount of such tax.

“Professional Fees”

The fees and costs reasonably and necessarily incurred by you to your Accountant, Registered Tax Agent, or lawyer for work carried out in respect of the Audit or Investigation, but does not include:

- a) your employees' salaries; or

- b) amounts paid to other outside professional persons or consultants, unless we have agreed to pay the amounts prior to appointment (we will not unreasonably withhold our agreement).

“Return”

The documentation required to be lodged with the Australian Taxation Office as your annual income tax return.

See also the General Definitions for the meaning of other words which are applicable to Section 14.

14.2 Defined events

If your Certificate of Insurance indicates that you have taken out cover under Section 14, we cover you for the cost of Professional Fees as a result of an:

- 1) **Audit;** or
- 2) **Investigation;**

occurring during the Period of Insurance and within the Commonwealth of Australia relating to your liability to pay a Designated Tax.

We will not pay for any loss if any of the Specific Exclusions in Section 14.4 and the General Exclusions in Section 17 apply.

14.3 Settlement

If your claim is covered under Section 14, we will pay the Professional Fees on the basis set out below.

1) Professional fees

We will pay for Professional Fees:

- a) from when notification of the Audit or Investigation is first received from the Australian Taxation Office;
- b) until:
 - i) written advice from the Australian Taxation Office is given that the Audit or Investigation is completed;
 - ii) the issue, from the Australian Taxation Office, of an assessment or amended assessment of your tax liability following the Audit or Investigation; or
 - iii) 6 months after commencement of the Audit or Investigation;

whichever occurs first.

2) Our limit of liability

Our total liability during the Period of Insurance for all claims is limited to the Sum Insured, less the applicable Excess.

14.4 Specific exclusions

We do not cover you under Section 14 for any claim in respect of, or arising from, or relating to any of the following circumstances other than to the extent indicated.

1) Self-employment, company, or business

We will not pay for any claim in respect of, or arising from, or relating to your self-employment, company, or Business, unless specified as such in the Certificate of Insurance.

2) Preparation of return

We will not pay for any claim in respect of any Audit or Investigation into any Return which was not prepared by your Accountant or Registered Tax Agent.

3) Routine enquiries

We will not pay for routine enquiries from the Australian Taxation Office.

4) Fraud

We will not pay for any fraudulent act or omission committed by you or on your behalf, or any statement made which is false or misleading in a material particular and where the reason for such statement can be attributed to deliberate evasion, recklessness or carelessness by you or on your behalf. This exclusion will not apply where a false or misleading statement results from you being misled by the Australian Taxation Office, and where you did not and could not be expected to know that a statement was false or misleading.

5) Fines or penalties

We will not pay for any tax, penalty, levy, cost, interest, or fine.

6) Customs

We will not pay for any matters arising under any Customs statute or regulation.

7) Previous knowledge

We will not pay for any claim in respect of an Audit or Investigation, notice of which or information of the likelihood of such Audit or Investigation taking place was received by you, or by any person acting on your behalf, prior to the Period of Insurance.

8) Outside the Commonwealth of Australia

We will not pay for any claim in respect of an Audit or Investigation concerning income sourced or earned outside the Commonwealth of Australia.

9) Failure to comply

We will not pay for any claim in respect of, or arising from, or relating to any improper, unwarranted, or unjustified refusal or failure to comply with any request made by or on behalf of the Australian Taxation Office for the production of documents or the furnishing of information.

See also the General Exclusions in Section 17 which are applicable to all Sections.

14.5 Specific conditions

If you are covered under Section 14 of this policy, you must follow the Specific Conditions noted below otherwise we may reduce or refuse the amount we pay for a claim under Section 14. The course of action we take when you fail to follow a Specific Condition will be considered in each circumstance based on what impact or effect your failure to comply caused or contributed to the claim or our decision to issue your policy.

1) Taxation department matters

- a) All Returns or other documentation required must be submitted within the prescribed time limits set by any relevant statute, regulation, or the Australian Taxation Office, unless you can demonstrate that any failure to comply was not the result of deliberate delay.
- b) You must:
 - i) maintain proper records sufficient to enable complete and correct Returns to be compiled;
 - ii) make a full and complete disclosure of all income as required by any relevant legislation;
 - iii) deal with all correspondence, requests, and enquiries from the Australian Taxation Office within a reasonable time;
 - iv) pay all taxes by the due date or within any extension granted by the Australian Taxation Office; and
 - v) notify the Australian Taxation Office without delay upon you or any person acting on your behalf becoming aware of any error or deficiency in any information, Return, or other documentation furnished to them.

2) Professional fees

All accounts for Professional Fees payable under Section 14 must be submitted to us as soon as reasonably possible upon receipt.

3) Claims procedures

You must:

- a) notify us in writing as soon as reasonably possible of any circumstances which give rise or are likely to give rise to a claim;
- b) keep us fully informed of all material developments in relation to the claim and in relation to any Audit or Investigation;
- c) take all steps as are necessary and reasonable to minimise any delays and the amount of any fees or costs incurred or likely to be incurred in connection with any Audit or Investigation; and
- d) at our request, use reasonable endeavors to instruct your Accountant, Registered Tax Agent, lawyer, or any other person or organisation, to produce to us as soon as reasonably possible any documents, information, or advice in your possession which we may require in connection with any claim.

4) Investigation

We may make our own investigation into any matter which is or may be the subject of a claim under Section 14.

5) Authority for enquiry

You must allow us to make inquiries directly with the Australian Taxation Office as to any matter which is or may be the subject of a claim under Section 14.

6) Access to your accountant and others

You must:

- a) allow us to have direct access to your Accountant, Registered Tax Agent, lawyer, or any other person or organisation as to any matter which is or may be the subject of a claim under Section 14; and
- b) co-operate fully with us as reasonably required. We will only request information and assistance where relevant to your claim and will explain why the information and assistance is required.

See also the General Conditions in Section 18 which are applicable to all Sections.

Section 15 Domestic house and contents

15.1 Definitions

The meaning of the following words that apply only when used in Section 15 are shown below.

“Burglary”

- a) Stealing as a result of actual forcible and violent entry into or out of the Premises;
- b) stealing as a result of threat of immediate violence or violent intimidation.

“Contents”

Any of the following items owned by you, or for which you are legally responsible and while in the Home Building or at the Premises:

- a) furniture and furnishings;
- b) floor rugs, carpets and vinyls, whether fixed or unfixed;
- c) household goods and garden equipment;
- d) clothing, personal belongings, sporting, recreational and hobby equipment;
- e) curtains and internal blinds;
- f) above ground swimming pools, spas and saunas that are not permanently fixed;
- g) accessories or spare parts to a Motor Vehicle, caravans, trailers, aircraft, or Watercraft, but only while not attached to or in them;
- h) money, negotiable instruments, or bullion;

- i) property used in connection with your Business or occupation carried out in a surgery or office in the Home Building;
 - j) equipment or tools used in a business or occupation;
 - k) pictures, works of art, curios, documents, furs, musical instruments, watches, jewellery, unset precious stones, gold and silver articles, and collections of any kind;
 - l) audio and video recordings including CDs and laser discs and digital media;
 - m) computers and associated equipment including printers, scanners and software;
 - n) any item specified as covered under this Section in the Certificate of Insurance;
 - o) if you are a tenant in the Home Building, fixtures that are not landlord's fixtures;
 - p) unregistered motorised golf buggies, ride-on mowers and wheel chairs;
 - q) unregistered motorcycles or mini-bikes up to 125cc that do not require registration by law, unless they are being used for racing or pacemaking; or
 - r) Watercraft less than 4 metres long that is not powered by a motor, or is powered by a motor less than 10hp;
- but does not include:
- s) any item included under the definition of Home Building;
 - t) landscaping, trees, plants, or shrubs in the ground;
 - u) birds, animals, or fish;
 - v) pedal cycles while they are used for racing or pacemaking;
 - w) Motor Vehicles, caravans, trailers or aircraft other than model or toy aircraft;
 - x) registered motorcycles or mini-bikes;
 - y) unregistered motorcycles or mini-bikes over 125cc;
 - z) Watercraft more than 4 metres long;
 - aa) Watercraft less than 4 metres long that is powered by a motor of more than 10hp; or
 - ab) Jet skis.

“Home Building”

The buildings at the Premises used principally and primarily as a place of residence including:

- a) offices and surgeries;
- b) outbuildings, fixtures and structural improvements used for domestic purposes;
- c) services, whether underground or not, for which you are legally responsible;
- d) retaining walls, fences and gates, used for domestic purposes only;
- e) cemented, bitumen, or asphalted paths or driveways;
- f) terraces, wells, bores and pergolas;
- g) permanently fixed spas, saunas, barbecues, clothes lines, room heaters, stoves, air-conditioners, fans, light fittings, hot water services, in-ground swimming pools, water tanks and stands;

- h) exterior blinds and awnings;
 - i) built-in furniture;
 - j) meter boxes, television aerials, radio aerials and their masts and fittings; and
 - k) fixed wall, ceiling and floor coverings;
- but does not include:
- l) carpets, vinyls, or floor rugs whether fixed or not;
 - m) trees, plants, shrubs, or landscaping;
 - n) a building used as a hotel, motel, or boarding house;
 - o) a building that is under initial construction;
 - p) a temporary building or structure; or
 - q) a caravan, whether fixed to the Premises or not.

“Loss of Rent”

Means the loss of rent under a rental agreement or periodic tenancy agreement resulting from a claim payable under Section 15.2.

“Motor Vehicle”

A vehicle powered by other than animal power that is designed to travel by road, track, or cross country, including a trailer or caravan.

“Open Air”

Any place within:

- a) the Premises that are not within an entirely walled and roofed building capable of being locked; or
- b) any Vehicle or Watercraft at the Premises whether locked or not.

“Premises”

The land specified in the Certificate of Insurance on which the Home Building or Contents are situated, including your road verge and street lawns.

“Rent Default”

Means:

- a) If your tenant leaves your Rental Property before the end of the tenancy period of your rental agreement or periodic tenancy agreement, without giving you or your agent notice;
- b) if your tenant is legally evicted from your Rental Property; or
- c) if your tenant stops paying rent owed to you or your agent.

“Rental Property”

Means the land or Home Building specified in the Certificate of Insurance as rental property.

“Watercraft”

Any vessel, craft, or thing made or intended to float on, or in, or travel through water, including a hovercraft, but does not include:

- a) a surfboard;

- b) a surf mat;
- c) water skis; or
- d) a permanently moored pontoon.

“you” or “your”

Any person ordinarily residing at the Home Building.

See also the General Definitions for the meanings of words which are applicable to Section 15.

- iii) water or wind entering the Home Building through an open window or door;
- iv) action of the sea or high water;
- v) erosion, landslide, subsidence, or any earth movement unless arising from Storm or Rainwater; or
- c) for loss, destruction, or damage to glasshouses.

15.2 Defined events

If your Certificate of Insurance indicates that you have taken out cover under Section 15, we cover you against loss, destruction, or damage to the Home Building or Contents by any of the Defined Events listed below during the Period of Insurance, except as provided under We Will Not Pay.

The Specific Exclusions in Section 15.5 and the General Exclusions in Section 17 also apply.

1) Fire or explosion

We will not pay for loss, destruction, or damage caused:

- a) to the Property, where the Property is undergoing any process involving the application of heat; or
- b) by the Property’s own spontaneous combustion.

2) Lightning or thunderbolt

We will not pay for loss, destruction, or damage unless caused by a direct strike to the Property in the immediate vicinity of the Premises.

3) Earthquake, tsunami, subterranean fire, or volcanic eruption

We will not pay the first \$1,000 for loss, destruction, or damage to the Home Building or Contents occurring within any period of 48 consecutive hours of the Earthquake, Tsunami, Subterranean Fire, or Volcanic Eruption.

This is in addition to any other Excess that may apply.

4) Storm or rainwater

We will not pay:

- a) more than 20% of your Contents Sum Insured for loss, destruction, or damage to Contents while in the Open Air;
- b) for loss, destruction, or damage caused by:
 - i) water entering through any opening not made by the storm, except water entering from the overflowing of a road drain, street gutter, or other drainage system external to the Premises;
 - ii) water or wind entering the Home Building as a result of structural defects, faulty design, faulty workmanship, or lack of proper maintenance to the Home Building;

5) Vandalism or malicious acts

We will not pay for loss, destruction, or damage caused by:

- a) a tenant;
- b) a boarder;
- c) a person usually living in the Home Building; or
- d) a person lawfully at the Premises.

6) Theft or burglary (actual or attempted)

- a) We will not pay more than:
 - i) 20% of your Contents Sum Insured for theft of Contents while in the Open Air; or
 - ii) \$250 for Theft, or \$1,250 for Burglary, of money.
- b) We will not pay for loss, destruction, or damage caused by:
 - i) a tenant;
 - ii) a boarder;
 - iii) a person usually living in the Home Building; or
 - iv) a person lawfully at the Premises.

