

Zurich Trades Insurance

Product Disclosure Statement



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About our Trades Insurance

About Zurich

Zurich is proud to present the Zurich Trades Insurance product.

The insurer of this product is Zurich Australian Insurance Limited (ZAIL), ABN 13 000 296 640, AFS Licence Number 232507, a subsidiary of Zurich Financial Services Australia Limited (ZFSA). In this document, ZAIL may also be expressed as 'Zurich', 'we', 'us' or 'our'.

ZFSA provides wealth protection and wealth creation solutions, offering general insurance for commercial customers, and life risk, investments and superannuation solutions for corporates and personal customers. Zurich's solutions and services are primarily accessible through insurance brokers, financial advisers and other intermediaries.

ZFSA is part of the worldwide Zurich Financial Services Group, an insurance-based financial services provider with a global network of subsidiaries and offices in North America and Europe as well as in Asia Pacific, Latin America and other markets. Founded in 1872, the Group is headquartered in Zurich, Switzerland. It employs approximately 60,000 people serving customers in more than 170 countries.

This Product Disclosure Statement (PDS) is an important document. You should read it carefully before making a decision to purchase this product.

This PDS will help you to:

- **decide whether this product will meet your needs; and**
- **compare this product with other products you may be considering.**

The information contained in this PDS is general information only. It is important you read your policy to ensure you have the cover you need.

We sometimes capitalise or italicise terms in this PDS, to show that words are abbreviations or have a particular defined meaning. You should refer to the Definition sections of this document from pages 12, 17, 32 and 34 to obtain the full meaning of such terms.

How to apply for this insurance

Throughout this document when referring to your insurance broker or adviser, we may simply refer to them as your intermediary.

If you are interested in buying this product or have any inquiries about it, you should contact your intermediary who should be able to provide you with all the information and assistance you require.

If you are not satisfied with the information provided by your intermediary you can contact us at the address or telephone number shown on the back cover of this document. However, we are only able to provide factual information or general advice about the product. We do not give advice on whether the product is appropriate for your personal, objectives, needs or financial situation.

Our Trades Insurance

The Zurich Trades Insurance is designed for tradespeople operating small to medium businesses. We recognise that no two tradespeople are the same.

The policy cover can be customised to meet your business requirements. Some of the options can be summarised as follows:

Benefits offered under each Cover Section

Motor Vehicle

Comprehensive Cover

This provides both:

- cover for certain loss or *damage* to your *vehicle* (Section 1); and
- liability cover for certain loss or *damage* you or certain other people cause to third party vehicles and property (Section 2).

Own Damage Only Cover

This provides:

- cover for certain loss or *damage* to your *vehicle* (Section 1).

Third Party Property Damage Only Cover

This provides:

- liability cover for certain loss or *damage* you or certain other people cause to third party vehicles and property (Section 2).

Fire, Theft and Third Party Property Damage Cover

This provides both:

- cover for certain loss or *damage* to your *vehicle* by fire or theft only (Optional Limitation of Cover – Section 1 refer to page 27; and
- liability cover for certain loss or *damage* you or certain other people cause to third party vehicles and property (Section 2).

Fire and Theft Only Cover

This provides:

- cover for certain loss or *damage* to your *vehicle* by fire or theft only (Optional Limitation of Cover – Section 1 refer to page 27).

Business Special Risks

This provides cover for:

- your tools and major items of portable equipment;
- *office contents* and equipment in your home office;
- *stock* that is purchased by you to be used in your *business*; and
- your canine friend.

Liability

This provides:

- cover for both public and products liability, covering your legal liability for *personal injury* or *property damage* or *advertising liability* that may arise out of your *business* activities or from your *products*.

For a summary of the benefits available to you, see 'Benefits of cover available' from page 10.

Our contract with you

Your policy is a contract of insurance between you and Zurich and contains all the details of the cover that we provide.

Your policy is made up of:

- the policy wording, which begins on page 12 of this document. This is common to all customers who buy our Zurich Trades Insurance product. It tells you what is covered, sets out the claims procedure, exclusions and other terms and conditions of cover;
- the proposal, which is the information you provide to us when applying for insurance cover;

- your most current policy *schedule* issued by us. The *schedule* is a separate document unique to you, which shows the insurance details relevant to you. It includes any changes, exclusions, terms and conditions made to suit your individual circumstances and may amend the policy; and
- any other written change otherwise advised by us in writing (such as an *endorsement* or a supplementary PDS). These written changes vary or modify the above documents.

Please note, only those *cover sections* shown as covered in your *schedule* are insured.

This document is also the PDS for any offer of renewal we may make, unless we tell you otherwise. Please keep your policy in a safe place.

We reserve the right to change the terms of this product where permitted to do so by law.

Significant issues to consider

Insurance contracts contain policy exclusions, policy terms and conditions and policy limits and sub-limits that you should be aware of when deciding to purchase our product. These things may affect the amount of the payment that we will make to you if you have a claim.

We may express some policy terms, policy limits or sub-limits as being either a dollar amount or a percentage of your *sum insured* shown in your *schedule* or some other amount, factor or item specified in the relevant clause of this document.

You should be aware of the following matters in considering whether this product is suitable for your needs.

Motor Vehicle

Basis of Settlement – Section 1

When Section 1 – Own Damage is selected, you may choose the Basis of Settlement option you require if your *vehicle* is a sedan, station wagon, 4WD, utility or Other Goods Carrying Vehicle up to five tonnes *payload* carrying capacity. The standard options are *market value* and *nominated value*. For all other *vehicles*, the Basis of Settlement is the *sum insured value*. We refer you to the Definitions applying to Section 1 from page 17, which explains how we apply these categories of cover.

The correct Basis of Settlement selection is vital, as an incorrect selection may possibly leave you underinsured and could result in the Average clause of this policy becoming operative. Please refer to Limitations of Cover – Section 1 on page 23 which explains when and how the operation of this clause applies.

Basis of Settlement – Section 2

When Section 2 – Liability is selected, we have automatically included the Limits of Liability within the policy. We recommend you refer to page 29 and you review these limits to ascertain if they are adequate for your business requirements.

Dangerous Goods

When Section 2 – Liability is selected, we provide cover in the event that your *vehicle* is being used for, attached to, or towing a *vehicle* used for the transport of *dangerous goods*. We recommend you refer to page 29 and review the limit of *dangerous goods* cover provided, to ascertain if it adequate for your business requirements.

Extensions of Cover

When you have a loss or *damages*, additional expenses may be incurred. For example, Removal of debris / load, Retrieval costs etc. We automatically provide for these Extensions under Extensions of Cover within the policy.

Where these Extensions have limits, these limits (whilst additional to the *sum insured*), are sub-limited to either per event, per *vehicle* or per *period of insurance*. We suggest you review these limits to see if they are adequate for your business requirements.

Please refer to Extensions of Cover – Section 1 and 2 from page 21, Extensions of Cover – Section 1 from page 25 and Extension of Cover – Section 2 from page 30 for full particulars. Some of these major benefits are listed in 'Benefits of cover available' from page 10.

Optional Extensions of Cover

The policy has Optional Extensions of Cover which you may wish to consider:

- Hire vehicles following an accident (refer to page 28);
- Hire vehicles (refer to page 22);
- No claim bonus (NCB) protection (refer to page 27);
- Deletion of windscreen excess (refer to page 27);
- Contents of caravan / trailer (refer from page 27);
- Increased non-owned trailer liability (refer to page 31).

Business Special Risks

The Business Special Risks *cover section* requires some items to be declared and/or specified on your *schedule* in order for them to be covered by the policy. Please refer to page 32 'Excluded items' under the Exclusions for this *cover section*.

If items of equipment are specified, we will provide coverage on a replacement basis. If items are not specified, we refer to these items as unspecified items. The maximum amount we will pay for unspecified items is \$2,000 for any one item.

The policy offers two optional limitations of cover from the standard cover. Whilst there are premium savings with these options, the actual scope of cover is limited.

The Optional Limitations of Cover are:

- Restricted cover (refer to page 33); and
- Fire excluded (refer to page 33).

Liability

Selecting the correct Limit of Liability and correct sub-limits (e.g. Property in physical or legal control) requires a full understanding of the risks associated with third parties and their property arising out of your *business* activities. Your intermediary will be able to assist you in selecting your correct limits.

Other Significant Issues

Excesses can apply

For each of the available covers, a basic excess may apply. A basic excess is not an additional fee charged by us at the time of making a claim. Rather, it is the uninsured first portion of a loss for which you are otherwise covered, i.e. the amount that you must contribute towards each claim.

Details of the excess amounts and circumstances in which they will be applied are set out in the Definitions of excess within the relevant *cover sections*.

- In respect to Motor Vehicle refer from page 17.
- In respect to Business Special Risks refer to page 32.
- In respect to Liability refer from page 34.

If a single event results in claims under more than one *cover section*, you will only be required to pay one amount of excess – that which is the greater of the applicable Excesses.

Upon acceptance of your claim, you must immediately pay the total amount of the applicable excess, either to us or to the repairer. We will advise you to whom the excesses must be paid, however if your vehicle is a total loss, we may deduct any excess that you must pay from any payment we make.

The amounts of excesses you will be required to pay will appear on your *schedule*.

Exclusions

This policy contains a number of exclusions, some of which are common in insurance policies. For example, we may not pay for loss or *damage* arising out of:

- unlawful acts (including unlicensed drivers);
- unroadworthy or unsafe *vehicles*; or
- vehicle deterioration (rust, corrosion, and general wear and tear).

Some of the exclusions may be less common, and as such may be unexpected. For example, the Liability coverage in this policy excludes cover for 'Information technology hazards' such as *damage* to your computer programs as a result of a computer virus. Please refer to page 40 for the details of this Exclusion.

The above are some of the events that are not covered by this policy. Before making a decision about whether to purchase this policy, you should read the full details of all relevant exclusions, which are contained in the policy wording. Some may not be relevant to your *business*, however, you should make yourself aware of all the exclusions that apply in all *cover sections*.

With respect to the Motor Vehicle *cover section*, please refer to General Exclusions from page 13, Exclusions of Cover – Sections 1 and 2 from page 19, Exclusions of Cover – Section 1 from page 24, Exclusions of Cover – Section 2 from page 29.

With respect to the Business Special Risk *cover section*, please refer to General Exclusions from page 13, and additional Exclusions to this *cover section* on page 32.

With respect to the Liability *cover section*, please refer to General Exclusions from page 13, and additional Exclusions to this *cover section* from page 37.

Terms and Conditions

General Terms and Conditions applicable to all *cover sections* sets out your obligations with which you need to comply. Please refer from page 14.

With respect to the Liability *cover section*, please read Special Terms and Conditions of Cover on page 41.

You should read the policy wording and make yourself aware of all the terms and conditions that apply. If you do not meet them we may be able to decline or reduce the claim payment or cancel your policy.

Make sure you have the cover you need

You should discuss with your intermediary the appropriate amounts and risks for which you need to be insured. If you do not adequately insure for the relevant risks you may have to bear any uninsured losses yourself.

If you do not choose appropriate amounts that allow for the full replacement of your property or other financial risks that your policy aims to cover, then you may be underinsured when you need to make a claim.

Change in circumstances

You should also advise your intermediary to notify us as soon as possible when your circumstances change which are relevant to your policy. For instance, if you purchase a new *vehicle* or new tools for your business. If you do not tell your intermediary of these changes, in the event of you suffering a loss or *damage*, your *sum insured* may not be adequate to cover your loss, or you may not even have any cover under your policy.

Duty of Disclosure

Before you enter into this contract of insurance with us, the Insurance Contract Act 1984 requires you to tell us everything which you know, or could be reasonably expected to know, is relevant to our decision whether to accept the risk of the insurance and, if so, on what terms. The duty of disclosure is different depending on whether it is a new policy or not.

New business

Where you are entering into this policy for the first time (that is, it is new business and is not being renewed, varied, extended or reinstated) you must tell us everything you know, or could be reasonably expected to know, in answer to the specific questions we ask.

When answering our questions you must be honest.

Who needs to tell us

It is important that you understand that you are answering our questions in this way for yourself and anyone else whom you want to be covered by the policy.

If you do not tell us

If you do not answer our questions in this way, we may reduce or refuse to pay a claim, or cancel the policy. If you answer our questions fraudulently, we may refuse to pay a claim and treat the policy as never being in force.

Renewals, variations, extensions and reinstatements

Once your policy is entered into and is no longer new business then your duty of disclosure to us changes. You are required before you renew, vary, extend or reinstate your policy, to tell us everything you know, or could be reasonably expected to know, which is relevant to our decision whether to renew, vary, extend or reinstate the contract of insurance and, if so, on what terms.

You do not have to tell us about any matter

- that diminishes the risk;
- that is of common knowledge;
- that we know or should know in the ordinary course of our business as an insurer; or
- which we indicate we do not want to know.

If you do not tell us

If you do not comply with your duty of disclosure we may reduce or refuse to pay a claim or cancel your policy. If your non-disclosure is fraudulent we may treat this policy as never being in force.

How we calculate your premium

The amount of your *premium* is determined by taking a number of different matters into account. You can seek a quote at any time.

