



Motor Trade Insurance

Product Disclosure Statement and
Combined Policy Wording

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Your Policy

Welcome to **Your** Mainstay Underwriting Motor Trade combined **Policy** and thank **You** for choosing Mainstay Underwriting. The information **You** have given forms part of the contract of insurance with **Us**. **Your Policy, Schedule and Endorsements** are evidence of that contract. Please read them carefully and keep them in a safe place.

This wording is divided into a number of Sections that must be read together with the **Schedule** and **Endorsements**. The **Schedule** will show which Sections apply to **You**. If **Your Schedule** is incorrect return it to **Your** insurance broker for alteration.

Important

We recommend that **You** read this **Policy** with the **Schedule** to make sure that it meets with **Your** needs. If **You** have any questions, please contact **Us** or **Your** insurance broker.

Who is Mainstay Underwriting?

Mainstay Underwriting Pty Ltd ABN 47 123 301 762 (Australian Financial Services Licence No. 477690) ("Mainstay Underwriting"), is an underwriting agency providing a range of insurance products.

Mainstay Underwriting acts as an agent for and on behalf of Certain Underwriters at Lloyd's. Mainstay Underwriting does not act on **Your** behalf.

You may contact Mainstay Underwriting via **Your** insurance intermediary or broker or as follows:

Post: PO Box 5192, Bundall, QLD, 9726

Phone: 07 5680 9945

Email: Risk@MainstayUnderwriting.com.au

Welcome to the Lloyd's market

Lloyd's is the world's specialist insurance and reinsurance market, bringing together an outstanding concentration of underwriting expertise and talent. It is often the first to insure emerging, unusual and complex risks.

Around 80 syndicates are underwriting insurance at Lloyd's, covering all classes of business. Together they interact with thousands of brokers daily to create insurance solutions for businesses in over 200 countries and territories around the world.

Lloyd's enjoys strong financial security supported by excellent ratings. Visit www.lloyds.com for more information.

General Insurance Code of Practice

The Insurance Council of Australia Limited has developed the General Insurance Code of Practice ("the Code"), which is a voluntary self-regulatory code. The Code aims to raise the standards of practice and service in the insurance industry.

Lloyd's has adopted the Code on terms agreed with the Insurance Council of Australia. For further information on the Code please visit www.codeofpractice.com.au

The Code Governance Committee (CGC) is an independent body that monitors and enforces insurers' compliance with the Code. For more information on the Code Governance Committee (CGC) go to www.insurancecode.org.au



Complaints and Disputes

If **You** have any concerns or wish to make a complaint in relation to this policy, **Our** services or **Your** insurance claim, please let **Us** know and **We** will attempt to resolve **Your** concerns in accordance with **Our** Internal Dispute Resolution procedure. Please contact Mainstay Underwriting in the first instance:

Mainstay Underwriting Dispute Resolution Manager

Write to **Us** at: PO BOX 5192, Gold Coast Mail Centre, QLD, 9726

Telephone: 07 5680 9945

Email: Complaints@MainstayUnderwriting.com.au

We will acknowledge receipt of **Your** complaint and do **Our** utmost to resolve the complaint to **Your** satisfaction within 10 business days.

If **We** cannot resolve **Your** complaint to **Your** satisfaction, **We** will escalate **Your** matter to Lloyd's Australia who will determine whether it will be reviewed by their office or the Lloyd's UK Complaints team. Lloyd's contact details are:

Lloyd's Australia Limited

Email: ldraustralia@lloyds.com

Telephone: (02) 8298 0783

Post: Suite 1603 Level 16, 1 Macquarie Place, Sydney NSW 2000

A final decision will be provided to **You** within 30 calendar days of the date on which **You** first made the complaint unless certain exceptions apply.

You may refer your complaint to the Australian Financial Complaints Authority (AFCA), if **Your** complaint is not resolved to **Your** satisfaction within 30 calendar days of the date on which you first made the complaint or at any time. AFCA can be contacted as follows:

Telephone: 1800 931 678

Email: info@afca.org.au

Post: GPO Box 3 Melbourne VIC 3001

Website: www.afca.org.au

Your complaint must be referred to AFCA within 2 years of the final decision, unless AFCA considers special circumstances apply. If **Your** complaint is not eligible for consideration by AFCA, **You** may be referred to the Financial Ombudsman Service (UK) or **You** can seek independent legal advice. **You** can also access any other external dispute resolution or other options that may be available to **You**.

The Underwriters accepting this Insurance agree that:

1. If a dispute arises under this Insurance, this Insurance will be subject to Australian law and practice and the Underwriters will submit to the jurisdiction of any competent Court in the Commonwealth of Australia;
2. Any summons notice or process to be served upon the Underwriters may be served upon:
Lloyd's Underwriters' General Representative in Australia
Suite 1603
Level 16
1 Macquarie Place, Sydney NSW 2000
who has authority to accept service on the Underwriters' behalf;
3. If a suit is instituted against any of the Underwriters, all Underwriters participating in this Insurance will abide by the final decision of such Court or any competent Appellate Court.