7) Escape of liquid as a result of bursting, leaking, discharging, or overflowing of fixed domestic apparatus, tanks, or pipes

We will not pay for loss, destruction, or damage:

- a) to the fixed domestic apparatus, tank, or pipe itself; or
- b) caused by the escape of water from any shower alcove or recess.

8) Riot and civil commotion

9) Impact by animals

We will not pay for loss, destruction, or damage caused by an animal kept at the Premises.

10) Impact by falling tree or branch, or mast or aerial

We will not pay for:

- a) loss, destruction, or damage caused:
 - i) by felling or lopping trees by you or for you; or
 - ii) to the mast or aerial; or

- b) the cost of removing the tree or part of the tree, except those parts needing to be removed in order to repair the loss, destruction, or damage.

11) Impact by motor vehicle, watercraft, aircraft or debris falling from an aircraft, rocket, satellite or space debris.

12) Breakage of fixed glass, solar panels, ceramic cooktop, shower base, spa, bath, basin, sink, toilet, or cistern

- a) We will not pay for loss, destruction, or damage:
 - i) caused to glass forming part of a glasshouse;
 - ii) where the breakage does not extend through the entire thickness of the item damaged;
 - iii) to glass in radios, clocks, television sets, computers, or picture frames;
 - iv) to glass or mirrors ordinarily carried by hand; or
 - v) to vases, ornaments, or table lamps.
- b) We will not pay for chipping, scratching, or breaking of china, marble, composite material, or earthenware.

13) Fusion, being the burning out by electric current of a motor in an electrical machine or apparatus forming part of the home building or contents

We will not pay for loss, destruction, or damage:

- a) to mechanical parts including bearings, brushes, or switches of any description;
- b) to associated electrical controls;
- c) to lighting or heating elements, fuses, or protective devices; or
- d) caused by other mechanical, structural, electrical, hydraulic, or electronic breakdown or failure.

15.3 Settlement

If your claim is covered under Section 15, we will at our option pay for, or reinstate, replace, or repair the Home Building or Contents, on the basis set out below. Our choice will have regard to the circumstances of your claim and consider any preference you may have.

1) Home building

- a) We will Reinstate the Home Building.
- b) We may, at our option, elect to pay you the cost to Reinstate the Home Building if:
 - i) you choose not to repair or rebuild your Home Building; or
 - ii) you do not start repairing or rebuilding your Home Building within 6 months of the incident, or within any longer period we agreed in writing;

then we will only pay you the cost to repair or rebuild your Home Building. Our choice will have regard to the circumstances of your claim and consider any preference you may have.

- c) The most we will pay is the Home Building Sum Insured or the costs incurred by you, whichever is the lesser.

2) Contents

- a) We will Reinstate the Contents.
- b) We may, at our option, elect to pay you the cost to Reinstate the Contents if:
 - i) you choose not to repair or replace your Contents; or
 - ii) we choose to pay you the cost to repair or replace your Contents.

Our choice will have regard to the circumstances of your claim and consider any preference you may have.

- c) The most we will pay is the Contents Sum Insured or the costs incurred by you, whichever is the lesser.

3) Fusion

We will pay for the repair or replacement of the electric motor, but only if the electric motor is 15 years old or less.

4) Floor coverings or curtains

For fixed wall, ceiling, or floor coverings or carpets, internal blinds or curtains, we will only pay for repairing or replacing the item, in the room in which the loss, destruction, or damage occurred.

5) Escape of liquids

We will pay:

- a) for damage to the Home Building and Contents; and
- b) the reasonable and necessary cost incurred in locating the source of the damage in the Home Building including rectification of paths or driveways, immediately surrounding and adjoining the Home Building, if damaged while locating the cause.

6) Sets or pairs of items

Where you make a claim in relation to an item which forms part of a pair, suite, or set:

- a) we will Reinstate that item only; and
- b) we will not pay more than the value of the lost, destroyed, or damaged item as a proportion of the combined pair, suite or set; and
- c) where the lost or damaged part of a pair or set will impact the operation of the entire pair or set, we will replace the entire pair or set or pay you the value of the damaged item. We will replace the entire pair, suite or set if it is completely

inoperable because of the loss or damage to a single item which cannot be replaced or a single replacement item does not complete the pair, suite or set to make it operational, for example – hearing aids.

7) Accessories or spare parts

We will pay up to \$750 in total for loss, destruction, or damage to accessories or spare parts to a Motor Vehicle, aircraft, or Watercraft while at the Premises.

8) Watercraft

We will pay up to \$5,000 in total for loss, destruction, or damage to Watercraft.

9) Money, bullion, or negotiable instruments

We will pay up to \$1,250 in total for loss, destruction, or damage to money, negotiable instruments or bullion except where the loss, destruction, or damage is caused by Theft when we will pay up to \$250.

10) Surgery or office

We will pay up to \$10,000 in total for Contents owned by you and used in connection with your business or occupation carried on in a surgery or office in the Home Building.

11) Equipment or tools

We will pay up to \$1,000 in total for equipment or tools at the Premises which are used in a business or occupation.

12) Works of art, jewellery, or collections of any kind

We will pay up to:

- a) \$2,500 per item; or
- b) 20% of the Contents sum insured in total for all items;

whichever is the lesser, for loss, destruction, or damage to pictures, works of art, curios, documents, furs, musical instruments, watches, jewellery, unset precious stones, gold or silver articles, or coin, stamp or other collections of any kind, unless those items are specified in the Certificate of Insurance.

For items specified in the Certificate of Insurance the most we will pay for loss, destruction, or damage to those items is the amount specified in the Certificate of Insurance.

13) Audio or video recordings

We will pay up to \$5,000 in total for loss, destruction, or damage to audio or video recordings including CDs and laser discs, game cartridges and discs of any sort, unless those items are specified in the

Certificate of Insurance. For items specified in the Certificate of Insurance the most we will pay for loss, destruction, or damage to those items is the amount specified in the Certificate of Insurance.

14) Computers

We will pay up to \$10,000 in total for loss, destruction, or damage to computers and associated equipment including printers, scanners, and software, unless those items are specified in the Certificate of Insurance. For items specified in the Certificate of Insurance the most we will pay for loss, destruction, or damage to those items is the amount specified in the Certificate of Insurance.

15) Unavailability of materials or parts

We will match the existing materials or parts, however, if the exact materials or parts are not available locally:

- a) we will not pay for:
 - i) any increased cost you may incur; or
 - ii) any freight where materials or parts are imported into Australia; and
- b) we will pay the last known cost of the existing materials or parts.

16) Our limit of liability

Our liability is limited to the Sum Insured, less the applicable Excess.

17) Automatic reinstatement of the sum Insured

If we agree to pay you for a claim under Section 15, other than for the full amount of the Sum Insured, we will reinstate your Domestic House and Contents Sum Insured. When we do this, you do not have to pay any extra Premium to reinstate your Domestic House and Contents Sums Insured for the remainder of the Period of Insurance for Section 15. If we pay you the full amount of the Sum Insured for your Home Building or Contents, for any one claim, those covers will come to an end and no refund of Premium is due.

15.4 Additional benefits

- 1) If your claim is covered under Section 15 for loss, destruction, or damage to the Home Building, we will also cover you for the following Additional Benefits necessarily and reasonably incurred during the indemnity period with our written consent (which will not be unreasonably withheld) prior to any of the costs being incurred.

a) Professional fees

We will pay for the cost of architects, consultants, or surveyors engaged in relation to the repair or replacement of the Home Building.

b) Mortgage discharge

We will pay in addition to the sum insured all costs associated with the discharge of a mortgage following settlement of a claim for total loss.

The Specific Exclusions in Section 15.5 and the General Exclusions in Section 17 apply to these Additional Benefits.

- 2) If you are covered under Section 15 for loss, destruction, or damage to the Home Building, we will extend your cover to include the following Additional Benefit. Unless otherwise stated, any amount we pay for this Additional Benefit is not in addition to the sum insured.

a) Landlord's fixtures and fittings

We will pay up to:

- i) 10% of the Home Building Sum Insured; or
- ii) \$10,000;

whichever is the lesser, for loss, destruction, or damage to your fixtures, fittings, furnishings, or carpets which are in your Home Building for use by your tenants, caused by one of the Defined Events in Section 15.2.

The Specific Exclusions in Section 15.5 and the General Exclusions in Section 17 apply to this Additional Benefit.

- 3) If you are covered under Section 15 for loss, destruction, or damage to Contents, we will extend your cover to include the following Additional Benefits. Unless otherwise stated, any amount we pay for these Additional Benefits is not in addition to the sum insured. You must obtain our written consent prior to any of the costs being incurred.

a) Refrigerated foods

We will pay for the cost of replacing refrigerated foods which have become inedible as a consequence of mechanical or electrical breakdown of the refrigerator or freezer unit, happening in the Period of Insurance.

b) Credit cards

We will pay up to a total of \$5,000 in total for all losses you incur, in the Period of Insurance, as a result of the unauthorised use of a credit card issued to you provided that:

- i) the loss was not contributed to or caused by your non-compliance with all the conditions that apply in relation to each credit card; and
- ii) the unauthorised use was not by a member of your Family or by a person ordinarily residing with you.

c) Contents while temporarily removed

- i) We will pay up to the Contents Sum Insured for loss, destruction, or damage to your Contents occurring as a result of a Defined Event in Section 15.2, while temporarily removed from the Premises to anywhere in the Commonwealth of Australia and New Zealand:
 - A) for a period of up to 90 days, for Contents other than sporting equipment stored in a clubroom; and
 - B) for an unlimited period for sporting equipment stored in a clubroom.
- ii) We will not pay for:
 - A) loss, destruction, or damage while in transit, in commercial storage, within any furniture store or salesroom, or removed permanently to your Premises unless we have agreed to cover them in writing;
 - B) theft, unless the theft results from violent and forcible entry into a building;
 - C) accessories and spare parts for Motor Vehicles, motorcycles, mini-bikes, caravans, trailers and Watercraft;
 - D) goods you use for earning an income;
 - E) office and surgery equipment you use for earning an income.

d) Students' contents

- i) We pay up to \$5,000 for any one event for loss, destruction, or damage to Contents caused by a Defined Event in Section 15.2 if those Contents:
 - A) belong to your children who ordinarily reside with you but are currently attending boarding school, college, or university on a full-time basis; and
 - B) are located in the students living area being in a residential area of a boarding school, college, or university.
- ii) We will not pay for theft, unless the theft results from violent and forcible entry into a building.

e) Trees, plants, or shrubs

We will pay up to \$1,500 for all losses in the Period of Insurance for trees, plants, or shrubs lost, destroyed, or damaged as a result of:

- i) Fire or Explosion in Section 15.2(1); or
- ii) Theft or Burglary in Section 15.2(6).

f) Contents in commercial storage

- i) We will pay up to the amount specified in your Certificate of Insurance for loss, destruction, or damage to your Contents, occurring as a result of a Defined Event in Section 15.2 in the Period of Insurance, while they are in a commercial storage facility within Australia, provided that:
 - A) you tell us before your Contents are moved to the commercial storage facility; and
 - B) we have agreed to cover them in writing.
- ii) We will not pay for jewellery, unset precious stones, money, negotiable instruments, or bullion.

g) Contents in transit

- i) We will cover you for up to \$10,000 for loss, destruction, or damage to Contents in the Period of Insurance while they are being transported by a vehicle to your Premises, or to a commercial storage facility within Australia, provided that the loss, destruction, or damage occurs as a result of:
 - A) theft following violent and forcible entry into; or
 - B) fire, collision or overturning;
of the vehicle that is transporting your Contents.
- ii) We will not pay for loss, destruction, or damage to any glassware, crystal, crockery, mirrors or china, or any damage to other Contents caused by denting, scratching, chipping or bruising.

The Specific Exclusions in Section 15.5 and the General Exclusions in Section 17 apply to these Additional Benefits.

- 4) If your claim is covered under Section 15 for loss, destruction, or damage to the Home Building or Contents, we will also cover you for the following Additional Benefits. Unless otherwise stated, any amount we pay for these Additional Benefits is not in addition to the sum insured. You must obtain our written consent prior to any of the costs being incurred.

a) Emergency accommodation and loss of rent

- i) If the Home Building becomes unfit to live in, we will cover you for:
 - A) loss of rent, if you had a tenant in the Home Building; or
 - B) emergency accommodation, if you lived in the Home Building;
for the period which is reasonably required to repair, rebuild, or replace the Home Building and Contents, up to a maximum of 12 months.