It is important for you to know in particular that the *premium* varies depending on the information we receive from you about the risk to be covered by us. The higher the risk is, the higher the *premium* will be. Based on our experience and expertise as an insurer, we decide what factors increase our risk and how they should impact on the *premium*. Each insurer can do this differently.

We calculate your *premium* on the basis of information that we receive from you when you apply for insurance. Some other factors impacting premiums are:

- the location of your *business*;
- the nature of your business;
- the age of your policy with Zurich;
- any additional excess you nominate to pay above our basic excess. This means that when you purchase a policy, you may elect to take a higher excess in the event of a claim, which will reduce the cost of your *premium*. If you are interested in this, you should ask your adviser to supply you with quotes based on differing amounts of excesses.

Each individual *cover section* has its own considerations, which include:

Motor Vehicle

- type of *vehicles* (make, age, model);
- use of *vehicles* (private, business);
- the value of the *vehicles*;
- type of cover requested;
- location and operating radius of the *vehicles*;
- age of the regular driver of the *vehicles*;
- your NCB and your previous claims history.

Business Special Risks

- classification of items (tools of trade, computers and accessories, mobile equipment);
- the value of your tools;
- *items* being *specified items* or unspecified items;
- type of cover chosen (full coverage, restricted cover).

Liability

- Limit of Liability chosen;
- occupation of trade (e.g. plumber, electrician, bricklayer);
- annual turnover and number of *employees*.

Your intermediary can arrange for you to be provided with a quote for a premium. You will need to give your relevant personal details to your intermediary at this time to enable us to calculate your *premium*.

Another important thing to know is that your *premium* also includes amounts that take into account our obligation to pay any relevant compulsory government charges, taxes or levies (e.g. Stamp Duty, GST and Fire Services Levy) in relation to your policy. These amounts will be set out separately on your *schedule* as part of the total *premium* payable.

How and when you pay your premium and what happens if you don't pay?

Premiums are charged and are payable on a yearly basis. Your intermediary can also tell you what other methods are available to make your *premium* payments.

Your intermediary will send you an offer of renewal of your insurance once a year, before your current *period of insurance* expires. If you do not pay your *premium* when due, your policy may lapse after 30 days and you will not be covered. You may be able to reinstate your policy after it lapses, but you must submit an application to us, which is subject to our reassessment of your personal circumstances at the time of application.

No claim bonus – Motor only

Your motor no claim bonus (NCB) is based on your previous claims history and is impacted each time you lodge a claim against your policy.

In the event that you are not at fault in a claim and we have obtained a full recovery from the other party who was at fault, we will then reinstate your NCB to the same level prior to you lodging that claim. If we have already altered your renewal *premium* prior to the receipt of the recovery, we will adjust your renewal *premium* accordingly, and refund any amount to you.

Goods and Services Tax

The *sum insured* that you choose should exclude Goods and Services Tax (GST).

In the event of a claim, if you are not registered for GST, we will reimburse you the GST component, in addition to the amount we pay you. If you are registered for GST, you will need to claim the GST component from the Australian Taxation Office.

You must advise us of your correct input tax credit percentage, where you are registered as a business and have an Australian Business Number. Any GST liability arising from your incorrect advice is payable by you.

How to make a claim

If you need to make a claim against this policy, please refer to 'Claims procedures' under General Terms and Conditions from page 14. If you have any queries, please contact your intermediary as soon as possible, or call us on 132 687.

Your Privacy

The National Privacy Principles, under the Privacy Act 1998, regulate the way in which private sector organisations like Zurich can collect, use, store and disclose your personal information.

We collect personal information about you in order to assess your request for insurance and to administer the policy. You can elect not to provide us with your personal information however we may then not be able to process your application for insurance, we may not be able to process your claim or you may breach your Duty of Disclosure.

In some circumstances, we may collect and/or disclose your personal information (other than sensitive information such as health information) to a third party such as your intermediary, our service providers and our business partners. For a list of service providers and business partners that we may disclose your personal information to and for further information on our Privacy Policy, please refer to the Privacy link on our homepage – www.zurich.com.au.

By providing us with your personal information, you consent to us disclosing your personal information for these purposes.

In most cases, at your request, we will give you access to the personal information we hold about you. In some circumstances we may charge a fee for giving you access, which will vary but will be based on our costs.

If you would like to find out more, you can contact us by telephone on 132 687 or email at Privacy.Officer@zurich.com.au or in writing to:

The Privacy Officer
Zurich Australian Insurance Limited
PO Box 677
North Sydney NSW 2059

Cooling-off Period

After you apply for a Zurich product and you have received the policy document, you have 21 days to check that the policy meets your needs. Within this time you may cancel the policy and receive a full refund of any *premiums* paid, unless:

- you have made a claim or become entitled to make a claim under your policy; or
- you have exercised any right or power you have in respect of your policy or the policy has ended.

Your request will need to be in writing and forwarded to us via your intermediary or to the address shown on the back cover of this document.

You can cancel your policy at any time after the cooling-off period. Please refer to 'Cancellation' under General Terms and Conditions from page 14.

General Insurance Code of Practice

As a member of the Insurance Council of Australia Limited, we subscribe to the General Insurance Code of Practice.

The purpose of the Code is to raise the standards of practice and service in the general insurance industry.

The Code aims to:

- constantly improve claims handling in an efficient, honest and fair manner;
- build and maintain community faith and trust in the financial integrity of the insurance industry; and
- provide helpful community information and education about general insurance.

Complaints and Disputes Resolution process

If you have a complaint about an insurance product we have issued or service you have received from us, please contact your intermediary to initiate the complaint with us. If you are unable to contact your intermediary, you can contact us directly on 132 687.

We will respond to your complaint within 15 working days. If you are not satisfied with our response, you may have the matter reviewed through our internal dispute resolution process, which is free of charge.

If you are not satisfied with the outcome of the dispute resolution process and would like to take the complaint further, you may refer the matter to the Financial Ombudsman Service (FOS), an independent and external dispute resolution scheme. The FOS is free of charge to you but can only be accessed after you have gone through our internal disputes resolution process.

FOS contact details are:

The Financial Ombudsman Service

Freecall: 1300 78 08 08

Post: GPO Box 3, Melbourne, Victoria 3001

Website: www.fos.org.au

Email: info@fos.org.au

Repair Industry Code of Conduct

Zurich complies with the Repair Industry Code of Conduct.

You can choose a repairer, or we can recommend one for you. If we do not accept your choice of repairer, you must still co-operate with us to select another repairer that we both agree on.

When your *vehicle* is repaired, the repairer may use re-usable parts or parts that are not manufactured by a supplier to the *vehicle's* original manufacturer which:

- are consistent with the age and condition of the *vehicle*;
- do not affect the safety or the structural integrity of the *vehicle*;
- comply with the vehicle manufacturer's specifications and applicable Australian Design Rules;
- do not adversely affect the post-repair appearance of the *vehicle*; and
- do not void or affect the warranty provided by the vehicle manufacturer.

In repairing your *vehicle*, we may arrange for a part of the repair to be carried out by a specialist service provider, for example windscreen repairs. We guarantee workmanship of the repairs authorised by us.

This guarantee is for the life of the *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 any defective repairs to be rectified, you must give us the opportunity to inspect the *vehicle*.

Headings

Headings have been included for ease of reference, but do not form part of the policy.

Updating this PDS

Certain information in this PDS may change from time to time. If the updated information is not materially adverse from the point of view of a reasonable person deciding whether or not to purchase this product, a paper copy of the updated information will be available free of charge upon request, by contacting your intermediary or us by using our contact details on the back cover of this PDS. Please note that we may also choose to issue a new PDS or a supplementary PDS in other circumstances.

Benefits of cover available

The following is a summary of the major benefits of covers available under the policy. Please refer to each cover section for full details of coverage and applicable terms and conditions.

Summary of covers available	Benefits of cover available	Page no.
Comprehensive	Own Damage – Section 1	23
	Liability – Section 2	29
Third Party Property Damage Only	Liability – Section 2	29
Fire, Theft and Third Party Property Damage	Optional Limitation of cover – Section 1	27
	Liability – Section 2	29
Business Special Risks	Cost of repairing or replacing insured Items	32
Liability	Public and Products Liability	34
Benefits of cover for all Cover Sections		
Approved claim preparation costs	We will pay up to \$25,000 per <i>period of insurance</i> for reasonable professional fees and such other expenses incurred by you for the preparation of a claim under a <i>cover section</i>	13
Emergency mitigation costs	Replacement of windscreen	13
	Towing your <i>vehicle</i> to the nearest repairer	13
Extension of Cover – Motor Vehicle Section 1 and 2		
Vehicle additions	Automatically covering a new vehicle within 30 days, maximum \$100,000 per vehicle	21
Police, Fire Brigade and other Authorities	Covering costs levied in respect of Police Force, Fire Brigade or other Authorities as a result of loss or <i>damage</i> to your <i>vehicle</i> , to a maximum \$5,000 per event	21
No fault excess	If the total excesses applicable to your claim is \$5,000 or less and you were not 100% at fault in an accident, you may not need to pay any excess	21
Extension of Cover – Motor Vehicle Section 1		
New vehicle replacement	A new replacement vehicle including registration fees, delivery charges and stamp for sedans, station wagons, 4WDs, utilities or Other Goods Carrying vehicles up to five tonnes payload carrying capacity being less than two years of <i>vehicle's</i> first registration	25
Total loss of encumbered vehicles	Up to an additional 15% limit of <i>market value</i> or <i>sum insured value</i> whichever is the lesser	25
Gates, chains and tarpaulins	Up to a maximum \$5,000 per event	25
Removal and delivery expenses	Reasonable costs of removing and delivering your <i>vehicle</i> , if your <i>vehicle</i> suffers loss or <i>damage</i> , up to a maximum \$15,000 per event	26
Hire vehicle following theft	Up to a maximum \$5,000 per event	26
Signwriting	Up to a maximum \$25,000 per event	26
Removal of debris / load	Up to a maximum \$15,000 per event	26
Locks / keys	Up to a maximum \$5,000 per event	26
Funeral expenses	Up to a maximum \$5,000 for funeral expenses following fatal injury to your driver	26
Employee's vehicles	Coverage for employee's <i>vehicles</i> being used in connection with your business, to a maximum \$25,000 per any one loss, any one event	27
Journey disruption	Following loss or <i>damage</i> to your <i>vehicle</i> , if more than 250 km from normal place of garaging, the reasonable costs of transporting the driver and passengers, obtaining overnight accommodation or hiring another vehicle, up to a maximum \$1,500 per event	27

Summary of covers available	Benefits of cover available	Page no.
Extension of Cover – Motor Vehicle Section 2		
Legal costs and authorised expenses	Legal costs and expenses incurred with our written consent, in addition to the Limit of Liability	30
First aid costs	In addition to the Liability Limit	30
Non-owned or supplied vehicle	Coverage for non-owned or supplied vehicles being used in connection with your <i>business</i>	31
Employer or principal	Covering employer's or principal's liability for an accident involving your <i>vehicle</i>	31
Non-owned trailer liability	Damage to non-owned trailer being towed by your <i>vehicle</i> , up to a maximum value of \$50,000 per event	31
Optional Extensions of Cover		
Hire vehicles	Section 1 and 2 – available if shown in the <i>schedule</i>	22
No claim bonus (NCB) protection	Section 1 – available if shown in the <i>schedule</i>	27
Deletion of windscreen excess	Section 1 – available if shown in the <i>schedule</i>	27
Contents of caravan / trailer	Section 1 – available if shown in the <i>schedule</i>	27
Hire vehicle following an accident	Up to \$75 per day, up to maximum of 14 business days per event	28
Driver accident benefit	Benefits for injury suffered in an <i>accident</i> where driver at fault	28
Increased non-owned trailer liability	Section 2 – available if shown in the <i>schedule</i>	31
Business Special Risks – Benefits of Cover		
Geographical limits	Anywhere in <i>Australia</i>	32
Unspecified items	\$2,000 for any one item	32
Your canine friend	Up to \$750 for any one dog	33
Business Special Risks – Optional Limitations of Cover		
Restricted cover	Named perils only	33
Fire excluded	Full cover excluding fire	33
Liability – Benefits of Cover		
Additional payments	In addition to the Limit of Liability	36
Employee, director or principal	Included under Cover for others	36
Subcontractors	Included under Cover for others	36
Property in physical or legal control	\$100,000 in the aggregate, per <i>period of insurance</i>	38

Zurich Trades – Policy Wording

Our Agreement

Subject to all of the terms and conditions contained in your policy and payment of the *premium* we will provide you with the cover shown in the *cover sections* of your policy up to the appropriate amount shown in the *schedule* or other limits shown in your policy.

Definitions

The following definitions shall apply to the words used in your policy.

Act of terrorism

act of terrorism means 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;
- (b) involves damage to property;
- (c) endangers life other than that of the person committing the action;
- (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 to disrupt an electronic system.

Australia

Australia means the Commonwealth of Australia and all of its States and Territories including all external Territories.

Australian Dangerous Goods Code

Australian Dangerous Goods Code means the most recent edition of the Australian Code for the Transportation of Dangerous Goods by Road and Rail that has been published by the Federal Government of Australia. This is also known as the ADG Code.