In the event of a claim arising under this Insurance notice should be given as soon as reasonably practicable by referring to Section of the wording, "How to Make A Claim".



How To Make A Claim

You must follow the procedures outlined if something happens that causes or is likely to result in a claim, or the incurring of an expense which may lead to **You** making a claim under this **Policy**. If **You** do not, **We** may refuse **Your** claim or reduce the amount **We** pay.

Claims Notification

If **You** wish to make a claim, **You** must:

1. Contact either
 - a. **Your** insurance adviser
 - b. Contact Mainstay Underwriting:
Mainstay Underwriting Pty Ltd
Suite 29, 42 Bundall Road
Bundall, Queensland, 4217, Australia
TEL: +61 (0)75680 9945
Email: Claims@MainstayUnderwriting.com.au
 - c. Contact **Our** Third Party Claims Administrator:
 - i. For claims in sections 1, 2, 3, 4 or 6 please notify:
Broadspire by Crawford & Company
Level 6 200 Mary Street
Brisbane, Queensland, 4000, Australia
Direct: +61 7 3223 3103
Mobile: +61 4 1729 8112
Email: mainstayclaims@broadspire.com.au
Office: +61 7 3223 3100
 - ii. For claims in sections 5 please notify:
Proclaim Management Solutions Pty Ltd
Level 9 / 271 Collins St,
Melbourne, 3000
Phone: 1300 552 446
Email: mainstay@proclaim.com.au
Mail: Locked Bag 32012, Collins St East, VIC 8003
2. As soon as practicable send **Us** any court documents or other communication **You** receive about the claim.

Claims Procedures Applicable to All Sections

The following highlights the claims procedure that must be followed for all applicable sections.

Do not take any action Yourself or ask anyone else to do on Your behalf:

When **Loss**, **Damage** or **Personal Injury** occurs (other than in connection with a **Vehicle**), **You** must:

1. take reasonable steps to prevent further **Loss**, **Damage** or **Personal Injury**.
2. As soon as practicable make a report to the police if:
 - a. **You** know or suspect that **Your Property** has been stolen;
 - b. Someone has broken into **Your Premises**; or
 - c. Someone has caused malicious **Damage** to **Your Property**.
3. Not make any admission of liability, offer, promise or payment in connection with any event;
4. Preserve and retain any **Damaged** property and make it available for inspection by **Us** or **Our** agent (including a loss adjuster).
5. Not authorise the repair or replacement of anything without **Our** agreement.



When a **Vehicle** is **Damaged** or stolen, **You** must:

1. Contact **Your** insurance broker or Mainstay Underwriting as soon as possible on 07 5680 9945 **We** are available EST 9am-5pm, Monday to Friday. **Our** staff will advise **You** on where to take the **Vehicle**. **We** can help with any other arrangements necessary to get **You** back on the **Road** as quickly as possible.
2. Do everything reasonable to limit and prevent further **Loss** or **Damage**.
3. If someone has stolen, attempted to steal or maliciously **Damaged Your Vehicle**, call the police as soon as practicable. If **We** ask, **You** must provide to **Us** the name of the police officer and police station where **You** made the report.
4. If **Your Vehicle** is involved in an event, **You** should obtain the full names, addresses and phone numbers of all drivers and passengers involved and any witnesses to the event. **You** will also need to obtain the **Vehicle** registration numbers and insurance details of all **Vehicles** involved. If **Damage** is caused to **Buildings** and other property, please provide details of the address and owners names.
5. Give **Us** any information and other assistance **We** reasonably need to handle the claim. This includes obtaining relevant documents, such as completing and lodging an application form to obtain records from the police, fire and rescue, councils and other entities (when we cannot lodge one).
6. If **You** get demands, a notice of prosecution, details of an inquest or similar communications from other parties involved in the event, **You** must tell **Us** as soon as practicable. If **You** delay in telling **Us**, **We** may not cover any legal or other costs that result from that delay.
7. Tell **Us** **Your** entitlement to Input Tax Credits (ITCs) for **Your** insurance **Premium** if **You** are registered or should be registered for goods and services tax (GST) purposes. If information **You** give **Us** is incorrect, **We** will not cover **You** for any resulting fines, penalties or tax charges.