- ii) We will pay in addition to the Sum Insured, up to a maximum of 15% of the Sum Insured in total in the Period of Insurance.

b) Extra costs

We will pay for the reasonable incurred cost of temporary protection, demolition, and the removal and disposal of debris.

c) Replacing locks or barrels

We will pay the reasonable cost for recoding and if necessary, replacing locks or barrels if the keys to external door or window locks are stolen.

d) Funeral expenses

- i) We will pay up to a total of \$10,000, in addition to the Sum Insured, for funeral expenses in the event you or a member of your family dies, and the death occurred:
 - A) as a direct result of a Defined Event in Section 15.2;
 - B) at your Premises; and
 - C) within 12 months of the occurrence of the Defined Event.
- ii) You will need to provide us with a certified copy of the death certificate and any other reasonable evidence to support the claim. If you are unable to provide the requested evidence, this may result in a reduction or denial of your claim.
- iii) We will not apply any Excess for a claim for Funeral Expenses only.

e) Document damage

- i) We will pay up to \$1,000 in total for loss, destruction, or damage to documents kept in your home or in a bank vault in the Period of Insurance.
- ii) We will pay the costs to reproduce or restore the documents, including the costs to reproduce or restore the information contained on the documents.

f) Non-paying visitors' and guests' contents

- i) We will pay up to a total of \$5,000 in addition to the Sum Insured in total for all losses in the Period of Insurance, for loss, destruction, or damage, occurring in the Period of Insurance to uninsured visitors' and guests' Contents, other than money, while in the Home Building caused by one of the Defined Events in Section 15.2.
- ii) We will not pay for Contents belonging to paying guests.

The Specific Exclusions in Section 15.5 and the General Exclusions in Section 17 apply to these Additional Benefits.

- 5) If you are covered under Section 15, we will extend your cover to include all sums which you become liable to pay as compensation in respect of death, bodily injury, or property damage during the Period of Insurance as a result of an accident occurring at:
- a) the Premises, if the Home Building is insured; or
 - b) anywhere in the Commonwealth of Australia, if Contents are insured.

We will also cover your legal costs and expenses incurred with our written consent to defend legal proceedings against you.

Legal liability

- a) We will pay up to \$20,000,000 in respect of any one accident, including any number of related accidents from a single underlying cause or from a combination of related accidents in close sequence.
- b) We will not pay for any liability caused by, arising out of, or in connection with:
 - i) the ownership or control of a building or land other than at the Premises or a building hired for no longer than 24 hours solely to hold a personal, private, or family function;
 - ii) the use, control, or ownership of aircraft, jet skis, or Watercraft, except:
 - A) models; or
 - B) Watercraft less than 4 metres long that is not powered by a motor, or is powered by a motor less than 10hp;
 - iii) vibration to, removal of, or interference with the support to land, buildings, or other property;
 - iv) any contract or agreement;
 - v) any profession, occupation, or business other than as landlord of the Home Building;
 - vi) any activities associated with hobby farming;
 - vii) property in your custody or control, except where the liability results from fire or, explosion of, or escape of liquid from the Home Building which is in your custody or control as a tenant or lessee;
 - viii) bodily injury resulting from a contagious, infectious, or communicable disease;
 - ix) the loading or unloading, use or ownership of Motor Vehicles, other than models, garden appliances, motorised wheelchairs, or golf buggies that do not require to be registered;
 - x) libel, slander, or defamation;
 - xi) asbestos;
 - xii) water skiing;
 - xiii) the seepage, discharge, dispersal, emission, release, or escape of smoke, vapours, soot, fumes, acids, alkalis, toxic chemicals, liquids, gases, waste materials or other irritants, contaminants, or pollutants into or upon land, the atmosphere or any watercourse or body of water, or the cost of removing, nullifying or cleaning up any such seepage, discharge, dispersal, emission, release, or escape; or
 - xiv) you providing or permitting the consumption of drugs of any kind, the provision or consumption of which causes, contributes to or gives rise to any claim.
- c) We will not pay for:
 - i) liability to any member of your Family or to any person who usually lives with you or with whom you usually live;
 - ii) liability to any person you employ under a contract of service or contract for services;
 - iii) liability in respect of which you are, or any other person is, required by any law to have in force at the time such liability is incurred, a policy of insurance;
 - iv) fines or penalties;
 - v) punitive, exemplary, or aggravated damages; or
 - vi) liability arising directly or indirectly out of or caused by fire which escapes after being lit by you or any person on your behalf in contravention of the provisions of any law, bylaw or regulation of any government or local government body.

The Specific Exclusions in Section 15.5 and the General Exclusions in Section 17 apply to this Additional Benefit.

15.5 Specific exclusions

We do not cover you under Section 15 for the following circumstances, other than to the extent indicated.

1) Wear and tear

We will not pay for loss, destruction, damage or liability caused directly or indirectly by gradual deterioration, wear, tear, depreciation, rust, corrosion, wet rot, dry rot, mould, or mildew unless arising from a Defined Event.

2) Defective work or material

We will not pay for loss, destruction, damage or liability caused directly or indirectly by defective work or materials.

3) Error in design

We will not pay for loss, destruction, damage or liability caused directly or indirectly by fault, defect, error, or omission in design, plan, or specification.

4) Insects, vermin, or birds

We will not pay for loss, destruction, damage or liability caused directly or indirectly by insects, vermin, or birds.

5) Alterations or repairs

We will not pay for loss, destruction, damage or liability caused directly or indirectly by alterations, additions, or repairs to the Home Building valued at more than \$75,000 at the time of commencement of such work.

6) Lawful seizure

We will not pay for loss, destruction, damage or liability caused directly or indirectly by the lawful seizure, confiscation, nationalisation, or requisition of the Property.

7) Flood

We will not pay for loss, destruction, or damage caused directly or indirectly by Flood.

8) Mechanical, structural etc breakdown or failure

We will not pay for mechanical, structural, electrical, hydraulic or electronic breakdown or failure, unless the breakdown or failure results in loss or damage to insured Property, other than the item or component that suffered the breakdown or failure. This exclusion does not apply to the burning out by electric current of a motor in an electrical machine or apparatus forming part of the Home Building or Contents if you are entitled to cover under '15.2 Defined events' for the 13) 'Fusion' Defined Event.

9) Cyber and electronic data

We will not pay for loss, damage, liability, claim, cost or expense directly or indirectly caused by or contributed to by:

- a) errors or omissions involving access to, processing of, use of or operation of any computer system or any unavailability or failure to access, process, use or operate any computer system, or
- b) any unauthorised, malicious or criminal act (or any threat or hoax of this) involving access to, processing of, use of or operation of any computer system,

provided that this exclusion will not apply to physical loss or damage directly caused by a Defined Event we cover you for under this cover section, except if caused by vandalism or a malicious act. For example, we will not cover you if your Home Building's security system cannot be used because of a cyber attack, but we will cover you for loss or damage from Theft from your Home Building as covered under this cover section after your Home Building's security system is impacted by a cyber attack.

10) Data loss

We will not pay for loss, damage, liability, claim, cost or expense directly or indirectly caused by or contributed to by loss of use, reduction in functionality, repair, replacement, restoration or reproduction of any data including the value of any data.

11) Communicable disease

We do not cover loss, damage, injury or death arising from or directly or indirectly caused by, contributed to by, resulting from or in connection with a Communicable Disease, or the fear or threat (whether actual or perceived) of a Communicable Disease.

See also the General Exclusions in Section 17 which are applicable to all Sections.

15.6 Optional covers

If selected by you and specified in your Certificate of Insurance, the Optional Covers as indicated below will apply.

1) Unspecified personal property

- a) We will pay for loss, damage or destruction in the Period of Insurance for the items listed in this Option occurring:
 - i) anywhere in the Commonwealth of Australia and New Zealand during the Period of Insurance; and
 - ii) anywhere in the world for up to 90 consecutive days from the time you leave Australia.

The items we will cover are listed below:

- A) jewellery, watches, gold and silver articles;
- B) television sets, video and audio equipment including CD, MP-3 and DVD players and recorders;
- C) pocket calculators;
- D) photographic equipment, movie or video cameras, projectors, binoculars, telescopes, or microscopes;
- E) sporting equipment while not in use;
- F) pictures, paintings and prints;
- G) furs; or
- H) personal effects being items of clothing and personal belongings normally worn or carried by people, but does not include sporting equipment, guns, goods used for your business or trade, personal money, or credit cards.

- b) If your claim is covered, we will, at our option, either repair or replace the Unspecified Personal Property, or pay the amount it will cost to repair or replace the Property up to the amount specified in the Certificate of Insurance for that Property. Our choice will have regard to the circumstances of your claim and consider any preference you may have.
- c) Our liability is limited to the Sum Insured, less the applicable Excess.
- d) Where you make a claim in relation to an item which forms part of a pair, suite or set, we will:
 - i) pay the value of that one item; and

- ii) not compensate you for a reduction in the value of the pair, suite or set.

Where the lost or damaged part of a pair or set will impact the operation of the entire pair or set, we will replace the entire pair or set or pay you the value of the damaged item. We will replace the entire pair, suite or set if it is completely inoperable because of the loss or damage to a single item which cannot be replaced or a single replacement item does not complete the pair, suite or set to make it operational, for example – hearing aids.

- e) We will not pay for loss, destruction, or damage arising from or in connection with:
 - i) any process of cleaning, repairing, restoring or renovating the Property;
 - ii) the action of light or atmospheric conditions;
 - iii) cracking, scratching, or breaking of china, marble, plastics, earthenware, or glass other than lenses.

2) Specified personal property

- a) We will pay up to the amount, for the item, specified in the Certificate of Insurance for loss, destruction, or damage, occurring:
 - i) anywhere in the Commonwealth of Australia and New Zealand during the Period of Insurance; and
 - ii) anywhere in the world for up to 90 consecutive days from the time you leave Australia.
- b) If your claim is covered, we will, at our option, either repair or replace the Property, or pay the amount it will cost to repair or replace the Property up to the amount specified in the Certificate of Insurance for that Property. Our choice will have regard to the circumstances of your claim and consider any preference you may have.
- c) Our liability is limited to the Sum Insured, less the applicable Excess.
- d) Where you make a claim in relation to an item which forms part of a pair, suite or set, we will Reinstate that item only and we will not pay you for a reduction in the value of the pair, suite, or set.

Where the lost or damaged part of a pair or set will impact the operation of the entire pair or set, we will replace the entire pair or set or pay you the value of the damaged item. We will replace the entire pair, suite or set if it is completely inoperable because of the loss or damage to a single item which cannot be replaced or a single replacement item does not complete the pair, suite or set to make it operational, for example – hearing aids.

- e) We will not pay for loss, destruction, or damage arising from or in connection with:
 - i) any process of cleaning, repairing, restoring or renovating the Property;
 - ii) the action of light or atmospheric conditions;

- iii) cracking, scratching, or breaking of china, marble, plastics, earthenware, or glass other than lenses.

- f) We will not pay for loss, destruction, or damage to:
 - i) Motor Vehicles, aircraft, or Watercraft, or their accessories;
 - ii) fishing equipment, firearms, sporting equipment, or musical instruments while they are actually being used;
 - iii) photographic film, audio, video cassettes, tapes, CDs and DVDs;
 - iv) spectacles, contact or corneal lenses, resulting from you engaging in any form of body contact sport, swimming, or any water-related activity;
 - v) camping equipment and accessories, unless caused by fire, explosion, lightning, theft, or storm.

3) Landlords protection

a) Loss of rent

- i) We will pay your Loss of Rent while your Rental Property is uninhabitable, up to a maximum of 12 months.
- ii) We will not pay:
 - A) in addition to a claim for Rent Default;
 - B) as a result of theft or attempted theft by your tenant or their guest;
 - C) as a result of vandalism or a malicious act by your tenant or their guest; or
 - D) if you are living at the Rental Property.

b) Rent default

After the bond money has been exhausted, we will pay up to \$5,000 in total in the Period of Insurance for:

- i) lost rent due to Rent Default; and
- ii) legal costs for any action you take to recover the lost rent.

c) Theft or attempted theft

- i) Section 15.2(6)(b) does not apply to this Optional Cover.
- ii) After the bond money has been exhausted, we will pay up to:
 - A) the Sum Insured specified in your Certificate of Insurance for loss, destruction, or damage to the Rental Property caused by Theft or attempted Theft by a person other than your tenant or their guest; or
 - B) \$10,000 for loss, destruction, or damage to the Rental Property caused by Theft or attempted Theft by your tenant or their guest;

in total during the Period of Insurance.

d) **Vandalism or malicious act**

- i) Section 15.2(5) does not apply to this Optional Cover.
- ii) After the bond money has been exhausted, we will pay up to:
 - A) the Sum Insured specified in your Certificate of Insurance for loss, destruction, or damage to the Rental Property caused by vandalism or a malicious act by a person other than your tenant or their guest; or
 - B) \$10,000 for loss, destruction, or damage to the Rental Property caused by vandalism or a malicious act by your tenant or their guest;in total during the Period of Insurance.
- e) We will not pay any claim if we have previously paid a claim for:
 - i) Rent Default;
 - ii) Theft or attempted Theft; or
 - iii) vandalism or malicious act;by a tenant or their guest under the same rental agreement.
- f) We will not pay:
 - i) until all rent arrears existing at the beginning of the Period of Insurance have been paid;
 - ii) for more than 2 weeks lost rent under a periodic tenancy agreement or if your agent gives your tenant a notice to leave the Rental Property;
 - iii) unless you have taken all reasonable steps available at law to remedy non-payment and evict the tenant;
 - iv) for loss, destruction, or damage as a result of tenant carelessness, poor housekeeping or unhygienic living habits; or
 - v) the amount of bond money payable by the tenant.
- g) **Excess**
 - i) You will be required to pay the Excess stated in your Certificate of Insurance.