Business

business means all activities and operations of your Business specified in the *schedule*.

Caravan / trailer

caravan / trailer means your Caravan / Trailer as specified in the *schedule*.

Cover section

cover section means the individual coverage that we give you that attaches to and forms part of your policy when this is shown in the *schedule*, for example Liability Section or Business Special Risks Section.

Damage and damaged

damage means accidental physical damage, destruction or loss.

Employee

employee means any person that you have the right to direct during your *business* activities who is:

- (a) employed by you;
- (b) apprenticed to you;
- (c) deemed to be your employee by any applicable law;
- (d) hired or seconded from another party by you; or
- (e) an executive director or officer of your *business*.

Endorsement

endorsement means an individual endorsement document that we give you that attaches to and forms part of your policy. This endorsement document varies the terms and conditions of your policy.

Insured

insured means you, your, the party or parties named as the Insured in the *schedule*.

North America

North America means:

- (a) the United States of America and Canada; and
- (b) any state or territory incorporated in, or administered by, the United States of America or Canada.

Period of insurance

period of insurance means the Period of Insurance specified in the *schedule*.

Pollutants

pollutants means any irritant or contaminant, including but not limited to smoke, vapour, soot, fumes, chemicals or waste. However waste shall include, but not be limited to, all materials to be recycled, reconditioned or reclaimed.

Premises

premises means the Premises at the location specified in the *schedule*.

Premium

premium means the amount(s) specified in the *schedule* that you have to pay us, inclusive of all charges for the cover we provide under this policy.

Products

products means anything which is or is deemed to have been manufactured, grown, extracted, produced, processed, sold, supplied, distributed, imported, exported, repaired, serviced, installed, assembled, erected or constructed by you (including packaging or containers) in the course of your *business* and after it has ceased to be in your physical custody or under your legal control.

Schedule

schedule means the Schedule document that we give you that attaches to and forms part of your policy.

Specified item or items

specified item or *items* means an Item or Items specified in the *schedule*.

Subcontractor(s)

subcontractor(s) means those subcontractor(s) contracted by you.

Sum insured

sum insured means the Sum Insured specified in the *schedule* applicable to the relevant *cover section*.

Territorial limits

territorial limits means anywhere in the world.

Claims Costs

Approved claim preparation costs

In addition to the amount of cover provided by each *cover section*, we will pay up to \$25,000 per *period of insurance* for reasonable professional fees and such other expenses incurred by you for the preparation of a claim under a *cover section*.

However before you incur any claim preparation costs, you must obtain our written approval to incur these costs.

Emergency mitigation costs

In the case of an emergency we give you the authority to arrange on our behalf, emergency repairs to property covered by this policy; except in relation to the Motor Vehicle Section where you are required to prevent further loss or *damage* to your property as a direct result of that emergency, in which case we give you the authority to arrange on our behalf only the following:

- (a) repair or replacement of your *vehicle's* windscreen and/or windows; or
- (b) the towing of your *vehicle* to the nearest place of safety.

Limitations of Cover

The cover provided by your policy is limited by the Limitations of Cover shown in the *cover sections* and the Exclusions applicable to all *cover sections* that follow.

General Exclusions

The following general exclusions apply to your policy:

1. War, confiscation, radioactivity, nuclear perils

Your policy does not cover for loss, *damage*, destruction, death, personal injury, illness, liability, cost or expense of any nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any of the following, regardless of any other cause or event contributing concurrently or in any other sequence to the loss resulting from:

- (a) war, invasion, acts of foreign enemies, hostilities or warlike operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power;
- (b) any *act of terrorism*;
- (c) any order of any Government, Public or Local Authority involving the confiscation, nationalisation, requisition, damage or destruction of any property unless such destruction was undertaken to reduce the spread of fire; or
- (d) radioactivity or the use, existence or escape of any nuclear fuel, nuclear material, or nuclear waste or action of nuclear fission or fusion.

However this shall not apply to liability arising from radio-isotopes, radium or radium compounds when used away from the place where such are made or produced and when used exclusively incidental to ordinary industrial, educational, medical or research pursuits.

This policy also excludes any loss, destruction, *damage*, death, injury, illness, liability, cost or expense of any nature directly or indirectly caused by, contributed to by, resulting from or arising out of or in connection with any action taken in controlling, preventing, suppressing, retaliating against, or responding to or in any way relating to the above.

2. Alteration of risk

If the risk of loss, *damage*, costs or expense, injury, illness or liability is significantly increased by any alteration in the circumstances that affect you or your *business*, we will not be liable for any claims that are caused by or arise from such alteration unless:

- (a) you did not know of the alteration; or
- (b) you have notified us of the alteration and we have agreed to accept the alteration to the risk.

3. Acquisition of companies

Your policy does not cover:

- (a) any company or other legal entity acquired during the *period of insurance*; or
- (b) any property or liability associated with such company or any other legal entity or business undertaking or operation.

However if we have been notified in writing, we may, at our option and subject to any additional *premium* we may require, provide cover.

4. Asbestos

Your policy does not cover any liability of whatsoever nature in connection with, directly or indirectly caused by, or contributed to by, or arising from asbestos or asbestos products or asbestos contained in any products.

5. Pollution

Your policy does not cover:

- (a) loss, *damage*, costs or expense, injury, illness or liability directly or indirectly arising out of the discharge, seepage, migration, dispersal, release or escape of *pollutants* into or upon any property, land, the atmosphere or any watercourse or body of water (including ground water);
- (b) loss, *damage*, costs or expense, injury, illness or liability directly or indirectly arising out of the discharge, seepage, migration, dispersal, release or escape of *pollutants* caused by any product that has been discarded, dumped, abandoned or thrown away by others;
- (c) the cost of removing, nullifying or cleaning up *pollutants*; or
- (d) the cost of preventing the escape of *pollutants*.

This Exclusion shall not apply where the claim arises from a sudden identifiable, unintended and unexpected event which takes place in its entirety at a specific time and place and occurs outside of *North America*, however, the total aggregate Limit of Liability during any one *period of insurance* shall not exceed the Limit of Liability stated in the *schedule*.

6. Aggravated, punitive or exemplary damages, fines or penalties

Your policy does not cover any fines, penalties, exemplary, punitive, liquidated or aggravated damages.

7. Act of terrorism

Your policy does not cover any liability arising out of, or howsoever contributed to, whether directly or indirectly, or in any way involving any *act of terrorism* or any action taken in controlling, preventing, suppressing or in any way relating to any *act of terrorism*.

General Terms and Conditions

The following general terms and conditions apply to your policy:

1. Precautions

You must take all reasonable care to prevent or minimise loss, *damage*, injury, illness or liability, including complying with any law, by-law, ordinance or regulation that concerns the safety of persons or property.

2. Cancellation

- (a) You may cancel this policy or any *cover section* at any time by notifying us in writing.
- (b) We may cancel this policy or any *cover section* by notifying you in writing, if you are in breach of any of the terms or conditions, or for any other reason available at law.

Notice of cancellation has the effect of cancelling this policy at 4.00pm, local standard time, on the 30th business day, after the day on which notice was sent to you.

- (c) (i) After cancellation by you, we will be entitled to retain:
 - (1) the pro rata *premium* for the period during which the policy has been in force;
 - (2) an additional 10% of that pro rata premium as a cancellation fee; and/or
 - (3) any tax or duty paid or owing for which we are unable to obtain a refund.

- (ii) After cancellation by us, you will be entitled to a refund on a pro rata basis in relation to the unexpired *period of insurance*.

3. Claims procedures

You must not negotiate, admit or deny any claim, which is or may become the subject of a claim under this policy, without our written permission.

When an event happens that is likely to result in a claim under your policy, you and any other person or party covered by your policy must:

- (a) take all reasonable precautions to prevent further loss, *damage*, injury, illness or liability;
- (b) inform the Police immediately if property is lost, stolen or maliciously damaged;
- (c) notify us immediately of the event;
- (d) provide us with full written details of the event within 30 days of learning that the event happened;
- (e) supply us with all information and assistance as we may reasonably require;
- (f) allow us to use any legal rights held by you or held by any other party covered by your policy; and
- (g) allow us to negotiate, defend or settle the claim:
 - (i) in your name and on your behalf; or
 - (ii) in the name of and on the behalf of any other party covered by your policy.

4. Payments in respect of Goods and Services Tax

When we make a payment to you or on your behalf under this policy for the acquisition of goods, services or other supply, we will reduce the amount of the payment by the amount of any input tax credit that you are, or will be, or would have been entitled to under A New Tax System (Goods and Services Tax) Act 1999, in relation to that acquisition, whether or not that acquisition is actually made.

When we make a payment to you or on your behalf under this policy as compensation instead of payment for the acquisition of goods, services or other supply, we will reduce the amount of the payment by the amount of any input tax credit that you are, or will be, or 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 supply.

5. Payment of excess

When you have a claim under your policy, you must pay the excess amount in accordance with the terms and conditions that apply to the applicable *cover section*.

Provided that when a single event results in you claiming under more than one *cover section* of your policy then only the single highest excess will apply to all claims that arise out of the one event.

6. Progress payments

If we have agreed that a claim is covered by your policy we will make reasonable progress payments.

7. Fraud

We will not pay any claim if any fraudulent means or devices have been used by you, or anyone acting on your behalf, to obtain a benefit under this policy.

8. Other insurance

If you are entitled to indemnity under any other insurance policy, you must advise us of the particulars of that other insurance policy when making a claim.

9. Notifications

All notices and communications must be made or confirmed in writing by you or your intermediary. Other forms of communication will not be acted upon by us until confirmed in writing by you or your intermediary.

10. Confidentiality

To the extent permitted by law, you or any person acting on your behalf shall not without our prior written consent disclose:

- (a) the existence of your policy or any part of your policy;
- (b) the amount of *premium* paid or payable for your policy;
- (c) the extent of cover provided by your policy; or
- (d) any other terms or conditions of your policy.

11. Proper law and jurisdiction

- (a) The construction, interpretation and meaning of the provisions of this policy shall be determined in accordance with Australian law.
- (b) In the event of any dispute arising under this policy, including but not limited to its construction and/or validity and/or performance and/or interpretation, you will submit to the exclusive jurisdiction of any competent Court in Australia.

12. Change of risk

You must notify us in writing of all changes materially affecting the facts or circumstances existing at the commencement of this policy, or at any subsequent renewal date, as soon as such change comes to your notice. Any additional *premium* as a result of the change must be paid by you.

13. Cross liability

Where the *insured* comprises more than one legal entity, the word 'you' shall be considered as applying to each entity as if that entity were the only entity named as you. We waive all rights of subrogation or action which we may have acquired against any such entities. The Limits of Liability stated elsewhere in this policy are not affected or increased as a consequence of this condition.

Motor Vehicle Section

This *cover section* only forms part of your policy when either Motor Vehicle Section 1 – Own Damage or Motor Vehicle Section 2 – Liability is shown in the *schedule* and is limited to the *period of insurance* indicated.

Definitions

The following definitions shall apply to words used in this *cover section*.

Accident

accident means a sudden and fortuitous event, which arises out of the use of your *vehicle* and includes a series of *accidents* arising out of the one event.

Excess

For the purpose of this *cover section only*, *excess* means:

- **Basic excess**

This is the first amount of each claim for which you must pay when you make a claim under this policy, unless we state that an excess does not apply. We will pay for amounts above any *excess* amounts to be met by you. The amount of the basic excess is shown in the *schedule*. The basic excess will apply separately to each *vehicle* and each claim on that *vehicle*.

Where a trailer is attached to a *vehicle*, and that *vehicle* and trailer (both of which are covered under this policy) are damaged in the same accident, you will pay the applicable basic excess in respect of each vehicle insured as follows:

- (a) for claims under Section 1 – Own Damage:
 - (i) where one of your *vehicles* has been lost or *damaged*, you will pay the basic excess as shown in the *schedule* for that *vehicle*; or
 - (ii) where more than one *vehicle* (for this section, a trailer is a separate *vehicle*) has been lost or *damaged*, you will pay the applicable basic excess in respect of each *vehicle* insured;
- (b) for claims under Section 2 – Liability:
 - (i) where your liability arises as a result of your control of the towing *vehicle*, the basic excess applicable to the towing *vehicle* will apply; or
 - (ii) where your liability arises as a result of your control of a trailer not attached to a towing *vehicle*, the trailer excess shown in the *schedule* will apply.

- **Age and inexperienced driver's excess**

If at the time of loss or *damage*, your *vehicle* (providing your *vehicle* was not a rigid and/or articulated *vehicle* with a carrying capacity in excess of 10 tonnes *payload*) was being driven by a person as set out below, the following additional excess per event shall apply:

- (a) driver under 21 years of age: \$850
- (b) driver aged 21 years of age and under 25 years of age: \$750
- (c) driver aged 25 years and over, having held a licence less than two years: \$750

However this excess will not apply in the event of hail.

- **Age and inexperienced driver's excess applying to rigid and/or articulated vehicles**

If at the time of loss or *damage*, your rigid and/or articulated *vehicle* with a carrying capacity in excess of 10 tonnes *payload*, was being driven by a person as set out below, the following additional excess per event shall apply:

- (a) driver under 21 years of age: \$2,500
- (b) driver aged 21 years of age and under 25 years of age: \$2,500
- (c) driver aged 25 years of age and over, having held a rigid and/or articulated vehicle licence less than two years: \$2,500

However this excess will not apply in the event of hail.