What You must not do

1. Admit to anyone else involved if it was **Your** fault.
2. Negotiate or promise anyone a payment, authorise any repairs (except **Emergency Repairs** to a **Vehicle**) or dispose of any **Damaged** property unless **We** agreed first.
3. Accept any payment (including **Excess** payments) from anyone unless **We** agree first.
4. **You** must not incur any costs or expenses or authorise repairs (other than necessary temporary repairs) without **Our** agreement

What You must agree to if You claim

1. **You** must provide proof of ownership of any lost or **Damaged** property. Proof could include **Vehicle** logbook, receipts, valuations or warranties.
2. **You** must let **Us** inspect and, if necessary, move a **Vehicle** before repairs begin.
3. Give **Us** any information and help **We** need to handle the claim. This can include agreeing to be interviewed and providing relevant documents **We** ask for.
4. If **We** decide to defend **You**, settle any claim against **You**, represent **You** or try to recover **Money** from the person who caused the **Loss** or **Damage**, **You** must give **Us** all the assistance **We** need, including assistance after **Your** claim has been paid.
5. If **Your** tax or financial affairs are going to be investigated **You** must:
 - a. Provide **Us** as soon as practicable with full written details of any proposed tax audit as soon as **You** are aware of it;
 - b. Before retaining any professional other than **Your** accountant, obtain **Our** prior written approval of that person's engagement and of the fees and disbursements likely to be incurred;
 - c. Keep **Us** fully informed of all material developments in relation to the claim and the tax audit;
 - d. Take all reasonable steps to minimise cost and delay; and submit to **Us** all accounts for professional fees as soon as practicable after receiving them. Any accounts submitted to **Us** should be fully itemised so **We** can determine the nature and scope of the work done.



When You submit a claim:

1. **We** require that **You** give **Us** all information and assistance **We** may need:
 - a. To settle or defend claims; or
 - b. To recover from others any amount **We** have paid for a claim.
2. **You** must allow **Us** to:
 - a. Make admissions, settle or defend claims on **Your** behalf; and
 - b. Take legal action in **Your** name against another person to recover any payment **We** have made on a claim before **We** have paid **Your** claim, or whether or not **You** have been compensated or paid in full for **Your** actual **Loss**.
 - c. **You** must allow **Us** or **Our** agent to enter **Your Premises** or make them available to **Us** for inspection.
 - d. **You** must allow **Us** or **Our** agent to take possession of any **Damaged** property and deal with it in a reasonable manner. If **We** do not take possession of the **Damaged** property **You** cannot abandon it to **Us**.
 - e. **We** will not unreasonably withhold **Progress Payments**. **We** will make **Progress Payments** on claims at intervals to be decided by **Us** following receipt of an interim report from **Our** loss adjuster or representative.

When You have made a claim

1. **We** or **Our** agent may investigate any matter that is or may be the subject of the claim.
2. **You** are always required to provide **Us** with direct access to **Your** professional adviser.
3. If **We** ask, **You** are required to instruct **Your** professional adviser to assist **Us** in connection with any matter **We** seek to pursue with any government department, body or agency conducting the tax audit which is or may be the subject of a claim under this **Policy**.
4. Proceedings in the **Event** of a claim

Fraudulent claims

If **You** or someone acting on **Your** behalf makes a false or fraudulent claim, **We** may:

1. Refuse to pay the claim;
2. Cancel the **Policy**;
3. Take legal action against **You**; or
4. Do any or all of the above.

Waiver of Your recovery rights or hold harmless agreement

If another person is, or could have been, liable to compensate **You** for any **Loss**, **Damage** or liability covered by the **Policy**, and **You** have agreed with that person either before or after the **Loss**, **Damage** or liability occurred that **You** would not seek to recover any **Moneys** from that person, **We** will not cover **You** under the **Policy** for any such **Loss**, **Damage** or liability.

When We may refuse a claim

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

1. **You** do not do what **Your** duty of disclosure requires **You** to do;
2. **You**:
 - a. Are not truthful;
 - b. **You** have not given **Us** full and complete details;
 - c. Have not told **Us** something when **You** should have, when applying for the insurance, or when making a claim;
3. **You** do not at all times take all reasonable care as **We** require **You** to do under this **Policy**;
4. **You** do any of the following without **Us** agreeing to it first:
 - a. Make or accept any offer or payment or in any other way admit **You** are liable;
 - b. Settle or attempt to settle any claim; or **Defend** any claim;
5. Cover is specifically excluded in the **Policy**;
6. **You** have not complied with any of the requirements of making a claim in the How To Make a Claim Section, starting on page 6; or
7. **You** are in breach of any other conditions of **Your** Policy, subject to applicable laws.



8. Remember, if **You** prevent **Our** right to recover from someone else or if **You** have agreed not to seek compensation from another person who is liable to compensate **You** for any **Loss, Damage** or legal liability which is covered by this **Policy**, **We** will not cover **You** under this **Policy** for that **Loss, Damage** or legal liability.