The Excess applies to each claim (a), (b), (c) and (d) separately.

Cover under this Optional Cover is payable in addition to the Sum Insured.

4) **Accidental damage**

We cover you for the loss, destruction, or damage to the Home Building or Contents caused by Accidental Damage. If you have selected this option, Accidental Damage will be a Defined Event under this Section 15.

- a) Under this Option, you can choose to cover your Home Buildings or Contents (or both). Your Home Buildings or Contents will not be covered for Accidental Damage unless specified in your Certificate of Insurance.

- b) We will not pay for loss, destruction, or damage caused by or resulting from:
 - i) alterations, additions, or repairs to the Home Building;
 - ii) atmospheric or climatic conditions;
 - iii) the action of light;
 - iv) shrinkage;
 - v) contamination;
 - vi) inherent vice or latent defect;
 - vii) adjusting, servicing, or repairing operations;
 - viii) scratching or marring;
 - ix) incorrect siting of the Home Building;
 - x) settling, seepage, creeping, heaving, vibration, shrinkage, or expansion of the Home Building;
 - xi) any process of cleaning involving the application of chemicals;
 - xii) explosion or bursting of firearm barrels;
 - xiii) the actions of domestic pets;
 - xiv) developing flaws;
 - xv) fraudulent or dishonest acts;
 - xvi) smoke, smut, sludge, or chemicals from industrial or agricultural operations except for sudden and unforeseen damage that results;
 - xvii) dust, sand, mud, or smog except for sudden and unforeseen damage that results;
 - xviii) any of the Defined Events in Section 15.2, Additional Benefits in Section 15.4; or
 - xix) damage caused by tenants or their guests.
- c) We will not pay for loss, destruction, or damage to:
 - i) sporting equipment whilst in use;
 - ii) data media;
 - iii) any Contents in the Open Air;
 - iv) money, negotiable instruments, or bullion;
 - v) contact lenses, spectacles, or sunglasses; or
 - vi) hearing aids or dentures.

The Specific Exclusions in Section 15.5 and the General Exclusions in Section 17 apply to these Optional Covers.

If you are covered under the Optional Cover in Section 15.6(4) Accidental Damage, we will extend your cover to include the following Additional Benefits. Any amount we pay for these Additional Benefits is in addition to the Sum Insured. You must obtain our written consent prior to any of the costs being incurred.

The following Additional Benefits are included if you have Optional Cover 15.6(4)

1) Accounting fees for tax audit

- a) We will pay up to \$5,000 toward accountant's fees, if your personal financial affairs are audited by the Australian Tax Office in the Period of Insurance.

- b) We will not pay for:
 - i) any audit that relates to a criminal prosecution;
 - ii) fees where the final assessment of your taxable income for the period being audited is 20% higher than your original declaration;
 - iii) fees for work performed outside the time limits allowed by the Australian Tax Office; or
 - iv) any fines, penalties or adjustments of taxation.

2) Employees' belongings

- a) We will pay up to \$5,000 to repair or replace your employees' belongings if they suffer loss or damage in the Period of Insurance, provided that the loss or damage occurs:
 - i) as a result of an incident we have agreed to cover;
 - ii) while your employees are working at the Home Building; and
 - iii) while your employees are doing domestic work for you.
- b) We will not pay for Contents that are already insured under another policy by someone other than you or a policy required by law.

3) Legal costs in Australia

- a) We will pay up to \$5,000, in total during the Period of Insurance, for any legal costs you are required to pay following legal proceedings brought by you or against you, in the Period of Insurance, provided that:
 - i) you tell us about the legal proceedings during your current Period of Insurance; and
 - ii) we have agreed to cover you.
- b) We will not pay for legal costs and expenses in relation to:
 - i) spouse or partner disputes including, but not limited to, divorce, custody, child maintenance, or property disputes;
 - ii) claims for death, bodily injury to, or disease of, any person;
 - iii) claims where cover is available by a standard form of motor vehicle, home owners or householders, motorcycle, caravan or boat insurance;
 - iv) any criminal charge or prosecution brought against you;
 - v) any road traffic offence or boating offence committed by you;
 - vi) any matter arising out of your business or profession;
 - vii) any matter arising out of any insurance cover required by legislation;
 - viii) any award of damages against you; or
 - ix) any penalties, fines or awards of aggravated, exemplary or punitive damages made against you.

4) Modifications to your home building

- a) We will pay up to \$10,000 in total in the Period of Insurance toward the cost of modifying your Home Building so you can live in it, if:
 - i) you are injured as a result of loss or damage to your Home Buildings;
 - ii) the injuries lead to permanent paraplegia or quadriplegia; and
 - iii) the injury occurred as a result of an incident covered under this Policy.
- b) We will not apply an Excess for a claim for Modifications to your Home Building.

5) Sale of your home building

- a) We will extend cover under Section 15.2 to the purchaser, as if the purchaser was you, if you have entered into a contract to sell your Home Building, but only until:
 - i) the contract settlement date;
 - ii) the purchaser insures the Home Building; or
 - iii) the purchaser becomes liable for damage to the Home Building;
 whichever occurs first.
- b) Cover under this Option will stop immediately if:
 - i) the sale contract is terminated; or
 - ii) your cover under Section 15.2 comes to an end.

6) Security firm to monitor your home building

- a) We will pay up to \$1,000 for the attendance of a security firm contracted to you, if your monitored burglar alarm system is set off as a result of Theft or Burglary or attempted Theft or Burglary in the Period of Insurance, provided that:
 - i) we have agreed to pay the claim for the Theft or Burglary or attempted Theft or Burglary; and
 - ii) the security firm has attended your Home Building.
- b) We will not pay if there is:
 - i) a false alarm; or
 - ii) no evidence of Theft or Burglary or attempted Theft or Burglary.

7) Storage costs

- a) We will pay up to \$5,000 for the removal and storage of your Contents for up to 12 months, provided that:
 - i) the building you live in has suffered loss or damage as a result of an incident we have agreed to cover under a Defined Event in Section 15.2 of this Policy; and
 - ii) you are unable to live in the building as a result of the loss or damage.

- b) We will also cover your Contents while they are in storage in the Period of Insurance.

8) Veterinary expenses

We will pay up to \$500 if your domestic pet is injured in the Period of Insurance as a result of a road accident.

The Specific Exclusions in Section 15.5 and the General Exclusions in Section 17 apply to these Optional Covers.

- i) stock used for a business, trade or profession;
- j) contents for sale, on display, exhibition or on consignment;
- k) mobile phones or pagers, laptop computers;
- l) tools of trade; and
- m) animals or plants.

Any items that are permanently attached or fixed to the structure of the Hull and cannot be removed without causing damage to the Hull are not contents.

“Crew”

Any person working on board the Watercraft as an employee.

“Customers’ Watercraft”

Watercraft owned by your customers and left in your care, custody, or control for servicing, repair, evaluation, testing, storage, or garaging but does not mean Watercraft held on consignment for sale.

“Diving Equipment”

Recognised and commercially manufactured sports diving equipment owned by you, including regulators, tanks and buoyancy compensation devices.

“Fishing Gear”

Rods, reels, tackle and other similar equipment owned by you and used for the purpose of recreational or sports fishing.

“Hull”

The shell of the Watercraft, deck, fixtures and fittings on deck or below deck or underwater and electrical systems that are not normally removable from the Watercraft.

“Motor”

Inboard or outboard motors, skegs, control cables, winch motors, stern drive or jet units, thrusters, gearboxes, propellers, shafts, wiring harnesses or looms, portable fuel tanks and lines, instruments, generators and refrigeration or cooling machinery.

“Market Value”

The cash purchase price of a Watercraft identical to your Watercraft or your Customer’s Watercraft, taking into account:

- a) the value at the time an accident or Theft happens; and
- b) the age and condition of the Watercraft; calculated by an assessor appointed by us, and with reference to trade publications and other market information.

“Personal Effects”

Clothing, shoes and waterproof gear normally worn or carried by a person.

Section 16 Composite watercraft

16.1 Definitions

The meaning of the following words that apply only when used in Section 16 are shown below.

“Accessories”

Maritime equipment whether removable or fitted to the Watercraft and which is intended for use with the Watercraft including, auto pilot, binoculars, Watercraft and motor covers, bilge pumps, chairs, custom-made storm and Watercraft covers (excluding tarpaulins), depth sounders, detachable canopies, electronic navigation equipment, electronic equipment used for measuring speed or weather, eskies, extra fuel containers, fire extinguishers, first aid kits, gas bottles, global positioning system, horns, keys and wheels, portable lights and torches, refrigerators, seat cushions, solar panels, spare propellers, storage batteries, stoves, portable barbecues and two-way radios, but excluding Diving Equipment, Fishing Gear and Water Ski Equipment.

“Business Hours”

Your trading hours or while you or your employees authorised by you are at the Premises for the purposes of the Business.

“Contents”

Domestic appliances and household goods which are not a fixed part of the Watercraft, including but not limited to:

- a) appliances, white goods and audio/visual entertainment systems;
 - b) carpets, rugs, curtains and internal blinds;
 - c) furniture and furnishings;
 - d) manchester;
 - e) consumable stores including food;
- but excluding:
- f) cash, credit cards, bank notes, jewellery, watches, precious gems or metals, bullion, stamp, coin or other collections or any documents of value including tickets, deeds or securities;
 - g) motor vehicle or motor bike parts or accessories;
 - h) furniture, computer or office equipment used in connection with a trade, business or profession;

“Removal of Wreck”

The physical act of removing a Watercraft which has been damaged to the extent that it has no residual commercial value from a site or position.

“Safety Equipment”

Safety equipment installed or carried on the Watercraft in accordance with statutory requirements including:

- a) anchors;
- b) lifesaving equipment including life jackets;
- c) EPIRB (Emergency Position Indicating Radio Beacon);
- d) lifebuoys;
- e) oars or paddles; and
- f) ropes or chains.

“Salvage”

- a) What is left of the Watercraft after it has suffered loss or damage; or
- b) the action of saving the Watercraft in a time of peril; depending on the context in which the word appears.

“Seaworthy”

The Watercraft being in a condition such that it is in good order and repair and fit, including being properly manned to encounter the normal perils of the sea and inland waters comprising the navigational limits detailed in the Certificate of Insurance.

“Specified Watercraft”

Any Watercraft specified in the Certificate of Insurance.

“Sporting Equipment”

Equipment designed to be used in a leisure activity that involves some element of physical activity or competition, excluding pedal cycles.

“Sum Insured”

The Sum Insured is the amount specified in the Certificate of Insurance.

For Unspecified Watercraft and Customers' Watercraft, the Sum Insured includes Watercraft, Fishing Gear, Diving Equipment and Water Ski equipment.

“Tender” or “Dinghy”

The Watercraft's tender or dinghy and the tender or dinghy's motor, provided it does not have a speed capable of exceeding 20 knots, and:

- a) you own it;
- b) it is used primarily in conjunction with the Watercraft; and
- c) it does not have a separate registration to the Watercraft and is marked with the registration number of the Watercraft.

“Territorial Limits”

- a) For Specified Watercraft means anywhere in the Commonwealth of Australia and its inland and coastal waters, and within 200 nautical miles from the Australian mainland or Tasmania.
- b) **For Customers' Watercraft and Unspecified Watercraft away from the Premises** means anywhere in the Commonwealth of Australia and its inland and coastal waters, and within 10 nautical miles from the Australian mainland or Tasmania.
- c) **For Customers' Watercraft and Unspecified Watercraft at the Premises** means Watercraft at the Premises specified in the Certificate of Insurance.

“Tools”

Tools kept permanently on the Watercraft for emergency and breakdown purposes.