- **Undeclared driver's excess applying to rigid and/or articulated vehicles**

If at the time of loss or *damage*, your rigid and/or articulated *vehicle* with a carrying capacity in excess of 10 tonnes *payload*, was being driven by a person who failed to complete a driver's questionnaire and submit it to us within 14 days of that person first driving or being in charge of your *vehicle* you will pay an additional excess of \$2,500.

However this excess will not apply in the event of hail.

- **Tipping excess**

If your *vehicle* is a rigid body tipper or a tipping trailer, and at the time of loss or *damage*, the tipping hoist was in use and was fully or partially elevated, the basic excess shall be increased by 100% to each *vehicle* and each claim on that *vehicle*.

- **Radius limit excess**

If your *vehicle* is *damaged* or liability is incurred as a result of an *accident* which occurs outside the *radius limit* specified in the *schedule*, then you will pay an additional *excess* in the amount of 200% of the basic *excess* per *vehicle*.

Compensation

compensation means compensatory damages including costs recoverable by claimants but excluding fines, penalties, criminal sanctions of any description, punitive, aggravated, exemplary or liquidated damages.

Dangerous goods

dangerous goods means goods as defined by the Australian Code for the Transport of Dangerous Goods by Road and Rail.

Damage and damaged

For the purpose of this *cover section* only, the definition of *damage* and *damaged* means accidental physical damage, destruction or loss caused by:

- (a) fire, flood, hail, malicious acts, *accident*; or
- (b) someone stealing or attempting to steal your *vehicle*.

Market value

market value means the value of your *vehicle* just before the *damage* occurs, based on the age and condition of your *vehicle* exclusive of GST at that time.

When we calculate the *market value*, we include an amount for reasonable costs of replacing or repairing:

- (a) standard accessories, tools or spare parts that the manufacturer supplied as standard equipment with your *vehicle*; and
- (b) non-standard Vehicle Accessories that are specified in the *schedule*.

Nominated value

nominated value means the amount specified as the Nominated Value exclusive of GST in the *schedule*. This amount includes standard accessories, tools and spare parts that the manufacturer supplies as standard equipment with your *vehicle*, and any Vehicle Accessories specified in the *schedule*.

Payload

payload means the maximum load that your *vehicle* is designed to carry.

Radius limit

radius limit means the area inside a circle drawn with your *vehicle's* primary location as the centre and with a radius of the length specified in the *schedule*.

Sum insured value

sum insured value means the amount specified as the Sum Insured Value exclusive of GST in the *schedule*.

This amount includes standard accessories, tools and spare parts that the manufacturer supplies as standard equipment with your *vehicle*, and any Vehicle Accessories specified in the *schedule*.

Tool of trade

tool of trade means the use or operation of a *vehicle* and/or any attachment, equipment, tool or apparatus which forms part of the *vehicle*, but only whilst engaged in and undertaking its designed purpose of digging, scraping, shovelling, grading, boring, drilling, compacting, harvesting, ploughing, shredding, lifting, clearing, levelling, hosing, pumping, spraying, vacuuming or suction activities.

Vehicle

vehicle means your Vehicle described in the *schedule* and includes:

- (a) any standard accessories that the manufacturer supplies as standard equipment with your *vehicle*; and
- (b) any non-standard Vehicle Accessories specified in the *schedule*.

Limitations of Cover – Sections 1 and 2

1. Motor trade

When Motor Trade is specified in the *schedule* then the cover provided by this policy will apply, subject to the following:

- (a) The Vehicle Description specified in the *schedule* means:

All registered motor vehicles or vehicles displaying a trade plate (other than motor cycles and/or *caravan / trailers* unless specifically shown in the *schedule*) which are in your custody or control for the purpose of sale, repair, modification or servicing but only while such vehicles are being driven by a duly licensed driver.

(b) The following additional Exclusions will apply:

We will not pay for *damage* that occurs or liability, which is incurred, where a *vehicle* is:

- (i) personally owned by you;
- (ii) being used in the business of a motor driving school;
- (iii) being used for hire, paying of hire or let on hire;
- (iv) being driven by potential buyers unless accompanied by you or your *employee*;
- (v) lost as a result of trickery or deception; or
- (vi) being towed by a motor breakdown towing truck belonging to, or being operated by, you.

(c) The following Extensions of Cover – Section 1 will not apply:

- (i) 1. New vehicle replacement;
- (ii) 2. Total loss of encumbered vehicles; and
- (iii) 5. Hire vehicle following theft.

(d) The following Extensions of Cover – Section 2 will not apply:

- 6. Non-owned or supplied vehicle.

(e) The following Exclusions of Cover – Sections 1 and 2 will not apply:

- 12. Stock in trade.

(f) The following Extensions of Cover – Sections 1 and 2 will not apply:

- 1. Vehicle additions.

2. Vehicle alterations

If the suspension, wheels or engine of your *vehicle* are altered to increase performance and as a result that *vehicle* becomes classified as a non-acceptable risk in our guidelines, then all cover under this policy will be cancelled with respect to that *vehicle*, unless:

- (a) we have previously agreed to such alteration;
- (b) you have paid any additional *premium* we require;
- (c) you have authorised such vehicle alterations to meet specific operational requirements; and
- (d) you have agreed to accept any alteration or addition to the terms and conditions of this policy.

3. Change of risk

You must notify us in writing of all changes materially affecting the facts or circumstances existing at the commencement of this policy, or at any subsequent renewal date, as soon as such change comes to your notice. Any additional *premium* as a result of the change must be paid by you.

4. Geographical limits

Cover only applies to *accidents* that occur or *damage* that occurs within *Australia*.

Exclusions of Cover – Sections 1 and 2

This *cover section* does not provide cover:

1. Motor sports, vehicle racing, testing

if at the time of the *damage* or when any liability was incurred, your *vehicle* was being used in:

- (a) any test or trial, other than for resale purposes on public roads;
- (b) used in any experiments; or
- (c) preparation for or involvement in racing, speed testing, speed trial, pace making, reliability trial, stunt, rallying or motor sport activities.

2. Vehicle overloading

- (a) if at the time of the *damage* or when any liability was incurred, your *vehicle* was being used to carry a number of passengers in excess of that for which it was constructed, registered or licensed, or contrary to the manufacturer's recommendations; or
- (b) if at the time of the *damage* or when any liability was incurred, your *vehicle* or any caravan / trailer being towed by your *vehicle* was used to carry, lift, haul or tow a load in excess of that for which it was designed, constructed, registered or licensed, or used contrary to the manufacturer's recommendations.

This Exclusion shall not apply if you can prove that:

- (i) you did not allow such use of your *vehicle*;
- (ii) you had no reason to suspect that your *vehicle* was being used in that manner; or
- (iii) the loss or *damage* or liability incurred was not caused by, or contributed to, by such excess of passengers and/or load.

3. Unroadworthy or unsafe vehicles

if at the time of the *damage* or when any liability was incurred, your *vehicle* was being used in an unroadworthy or unsafe condition.

This Exclusion shall not apply if you prove that the *damage* or liability incurred, was not caused or contributed to, by the unroadworthy or unsafe condition of your *vehicle*, or such unroadworthy or unsafe condition could not reasonably have been detected by you.

4. Non-approved fuel systems

if the *damage* or any liability incurred was a result of the use of a fuel system in your *vehicle* that does not comply with the appropriate Australian Standard Code.

5. Contractual liability

for liability arising under any undertaking or indemnity given or contracted by you without our written consent, unless such liability would have attached notwithstanding such undertaking or indemnity.

6. Multiple trailers

for *damage* that occurs or liability which is incurred by or arising from the use of your *vehicle* while it is towing more than two goods-carrying trailers.

7. Hire, fare or reward

for damage that occurs or liability which is incurred, when your *vehicle* was being used for the conveyance of passengers for hire, fare or reward other than under a private pooling arrangement.

This Exclusion will not apply to any allowance for travelling paid by you to an employee.

8. Underground mining

if at the time of the loss or *damage* or when any liability was incurred, your *vehicle* was:

- (a) used for drilling or tunnelling whilst underground; or
- (b) used or driven in an underground mine or mining shaft.

9. Dual lifts / multi lifts

if *damage* occurs to, or by your *vehicle* or liability is incurred whilst your vehicle being used in any raising or lowering operation in which a single load is shared between two or more cranes or lifting devices.

10. Repossession

for *damage* to your *vehicle* or any liability caused by any person lawfully repossessing or attempting to lawfully repossess your *vehicle* where your *vehicle* is used as security for a debt.

11. Setting of concrete / bitumen

if the *damage* to your *vehicle* (or any concrete agitator barrel, bowl or concrete pumper) was caused by the setting or hardening of any concrete, bitumen or similar products being carried at the time of the damage, unless you or any other covered persons have taken all reasonable steps to remove the concrete, bitumen or similar product from your *vehicle*.

12. Stock in trade

if at the time of the damage, or when any liability was incurred, your *vehicle* formed part of the stock in trade of your *business*.

13. Wilful damage

for *damage* that is intentionally caused or liability that is intentionally incurred by you, anyone acting on your behalf or any other covered persons.

14. Dangerous goods

for *damage* that occurs or liability which is incurred while:

- (a) your *vehicle* is carrying any dangerous goods;
- (b) any such dangerous goods are being moved to or from your *vehicle*; or
- (c) any such dangerous goods are being loaded or unloaded from your *vehicle*.

15. Vehicles on rails / cables

if at the time of the *damage* or when any liability was incurred, your *vehicle* was being used to run on rails, tram tracks or cables.

16. Unlawful acts (including unlicensed drivers)

if at the time of the loss or damage or when any liability was incurred:

- (a) you or any person driving your *vehicle* was doing so:
 - (i) for any unlawful purpose;
 - (ii) as a result of, or occasioned by, you stealing, converting, absconding with, or otherwise misappropriating your *vehicle*; or
 - (iii) deliberately inflicting loss or damage with, or to your *vehicle*.

- (b) you or any person driving your *vehicle*:
- (i) had faculties impaired by any drug and/or intoxicating liquor;
 - (ii) had a percentage of alcohol or drugs in their breath, saliva, blood or urine in excess of the percentage permitted by the law of the applicable State or Territory where the incident occurred;
 - (iii) refused to provide or allow the taking of a sample of breath, saliva, blood or urine for testing or analysis; or
 - (iv) left the place where the accident arose, before being legally allowed to do so.
- (c) you or any person driving with your consent and knowledge was not licensed to drive your *vehicle*, or was disqualified from holding or obtaining such a licence.

This Exclusion shall not apply if your *vehicle* is being driven by a person who is involved with the servicing of your *vehicle* on premises you occupy.

- (d) your *vehicle* was being driven by a person who was not legally licensed to drive that *vehicle* in Australia, other than while your *vehicle* is being driven by a person aged 12 years or over on rural land owned or occupied by you.

However Exclusions 16 (a) to (d) inclusive shall not apply if you can prove:

- (e) that you had no reason to suspect that your *vehicle* was being used in that manner;
- (f) that you did not allow such use of your *vehicle*; or
- (g) the driver's licence had unintentionally lapsed, was fraudulently produced, or was cancelled unknown to you as a result of unpaid parking fines, and the driver was the holder of a licence in the 12 months immediately prior to the lapsing of the licence,

and allow us to use all remedies available to recover all costs associated with any loss or damage occasioned, or liability incurred, by the driver of your *vehicle*.

Extensions of Cover – Sections 1 and 2

1. Vehicle additions

Where you acquire any additional vehicles during the *period of insurance*, the cover provided by this policy for your *vehicle* will also apply to that additional vehicle, subject to the following:

- (a) within 30 days of the date you acquire the additional vehicle, you must provide to us full details of that additional vehicle as are set out in the *schedule* in respect of your *vehicle*;
- (b) the additional vehicle must be of a similar type, make, and model to your *vehicle*;
- (c) you must pay any additional *premium* we impose in respect of that additional vehicle; and
- (d) the maximum amount we will pay under this policy in respect of each additional vehicle is \$100,000.

2. Police, Fire Brigade and other Authorities

This policy extends to cover you up to a limit of \$5,000 per event for all costs levied by the following authorities, as a result of loss or *damage* involving an insured *vehicle*, requiring or resulting in the attendance of any members of:

- (a) any Police Force at the accident site;
- (b) any Fire Brigade; or
- (c) any other Authority.

3. No fault excess

If the total excess applicable to your claim is \$5,000 or less then you will not have to pay any excess towards a claim if:

- (a) we determine that the claim involves a collision with another vehicle and the driver of the other vehicle was 100% at fault; and
- (b) you tell us the registration number of the other vehicle and the full name and address of the other driver or their driver's licence number; and
- (c) the amount of your claim exceeds the applicable excess under the policy.

Where the driver of the other vehicle disputes who was at fault, the applicable excess will then become payable but will be refunded if we are successful in establishing that the other driver was 100% at fault. Similarly, we reserve the right to collect the excess should it ultimately be determined that the third party was not 100% at fault.