Vehicle Repairs

If **We** pay a claim under any Section of this **Policy** by agreeing to repair a **Vehicle**, **We** will arrange for it to be repaired by one of **Our** recommended repairers or **You** can choose **Your** own repairer.

We will:

1. Repair the **Vehicle** to its condition immediately before the **Loss** or **Damage** occurred;
2. Use parts suitable for the **Vehicle's** age and condition;
3. Use only manufacturer's approved parts if the **Vehicle** is under the manufacturer's warranty (but not an extended warranty);
4. Only pay the **Market Value** of **Damaged** parts **We** consider obsolete;
5. Only pay the cost to **You** plus 15% for those parts that **You** supply; and
6. Replace **Damaged** windscreens or window **Glass** with **Glass** that meets original standards and Australian Design Rules, but which might be different from the original **Glass**.

We are not responsible for costs that occur because of delays in delivery of parts.

We are not liable for and **You** are responsible for the cost of any air-conditioning refit, re-gas or modification required by law.

You may have to contribute to the cost of repairing tyres, engines, **Accessories**, paintwork, bodywork, radiators, batteries, interior trims or caravan annexes affected by wear and tear or rust and corrosion which is not covered by the **Policy**. How much **You** pay depends on how worn these items were when the **Damage** happened.



Introduction

Insurer's Liability Several Not Joint

The liability of an **Insurer** under this contract is several and not joint with other **Insurers** party to this contract. An **Insurer** is liable only for the proportion of liability it has underwritten. An **Insurer** is not jointly liable for the proportion of liability underwritten by any other **Insurer**. Nor is an **Insurer** otherwise responsible for any liability of any other **Insurer** that may underwrite this contract. The proportion of liability under this contract underwritten by an **Insurer** (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of the syndicate taken together) is shown next to its stamp. This is subject always to the provision concerning "signing" below.

In the case of a Lloyd's syndicate, each member of the syndicate (rather than the syndicate itself) is an **Insurer**. Each member has underwritten a proportion of the total shown for the syndicate (that total itself being the total of the proportions underwritten by all the members of the syndicate taken together). The liability of each member of the syndicate is several and not joint with other members. A member is liable only for that member's proportion. A member is not jointly liable for any other member's proportion. Nor is any member otherwise responsible for any liability of any other **Insurer** that may underwrite this contract. The business address of each member is Lloyd's, One Lime Street, London EC3M 7HA. The identity of each member of a Lloyd's syndicate and their respective proportion may be obtained by writing to Market Services, Lloyd's, at the above address.

Proportion of Liability

Unless there is "signing" (see below), the proportion of liability under this contract underwritten by each **Insurer** (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of the syndicate taken together) is shown next to its stamp and is referred to as its "written line".

Where this contract permits, written lines, or certain written lines, may be adjusted ("signed"). In that case a **Schedule** is to be appended to this contract to show the definitive proportion of liability under this contract underwritten by each **Insurer** (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of the syndicate taken together). A definitive proportion (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of a Lloyd's syndicate taken together) is referred to as a "signed line". The signed lines shown in the **Schedule** will prevail over the written lines unless a proven error in calculation has occurred.

Although reference is made at various points in this clause to "this contract" in the singular, where the circumstances so require this should be read as a reference to contracts in the plural.

This **Policy** has been formulated to meet the requirements of **Your Business**.

The following is a summary of the Sections in the Mainstay Motor Trade **Policy** from which **You** may choose to meet **Your** requirements.

Summary of Sections (for details please refer to relevant Section in this PDS)		
1	Property Damage	This Section covers You against Loss or Damage to Your Buildings and its contents. The Section includes clauses that could reduce the amount of cover You have if You have not insured Your Property for its replacement value.
2	Business interruption	This Section covers the Loss of income and the additional increased costs of working which results from the interruption of Your Business caused by Events covered under Section 1. It also provides You with a number of additional benefits included in Your cover and Optional covers that You can add to Your cover. The Section includes clauses that could reduce the amount of cover You have if You have under declared the values for ' Gross Profit ', and ' Payroll '.
3	Crime & Contingencies	This Section provides cover for Theft of Your Insured Property , Loss of Money , Employee dishonesty , property away from Premises and cover for Damage to Glass .
4	Motor Combined Risks	Section 4.1 covers Your Business Vehicles for Damage caused by an Accident . There are a number of additional benefits included in Your cover and optional benefits that You can elect to add. You can choose Section 4.2 to cover Damage to Your Vehicles , parts and Accessories in Transit on a conveyance anywhere in Australia. Section 4.3 Covers You for Damage to a third party's Vehicle or Watercraft Damaged as a result of an Accident caused by You driving Your Vehicles .
5	Liability Combined Risks	This Section covers the legal liability of You and Your Business for Personal Injury and Property Damage to third parties (another person) but excludes Your Employees and claims under compulsory third party insurance regimes. ADDITIONALLY, You can elect cover for: 5.2 Claims made against You for Property Damage or financial Loss (but excluding Personal Injury) based on certain Motor Trades Professional Services (e.g. Road worthiness certification) 5.3 Cover for You for claims against Your Management Liability including Your Employment wrongful acts (e.g. claims by Employees in Fair Work Australia) and Your Management wrongful acts 5.4 Cover for Tax Audits
6	Equipment breakdown	This Section covers the breakdown of electrical and mechanical machinery including air, conditioning units, hoists, and compressors or electronic equipment such as computers, photocopiers and Business equipment belonging to Your Business and has an option for business interruption.