“Total Loss”

When:

- a) the likely cost to repair the Watercraft plus the value of any Salvage exceeds the:
 - i) Sum Insured;
 - ii) Market Value; or
 - iii) Wholesale Market Value;whichever is the lesser;
- b) the Watercraft is stolen and not recovered within 21 days of the Watercraft being reported to us as stolen.

“Unspecified Watercraft”

Any Watercraft which is:

- a) held for sale by you including Watercraft financed under a floor plan or bailment arrangement, and you hold records of the purchase details; or
- b) held on consignment for the purposes of sale, exchange, or disposal where permitted by law;
- c) for demonstration, test driving, evaluation, or private use by you or your employees, family members, or by any persons authorised by you.

“Watercraft”

Any vessel, craft, or thing, designed to float or travel on, or in, water or to travel on, or through water including the:

- a) Hull;
- b) Motor;
- c) Contents;
- d) masts, spars, sails, and standing and running rigging including wind and speed instruments;
- e) Safety Equipment;
- f) Accessories and Tools; and
- g) trailer including its manual or power winch;

but not sailboards, surfboards, hovercraft or air cushioned vehicles.

“Water ski equipment”

Any commercially manufactured water ski equipment owned by you.

“Water skiing or Aquaplaning”

Travelling on the surface of water, either barefoot, or on water skis, a wake board, knee board or on a slalom ski or similar devices designed for that purpose while being towed by the Watercraft.

It does not include the use of any floatation device, parasail, hang-glider or similar aerial devices, sailboard, surfski or similar objects.

“Wholesale Market Value”

The wholesale cost to buy a Watercraft:

- a) that is of the same age, condition, make and model after deducting any trade or factory discounts that are available to you, but does not include any retail price mark-up or profit; and
- b) the cost of reconditioning to such an extent that reconditioning has been undertaken in any way or in part prior to the loss;

calculated by an assessor appointed by us, and with reference to trade publications and other market information.

“Yacht Racing”

Taking part in a sporting event organised by a club or association except for social yacht racing. Social yacht racing is any sporting event organised by a club or association in which spinnakers are not used and where the race is less than 50 nautical miles in length.

See also the General Definitions for the meanings of words which are applicable to Section 16.

16.2 Defined events

If your Certificate of Insurance indicates that you have taken out cover under Section 16, for:

- Specified Watercraft;
- Unspecified Watercraft; or
- Customers' Watercraft;

we cover you for the Defined Events listed below occurring in the Period of Insurance within the Territorial Limit except as stated under We Will Not Pay.

The Specific Exclusions in Section 16.5 and the General Exclusions in Section 17 also apply.

1) Loss, destruction, or damage to watercraft

- a) We will not pay for:
 - i) gradual deterioration or depreciation;
 - ii) loss, destruction, or damage arising from, wear and tear, delamination, wet or dry rot, mould (unless arising from a Defined Event), osmosis, rust, corrosion, electrolysis or any process of cleaning involving chemicals;
 - iii) reduction in the value of your Watercraft due to its age and condition;

- iv) loss, destruction, or damage from borers, vermin, birds, marine barnacles, marine growth or any animal kept on board the Watercraft;
 - v) the cost of any mechanical, structural, electrical, hydraulic or electronic breakdown or failure;
 - vi) loss of use of the Watercraft, except and to the extent provided in 16.4(1)(h) Loss of use of Customers' Watercraft;
 - vii) consequential financial loss which occurs because you cannot use the Watercraft;
 - viii) emotional, sentimental or psychological loss which occurs because you cannot use the Watercraft;
 - ix) loss or damage to a Motor caused by or resulting from overheating and/or seizure, unless caused by an external blockage;
 - x) the cost of repairing or replacing any defective part of the Watercraft where the defect is caused by fault, error in design, construction or faulty workmanship;
 - xi) loss of or damage to mechanical parts which are not approved by or fitted to the Watercraft by a qualified ship repairer, builder or similar professional in accordance with the manufacturer's original specifications, and that noncompliance caused or contributed to the loss of or damage to mechanical parts;
 - xii) the costs of improving or altering the Watercraft;
 - xiii) Personal Effects, consumable stores, or moorings, except and to the extent provided in 16.4(1)(g) Personal Effects and 16.4(2)(c) Berthing Liability; or
 - xiv) loss, destruction, or damage to Fishing Gear, Diving Equipment, Tools or Water Ski Equipment or other Sporting Equipment, while in use.
- b) We will not pay for loss overboard of an outboard motor unless it was secured to the Watercraft in a manner that is specified or recommended by the manufacturer.
 - c) We will not pay for Theft of:
 - i) Safety Equipment, Accessories, Personal Effects, Fishing Gear, Diving Equipment, Tools, and Contents unless there is visible evidence of forcible removal or forcible entry into or exit from the Watercraft or the place of storage of the Watercraft.
 - ii) Personal watercraft or jet skis:
 - A) while stored ashore, unless it is in a locked garage or yard, and there is physical evidence of visible, violent and forcible removal from, or entry into or exit from the place of storage; or

- B) whilst left unattended outside the normal place of storage on a trailer unless you have taken reasonable measures to prevent theft, including immobilisation of the trailer using a purpose built commercially manufactured anti-theft device.
 - d) We will not pay for loss, destruction, or damage to Unspecified Watercraft or Customers' Watercraft that occurs at the Premises caused by or arising from Burglary unless there is a Sum Insured specified in the Certificate of Insurance.
 - e) We will not pay for loss, destruction, or damage of Unspecified Watercraft or Customers' Watercraft caused by Theft that occurs at the Premises unless:
 - i) there is a Sum Insured specified in the Certificate of Insurance; and
 - ii) Theft of the entire Watercraft occurred during Business Hours.
 - f) The most we will pay for any one loss, or series of losses for Burglary or Theft arising from the one event at any one Premises, is the Sum Insured specified in the Certificate of Insurance, less the applicable Excess.
 - g) We will not pay for loss, destruction, or damage to any Unspecified Watercraft or Customers' Watercraft at any Premises that are occupied by you, or under your control for Business purposes, unless the Premises are specified in the Certificate of Insurance.
 - h) We will not pay for loss of or damage to sails, masts, spars, standing and running rigging whilst Yacht Racing, except and to the extent provided in Optional Cover 16.7(2) Yacht Racing.
- 2) Property damage or personal injury, arising out of the use of the Watercraft giving rise to a legal liability to pay compensation or damages
- a) We will not pay for any liability caused by, arising out of, or in connection with:
 - i) any contract, warranty, or agreement unless such liability would have attached to you without the contract, warranty, or agreement;
 - ii) delivery to or collection from the Watercraft;
 - iii) pollution or contamination by any substance, except and to the extent provided for in Additional Benefit 16.4(2)(a) Accidental discharge, release or escape of fuel or lubricants;
 - iv) the existence, at any time, of asbestos;
 - v) any disease that is transmitted by you or anyone using your Watercraft; or
 - vi) the Watercraft being carried on or attached to a Vehicle accidentally falling off or becoming detached from the Vehicle.
 - b) We will not pay for any liability:
 - i) in respect of which you are, or any person is, required by law to have in force at the time such liability is incurred, a policy of insurance;
 - ii) following an accident and there is compulsory statutory insurance that provides cover for your liability;
 - iii) in respect of which insurance is required by virtue of any statutory workers compensation scheme;
 - iv) for removal of debris, except and to the extent provided in Section 16.4(1)(f) Removal of Wreck and Debris; or
 - v) arising out of the actions of boat builders, repairers, yacht clubs or marina operators, unless they are in charge of or in control of the Watercraft in an emergency for the purpose of minimising any loss or damage covered by this policy.
 - c) We will not pay for:
 - i) fines or penalties;
 - ii) punitive, exemplary, or aggravated damages;
 - iii) liability for loss or damage to your property or property in your custody or legal control;
 - iv) property belonging to your relative, Family member, or any person ordinarily residing with you, or to any fare-paying passenger, except and to the extent provided in 16.4(1)(g) Personal Effects; or
 - v) actions brought against you in a court outside the Commonwealth of Australia, or a court that applies laws other than the laws of a State or Territory of the Commonwealth of Australia.
 - d) We will not pay for any liability for death or bodily injury caused to your Crew or employee, arising out of, or in the course of, the Crew or employee's employment with you.
 - e) We will not pay for any liability arising out of any sporting activity, except and to the extent provided in Optional Cover 16.7(1) Water Skiing and Aquaplaning Liability. This exclusion does not apply to Yacht Racing.

16.3 Settlement

- 1) If your claim for loss, destruction, or damage to the Watercraft is covered under Section 16.2(1), we will settle your claim on the basis set out below.

a) Repair

- i) If the Watercraft is damaged we will at our option:
 - A) repair or replace the item involved; or
 - B) pay you the reasonable cost of repairing or replacing the item involved.
 Our choice will have regard to the circumstances of your claim and consider any preference you may have.
- ii) We will not pay for defective repairs unless they are a result of defective materials or workmanship carried out and authorised by us in relation to a previous claim.

b) Specified watercraft total loss

When the Specified Watercraft is a Total Loss, we will pay you the:

- i) Wholesale Market Value, if you are a licensed boat dealer or are engaged in buying or selling Watercraft as part of your business and you are able to obtain a trade or factory discount on your Watercraft which is of the same make and model; otherwise;

- ii) Market Value;

less the applicable Excess.

c) Unspecified watercraft total loss

- i) We will pay the purchase or factory cost price paid by you for the Watercraft, plus the costs incurred by you for any improvements, repairs or Safety Equipment and Accessories added to the Unspecified Watercraft, less the applicable Excess, provided that:

- A) the Watercraft is a Total Loss; and
- B) you supply us with a copy of the purchase invoice; and
- C) that no more than 120 days have elapsed since the date of purchase and the date of the loss, destruction, or damage;
otherwise we will pay the Wholesale Market Value, less the applicable Excess.

- ii) The most we will pay for or any one loss, or series of losses for Burglary, or Theft, arising from the one event at any one Premises, is the Sum Insured as specified in the Certificate of Insurance, less the applicable Excess.

d) Customers' watercraft total loss

- i) When the Customers' Watercraft is a Total Loss we will pay the amount of the loss, destruction, or damage to the Watercraft not exceeding the Market Value less the applicable Excess.
- ii) The most we will pay for or any one loss, or series of losses for Burglary, or Theft, arising from the one event at any one Premises, is the Sum Insured as specified in the Certificate of Insurance, less the applicable Excess.

e) Accessories, tools or contents

- i) We will pay up to \$1,000 in total for all claims combined for Accessories, Tools, or Contents, for loss, destruction, or damage, unless separately specified in the Certificate of Insurance.
- ii) We will only pay when the Accessories, Tools or Contents are on board the Watercraft.

f) Fishing gear, water ski equipment and diving equipment

We will pay up to \$1,000 in total for all claims combined for Fishing Gear, Water Ski Equipment or Diving Equipment for loss, destruction, or damage, unless separately specified in the Certificate of Insurance.

g) Watercraft under bailment or floor plan

Where the Watercraft is subject to a bailment or floor plan agreement, we will pay the difference between the amount recoverable under such agreement and the cost of any improvements including your Safety Equipment and Accessories added to the Watercraft prior to the loss, destruction, or damage, less the applicable Excess.

h) Excess

- i) You will be required to pay the Excess or Excesses specified in the Certificate of Insurance.

There are a number of different Excesses that may apply. They are:

- A) the basic Excess;
- B) any voluntary Excess; and
- C) any other Excess specified in the Certificate of Insurance.

- ii) You may be required to pay the Excess specified in the Certificate of Insurance for each event giving rise to a claim, other than for the following events, for which the Excess will apply to each and every Watercraft:

- A) Burglary; or
- B) Theft.

i) Our limit of liability

Our liability is limited to the Sum Insured of the item, less the applicable Excess.

- 2) If you are covered for the incurring of a liability under Section 16.2(2), we will pay for the liability incurred on the basis set out below.

a) Our limit of liability

We will pay up to the amount specified in the Certificate of Insurance:

- i) in relation to any one accident or series of accidents arising out of the one event; and
- ii) your legal costs and expenses incurred with our written consent or recoverable from you by a claimant;

less the applicable Excess.

b) Legal expenses

- i) We will pay for all legal expenses incurred with our written consent in defending any court proceeding arising from a claim for which cover is provided by Section 16.2.
- ii) We will not pay for legal expenses which relate to any criminal, maritime, or traffic proceedings.