4. Novated leases

This policy extends to cover *employees*, their spouses and immediate family's *vehicles*, which are the subject of a novated lease or similar agreement, arranged under the auspices of, and specifically agreed to be covered by, the *insured*.

Optional Extension of Cover – Sections 1 and 2

1. Hire vehicles

If you hire your *vehicle* out to anyone else for reward and you:

- (a) notify us in writing prior to doing so; and
- (b) pay any additional *premium* we may impose,

then, Exclusion 7. 'Hire, fare or reward' under Exclusions of Cover Sections 1 and 2 is hereby deleted and replaced with the following Exclusion 7:

This policy does not provide cover where theft of your *vehicle* is by any person who is the hirer of your *vehicle*.

Motor Vehicle Section 1 – Own Damage

This cover section only forms part of your policy when Motor Vehicle Section 1 – Own Damage is shown in the *schedule* and is limited to the *period of insurance* indicated.

Cover

If during the period of insurance, an accident occurs to your vehicle, then we will pay in accordance with the following Basis of Settlement.

Basis of Settlement – Section 1

The following Basis of Settlement will apply:

1. Repair

When your *vehicle* is *damaged* and we consider it economical to repair your *vehicle*, then we will pay for the reasonable cost of repairs to your *vehicle*.

2. Total loss

(a) Market value / Sum insured value

When your *vehicle* is stolen and not recovered, lost and not recovered, or *damaged* and we do not consider it economical to repair your *vehicle*, then if *market value* or *sum insured value* is specified in the *schedule* as the Basis of Settlement, then the maximum amount we will pay for your *vehicle* is the lesser of:

- (i) the *market value*; or
- (ii) the *sum insured value*.

(b) Nominated value

When your *vehicle* is stolen and not recovered, lost and not recovered, or *damaged* and we do not consider it economical to repair your *vehicle*, then if *nominated value* is stated in the *schedule* as the Basis of Settlement then the maximum amount we will pay for your *vehicle* is the lesser of:

- (i) the *nominated value*; or
- (ii) the *market value* plus 15%.

However the maximum amount we will pay in respect of Vehicle Accessories is the value of those Vehicle Accessories shown in the *schedule*.

3. Salvage

If we consider that your *vehicle* is uneconomical to repair and we pay according to the cover provided by this policy, you must allow us to take possession of your *vehicle*.

If we do not take possession of your *vehicle*, you retain responsibility for the *vehicle*.

Limitations of Cover – Section 1

1. Limit per event

The maximum amount we will pay for *damage* arising out of the one event is \$10,000,000.

2. Spare parts

Our liability for replacement parts or accessories not available from stocks held in *Australia* is limited to the latest published list price in *Australia* of such replacement parts or accessories.

3. Average

If, at the time that your *vehicle* is *damaged*, the *sum insured value* is less than 80% of the *market value*, we will only pay that proportion of the amount we would otherwise pay if this Average clause did not apply (as calculated in accordance with the Basis of Settlement) which the sum insured bears to the *market value*, as follows:

Amount payable by us =

$$\frac{\text{sum insured value}}{80\% \text{ of market value}} \times \text{Amount we would otherwise pay, as calculated in accordance with the Basis of Settlement}$$

When your *vehicle* is stolen and not recovered, lost and not recovered, or *damaged* and we do not consider it economical to repair your *vehicle*, this clause will have no application.

4. Mobile cranes, mobile drilling rigs and mobile piling rigs

Where Mobile Cranes or Mobile Drilling Rig or Mobile Piling Rig is specified in the *schedule* under your Vehicle Description, and damage occurs to the mobile crane, mobile drilling rig or mobile piling rig, then we will not indemnify you against any damage or liability caused directly or indirectly by, arising from or in connection with:

- (a) deliberate or reckless overloading of the vehicle;
- (b) deliberately or recklessly incorrect loading of the vehicle;
- (c) failure of:
 - (i) you;
 - (ii) a director or partner of yours or an employee; or
 - (iii) a person engaged in the operation of the vehicle,

to knowingly not service, maintain, use or operate the vehicle strictly in compliance with systems and procedures imposed or recommended by law, Australian Standards, industry standards or manufacturers or distributors' recommendations or guidelines;

- (d) operation of the vehicle while its load-measuring instruments or limiters are known or suspected to be defective, inoperative or turned off by:
 - (i) you;
 - (ii) a director or partner of yours or an employee; or
 - (iii) a person engaged in the operation of the vehicle;
- (e) acts or omissions of:
 - (i) you;
 - (ii) a director or partner of yours or an employee; or
 - (iii) a person engaged in the operation of the vehicle, with the intention of causing, or with reckless disregard of the risk of causing, injury, loss or damage to person or property;
- (f) tests or experiments imposing abnormal operating conditions on the vehicle;
- (g) scratching or chipping of painted or polished surfaces;
- (h) corrosion, rusting, erosion, gradual deterioration, wear and tear, defect of any type, fatigue, lack of lubricant, lack of coolant, incorrect lubricant, incorrect coolant or electrical failure, unless you prove that prior to the loss or damage:
 - (i) neither you nor any employee nor any person engaged in the operation of the vehicle was aware of such corrosion, etc.; and
 - (ii) a casual inspection of the vehicle would not have revealed such corrosion, etc.;
- (i) drill pipes, collars, rock bits, reamers, stabilisers, core barrels, lugging equipment, casing and tools of all kinds occurring while below the rotary table, whilst performing horizontal and/or vertical drilling / boring activities; or
- (j) your vehicle while being used for oil, gas or geothermal drilling or in connection with existing oil, gas or geothermal wells.

Exclusions of Cover – Section 1

We will not pay for:

1. Vehicle deterioration

- (a) for damage to your *vehicle* due to depreciation, wear and tear, rust or corrosion; or
- (b) for damage to your *vehicle* or any resultant mechanical damage:
 - (i) due to failure or breakdown of a structural, electrical, mechanical or electronic nature; or
 - (ii) to any part of your *vehicle*, due to faulty design or workmanship.

However we will cover *damage* to your *vehicle* if an accident occurs resulting from a failure under 1 (b) (i) or 1 (b) (ii).

2. Tyres

damage to the tyres of your *vehicle* caused by the application of brakes or by road punctures, cuts, blow-outs or bursting, unless caused as a result of an *accident* or a malicious act which is covered under this policy.

3. Loss of use

for any consequential loss, inconvenience or other detriment of any kind resulting from damage to your vehicle.

4. Lawful seizure

damage to your *vehicle* as a result of lawful seizure, confiscation, or acquisition of your *vehicle*.

5. Safeguarding your vehicle

for damage due to failure to lock or secure your vehicle after it has been broken down or been damaged.

6. Incorrect fuel / additive

for damage to your vehicle due to incorrect use of fuel or additive.

In addition to these Exclusions, please refer to Exclusions of Covers – Sections 1 and 2 which are applicable to this policy.

Extensions of Cover – Section 1

When Extension of Cover 1. 'New vehicle replacement' and Extension of Cover 2. 'Total loss of encumbered vehicles' both become operative in a claim, the maximum amount we will pay will be the greater benefit of either Extension of Cover, and shall not be deemed cumulative.

1. New vehicle replacement

If at the time your *vehicle* first suffers *damage*, it:

- (a) is a sedan, station wagon, 4WD or utility or Other Goods Carrying Vehicle up to five tonnes payload carrying capacity or less;
- (b) is less than two years old from the date of your *vehicle's* first registration; and
- (c) is stolen and not recovered, lost and not recovered or *damaged* and we do not consider it economical to repair your *vehicle*,

we will replace it with a new vehicle of the same make, model and series (or if unavailable a vehicle of similar make and model) and shall include registration fees, delivery charges and stamp duty.

However where:

- (i) your *vehicle's* model has been deleted from a manufacturer's range;
- (ii) your *vehicle's* model is superseded by a vehicle that is in our opinion significantly different to your *vehicle*; or
- (iii) your *vehicle* was bought as an end of series, run-out or demonstration model,

then we may at our option pay only the amount of the actual purchase price that you paid for your *vehicle* including any registration fees, delivery charges and stamp duty if these items were included in the purchase price.

2. Total loss of encumbered vehicles

If:

- (a) *market value* or *sum insured value* is shown in the *schedule* as the Basis of Settlement; and
- (b) your *vehicle* is stolen and not recovered, lost and not recovered or *damaged* and we do not consider it economical to repair your *vehicle*; and
- (c) your *vehicle* is the subject of a lease agreement or other similar agreement; and

- (d) the terms of the lease agreement or other similar agreement require you to make a payment the 'termination payment' to the other party to the lease agreement, or other similar agreement, in order to terminate that agreement; and
- (e) the amount of the 'termination payment' is greater than the amount we will pay you in respect of your *vehicle* calculated in accordance with the Basis of Settlement;

then we will pay you or any other party whom you direct us to pay the difference between the amount of the 'termination payment' and the amount we will pay to you in respect of your *vehicle*, calculated in accordance with the Basis of Settlement.

The maximum amount we will pay under this Extension of Cover is:

- (i) 15% of *market value*; or
- (ii) 15% of *sum insured value*,

whichever is the lesser.

This amount is in addition to any amount we pay for *damage* to your *vehicle*.

3. Gates, chains and tarpaulins

When gates, chains, tarpaulins, chain dogs, ropes, binders or fences are attached to your *vehicle* we will pay for *damage* to those items as follows:

- (a) if Gates, Chains and Tarpaulins (including chain dogs, ropes, binders or fences) are specified in the *schedule* as Vehicle Accessories then the maximum amount we will pay for *damage* to those items is the amount shown in the *schedule*.

Any amount payable under this sub-clause is in addition to any amount we pay to you in respect of *damage* to your *vehicle*.

- (b) if Gates, Chains and Tarpaulins (including chain dogs, ropes, binders or fences) are not specified in the *schedule* as Vehicle Accessories then the maximum amount we will pay for *damage* to those items, per event, is:
 - (i) \$5,000; or
 - (ii) the maximum amount we have agreed to pay you for *damage* to your *vehicle* in accordance with the Basis of Settlement,

whichever is the lesser.

However this is on the basis that any amount payable under this sub-clause will be included in calculating the maximum amount we will pay you for *damage* to your *vehicle* in accordance with the Basis of Settlement.

4. Removal and delivery expenses

If your *vehicle* suffers *damage* covered by this section, we will pay for reasonable costs necessarily incurred by you in removing your *vehicle* (excluding any debris or load) and, where applicable, relocating your *vehicle* to the nearest repairer which we have approved and/or delivering your *vehicle* to you at your usual place of garaging after its repair or recovery, up to a maximum amount of \$15,000 per event.

5. Hire vehicle following theft

In the event of your *vehicle* being stolen, we will, at our option, arrange hire of, pay the cost of, or reimburse you the reasonable cost of the hire of a vehicle, to a maximum amount of \$5,000 per vehicle.

However this is on the basis that:

- (a) the payment / reimbursement is limited to costs incurred by you after you have notified us of the loss; and
- (b) the substitute vehicle is of a similar like and kind to that stolen; and
- (c) the payment / reimbursement will cease on the day the stolen *vehicle* is recovered, or the day we offer settlement to you for the stolen *vehicle*,

whichever occurs first.

6. Signwriting

If your *vehicle* is *damaged*, we will pay the reasonable cost of repairing or replacing any signwriting or artwork on or affixed to your *vehicle* that is *damaged*.

However the maximum amount we will pay under this Extension of Cover, per event, is:

- (a) \$25,000; or
- (b) the maximum amount we have agreed to pay you for *damage* to your *vehicle* in accordance with the Basis of Settlement,

whichever is the lesser.

Any amount payable under sub-clause 6. (b) will be included in calculating the maximum amount we will pay you for *damage* to your *vehicle* in accordance with the Basis of Settlement.

7. Removal of debris / load

We will pay you for reasonable costs necessarily incurred for the clean-up and removal of your *vehicle's* debris and your *vehicle's* load arising from an *accident* or resulting from goods falling or leaking from your *vehicle*, but only to a maximum amount of \$15,000 per event.

However this Extension of Cover will only provide cover for any amount in excess of which your *vehicle's* load is otherwise insured.

8. Maritime contribution

We will pay amounts for which you are held legally responsible to contribute in respect of your *vehicle*, for expenses and salvage costs incurred by a shipowner, where necessary for the safety of cargo and ship, provided:

- (a) such conditions under maritime law apply; and
- (b) the ship is sailing between places within *Australia*.

9. Locks / keys

If after *damage* to your *vehicle*, the keys are lost, destroyed or *damaged*, or if there are reasonable grounds to believe that the keys may have been duplicated, we will reimburse the costs of replacing the key ignition barrel, all locks and keys if required, up to a maximum amount of \$5,000 per event.

Nil excess will apply if no other loss or damage has occurred to your vehicle.

10. Young drivers

The cover provided by Section 1 – Own Damage will also apply to *damage* to your *vehicle* which occurs while your *vehicle* is being driven by a person aged 12 years or over on rural land owned or occupied by you.

11. Funeral expenses

Should your driver suffer a fatal injury as a result of an accident involving your vehicle (irrespective of whether or not death occurs at the time of the accident), the policy extends to pay to the deceased driver's next of kin, funeral expense up to a maximum amount of \$5,000.