Terms and definitions used in this table are defined in the next section

General Definitions

The following definitions apply to all Sections of this **Policy**, unless these words are defined differently in the relevant Section. Wherever words appear in bold in this Policy they will have the meanings shown in the General Definitions unless more specifically defined in a particular Section. Any word or expression to which a specific meaning has been attached in any part of this wording or the Schedule, shall bear such meaning wherever it may appear in this document:

Accessories

Alterations or additions that change the performance, security or value of a **Vehicle**, including the body, wheels, tyres, rims, engine, exhaust, extraction system, transmission, paintwork, suspension, instruments, sound system or interior.

Accident

An incident that is unexpected and unintended from **Your** standpoint, including an **Event** of that nature.

Accidental Damage

Damage, other than by fire, **Flood**, lightning, thunderbolt, **Explosion**, implosion, earthquake, subterranean fire, volcanic eruption, impact, **Aircraft** and/or other aerial devices and/or articles dropped therefrom, sonic boom, the acts of persons taking part in riots or civil commotions or of strikers or locked-out workers or of persons taking part in labour disturbances or of malicious persons or the acts of any lawfully constituted authority in connection with the foregoing acts or in connection with any conflagration or other catastrophe, storm and/or tempest and/or rainwater and/or wind and/or hail, **Water** or other liquids or substances discharged, overflowing or leaking from apparatus, appliances, pipes or any other system at the **Situation(s)** or elsewhere.

Act of Terrorism or Terrorism

Means an act, including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s) or government(s), committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public, in fear.

Aircraft

Any craft or object designed to transport persons or property through the air or space, including a drone and or unmanned aircraft but other than model aircraft.

Asbestos

Asbestos in whatever form including, without limitation, asbestos, fibres, derivatives or products containing asbestos.

Basis of Settlement means the basis of settlement provisions under the heading in each Section styled

“Basis of Settlement” which is applicable to that Section, and as each Section specifies.

Boiler or Pressure Plant

1. Those parts of the permanent structure of a boiler or pressure equipment, which contains steam gas or fluid and which are normally subject to vacuum or internal pressure (other than atmospheric pressure or static pressure of contents) including fittings and direct attachments, which are connected to the permanent structure without intervening valve or cock, including:
 - a. The supporting structure of the boiler and pressure equipment (other than foundations, refractory and insulating material), such as furnace doors, access doors, external combustion chambers, smoke boxes and casings;
 - b. The metal parts of pressure and **Water** gauges and their connections to the permanent structure, even if separated from the structure by valves or cocks; and
 - c. Any pressure pipe system, associated with boilers and pressure equipment, with valves, fittings, traps and separators which contain steam condensate, gas or fluids under pressure (other than atmospheric pressure), including any feed **Water** piping between boiler and its feed pump or injector.
2. In respect of refrigeration and air-conditioning systems, the interconnecting heat exchangers, coils and pipe work containing transfer media.

Boiler or Pressure Plant does not include any pipe system which forms part of any other vessel or apparatus nor does it include any mechanical or electrical machine, electrical apparatus or electronic equipment.

Building(s)

Are the building(s) at the **Situation**, including outbuildings, underground services, walls, gates and fences, signs, landlord's fixtures and fittings of every kind and description and additions forming part of the Building complex.

Buildings do not include:

1. Temporary Buildings or shipping containers at the **Premises** unless they are fixed to foundations, wired for electrical services and the security is at least the same as the permanent Buildings or any padlocks in use are rated between 7 and 10 by AS4145.4 as amended;
2. Loose or compacted soil, earth, gravel pebbles, rocks or granular rubber, gravel, pebble driveway or car park excepting soil or earth that must be restored to repair **Insured Damage** to **Your** Buildings).

Bushfire

A wildfire that occurs through vegetation such as, woodland, scrubland, grassland, forest or savannahs.

Business

The Business or occupation described in the **Schedule**, including the ownership of any **Premises** shown in the **Schedule**.