16.4 Additional benefits

- 1) If your claim is covered under Section 16.2(1) we will extend your cover to include the following Additional Benefits. Unless otherwise indicated, any amount we pay for these Additional Benefits is in addition to the Sum Insured.

a) Return of watercraft

- i) We will pay up to \$500 to return the Watercraft to your home or normal place of storage if the Watercraft is damaged and cannot be repaired locally.
- ii) We will pay this when the accident happened more than 100 kilometres from your home or normal place of storage, and either:
 - A) the repairs to the Watercraft are completed in an area more than 100 kilometres from your home or normal place of storage; or
 - B) the Watercraft is returned to your local area for repairs.
- iii) This cover does not apply if the Watercraft is permanently located away from your home or normal place of storage.

b) Towing costs

If the Watercraft is damaged we will pay the reasonable costs of moving or towing the Watercraft to the nearest repairer or other place that we agree.

c) Watercraft recovery costs

We will pay the reasonable costs following loss, destruction, or damage to the Watercraft, for its recovery, or any reasonable costs incurred in reducing your loss.

d) Removal of debris

We will pay following loss, destruction, or damage to Watercraft at the Premises up to:

- i) \$25,000; or
- ii) the amount specified in the Certificate of Insurance;

whichever is the greater, for the cost of removal, storage, or disposal of debris.

e) Automatic reinstatement of sum insured

We will automatically reinstate the Sum Insured if we pay you for a loss under this section provided that:

- i) for Burglary or Theft, we will only reinstate once during the Period of Insurance; and
- ii) you pay any additional premium required by us.

f) Removal of wreck and debris

While the Watercraft is away from the Premises we will pay for:

- i) the amount you are liable to pay following an accident to remove the Watercraft when you are required by a statutory authority to do so; or
- ii) the reasonable costs to demolish and remove any debris, or the wreck of the Watercraft that results from loss or damage to the Watercraft.

g) Personal effects

We will pay up to \$1,500 in total, for loss, destruction, or damage to any Personal Effects belonging to you, your family, Crew or invited guests who were on the Watercraft at the time of the accident.

h) Loss of use of customers' watercraft

- i) We will pay for loss of use of Customers' Watercraft when the loss, destruction, or damage occurs in an accident involving another Watercraft away from the Premises and we are satisfied the accident was not your fault, and you can provide us with the name, address, and registration number of the person who caused the loss, destruction, or damage. In order for us to resolve whether you or another person was at fault, we may request additional information – for example witness statements or photographs – and consider any laws, bylaws or rules that may apply to the claim circumstances.
- ii) We will pay up to \$5,000 in total in any one Period of Insurance.
- iii) We will not pay more than the reasonable cost of hiring a replacement Watercraft of a similar type while the Customers' Watercraft cannot be used.

i) Food spoilage

We will pay up to \$500 in total for food spoilage following loss, destruction, or damage to the Watercraft.

The Specific Exclusions in Section 16.5 and the General Exclusions in Section 17 also apply to these Additional Benefits.

- 2) If you are insured for the incurring of a liability under Section 16.2(2), we will extend your cover to include the following Additional Benefits. Unless otherwise indicated, any amount we pay for these Additional Benefits is not in addition to the Sum Insured.

a) Accidental discharge, release or escape of fuel or lubricants

- i) We will pay you or any person allowed by you to control the Watercraft (within the requirements of any law):
- A) for the costs of cleaning up an accident site; and
 - B) against liability for physical damage to property caused by accidental and sudden discharge, emission, spillage or leakage upon or into waters or land of oil, petroleum products, effluent or sewage from the Watercraft, provided that the discharge, emission, spillage or leakage does not arise from your wilful misconduct or the wilful misconduct of any person allowed by you to control the Watercraft.
- ii) We will not pay for claims:
- A) for death, bodily injury or illness;
 - B) for contractual or assumed liability;
 - C) for consequential loss, meaning any direct or indirect financial or economic loss for example loss of use or enjoyment, loss of profits or depreciation;
 - D) from fuel or lubricants not being used in connection with the operation of the Watercraft at the time of loss; or
 - E) for any breach of any Federal, State or Local legislation regulating or controlling the discharge, emission, spillage, or leakage of oil or any other substance into navigable waters or elsewhere, or removal of or liability for discharge, emission, spillage or leakage.
- iii) We will not pay more than \$250,000 for any one accident or series of accidents caused by the one event including legal expenses incurred to defend any claim for compensation.

b) Liability for loss of use of customers' watercraft

- i) We will pay for loss of use of Customers' Watercraft arising from your liability to pay for loss, destruction, or damage to the Customers' Watercraft.
- ii) We will not pay more than the reasonable cost of hiring a replacement Watercraft of a similar make, model, or carrying capacity.

c) Berthing liability

We will pay for your liability under an agreement relating to the provision of a berth, mooring or storage facility for the Watercraft but only to the extent that the liability would have attached to you in the absence of that agreement.

d) Substitute specified watercraft

We will pay for liability arising from the use of a similar type of Specified Watercraft in substitution of the Specified Watercraft under Defined Event 16.2(2), provided that:

- i) the Watercraft must be unable to be used due to damage or mechanical or electrical breakdown, malfunction or failure;
- ii) the substitute Watercraft must not be owned by you, your Family, relative, or person ordinarily residing with you, but must be in your custody or control; and
- iii) you have the owner's permission to use the substitute Watercraft.

e) Persons insured

We will treat as though he or she were you, any person who:

- i) with your consent was driving, using, or in charge of the insured Watercraft at the time of the accident, but not a contractor or a subcontractor or their employees; or
 - ii) at the time of the accident was an authorised passenger in your Watercraft;
- unless stated otherwise in this Section 16.

The Specific Exclusions in Section 16.5 and the General Exclusions in Section 17 also apply to these Additional Benefits.

- 3) If you are insured under Section 16, we will extend your cover to include the following Additional Benefits. Unless otherwise indicated, any amount we pay for these Additional Benefits is not in addition to the Sum Insured.

a) Cross liability

Where the definition of "you" or "your" comprise more than one party, if one party causes personal injury or property damage and thereby becomes legally liable to one or more of the other parties, we will give cover to the party which has caused the personal injury or property damage, but:

- i) our Limit of Liability is not increased by this Additional Benefit; and
- ii) this Additional Benefit is always subject to the operation of the Joint Insureds provision in Section 18(4) Joint Insureds.

b) Stranding and grounding

We will pay the reasonable costs in addition to the Sum Insured of inspecting the Hull to see if it is damaged, if your Watercraft is grounded or stranded by a Defined Event.

c) Beyond territorial limits

- i) We will pay under Defined Events 16.2(1) and 16.2(2) if your Watercraft goes beyond the Territorial Limits:
 - A) as a result of circumstances beyond the reasonable control of the person in charge or control of the Watercraft; or
 - B) to reasonably respond to an unforeseen emergency.
- ii) We will continue to provide cover, provided that as soon as reasonably possible:
 - A) the Watercraft returns within the Territorial Limits, except in the case of Total Loss; and
 - B) you notify us of the circumstances that took the Watercraft beyond the Territorial Limits.

d) Funeral expenses

- i) We will pay up to a total of \$5,000, in addition to the Sum Insured for funeral expenses in the event you, your family, Crew or invited guests dies, and the death occurred:
 - A) as a direct result of an accident involving the use of the Watercraft in the Period of Insurance; and
 - B) within 12 calendar months of the accident.
- ii) You will need to provide us with a certified copy of the death certificate and any other reasonable evidence to support the claim. If you are unable to provide the requested evidence, this may result in a reduction or denial of your claim.
- iii) We will not apply any Excess for a claim under this additional benefit.

e) Locks and keys

We will pay the reasonable costs up to \$500 to replace your keys and re-code your locks and barrels, if a key to an external door or window lock of the Watercraft is stolen or destroyed by fire. The theft must be reported to the Police.

f) Additional costs

We will pay for the costs necessarily and reasonably incurred by you in minimising or avoiding loss, destruction, or damage to Watercraft that would have been covered under this policy, however, you will need our consent unless:

- i) it is an emergency; and
- ii) it is not practicable in the circumstances to obtain our consent.

g) Submersion of motor – emergency repair costs

If your Motor is submerged, we will pay the reasonable costs to:

- i) dismantle, clean and oil the motor; and
- ii) dry all electrical equipment and instruments.

You do not need our authority to take such action if it is an emergency and you are unable to contact us to obtain authority.

We will not apply any Excess for a claim under this additional benefit.

The Specific Exclusions in Section 16.5 and the General Exclusions in Section 17 also apply to these Additional Benefits.

16.5 Specific exclusions

We do not cover you under Section 16 in the following circumstances, other than to the extent indicated.

1) Alcohol or drugs

- a) We will not pay for loss, destruction, or damage, or the incurring of a liability at a time when the Watercraft is being used or being towed by a conveying vehicle, by any person:
 - i) under the influence of any drug or intoxicating liquor;
 - ii) who is subsequently convicted of or issued with an infringement notice for being under the influence of alcohol, drugs, or alcohol and drugs;
 - iii) who is subsequently convicted of or issued with an infringement notice for driving the conveying vehicle or using the Watercraft while the percentage of alcohol in the blood or prescribed concentration of a prescribed illicit drug, exceeds that permitted by the law of any State or Territory; or
 - iv) who is subsequently convicted of or issued with an infringement notice for refusing to provide or allow the taking of a sample of:
 - A) breath;
 - B) blood;
 - C) urine;
 - D) saliva; or
 - E) any other sample as requested by police;

for preliminary testing or for analysis as required by the law of any State or Territory for the purpose of ascertaining the percentage of alcohol or presence of illicit drugs in the blood or other sample; or

- v) who refused a test to determine alcohol or drug levels, including a failure to report to a police station within the legal time frame following an incident that requires a drug or alcohol test, or did not remain at the scene of the incident for the time required by law, or until the police arrived, without any reasonable excuse.

b) But paragraph (a) does not apply:

- i) for loss, destruction, or damage to your Watercraft if a person, other than you, was driving or in charge of the Watercraft, and you prove that you did not know, and could not reasonably have known, that the other person was under the influence of any drug or intoxicating liquor; and
- ii) to your vicarious liability in connection to (b) (i) above however we will not indemnify the driver for his/her liability.

2) Unseaworthy

We will not pay for loss, destruction, or damage or liability caused directly or indirectly by the Watercraft:

- a) being unsafe or unseaworthy; or
- b) failing to comply with any requirement of a statute or regulation.

3) Wilful misconduct

We will not pay for loss, destruction, or damage or liability caused directly or indirectly by the wilful, criminal, deliberate, intentional, malicious or reckless acts while you are, or a person with your express or implied consent is, in charge of the Watercraft.

4) Unlawful purpose

We will not pay for loss, destruction, or damage or liability to the extent that the use of the Watercraft for an unlawful purpose, by you or by a person with your express or implied consent caused or contributed to the loss, destruction, damage or liability.

5) Racing

We will not pay for loss, destruction, or damage or liability caused directly or indirectly by the Watercraft being used for power boat racing or speed tests.

6) Unsafe use

We will not pay for loss, destruction, or damage or liability caused directly or indirectly by the Watercraft being operated:

- a) at a speed greater than the Watercraft's maximum designed speed;
- b) with a motor having horsepower exceeding that recommended by the manufacturer; or
- c) with more than the maximum number of passengers or with a load in excess of that recommended by the manufacturer.

7) Persons in control

- a) We will not pay for loss, destruction, or damage to the Watercraft, or liability at a time when the Watercraft:
 - i) or a vehicle towing the Watercraft is being driven by a person who was not at the time of the loss, destruction, damage or liability authorised under all relevant laws and regulations in force in the State or Territory in which the Watercraft or vehicle is being driven; or
 - ii) is under the control of a person without adequate experience to reasonably control the Watercraft.
- b) But paragraph (a) does not apply:
 - i) if you prove that you did not know, and could not reasonably have known, that the other person was not so authorised; or
 - ii) if it is as a result of an emergency and it was reasonable for such person to assume control of the Watercraft or drive the vehicle.

8) Unsafe or unroadworthy trailer

We will not pay for loss, destruction, or damage, or liability caused directly or indirectly by any trailer being in an unsafe or unroadworthy condition.

9) Cuts or bursting of tyres

We will not pay for punctures or cuts to, or bursting, of the tyres of any trailer, or the cost of repairing or replacing the tyre, but we will pay for the damage to the Watercraft which occurs as a result of a puncture or cut to, or bursting of a tyre, of any trailer carrying the Watercraft.

10) Confiscation

We will not pay for loss, destruction, or damage, or liability caused directly or indirectly by lawful seizure, confiscation, nationalisation, or requisition of the Watercraft.

11) Trickery

We will not pay for loss, destruction, or damage resulting from:

- a) trickery, dishonesty, fraud, or subsequently dishonoured negotiable instruments; or
- b) theft of the Watercraft, or any part of it, by persons to whom you have lent the Watercraft.

12) Commercial use

We will not pay for loss, destruction, or damage, or liability arising when the Watercraft is being used for hire, charter or reward of any kind other than when you allow an authorised user to use the Watercraft for non-commercial purposes and the person pays you for the running costs of the Watercraft.