12. Employee's vehicles

Your policy extends to cover damage to vehicles belonging to your employee, whilst such vehicles are being used in connection with your business.

However:

- (a) the maximum we will pay is \$25,000; and
- (b) as far as allowed by law, this cover will only be in excess of any amount for which your employee is otherwise insured.

13. Journey disruption

Following damage to your vehicle, we will pay you the reasonable costs of:

- (a) returning your driver and their non-paying passengers to the point of departure or, at your option, to the driver's destination;
- (b) obtaining overnight accommodation if the journey cannot be completed in the same day as the loss or damage occurs; or
- (c) hiring another vehicle of similar make and model to complete the journey or to return your driver to where the journey first commenced,

up to a maximum amount of \$1,500 per event, provided that:

- (i) the loss or damage was covered under this policy;
- (ii) the vehicle was being used in connection with your business; or
- (iii) your vehicle was more than 250km from its usual place of garaging.

Optional Limitation of Cover – Section 1

Fire and theft

When Section 1: Own Damage is shown in the *schedule*, your *vehicle* is only covered for *damage* during the *period of insurance* caused directly by fire or theft only.

Optional Extensions of Cover – Section 1

1. No claim bonus (NCB) protection

If NCB Protection is specified in the *schedule*, on the first occasion that your *vehicle* suffers *damage*, which is covered by this policy, we will not amend, adjust or vary the NCB applicable to your *vehicle*.

However the protection provided under this Optional Extension of Cover is limited to one incident of *damage* to your *vehicle* in each *period of insurance*.

2. Deletion of windscreen excess

If Deletion of Windscreen Excess is specified in the *schedule*, you do not have to pay any *basic excess* where the only *damage* occasioned to your *vehicle* is windscreen or window glass breakage (including incidental scratching to body work).

However this is on the basis that your vehicle is a sedan, station wagon, 4WD, utility or Other Goods Carrying Vehicle up to five tonnes payload carrying capacity.

3. Contents of caravan / trailer

If Contents of Caravan / Trailer Sum Insured is specified in the *schedule*, we will pay for:

- (a) *damage* to any property owned by you whilst contained in your *caravan / trailer* as a result of:
 - (i) malicious damage;
 - (ii) fire;
 - (iii) wind, storm, lightning or thunderbolt;
 - (iv) earthquake;
 - (v) theft following visible, violent and forcible entry into the locked *caravan / trailer*; or
 - (vi) overturning, accidental collision or impact of your *caravan / trailer* or your *vehicle*.
- (b) *damage* to your annexe while erected, as a result of:
 - (i) malicious damage;
 - (ii) fire;
 - (iii) lightning or thunderbolt (but not wind or storm);
 - (iv) earthquake; or
 - (v) accidental collision or impact by a vehicle.
- (c) *damage* to any property owned by you whilst contained in your annexe while erected, as a result of:
 - (i) fire; or
 - (ii) earthquake.

However we will not pay for:

- (i) *damage* caused by any person who lives in the *caravan / trailer*;
- (ii) *damage* caused by any person invited into the *caravan / trailer* by you or by any person who lives in the *caravan / trailer*; or

- (iii) *damage* caused by any person who acts with your consent or the consent of a person who lives in the *caravan / trailer*.

The maximum amount we will pay under this Optional Extension of Cover is the amount shown in the *schedule* opposite Contents of Caravan / Trailer Sum Insured.

4. Hire vehicle following an accident

If Hire Vehicle following an Accident is specified in the schedule, we will at our option, either arrange for the hire of a substitute vehicle, or we will reimburse you up to \$75 per day, to a maximum of 14 business days per event, for costs incurred in hiring a substitute vehicle, of similar and like kind to that damaged.

On the basis that:

- (a) reimbursement is limited to costs incurred after you have notified us of the accident;
- (b) reimbursement will terminate upon:
 - (i) lapsing or other termination of the policy;
 - (ii) the day the repairs are completed and you are notified to collect the vehicle, or a replacement vehicle is offered by us; or
 - (iii) the day we offer settlement of the loss or damage, whichever occurs first.

5. Driver accident benefit

We will pay you or your authorised driver for injury suffered within six months of an accident which was caused solely and directly by you or your authorised driver, in accordance with the following table.

Table of Benefits

Injury	Benefit
Quadriplegia	\$250,000
Paraplegia	\$100,000
Loss of sight in both eyes	\$50,000
Loss of sight in one eye	\$25,000
Loss of sight in one eye, the other eye being blind or absent	\$50,000
Loss of one hand or foot	\$50,000
Death	\$20,000

The above benefits are inclusive of legal costs.

In the event of that you or your authorised driver suffers more than one injury we will pay you the highest single benefit value. Should death directly or indirectly result within six months of an accident, we will only pay the 'Death' benefit to your or your authorised driver's estate notwithstanding any other injuries suffered.

However we will not pay if:

- (a) you or your authorised driver's claim has not been accepted under this policy;
- (b) injury or death was intentionally caused or resulted from an *accident* that was intentionally caused;
- (c) you or your authorised driver receives or have received damages or *compensation* under a statutory compensation scheme as a result of the injuries in the same *accident*;
- (d) your *vehicle* is not a sedan, station wagon, 4WD, utility or Other Goods Carrying Vehicle up to five tonnes *payload* carrying capacity or less; or
- (e) your *vehicle* is registered in the Northern Territory.

For the purposes of this Extension of Cover, loss means complete and permanent loss of the effective use of a part of the body or faculty referred to in the Table of Benefits.

Further and as a condition of this Extension of Cover only, you must provide us with documentation from a qualified medical practitioner verifying that the injuries were a direct result of the *accident* (and if required, attend a medical examination with a qualified medical practitioner of our choice and at our expense).

Motor Vehicle Section 2 – Liability

This *cover section* only forms part of your policy when Motor Vehicle Section 2 – Motor Liability is shown in the *schedule* and is limited to the *period of insurance* indicated.

Cover

If your *vehicle* is registered and/or licensed as required by laws relating to the use of motor vehicles on public roads (or if your *vehicle* is a towed vehicle for which registration or licensing is not required by any such laws) we will pay the amount which:

1. you;
2. any person legally licensed to drive or be in charge of your *vehicle* with your permission provided that person has not been refused motor insurance and is not entitled to cover under any other policy;
3. any person in or on, or getting in or on, or getting out of, or off your *vehicle* with your permission; or
4. the legal representatives of any deceased person to whom cover is provided in 1. to 3. above,

may be held legally liable to pay as *compensation* resulting from an *accident* occurring during the *period of insurance* and caused by or arising out of the use of your *vehicle* for:

- (a) *damage* to property;
- (b) the costs incurred as a result of fire, explosion, falling, leakage or spillage of transported goods, in or on, or from your *vehicle*; and
- (c) death or bodily injury, but we will not pay:
 - (i) if you or any other person entitled to cover under this Section 2 – Liability has been, or is entitled to be, partially or wholly indemnified by any statutory compulsory insurance or accident compensation scheme, including any compulsory motor vehicle scheme; or
 - (ii) for any claim for which you or any other person entitled to cover under this Section 2 – Liability would have been partially or wholly indemnified, but for your failure to insure or register your *vehicle* in accordance with a requirement of any statutory compulsory insurance or accident compensation scheme, including any compulsory motor vehicle scheme.

The persons to whom cover is provided under clauses 2. to 4. above are referred to in this policy as 'other covered persons'.

Limitations of Cover – Section 2

Our total liability under this Section is \$30,000,000 or the amount shown in the *schedule*, for all claims arising from the one accident or series of accidents resulting from the one original cause, unless your *vehicle* is being used for transportation of *dangerous goods*, and complies with the Australian Code for the Transport of Dangerous Goods by Road and Rail, in which case our total liability under this Section is limited to \$1,000,000.

The limits of liability include all costs and expenses for all claims arising from the one *accident*, or series of *accidents* resulting from the one original cause.

Exclusions of Cover – Section 2

We will not pay for:

1. Property in custody or control

damage to property that is owned by you or any other covered persons, or leased or rented to you or any *other covered persons* or property in the physical or legal control of the driver of your *vehicle*.

For the purpose of this Exclusion only:

- (a) *employees'* or visitors' vehicles whilst contained within your car park or *premises*; and
 - (b) *premises* leased or rented to you,
- are not deemed to be in your custody or control.

2. Employer's liability

death or bodily injury to any person:

- (a) caused by or arising out of the employment of the person by you; or
- (b) in your service that arises from any liability imposed by:
 - (i) any workers' compensation legislation; or
 - (ii) any industrial award, agreement or determination.

3. Death / bodily injury

death or bodily injury:

- (a) if you or any other person entitled to cover under this section, has been or is entitled to be, partially or wholly indemnified by any statutory compulsory insurance or accident compensation scheme, including any compulsory motor vehicle scheme;
- (b) for any claim for which you or any other person entitled to cover under this section, would have been partially or wholly indemnified, but for your failure to insure or register your *vehicle* in accordance with a requirement of any statutory compulsory insurance or accident compensation scheme, including any compulsory motor vehicle scheme;
- (c) to you or any person in charge of your *vehicle*;
- (d) (i) to any person related to you; or
(ii) any person related to the person in charge of your *vehicle*,
by way of birth, marriage or defacto relationship.
- (e) to any person with whom you ordinarily reside or who ordinarily resides with you;
- (f) to any *employee*, agent, contractor, or sub-contractor employed or engaged by any person entitled to indemnity under this policy;
- (g) to any person in or on, getting in or on, or getting out of, or off any bus, coach or caravan, whether registered or deemed to be registered;
- (h) arising out of, or in any way connected with a defect in your *vehicle*, or in a motor *vehicle* causing loss of control of the *vehicle* whilst it is being driven;
- (i) to any person where the *vehicle* is a Queensland registered tractor, backhoe, bulldozer, end loader, forklift, amphibious vehicle, mobile crane, industrial crane or hoist or other mobile machinery, and any agricultural implements;
- (j) to any person injured by a Queensland or New South Wales registered trailer only, either whilst in tow and/or unattached;
- (k) to any person injured by a Northern Territory registered vehicle; or
- (l) where at the time of the *accident*, you did not have in force a current general liability or public liability policy pertaining to your *business* operations.

4. Statutory liability

any liability you or other covered persons incur to pay *compensation* which is the subject of any compulsory motor vehicle insurance law.

5. Tool of trade

any liability of whatsoever nature whilst being used as a *tool of trade*.

This Exclusion will not apply whilst your *vehicle* is in transit or whilst being used for transport or haulage.

6. Vibration / vehicle weight

damage to property that is caused by:

- (a) vibration; or
- (b) the weight of your *vehicle* exceeding any lawful requirements or advisory signs.

7. Aircraft liability

any liability of whatsoever nature in connection with loss or damage to any aircraft resulting from an accident caused by, or arising out of, the use of your vehicle.

Extensions of Cover – Section 2

1. Legal costs and authorised expenses

When an *accident* is covered by this section we will pay, in addition to the Liability Limit, all legal costs and expenses incurred by you or any other covered persons, with our written consent, in settlement or defence of claims for *compensation* arising out of that *accident*.

Furthermore, we will pay reasonable legal expenses incurred with our written consent for representation at any formal legal enquiry or at any Coroner's inquest.

However if the Liability Limit shown in the *schedule* is less than the total amount paid or payable to settle or dispose of all claims that arise out of the one *accident*, then we will only pay a proportion of the legal costs and expenses. Our proportion will be that proportion that the Liability Limit represents to the total amount paid or payable to settle or dispose of all claims that arise out of the one *accident*.

2. First aid costs

In addition to the Liability Limit, we will pay for expenses incurred by you or any other covered persons for first aid to others who suffered bodily injury as a result of an *accident* involving your *vehicle*.

3. Non-owned or supplied vehicle

We will pay the amount which you may be held legally liable to pay as *compensation* resulting from an *accident* occurring during the *period of insurance* caused by or arising out of the use of a vehicle not owned or supplied by you and being used by you or one of your *employees* or some other person with your consent in connection with your *business*.

However as far as is allowed by law, this Extension of Cover will only respond for amounts in excess of the liability for which you are entitled to indemnity under any other insurance policy.

4. Employer or principal

We will pay the amount which:

- (a) your employer, principal or partner; or
 - (b) the Commonwealth, State or Local Government,
- becomes legally liable to pay as compensation caused by, or arising out of the temporary use, of your *vehicle*.

5. Vehicles under tow

We will provide cover under this section for *damage* caused whilst your *vehicle* which is towing any disabled vehicle, provided the disabled vehicle is not being towed for reward or financial gain.

6. Non-owned trailer liability

We will pay the amount which you or any other person entitled to cover under Section 2 – Liability may be held legally liable to pay for actual physical *damage* to any trailer being towed by your *vehicle*, caused by, or arising out of, the use of your *vehicle*.

However:

- (a) this Extension of Cover only applies if, at the time of the *accident*, the trailer is being towed in the course of your *business* and the trailer is not owned, rented, hired or leased by you; and
- (b) the cover provided by this Extension of Cover does not extend to the contents of any non-owned trailer nor clean-up costs associated with the contents of any non-owned trailer.

When cover is provided by this Extension of Cover, Exclusion 1. to Exclusions of Cover – Section 2 ‘Property in custody or control’ does not apply.