Collapse

Means the sudden and dangerous distortion of any part of the permanent structure of plant by bending or crushing caused by force of steam or fluid pressure whether attended by rupture or not. Except in the case of a steam test at a pressure not exceeding the maximum pressure permitted by the inspecting authority, the term '**Collapse**' does not include failure under any test.

Computer System

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

Consequential Loss (except as covered specifically in this Section) loss, **Damage**, cost or expense caused directly or indirectly by or resulting from:

1. Delay or interruption of the **Business**;
2. Lack of power, light, heat, steam or refrigeration; or
3. Any other indirect result or consequence of a **Breakdown**.

Customer Vehicle

A **Vehicle** owned by **Your** customer and left in **Your** care, custody or control for servicing, repair, **Road** testing, maintenance, alteration, inspection, valuation, testing, storage or delivery, including a **Vehicle** fitted with a trade plate, excluding **Your Property**.

Cyber Act

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

Cyber Loss

Means any **Loss**, **Damage**, liability, claim, cost or expense of whatsoever nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any **Cyber Act** or **Cyber Incident** including, but not limited to, any action taken in controlling, preventing, suppressing or remediating any **Cyber Act** or **Cyber Incident**.

Cyber Incident

Means:

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

Damage or Damaged

Sudden and unforeseen physical loss, damage or destruction, not otherwise excluded by this **Policy**.

Dangerous goods

1. Substances which are shown in the Australian Code for the Transport of Dangerous Goods by Road or Rail (or under any rules replacing that code);
2. Liquid fuels, liquefied or compressed gases, toxic chemicals, acids, organic peroxides, or corrosives;
3. Infectious, explosive radioactive, or oxidising substances; or
4. Substances with a flashpoint of below twenty-two point seven degrees Celsius (22.70°C).

Data

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

Debris

1. The residue of **Your Damaged** property; or
2. Material deposited on **Your Premises** as a result of the operation of an **Insured** peril.

Excluding any material which can cause **Pollution and Contamination** and which is deposited beyond the boundaries of **Your Premises**.

Discovered or Discovery

When any of **Your** directors, officers, senior managers or trustees, not in collusion with an **Employee** committing a dishonest or fraudulent act, first becomes aware of facts which would cause a reasonable person in the circumstances to believe that **Loss** covered by this **Policy** has occurred, or is likely to occur, regardless of when the act or acts causing or contributing to such **Loss** occurred and even though the exact amount or details of **Loss** may not then be known.

Emergency Repairs

Minor repairs which are essential for **You** to be able to drive **Your Vehicle** safely from an **Accident** or **Event** causing **Damage**, not exceeding \$5,000.

Employee

1. Any person while employed under a contract of service with, or apprenticeship to, **You**; and
2. Any person while hired or seconded from any other party into **Your** service including any agency furnished personnel whom **You** have the right at all times to govern, control and direct in the performance of his or her work in the course of **Your Business**, but does not include:
 - a. Any broker, factor, commission agent, consignee, contractor or other agent; and
 - b. Any of **Your** partner(s) or director(s) other than executives and directors,unless such person is also **Your** employee or has been seconded into **Your** employment by **You**.



Event or Events

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

Excess

Any excess or deductible set out in the **Schedule**, this **Policy** or any **Endorsement** that applies to a claim under this **Policy**.

An excess or deductible must be paid by **You** and is either the amount specified in the **Schedule** or otherwise stated in **Your Policy** for each applicable Section that **You** must contribute:

1. as the first payment of each and every claim;
2. for the period specified in the **Schedule**; or
3. as otherwise stated in **Your Policy**.

Unless specified otherwise the **Excess** is included in the **Limit of liability**

Explosion

Means the sudden and violent rending of the permanent structure of the plant by force of internal steam or fluid pressure or bodily displacement of any part of such structure together with forcible ejection of its contents. Except in the case of a steam test at a pressure not exceeding the maximum pressure permitted by the inspecting authority, the term 'Explosion' does not include failure under any test.

Flood

The covering of normally dry land by **Water** that has escaped or been released from the normal confines of any of the following whether or not each of the following has been altered or modified:

1. a lake;
2. a river;
3. a creek;
4. another natural watercourse;
5. a reservoir;
6. a canal;
7. a dam.

Glass

Glass (including plastic material used as glass) which belongs to **You**, or for which **You** are legally liable for, that is:

1. External glass;
2. Internal glass and vitreous china or ceramic; and
3. Toilet pans, cisterns and wash basins;

Glass does not include:

1. Signs;
2. Expendable items;
3. Glass forming part of **Vehicles** or stock or merchandise in trade;
4. Ornaments, antiques or portable glass objects;
5. Chipped or cracked or imperfect glass, or Glass in poor condition;
6. Glass in electronic or printing equipment including mobile phones, tablets and computers; or
7. Glass in any glass house, conservatory, radio, television screen, computer screen, vase, picture, crystal, crockery, china, or glass normally carried by hand.