This exclusion does not apply to testing, demonstrating and the sale of Watercraft.

13) Repairs or alterations

We will not pay for loss, destruction, damage, or liability arising when the Watercraft is undergoing major Hull repair or alteration (e.g. extending the length of the Watercraft, major refurbishment of deck, cabin and hull or replacing inboard engines), **unless** you tell us beforehand in writing and we agree in writing to cover you.

14) Watercraft under bailment or floor plan

We will not pay for loss, destruction, or damage to Watercraft which:

- a) are covered by an insurance policy specified in the Certificate of Insurance that is arranged by you, issued to you or on your behalf, under any bailment or floor plan agreement;
- b) would have been covered under that policy but for the application of any policy deductible or excess, an average or underinsurance clause or the policy limits or sub-limits; or
- c) would have been covered under that policy had it remained in force or cover had not been invalidated.

15) Cyber and electronic data

We will not pay for loss, damage, liability, claim, cost or expense directly or indirectly caused by or contributed to by:

- a) errors or omissions involving access to, processing of, use of or operation of any computer system or any unavailability or failure to access, process, use or operate any computer system, or
- b) any unauthorised, malicious or criminal act (or any threat or hoax of this) involving access to, processing of, use of or operation of any computer system,

provided that this exclusion will not apply to physical loss or damage directly caused by a Defined Event we cover you for under this cover section, except if caused by vandalism or a malicious act. For example, we will not cover you if your Watercraft's GPS or security system cannot be used because of a cyber attack, but we will cover you for Theft of your Watercraft if it is stolen after your Watercraft's security system is impacted by a cyber attack.

16) Data loss

We will not pay for loss, damage, liability, claim, cost or expense directly or indirectly caused by or contributed to by loss of use, reduction in functionality, repair, replacement, restoration or reproduction of any data including the value of any data.

17) Communicable disease

We will not cover any loss, damage or liability directly caused by a Communicable Disease or the threat or perceived threat of any Communicable Disease.

See also the General Exclusions in Section 17, which are applicable to all Sections.

16.6 Specific conditions

If you are covered under Section 16 of this policy, you must comply with the Specific Conditions noted below otherwise we may reduce the amount we pay for a claim under Section 16. The course of action we take when you fail to follow a Specific Condition will be considered in each circumstance based on what impact or effect your failure to comply caused or contributed to the claim or our decision to issue your policy.

1) Fire extinguishing apparatus

Where the Watercraft:

- a) is fitted with an inboard motor; or
- b) is required by law to be equipped with a fire extinguisher;

you must ensure that the fire extinguisher is properly installed and maintained in an efficient working order. We may reduce the amount we pay for a claim to the extent that your failure to comply to meet these conditions caused or contributed to the loss.

2) Submerged watercraft

- a) In the event of recovery after submersion of the Watercraft you are required to take immediate action to dismantle, clean, and oil the motor and to dry all electrical equipment and instruments.
- b) Submerged items must be kept continually under water until dismantling can commence.

3) Moorings

You must ensure the Watercraft's mooring is:

- a) of a suitable design and weighting for the Watercraft;
- b) appropriately sited; and
- c) regularly maintained on at least an annual basis and in good order. We may reduce the amount we pay for a claim to the extent that your failure to comply to meet these conditions caused or contributed to the loss.

See also the General Conditions in Section 18 which are applicable to all Sections.

16.7 Optional covers

If selected by you and specified in the Certificate of Insurance, the Optional Cover as indicated below will apply.

1) Water skiing and aquaplaning liability

- a) We will cover you, or any person allowed by you to control your Watercraft and the person acting as an observer (within the requirements of any law) against liability for:

- i) accidental death or bodily injury to a person Waterskiing and Aquaplaning who is being towed by your Watercraft, but not any other person who is covered, or should have been covered by compulsory third party or workers compensation insurance by you;
 - ii) accidental death or bodily injury to any person caused by a person Waterskiing and Aquaplaning who is being towed by your Watercraft; or
 - iii) accidental damage to another person's property caused by a person Waterskiing and Aquaplaning who is being towed by your Watercraft;
- occurring in the Period of Insurance.
- b) We will also cover the liability of a person Waterskiing and Aquaplaning and who is being towed by your Watercraft to others for accidental:
 - i) death or bodily injury to a person; or
 - ii) damage to property other than your Watercraft;

occurring in the Period of Insurance.
 - c) We will not pay for any claims arising out of or in connection with:
 - i) water skiing or aquaplaning when there is no legally competent observer in addition to the driver on board the Watercraft at the time of the accident;
 - ii) water skiing or aquaplaning when an aerial device or ski ramp is being used;
 - iii) water skiing or aquaplaning when a ski mast, ski pole or ski tower is being used unless it is professionally designed, manufactured and installed;
 - iv) competition water skiing;
 - v) towing or using air chairs;
 - vi) towing of any person by personal watercraft that breaches any statutory regulation; or
 - vii) towing of any device not professionally designed and manufactured for the purpose of being towed behind a Watercraft (including surfboards or tyre tubes).

2) Yacht racing

- a) We will extend your cover to include loss, destruction, or damage to masts, spars, sails and standing and running rigging, whilst Yacht Racing within 200 nautical miles:
 - i) for trailer Watercraft, from where it was last launched and within Australian territorial waters; or
 - ii) for moored Watercraft, from it's home port.
- b) We will not pay for loss, destruction, or damage for any racing outside these limits unless you have our agreement in writing.

The Specific Exclusions in Section 16.5 and the General Exclusions in Section 17 also apply to these Optional Covers.

Section 17 General exclusions

These exclusions apply to all Sections of this policy.

We do not cover you under this policy in the following circumstances.

1. Warlike activities or nuclear material

We will not pay for loss, destruction, damage, injury, illness, or the incurring of a liability directly or indirectly caused by, or contributed to, or in consequence of:

- a) war, invasion, acts of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power, confiscation, nationalism, requisition or destruction of, or damage to property by or under the order of any government, public, or local authority or looting, sacking, or pillage following any of the above;
- b) nuclear weapons material; or
- c) ionising radiations, contamination, radioactivity from any nuclear fuel or nuclear waste, or from the combustion of nuclear fuel, or from any self sustaining process of nuclear fission.

2. Consequential loss

We will not pay for any consequential loss unless specifically covered under this policy. This means we will not pay for direct or indirect financial or economic loss. For example, loss of use or enjoyment, loss of profits or depreciation.

3. Fraudulent claims

We will not pay if you, or anyone acting on your behalf or with your knowledge or connivance, should make a claim knowing or reasonably suspecting the same to be false or fraudulent. Making a fraudulent claim is a criminal offence. We may report to the police any person who lodges a fraudulent claim.

4. Intentional act

We will not pay a claim if you or someone else with your knowledge deliberately caused any part of the loss, destruction, damage, or liability.

5. Terrorism

We will not pay for loss, destruction, damage, cost, expense, injury, illness or the incurring of a liability directly or indirectly caused by, contributed to by, resulting from, or arising out of or in connection with any act of terrorism, as defined herein, regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

An act of terrorism includes any act, or preparation in respect of action, or threat of action designed to influence the government de jure or de facto of any nation or any political division thereof, or in pursuit of political, religious, ideological, or similar purposes to intimidate the public or a section of the public of any nation by any person or group(s) of persons whether acting alone or on behalf of or in connection with any organisation(s) or government(s) de jure or de facto, and which:

- a) involves violence against one or more persons; or
- b) involves damage to property; or
- c) endangers life other than that of the person committing the action; or
- d) creates a risk to health or safety of the public or a section of the public; or
- e) is designed to interfere with or disrupt an electronic system.

We will also not pay for loss, destruction, damage, cost, expense, or the incurring of a liability directly or indirectly caused by, contributed to by, resulting from or arising out of or in connection with any action in controlling, preventing, suppressing, retaliating against, or responding to any act of terrorism.

6. Cyber and electronic data

We will not be liable for any loss, damage, liability, claim, cost or expense of whatsoever nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with:

- a) any Cyber Act, including, but not limited to, any action taken in controlling, preventing, suppressing or remediating any Cyber Act;
- b) any Cyber Incident, including, but not limited to, any action taken in controlling, preventing, suppressing or remediating any Cyber Incident, unless any physical loss or physical damage to Property insured and any Time Element Loss are the direct result of a Cyber Incident, which has not been directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with a Cyber Act, and such physical loss or physical damage is directly caused by the following perils if otherwise covered under the policy:
 - i. Theft, Burglary or forcible entry;
 - ii. storm, windstorm, hail, tornado, cyclone, hurricane;
 - iii. fire, lightning or explosion;
 - iv. earthquake, volcanic eruption or tsunami;
 - v. Flood, freeze or weight of snow;
 - vi. aircraft impact or Vehicle impact or falling objects;
 - vii. water damage;
 - viii. a change in temperature affecting refrigerated goods; or
 - ix. machinery or electronic breakdown, including collapse or explosion of pressure equipment; or
- c) any loss of use, reduction in functionality, repair, replacement, restoration or reproduction of any Electronic Data, including any amount pertaining to the value of such Electronic Data.

Provided however should Data Processing Media owned or operated by you suffer physical loss or physical damage insured by this policy, then this policy will cover the cost to repair or replace the Data Processing Media itself plus the costs of copying the Electronic Data from back up or from originals of a previous generation. These costs will not include research and engineering nor any costs of recreating, gathering or assembling the Electronic Data. If such media is not repaired, replaced or restored the basis of valuation shall be the cost of the blank Data Processing

Media. However, this policy excludes any amount pertaining to the value of such Electronic Data, to you or any other party, even if such Electronic Data cannot be recreated, gathered or assembled.

This exclusion does not apply to Section 4 - Composite Vehicles, Section 7 - Broadform Liability, Section 8 - Professional Indemnity, Section 9 - Personal Accident and Illness, Section 15 - Domestic House and Contents or Section 16 - Composite Watercraft.

7. Communicable diseases

Your policy does not cover any actual or alleged loss, damage, liability, claim, cost, expense or any other amounts of whatsoever nature directly or indirectly caused by, arising from, contributed to by, resulting from, or otherwise in connection with:

- a) disease;
- b) a Communicable Disease or the fear or threat (whether actual or perceived) of a Communicable Disease;
- c) any Time Element Loss that is directly caused by any competent public authority closing or evacuating your Premises as a result of the outbreak and presence of any of the following human diseases at your Premises, to the extent that such Time Element Loss is covered under the policy:
 - i. any disease determined to be a 'listed human disease' under, or any disease in respect of which a 'biosecurity emergency' or 'human biosecurity emergency' is declared under, the *Biosecurity Act 2015* (Cth) including any amendment, replacement, re-enactment, successor, equivalent or similar legislation including delegated legislation;
 - ii. any disease determined by the World Health Organization to be a Public Health Emergency of International Concern (PHEIC);
 - iii. Highly Pathogenic Avian Influenza (HPAI) in humans; or
 - iv. influenza with pandemic or epidemic potential; or
- d) any cost to clean up, decontaminate, disinfect, remove, replace, monitor and/or test for such diseases, conditions or circumstances described in this exclusion.

Provided that this exclusion will not apply to physical loss or physical damage to your Property insured under Section 1 - Fire and Other Defined Events or loss and additional costs or expenses insured under Section 2 - Business Interruption, as a consequence of physical loss or physical damage covered under Section 1 - Fire and Other Defined Events, caused by the following perils if covered under the policy:

fire, lightning, thunderbolt, aircraft or other aerial devices or articles dropped therefrom, earthquake, tsunami, subterranean fire, volcanic eruption, storm, tempest, Rainwater, snow, sleet, wind, hail, water, liquids or substances discharged, overflowing or leaking from fixed apparatus, fixed appliances, fixed pipes or other systems, riots, civil commotions, strikes or locked out workers or persons taking part in labour disturbances, explosion, impact by Vehicles, animals or trees or branches of trees, communication masts, towers, antennae, satellite dishes, Watercraft or meteorites.

This exclusion does not apply to the additional benefit clause '2) c) Murder, suicide & infectious disease' in Section 2 - Business Interruption but only in respect of any Human Infectious or Contagious Disease not otherwise excluded by sub-clauses c) i) – iv) (as it relates to any pandemic or epidemic above).

This exclusion does not apply to Section 4 - Composite Vehicles, Section 7 - Broadform Liability, Section 8 - Professional Indemnity, Section 9 - Personal Accident and Illness, Section 15 - Domestic House and Contents or Section 16 - Composite Watercraft.

8. Bushfire / cyclone

We will not provide any cover, for a period of 48 hours from the time of the commencement of your insurance, for damage or loss caused by:

- a) bushfire or grassfire; or
- b) a named cyclone.