The maximum amount we will pay under this Extension of Cover is:

- (i) the market value of the trailer just before the *accident*, based on the age and condition at that time; or
 - (ii) \$50,000,
- whichever is the lesser.

Any cover provided by this Extension of Cover is subject to an additional excess of \$2,500 per non-owned trailer.

Optional Extension of Cover – Section 2

Increased non-owned trailer liability

If Increased Non-owned Trailer Liability Sum Insured is shown in the *schedule*, then the total for all payments provided under Extensions of Cover 6. – ‘Non-owned trailer liability’ is increased to the limit shown in the *schedule*.

Business Special Risks Section

This *cover section* only forms part of your policy when Business Special Risks is shown in the *schedule* and is limited to the *period of insurance* indicated.

Definitions

The following definitions shall apply to words used in this *cover section*.

Excess

excess means the first amount of each claim for which you are responsible. The amount of the *excess* is shown in the *schedule*.

Office contents

office contents means all contents such as, but not limited to, furniture, stationery, computers and communication equipment (excluding mobile phones) used in your *business* whilst at your domestic residence.

office contents includes the cost of recreating your *business* records.

Stock

stock means any materials owned by you and stored on your *premises*, at contract sites, or during transit.

Cover

We will pay up to the *sum insured* for the cost of repairing or replacing *specified items* and unspecified items that are *damaged* during the *period of insurance*.

Limitations of Cover

1. Geographical limits

Cover only applies to *damage* that occurs within *Australia*.

2. Excess

You are liable for the *excess* for each and every event that results in *damage*.

3. Obsolete items or improvements

If an *item* cannot be purchased as a new *item* or if an *item* cannot be repaired or replaced without improving the output, capacity or efficiency of that *item*, then we will only pay the cost of replacing or repairing that *item* less an amount equal to the value of any such improvement(s).

4. Unspecified items

When Unspecified Items is specified in the schedule, cover is limited to a maximum amount of \$2,000 for any one *item*.

However we will not pay for 2. 'Excluded items'.

5. Reduced sum insured

The *sum insured* for the *period of insurance* will be reduced by any payment made or due to be made under this *cover section*.

Exclusions of Cover

1. Excluded causes

We will not pay for *damage* caused by or arising from:

- (a) the actual breaking, seizing, deformation or melting of any part of any item while that item is in use that is caused by mechanical, electrical or electronic defect within the item that causes sudden malfunction that requires repair or replacement before the item can resume normal operation;
- (b) corruption or loss of data;
- (c) vermin or insects;
- (d) scratching, denting, chipping or other aesthetic defects that do not affect the operation or function of the item;
- (e) gradually operating causes such as, but not limited to, wear and tear, atmospheric conditions, mildew, corrosion, disease, fading, rusting or other forms of oxidation; or
- (f) faulty materials, faulty workmanship or latent defect.

2. Excluded items

We will not pay for the following items unless they are *specified items*:

- (a) mobile plant, motorised vehicles, watercraft, video equipment;
- (b) *stock*;
- (c) mobile telephones and radios, sporting equipment, aerial devices;
- (d) computers, electronic diaries, organisers or their accessories; or
- (e) *office contents*.

3. Stock

We will not pay for *damage* once *stock* has been used or incorporated into any contract.

4. Consequential loss

We will not pay for consequential loss of any kind.

In addition to these Exclusions, please refer to the General Exclusions which are applicable to the whole policy.

Optional Limitations of Cover

1. Restricted cover

If Restricted Cover is specified in the *schedule* then cover is limited to *damage* caused by:

- (a) fire, storm, water, explosion, flood, impact by a *vehicle*;
- (b) earthquake, aircraft, malicious damage;
- (c) collision or overturning of the conveying vehicle;
- (d) theft following visible, forcible and violent entry to locked *vehicles*, including locked tool boxes securely attached to the *vehicle*, or locked premises; and
- (e) theft of equipment securely attached to a *vehicle* through use of locks or padlocks, which results in visible *damage* to the securing devices.

2. Fire excluded

If the peril of Fire is shown as being excluded in the *schedule* then *damage* due to fire is not covered by this *cover section*.

Additional Cover

1. Your canine friend

We will pay you up to \$750 for any one dog following death (including destroyed for humane reasons) arising from an accident caused solely and directly by violent accidental and visible means whilst at a contract site, or in transit to or from the site.

Provided that:

- (a) the dog is in sound health and free from injury or physical disability whatsoever at commencement of insurance and at any subsequent renewal date thereof;
- (b) the dog is registered in accordance with your local council guidelines regarding ownership of dogs within that council area;
- (c) the dog is between the ages of six months and nine years; and
- (d) death as a result of poisoning is not covered.

Liability Section

This *cover section* only forms part of your policy when Liability is shown in the *schedule* and is limited to the *period of insurance* indicated.

Definitions

The following definitions shall apply to words used in this *cover section*.

Advertising liability

advertising liability means:

- (a) infringement of copyright or passing off of title or slogan;
- (b) unfair competition, piracy or idea misappropriation contrary to an implied contract; or
- (c) invasion of privacy,

committed, or alleged to have been committed, during the *period of insurance* in any advertisement, publicity article, broadcast or telecast arising out of any advertising activities conducted by or on behalf of you, in the course of advertising your *products*.

Aircraft

aircraft means any vessel, craft or thing made or intended to fly or move in or through the atmosphere or space.

Business

For the purpose of this *cover section* only, the definition of *business* means all activities and operations of your *business* shown in the *schedule* including the ownership and tenancy of *premises*, private work carried out with your consent by your *employees* for any of your directors or senior executive officers, the provision or management of canteen, social or sports organisations for your *employees*, and internal first aid given by your *medical persons*, fire services and ambulance services.

Computer virus

computer virus means an executable program or computer code segment that is self-replicating, requires a host program or executable segment in which it can be contained, and which destroys or alters the host, program or other computer code or data, causing undesired program or computer system operation

Excess

For the purpose of this *cover section* only, *excess* means the amount you first bear in relation to each *occurrence*. The *excess* applies to all amounts payable under this *cover section* including the indemnity provided under additional payments.

Hovercraft

hovercraft means any vessel, craft or device made to float on or in or travel on or through the atmosphere or water on a cushion of air provided by a downward blast.

Incidental contracts

incidental contracts means:

- (a) any written rental agreement for lease of real or personal property that does not impose on you:
 - (i) an obligation to insure such property; or
 - (ii) liability to indemnify the lessor for *personal injury* or *property damage* for which the lessor is legally liable;
- (b) any written contract with any public authority or company for the supply of water, gas or electricity, or use of a railway siding, but only to the extent of indemnifying any such authority in respect of liability arising out of your *business* other than contracts for the performance of work or provision of services by you.

Insured

For the purpose of this *cover section* only, the definition *insured*, you or your is extended to include any of your subsidiary companies now or hereinafter formed or constituted, on the basis that:

- (a) any such incorporation is notified to us within 90 days of the incorporation date;
- (b) the newly incorporated company conducts the same type of business as your *business*; and
- (c) the newly incorporated company is incorporated in *Australia*.

Insured person

insured person means you and the parties specified under the heading 'Cover For others'.

Internet operations

internet operations means:

- (a) transfer of computer data or programmes by use of electronic mail systems by *you* or your employees, including for the purpose of this definition only, part-time and temporary staff, contractors and others within your organisation whether or not such data or programmes contain any malicious or damaging code, including but not limited to *computer virus*, worm, logic bomb, or trojan horse;

- (b) access through your network to the world wide web or a public internet site by you or your employees, including for the purposes of this definition only, part-time and temporary staff, contractors and others within your organisation;
- (c) access to your intranet (meaning internal company information and computing resources) which is made available through the world wide web for your customers or others outside your organisation; and
- (d) the operation and maintenance of your web site.

Medical persons

medical persons means legally qualified medical practitioners, legally qualified registered nurses, dentists and first aid attendants.

Occurrence

occurrence means an event or series of events including continuous or repeated exposure to substantially the same general conditions which results, unexpectedly and unintentionally from your standpoint, in *personal injury* or *property damage* or *advertising liability* during the *period of insurance*. All *personal injury* or *property damage* happening during the *period of insurance* attributable to one source or to a common cause or to the same general conditions shall be deemed to be one *occurrence*.

With respect to *advertising liability* all damages involving the same injurious material or act, regardless of the frequency or repetition thereof, the number and kind of media used and the number of claimants shall be deemed to arise out of one *occurrence*.

Personal injury

personal injury means:

- (a) bodily injury, death, sickness, disease, shock, fright, mental anguish, mental injury or loss of consortium;
- (b) false arrest, false detention, wrongful imprisonment, malicious prosecution or malicious humiliation;
- (c) wrongful entry or wrongful eviction or other invasion of privacy;
- (d) defamation, libel and slander; or
- (e) assault and/or battery.

Property damage

property damage means:

- (a) physical injury to or loss of or destruction of tangible property including loss of use of that property at any time resulting therefrom; or
- (b) loss of use of tangible property which has not been physically injured or destroyed provided such loss of use is caused by physical *damage* to or destruction of other tangible property.

Tool of trade

tool of trade means the use or operation of a *vehicle* and/or equipment, tool or apparatus which forms part of the *vehicle*, but only whilst engaged in and undertaking its designed purpose of digging, scraping, shovelling, grading, boring, drilling, compacting, harvesting, ploughing, shredding, lifting, clearing, levelling, hosing, pumping, spraying, vacuuming or suction activities.

Vehicle

For the purposes of this *cover section* only, the definition of *vehicle* means any machine and attachments thereto including a trailer designed to travel on wheels or on self-laid tracks and to be propelled by other than manual or animal power.

Watercraft

watercraft means any vessel, craft or thing made to or intended to float on or in or travel on or through or under water.

Cover

Subject to the Limits of Liability stated in the *schedule* and the terms and conditions of this *cover section*, we will pay all sums which the *insured person* shall become legally liable to pay for *compensation* in respect of:

- *personal injury*;
- *property damage*; or
- *advertising liability*,

happening during the *period of insurance* within the *territorial limits* as a result of an *occurrence* in connection with your *business* or *products*.

Extensions of Cover

1. Additional payments

In addition to the Limits of Liability stated in the *schedule* we will pay as additional payments all:

- (a) reasonable legal costs and expenses (including the costs of representation at any coronial hearing or other official investigation into the circumstances) incurred by the *insured person* with our written consent in the defence of any claim;
- (b) expenses incurred by the *insured person* for first aid to others (other than medical expenses prohibited by Section 126 of the Health Insurance Act 1973);
- (c) reasonable expenses incurred by you for the temporary repair or shoring up or preservation of property which has been damaged; and
- (d) interest accruing after entry of judgment against the *insured person* until we have paid, tendered or deposited in court such part of the judgment as does not exceed the Limit of Liability,

resulting from an *occurrence* which is covered by this *cover section*, provided that:

- (i) if a payment exceeding the Limit of Liability has to be made to dispose of a claim, our liability to pay any additional payments shall be limited to that proportion of those amounts as the Limit of Liability bears to the amount paid to dispose of the claim;
- (ii) in the event of a claim covered by this *cover section* being made against an *insured person* in any Court or before any other legally instituted body in *North America*, the Limit of Liability shall apply to such claim inclusive of all additional payments; and
- (iii) we shall not be obligated to pay any compensation or additional payments, or judgment or to defend any suit after our Limit of Liability has been exhausted by payment of claims, judgments and/or settlements.

Cover for others

This *cover section* is extended to the following:

- (a) any of your directors, executive officers, *employees* or voluntary workers, but only whilst acting within the scope of their duties in such capacity.
- (b) any office bearer or member of the canteen, social, or sports organisations for your *employees* and internal first aid given by your *medical persons*, fire or ambulance services formed with your consent, but only whilst acting within the scope of their activities in such capacity.
- (c) any of your directors or senior executives in respect of private work undertaken by your *employees* for such director or senior executive, but only after they have obtained your prior consent to this private work being undertaken.
- (d) any principal but only for their liability for *personal injury* or *property damage* that is directly caused by your performance of the work for that principal and only to the extent that we would cover you under this *cover section* for your liability to that principal had the principal made a claim against you in respect of the circumstances giving rise to the principal's liability.

However this is on the basis that:

- (i) the work was carried out by you in an attempt to comply with a contract to perform work that was made between you and the principal;
- (ii) our liability shall not exceed the lesser of the minimum amount of liability insurance cover required by the contract to perform the work and the Limit of Liability shown in the *schedule*; and
- (iii) for avoidance of doubt, it is further provided that where a principal makes a claim under this clause, the Employer's Liability Exclusion shall apply so that we will not pay for that principal's liability for *personal injury* to any person in the service of either:
 - (1) you; or
 - (2) that principal.
- (e) any *subcontractor(s)* but only for their liability for *personal injury* or *property damage* that is directly caused by their performance of the work for you and only to the extent that we would cover you under this *cover section* for your liability to that *subcontractor(s)* had it made a claim against you in respect of the circumstances giving rise to their liability;

However this is on the basis that:

- (i) the work performed by the *subcontractor(s)* is part or all of the work that you have a contract to perform for some other party; and
- (ii) our liability shall not exceed the lesser of the minimum amount of liability insurance cover required by the contract to perform the work and the Limit of Liability shown in the *schedule*; and
- (iii) for avoidance of doubt, it is further provided that where a *subcontractor(s)* makes a claim under this clause, the Employer's Liability Exclusion shall apply so that we will not pay for that *subcontractor(s)* liability for *personal injury* to any person in the service of either:
 - (1) you; or
 - (2) that *subcontractor(s)*.