Gross Profit

Means the amount by which the sum of **Money** paid or payable to **You** for goods sold, services rendered or rent received, plus the amount of stock and work in progress at the end of **Your** financial year exceed the sum of the opening stock and the work in progress at the beginning of the financial year and the **Uninsured Working Expenses**.

The amounts of the opening and closing stocks and work in progress will be arrived at in accordance with **Your** normal accountancy methods, due provision being made for depreciation.

The words and expressions in this definition have the meanings usually attached to them in **Your** books and accounts unless otherwise defined in this **Policy**.

Hazardous Goods, Substance or Mould

1. Any pollutant, contaminant or other substance declared by a government authority to be hazardous to health or the environment; or
2. Any mould, yeast, fungus or mildew including any spores or toxins created or produced by or emanating from such mould, yeast, fungus or mildew, whether or not allergic, pathogenic or toxigenic.

Holdback

The **Vehicle** cost retained by any other dealers or suppliers who provide replacement **Vehicles** as is normal procedure in the motor industry where replacements cannot be sourced from the manufacturer to satisfy customer orders, subject to a limit of \$20,000 any one claim.

The percentage of the wholesale cost paid by the manufacturer or distributor to **You** following the retail sale of a **Vehicle**, subject to a limit of \$20,000 any one claim

Insured Property or Your Property

Property insured under this **Policy**.

Land Value

Means the sum certified by the valuer general as being the value of the land so described in the **Policy** after due allowance has been made for variations in or special circumstances affecting such value either before or after the **Damage** or which would have affected the value had the **Damage** not occurred so that the figures as adjusted represent as near as may be reasonably practicable the true land value pertaining both before and after the **Damage**.

Limit of Liability

The amount specified in the **Schedule** as a limit or a sub-limit or other maximum amount payable by **Us** under this **Policy** for claims, circumstances, benefits, entitlements, **Insured Property**, cover and aggregate liability, as specified in the **Schedule**.

Loss or Losses

Sudden or unforeseen physical loss.



Market Value

The amount **You** would have to pay to buy a **Vehicle** similar to **Your Vehicle** immediately before the **Loss** or **Damage**, taking into account its make, model, age, kilometres travelled and condition. To determine the **Market Value**, **We** may refer to an accepted motor **Vehicle** valuation guide used by the motor industry. The amount **We** determine represents the cost to replace the property **Insured** with a similar item of the same make, model, age and condition as the property **Insured** immediately prior to the **Loss** or **Damage**.

Money

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

Motor Trade Business

means the motor trade business described in the **Schedule** but does not cover activities broader than:

1. The service and repair of vehicles or their parts and Accessories;
2. The inspection of vehicles, reporting on the condition of vehicles, the provision of advice on the road worthiness of vehicles, and the recommendation of/for repairs and/or parts required to/for a vehicle;
3. The issuance of documentation to facilitate the registration of vehicles or their transfer of title;
4. The ownership and/or occupation of the **Situation(s)**;
5. Other activities incidental to Your business, as declared to and accepted by **Us**.

Named Insured

That person, company or legal entity specified as the Named Insured in the **Schedule** who carries on or conducts the **Business**.

New Vehicle

Is a **Vehicle** which **You** obtained directly from the manufacturer, wholesaler or another dealer, which was not previously registered, for the purpose of resale and includes **Vehicles** declared in the **Schedule**. A new vehicle does not include a **Vehicle** which had travelled in excess of 5,000km prior to the time and place of **Loss** or **Damage**.

North America

Includes the United States of America and Canada and in each case its territories and protectorates.

Open Air

Includes area under hail nets or any structure that is not fully enclosed.

Period of Insurance

The Period of Insurance set out in the **Schedule**, ending at 4.00 pm on the last day of this period.

Personal Injury

Means:

Death, bodily injury, sickness, disease, disability, shock, fright, mental anguish and mental injury and includes mental harm, stress, emotional upset, embarrassment or loss of dignity

Personal Property

Property of a personal character that is portable such as clothing and personal belongings normally worn or carried in person by **You** however this does not include **Vehicles** or **Money**.

Policy

Means:

1. this document,
2. the **Schedule**;
3. any endorsement to this **Policy** whether issued at the inception of the **Policy** or during the **Period of Insurance**; and
4. the information **You** have provided in the **Proposal**.

Pollutant or Pollutants

Any solids, liquids, gaseous or thermal irritants, contaminants, smoke, vapour, soot, fumes, odour or any other air emission, acids, alkalis, chemicals, waste materials, waste water, oil or oil products, infectious biological or medical waste, **Asbestos**, electric or magnetic or electromagnetic fields, noise and any ionising radiations or contamination by radioactivity and the residue from the productions of drugs or illicit substances.