This Exclusion does not apply, however, if this insurance commences directly after:

- a) another insurance policy covering the same property expired, without a break in cover;
- b) you have entered into a contract of sale to purchase the property; or
- c) you have entered into a contract to lease the property.

9. Unoccupancy

We will not cover you where:

- a) the Premises are not occupied for a period in excess of **60 consecutive days**; or
- b) the Building is not occupied for a period in excess of **90 consecutive days**, for Section 15 Domestic House and Contents;

unless our written consent has been obtained before the Premises are left unoccupied.

10. Pandemic and epidemics

We will not pay for claims arising from any liability whether actual or alleged, directly or indirectly caused by, or contributed to by, or in consequence of, or in any way connected with any:

- a) disease determined to be a 'listed human disease' or in respect of which a 'human biosecurity emergency' is declared under the *Biosecurity Act 2015* (Cth) including any amendment, replacement, re-enactment, successor, equivalent or similar legislation including delegated legislation;
- b) outbreak of infectious disease declared as a pandemic or epidemic by the World Health Organization or any Australian government or Australian government agency; or
- c) disease determined by the World Health Organization to be a Public Health Emergency of International Concern (PHEIC).

This exclusion does not apply to Section 1 Fire and other defined events, Section 2 Business interruption, Section 3 Burglary, Section 4 Composite vehicles 4.2 Defined events 1), Section 5 Money,

Section 6 Glass, Section 9 Personal accident and illness, Section 10 Electronic equipment, Section 11 Machinery, Section 12 General Property, Section 13 Fraud or dishonesty, Section 14 Tax audit, Section 15 Domestic house and contents (other than Additional Benefit 5) Legal liability), Section 16 Composite watercraft 4.2 Defined events 1).

11. Sanctions

We will not be liable to provide any cover, pay any claim or provide any benefit under this policy (including any refund of premium), to the extent that such cover, claim, benefit or refund may contravene or expose us to any sanction, prohibition or restriction under United Nations resolutions or any trade or economic sanctions, laws or regulations of any country.

See also the Specific Exclusions in each Section of this policy.

Section 18

General conditions

The General Conditions set out below apply to all the Sections. You must comply with the General Conditions otherwise we may be entitled to refuse to we pay for a claim, or to reduce the amount you are entitled to receive. The course of action we take when you fail to follow a General Condition will be considered in each circumstance based on what impact or effect your failure to comply caused or contributed to the claim or our decision to issue your policy.

1. Claims procedures

If something happens which gives rise or may give rise to a claim under this policy:

- a) you must:
 - i. notify us as soon as reasonably possible giving full particulars of the facts and circumstances, including loss, damage, injuries, illness, or notice of a claim against you, and details of any proceedings instituted against you;
 - ii. take all reasonable precautions to prevent or minimise further loss, damage, or liability;
 - iii. take all reasonable steps to recover any lost or stolen Property;
 - iv. notify the police as soon as reasonably possible in the event of a Burglary or if any Property is stolen, lost, or maliciously damaged;
 - v. supply us with details of any other insurances which insure or may insure the event;
 - vi. provide all reasonable information and assistance as we may require; and
 - vii. use your best endeavours to preserve any damaged or defective Property or other Property which might provide evidence in connection with any claim, provided it is reasonable and safe to do so;
- b) you must not:
 - i. admit liability for any event, loss, damage, or injury or settle or attempt to settle or defend any claim without our written consent; or
 - ii. alter or repair any building, appliance, plant, or thing until we have had the opportunity of an inspection, unless such alteration or repair is necessary for safety reasons;
- c) you are not entitled to abandon any Property to us;
- d) we will have full discretion in the conduct of any negotiations and the settlement of any claims;
- e) after payment for or replacement of any Property (other than a Building) lost or damaged, the Property so lost or damaged becomes ours subject to your right to reclaim it on repayment to us of the amount paid by us in respect of such Property; and
- f) more specific claims procedures are noted under Specific Conditions in:
 - i. Broadform Liability in Section 7.5;
 - ii. Professional Indemnity in Section 8.6;
 - iii. Personal Accident and Illness in Section 9.6;
 - iv. Electronic Equipment in Section 10.6;

- v. Machinery in Section 11.6;
- vi. Fraud or Dishonesty in Section 13.6; and
- vii. Tax Audit in Section 14.5.

2. Alteration of risk

- a) You must as soon as reasonably possible notify us in writing of any changes you know of which materially alter any of the facts or circumstances that existed at the commencement of this policy.
- b) Until:
 - i. we agree in writing to the terms of insurance of the altered risk; and
 - ii. you pay any additional Premium requested by us;

we will not be liable for any loss, destruction, or damage caused by or attributable to such alteration.

3. Reasonable care

You must at all times take reasonable care:

- a) for the safety of the Property;
- b) to ensure that only competent employees are employed;
- c) to maintain the Premises, structures, fittings, fixtures, furnishings, appliances, machinery, implements, plant, and Property in sound condition;
- d) to prevent personal injury or damage to property;
- e) to comply with all relevant statutory obligations, by-laws, and regulations imposed by any public authority; and
- f) to prevent personal injury or damage to property due to manufacture, sale, or supply of defective goods.

We may reduce the amount we pay for a claim to the extent that your failure to comply to meet these conditions caused or contributed to the loss.

4. Joint insureds

Where you comprise more than one party:

- a) the Proposal is deemed to have been furnished by and on behalf of all parties, and any information supplied to us, or any omission or non-disclosure in relation to any renewal or extension is likewise deemed to have been furnished, omitted, or withheld, (as the case may be) on behalf of all parties; and
- b) if one or more of you (or persons acting on behalf of, or with the knowledge or connivance of, one or more of you) should engage in a deliberate act which results in loss, destruction, or damage to the Property, we will not pay any claims at all arising out of such loss, destruction, or damage, whether those claims are brought by the party or parties which engage in the deliberate act or by anyone else.

5. Contractual agreements

- a) We will not pay for, or our liability may be reduced, if you enter or have entered (even before you entered into this contract of insurance) into an agreement, release, or undertaking which limits or excludes your rights of recovery against, or contribution from, a

person or organisation who would otherwise be liable to compensate you with respect to that loss, damage or liability. We will pay if such agreement, release, or undertaking has been allowed in this policy.

- b) We will reduce our liability by the same amount that the agreement, release, or undertaking has prevented you from recovering from that person or organisation.

6. Subrogation

- a) We are entitled to use your name in any proceedings to enforce for our benefit any rights, remedies, or orders in respect of any claim for:
 - i. injury;
 - ii. damage to the Property; or
 - iii. costs or otherwise; and

subject to the provisions of any statute which may apply, we have the right of subrogation in respect of all rights which you may have against any person, company, or other body who may be legally liable to you or otherwise in respect of any such claim.

- b) Any claimant under this policy must, at our request and expense, give information and assistance as may reasonably be required for enforcing any rights, remedies, obtaining relief, or indemnity from other parties to which we may be entitled or subrogated upon payment of any claims under this policy.

7. Cancellation

This policy may be cancelled by:

- a) you at any time notifying us in writing, in which case:
 - i. cancellation takes place when we receive the notice;
 - ii. we will retain, or be entitled to, Premium for the period during which the policy has been in force based on a pro rata basis; and
 - iii. you are not entitled to a refund of Premium for Section 14 (Tax Audit); or
- b) us on any grounds set out in the Insurance Contracts Act 1984, by giving you notice in writing, in which case:
 - i. cancellation takes place at the time you enter into another contract of insurance intended to replace this policy, or at 4.00pm on the 3rd day after delivery of the notice to you, whichever is earlier; and
 - ii. we will refund the Premium paid for the unexpired Period of Insurance.

You must supply us with such particulars as we may require for the adjustment of the Premium following any cancellation.

8. Paying by instalments

- a) When you take out insurance, you need to pay your annual premium or any instalments by the due date specified on your Certificate of Insurance.

An instalment is unpaid if it cannot be deducted from your nominated account or credit card.

If your premium is overdue we will send you a notice outlining the overdue amount and when it needs to be paid.

If your premium remains unpaid after the time period specified in the notice we send, we will:

- i. cancel your policy for non-payment; and
- ii. refuse to pay any claim for an incident occurring after the cancellation date.

If you pay by instalment, we will send you a second notice either before cancellation informing you of the effective date of cancellation, or within 14 days after cancellation confirming the effective date of cancellation.

- b) If you need to make a claim when your policy is overdue, and before your policy has been cancelled for non-payment, we will require you to pay the overdue amount as part of the claim settlement process. Alternatively, where the settlement method allows we can reduce the settlement payment by the overdue amount.
- c) If a claim requires the Sum Insured or Limit of Liability to be paid in total under any Section, then the balance of the Premium relating to that Section for the full Period of Insurance will be deducted from the amount of the claim settlement.

9. Premium adjustment

You must furnish all information and co-operation we may reasonably require for the adjustments of the Premium in accordance with the provisions of each Section of this policy. We will only request information and co-operation where relevant and will explain why the information and co-operation is required.

10. Consequences of non-disclosure

If you do not comply with your Duty of Disclosure, we may be entitled to:

- a) reduce our liability for any claim to the extent we are prejudiced by your non-compliance;
- b) cancel the contract if we would not have issued you cover on the same terms had you complied with your Duty of Disclosure; or
- c) avoid the contract from its beginning, if your non-disclosure was fraudulent.

11. Excess

- a) We will deduct from the amount to be paid to you the amount of Excess shown on the Certificate of Insurance or in this policy.
- b) Any Voluntary Excess and/or Additional Excess are in addition to the Basic Excess.
- c) You may be required to pay all the Excesses that apply to the claim.
- d) We will apply the highest applicable Excess, or any aggregate Excess if more than one Section of the policy applies to any claim arising from the one event, unless:
 - i. The claim applies across Section 4 Composite Vehicles, Section 7 Broadform Liability, Section 9 Personal Accident & Illness, Section 15 Domestic House and Contents & Section 16 Composite Watercraft;

then we will apply an Excess to each individual item as specified in the Certificate of Insurance across all applicable Sections as specified in (d)(i) above, in addition to the highest applicable Excess.

12. Conditions, exclusions, and definitions

Where a Specific Condition, Exclusion, or Definition is in conflict with a General Condition, Exclusion, or Definition, the Specific Condition, Specific Exclusion, or Definition will apply.

13. Other insurance

You must advise us in writing of any insurance already effected or which may subsequently be effected covering, whether in total or in part and whether absolutely or contingently, the insurance provided under this policy.

14. Disputes

All disputes arising out of or under this policy will be subject to determination by any Court of competent jurisdiction in the Commonwealth of Australia.

15. Governing legislation

This policy is governed by the Insurance Contracts Act 1984. This policy and any person's rights pursuant to this policy will be read subject to this Act as it applies at the time of any claim or exercise of any right pursuant to this policy.

Where applicable, Section 16 – Composite Watercraft may also be governed by the Marine Insurance Act 1909.

16. Goods and Services Tax

Where payment is made under this policy for the acquisition of goods, services or other things, we will reduce the amount of payment by the amount of any input tax credit that you are, or will be, entitled to under A New Tax System (Goods and Services Tax) Act 1999 in relation to that acquisition.

Where payment is made under this policy as compensation instead of payment for the acquisition of goods, services or other things, we will reduce the amount of the payment by the amount of any input tax credit that you would have been entitled to under A New Tax System (Goods and Services Tax) Act 1999 had the payment been applied to acquire such goods, services or other things.

The Sum Insured or any amounts indicated in this policy are inclusive of Goods and Services Tax (GST).

17. Electronic communication

- a) It may be possible to have your policy documents sent to you electronically by e-mail. If you tell us to send your policy documents to you electronically, then we will send them to the e-mail address you give us rather than to your mailing address.
- b) Any policy documents we send to your e-mail address are considered to have been received by you 24 hours from when we send them. If you don't tell us to send your policy documents to you electronically, then we will send them by post to the mailing address you gave us.
- c) You are responsible for making sure the e-mail and mailing address we have for you are up to date.

Notes

Notes

CONTACT DETAILS

ENQUIRIES 13 24 81

COMPLAINTS 13 24 81

CLAIMS 13 24 80

MAILING ADDRESS

GPO BOX 9902 N YOUR CAPITAL CITY



CGU.COM.AU

SYDNEY

GPO Box 244
Sydney
NSW 2001

MELBOURNE

181 William St
Melbourne
VIC 3000

BRISBANE

189 Grey St
South Bank
QLD 4101

PERTH

46 Colin St
West Perth
WA 6005

ADELAIDE

80 Flinders St
Adelaide
SA 5000



Insurer
Insurance Australia Limited
ABN 11 000 016 722 AFSL 227681
trading as CGU Insurance