Limit of Liability

Our liability to pay *compensation* as a result of an *occurrence* shall not exceed the Limit of Liability stated in the *schedule*.

Our total aggregate liability to pay *compensation* in respect of or in any way related to your *products* during any one *period of insurance* shall not exceed the Limit of Liability stated in the *schedule*.

Exclusions of Cover

We will not pay anything in respect of:

1. Employer's liability

- (a) *personal injury* to any person arising out of, or sustained in the course of the employment of such person in the service of any *insured person* or through the breach of any duty owed to that person, where any *insured person*:
 - (i) is indemnified or entitled to be indemnified (either in whole or in part) in respect of claims for damages under a policy of insurance (which expression includes arrangements made by any *insured person* to provide accident insurance for any *insured person's* workers under a licence to self insure) arranged (whether by law or not) in accordance with any workers compensation legislation or accident compensation legislation; or
 - (ii) would have been indemnified or entitled to be indemnified (either in whole or in part) had any *insured person* arranged a policy of insurance as required by such legislation.

- (b) *personal injury* to any person arising out of, or sustained in the course of the employment of such person in any *insured person's* service in Western Australia, other than a person of whom any *insured person* is deemed to be an employer by reason only of Section 175 of the Workers' Compensation and Injury Management Act 1981 (WA).
- (c) mental anguish, shock or fright suffered by any person arising out of, or in the course of, that person's employment by, or service to, any *insured person*.
- (d) *personal injury* arising out of the wrongful or unfair dismissal, denial of natural justice, harassment, libel, slander, defamation, misleading representation, misleading advertising or humiliation of, or discrimination against, any person while in any *insured person's* service, prospective employment or while employed by any *insured person*.
- (e) which indemnity previously would have been provided in whole or in part 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 current *period of insurance* of this *cover section*.
- (f) the imposition of any liability by the provisions of any workers' compensation legislation or accident compensation legislation or any industrial award, agreement or determination.

2. Vehicles

personal injury or *property damage* caused by or arising out of the ownership, use, possession, or control by any *insured person* of any *vehicle*:

- (a) which is registered;
- (b) in respect of which registration is required by virtue of any legislation relating to vehicles; or
- (c) in respect of which compulsory liability insurance or statutory indemnity is required by virtue of any legislation (whether or not insurance is effected).

This Exclusion does not apply to claims for:

- (i) *personal injury* arising out of an *occurrence* which is partially (to the extent of that part) or totally outside the indemnity afforded under such compulsory liability insurance or other legislation relating to *vehicles* and where the reason the occurrence is outside the indemnity afforded by compulsory liability insurance or statutory indemnity does not involve a breach by you of legislation relating to *vehicles*;
- (ii) arising out of and during the loading or unloading of goods to or from any *vehicle*;
- (iii) arising from or caused by or arising from the operation or use of any *vehicle* which is designed primarily for lifting, lowering, loading, or unloading whilst being operated or used by you or on your behalf within the confines of your *premises*; or
- (iv) arising from the use of any *tool of trade* other than whilst in transit or whilst being used for transport or haulage.

3. Property in physical or legal control

property damage to property owned by or the physical or legal control of an *insured person* other than *premises* leased or rented to you.

This Exclusion does not apply to *property damage* to:

- (a) personal effects of your directors, employees and visitors;
- (b) premises (and their contents) where the premises are temporarily occupied by you to carry out work;
- (c) any *vehicle* in a carpark unless:
 - (i) the *vehicle* is used by or on behalf of an *insured person*; or
 - (ii) the carpark is occupied or operated by you for reward;
- (d) property, other than an *aircraft*, *watercraft* that is not on dry land or *hovercraft*, not owned by you, but in your physical or legal control subject to a maximum of \$100,000 for any one *occurrence* and in the aggregate during any one *period of insurance*.

4. Faulty workmanship

the cost of performing, correcting or improving any work undertaken by an *insured person*.

5. Damage to products

property damage to *products* if the *damage* is attributed to any defect in them or to their harmful nature or unsuitability.

6. Recall of products

any damages, costs or expenses arising out of the withdrawal, recall, inspection, repair, reconditioning, modification, re-installation, replacement or loss of use of any *products* where such *products* are withdrawn or recalled from the market or from use by you or any other person or organisation because of any known, alleged or suspected defect or deficiency in any such *products*.

7. Products guarantee

any *products* warranty or guarantee given by you or on your behalf.

This Exclusion shall not apply to the requirements of any Federal or State legislation as to product safety.

8. Professional liability

the rendering of or failure to render professional advice or service provided by or on behalf of an *insured person* or any error or omission connected therewith.

This Exclusion shall not apply in respect to:

- (a) *personal injury* or *property damage* arising therefrom providing such professional advice or service is not given for a fee; or
- (b) the rendering of or the failure of professional medical advice by *medical persons* employed by you to provide first aid or medical services on your *premises*.

9. Design, specification, formula

any design, plan, specification, formula or pattern provided by an *insured person* or any error or omission connected therewith.

This Exclusion shall not apply in respect of any design, plan, specification, formula or pattern about any *products*, which is not given for a fee.

10. Watercraft, aircraft, hovercraft

personal injury or property damage caused by or arising directly or indirectly out of or in connection with:

- (a) (i) any *watercraft* exceeding 8 metres in length, except where such *watercraft* are owned and operated by others and used by an *insured person* for business entertainment;
- (ii) any *hovercraft*;
- (iii) any *aircraft*; or
- (iv) any property used for the purpose of an airport or any *aircraft* landing strip.
- (b) *your products* that an *insured person* knew or had reasonable cause to believe would be, or are, installed as a critical part or become a component part of the hull, machinery or instruments used for navigation or maintaining an *aircraft* or *hovercraft* or any other aerial device in flight or in movement upon the ground.

11. Defamation, libel, slander

the publication or utterance of a defamation, libel or slander:

- (a) made prior to the commencement of the *period of insurance*;
- (b) made by an *insured person* at your direction or with your authority with knowledge of its falsity; or
- (c) related to advertising, broadcasting, publishing or telecasting activities conducted by you or on your behalf.

12. Advertising liability

advertising liability:

- (a) for statements made at the direction of an *insured person* with the knowledge of the illegality or falsity thereof;
- (b) for breach of contract, other than misappropriation of advertising ideas contrary to an implied contract;
- (c) for infringement or passing off of a trade mark, service mark or trade name on any *products*, goods or services sold, offered for sale or advertised. This does not apply to infringement of titles or slogans;
- (d) arising from the export of the *products* to, or business visits by executives or salespersons to *North America*, notwithstanding the terms of sub paragraphs (i) and (ii) of Exclusion 19 'Territorial limits';

- (e) for any *insured person* whose business is advertising, broadcasting, publishing or telecasting;
- (f) for incorrect description of the price of *products*, goods or services;
- (g) for failure of *products*, goods or services to conform with advertised performance, quality, fitness or durability; or
- (h) for acts, errors or omissions committed prior to the inception date of this *cover section*.

13. Contractual liability

any liability or obligation assumed by an *insured person* under any agreement or contract except to the extent that:

- (a) the liability or obligation would otherwise have been implied by law;
- (b) the liability or obligation arises from *incidental contracts*;
- (c) the liability or obligation is assumed by an *insured person* under any warranty under the requirement of Federal or State legislation in respect to product safety;
- (d) the liability or obligations is assumed under those agreements specified in the *schedule*.

14. Tobacco or tobacco smoking

the inhalation or ingestion of, or exposure to tobacco or tobacco smoke or any ingredient or additive present in any articles, items or goods which contain or include tobacco.

15. Construction

personal injury or property damage caused by the demolition, underpinning, removal of support, dewatering, alteration, renovation, construction, erection of and/or addition to any building, structure, plant or equipment by or on behalf of an *insured person*.

This Exclusion shall not apply to each individual contract you undertake that does not exceed the sum of \$500,000.

16. Assault and battery

personal injury or property damage arising directly or indirectly out of assault and battery committed by an *insured person*.

This Exclusion shall not apply when such assault and battery is committed for the purpose of preventing or eliminating danger to persons or property.

17. Intentional conduct

any alleged or actual fraudulent, dishonest, malicious, intentional or criminal act or omission of an *insured person*.

18. Loss of use

loss of use of tangible property which has not been physically injured, or lost or destroyed resulting from:

- (a) a delay in or lack of performance by, or on behalf of, an *insured person* in relation to any contract or agreement; or
- (b) the failure of the *products* to meet the level of performance, quality, fitness or durability expressed or implied, warranted or represented by an *insured person*.

Proviso 18 (b) does not apply to loss of use of other tangible property resulting from the sudden and accidental physical injury to or destruction of the *products* after such *products* have been put to use by any person or organisation other than you.

19. Territorial limits

any liability:

- (a) occurring in *North America*;
- (b) caused by or arising out of the *products* knowingly exported by the *insured person* or its agents to *North America*;
- (c) where claims are made upon an *insured person* outside *Australia* where the *insured person* is represented by a branch or company or firm or individual holding the *insured's* power of attorney; or
- (d) where claims arise out of any contract entered into by an *insured person* under the terms of which work is to be performed outside *Australia*.

This Exclusion shall not apply to:

- (i) *products* exported to *North America* without the knowledge of you, your agents or *employees*; or
- (ii) *business* visits by executives and salespersons normally resident in *Australia*.

20. Welding and hot work

personal injury or *property damage* directly or indirectly caused by, or arising out of, or consequent upon or contributed to or by arc or flame cutting, flame heating, arc or gas welding or similar operation in which welding equipment is used.

This Exclusion shall not apply if such activity is conducted in strict compliance with the Australian Standard applicable to Safety in Welding and Allied Process Fire Precaution as set out in the standard or as amended from time to time.

21. Information technology hazards

- (a) any liability arising out of *your internet operations*; or
- (b) *property damage* to computer data or programs and their storage media arising directly or indirectly out of or caused by, through or in connection with:
 - (i) the use of any computer hardware or software;
 - (ii) the provision of computer or telecommunication services by *you* or on *your* behalf;
 - (iii) the use of computer hardware or software belonging to any third party, whether authorised or unauthorised including damage caused by any *computer virus*.

This Exclusion does not apply to:

- (i) *personal injury, property damage* or *advertising liability* arising out of any material which is already in print by the manufacturer in support of any of its *products*, including by not limited to *product* use and safety instructions or warnings, and which is also reproduced on its site; or
- (ii) liability which arises irrespective of the involvement of *your internet operations*.

In addition to these Exclusions, please refer to the General Exclusions which are applicable to the whole policy.

Special Terms and Conditions of Cover

1. Reasonable care and precautions

Notwithstanding, General Terms and Conditions, Condition 1. 'Precautions', the following are applicable for this *cover section*.

- (a) You must exercise reasonable care that only competent *employees* are employed and take reasonable measures to maintain all *premises*, fittings and plant in sound condition.
- (b) The *insured persons* shall:
 - (i) take all reasonable care and precautions to prevent *personal injury*, *property damage* or *advertising liability* losses;
 - (ii) take all reasonable care and precautions to prevent the manufacture, sale or supply of defective *products*; and
 - (iii) comply with all statutory obligations, by-laws or regulations imposed by any public authority for the safety of persons or property.
- (c) You shall, at your own expense, withdraw, inspect, repair, replace, trace, recall or modify any of the *products* containing any defect or deficiency of which you have knowledge or have reason to suspect.

2. Liability not to be admitted

The *insured persons* shall not admit liability for or offer to or agree to settle, any claim without our written consent. We shall be entitled to take over and defend any claim with full discretion in the conduct of that claim.

3. Subrogation

Any *insured person* shall at any time, at the request and expense of us, permit all reasonable steps required to enforce any rights to which we would be entitled.

4. Cross liability

When an *insured person* consists of more than one party, the *insured person* shall be considered as a separate *insured person* as though a separate policy had been issued to each of the said parties, provided that our Limits of Liability and Additional Payments will apply as though there were not separate policies issued to each party.

5. Excess for underground property and services

You are liable for the 100% loading on the excess shown in the *schedule* for any *occurrence* that results in a claim, for any *damage* to underground property and services.

This Special Term and Condition shall not apply if you have obtained from:

- (a) the appropriate authority in a written format:
 - (i) information that states where such underground property or service is located;
 - (ii) information that states that such underground property or service does not exist;
 - (iii) permission to carry out work in the vicinity of such underground property or service; or
 - (iv) plans that show where such underground property or service are located;
- (b) your principal, who is a person in the vicinity of such underground property or service to supervise your work and who gives you permission after obtaining the information required in 5 (a),

However:

- (i) such information, authority or plans are received and inspected prior to any physical *damage* happening to such underground property or service; and
- (ii) work undertaken in the vicinity of such underground property or service is in accordance with any such authority or written information on how your work should be undertaken.

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