Pollution and Contamination

The actual, alleged or threatened discharge, release, escape, seepage, migration or disposal of **Pollutants** into or on real or **Personal property**, **Water** or the atmosphere; or any direction or request to test for, monitor, clean up, treat, detoxify or neutralise **Pollutants**. Including contamination as a result of the production of drugs or illicit substances.

Premises

As specified in **Your Schedule** whether owned, leased, used or occupied by **You** for the purposes of the **Business**, and within the confines of the **Building(s)** at the **Situation**.

Premium

The amount stated in the **Schedule**.

Property

the tools, clothing and personal effects, belonging to **Your** company, **Business**, partners, directors and their families, officers and **Employees**

Proposal

means **Your** written proposal made to **Us** containing information and statements which, together with any other information or documents provided, are the basis of this **Policy** and are considered incorporated in it.

Road

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

Salvage Value

The estimated amount that would be received if **Damaged** property were to be sold.

Schedule

The schedule document that attaches to and forms part of **Your Policy**.

Securities

Shares, stocks, bearer instruments, derivatives, bonds, warrants, debentures, units in shares, units in trusts (including any evidence of indebtedness or other equity or debt security), rights under a depositary receipt or other securities (or interests therein) of whatever nature.

Selling Price

The inward cost of the **Vehicle** plus the actual average margin from **Gross Profit**, not inclusive of **Holdback**.

Stock Card

Your accounting record either on paper or in electronic form, within which **You** record the complete details of **Vehicles**, including **Your** actual purchase cost and actual cost of improvements to the **Vehicles**. is **Your** accounting record, within which **You** record the complete details of **Vehicles**, including **Your** actual purchase cost and actual cost of improvements to the **Vehicle**.

Theft

Means theft or attempted theft of **Insured Property**, Involving:

1. Theft following forcible and violent entry to the **Premises** or any attempt at that;
2. Theft or any attempt at theft by a person feloniously concealed on the **Premises**;
3. Theft following assault or violence or threat of immediate assault or violence to **You, Your Employees** or customers, occurring on the **Premises**;
4. Theft following armed hold up occurring at the **Premises**; or
5. Theft or attempted of stock of spare parts or **Accessories** whilst in, on the **Premises**.

Total Loss

Where property is **Damaged** beyond economical repair. Where **Your Property Insured** is lost or stolen and not recovered within a reasonable period of time or where it is **Damaged** and the cost of repairing it is uneconomical

or greater than the **Limit of Liability** for the property, **Market Value** or **Stock Card** value, whichever is the lesser.

Uninsured Working Expenses

All purchases (less any discounts received), discounts allowed, bad debts, carriage, packing and freight, and other uninsured working expense specified in the **Schedule**.

Vehicle or Vehicles

Motor vehicles, trailers, caravans, boats, motor cycles, motorised homes, motor propelled machinery of every kind and description whether registered or unregistered belonging to or being purchased, financed or otherwise acquired by **You** or left in **Your** custody for sale, or repair, or garaging, servicing or any other purpose in the course of the **Business**.

The **Vehicle(s)** described on **Your Schedule**. It also includes **Vehicle Accessories** or modifications if **We** have agreed to insure them as part of **Your Vehicle** and they are shown on **Your Schedule**.

Water

Includes snow, sleet or hail.

Watercraft

Any vessel, craft or thing made or intended to float on or in or travel on or through **Water**, other than model boats.

We, Us, Our, Insurer

Certain underwriters at Lloyd's and Mainstay Underwriting as agents for Certain underwriters at Lloyd's.

You, Your, Yourself, Insured

Any person, company or legal entity shown on the **Schedule** as the Insured and any company, firm, partnership or trust in which the **Named Insured** hold a 50% or more ownership, interest or shareholding.



Important Terms of Your Policy

The following terms apply to all Sections of this **Policy**, unless more specifically stated in the relevant Section in which case the term in that Section shall take precedence:

Basis on which We insure You:

We agree to insure **You**:

1. Based on the information provided in **Your Proposal** and subject to payment of the required **Premium** by the required date,
2. In accordance with the terms and conditions of **Your Policy**.

You should carefully read **Your Policy** as one document and keep it in a safe place. If **You** require further information about **Your Policy** or wish to confirm a transaction, call **Us** on 07 5680 9945.

Cover under more than one Section

We will not indemnify **You** or pay for any claim under more than one Section of the **Policy** for the same **Loss, Damage** or liability.

Where more than one Section of **Your Policy** covers or may have covered the claim had **You** selected that Section, the Section that is more specifically applies to cover the relevant claim applies and **We** will not pay anything under any other Section(s).

Cancellation Rights

1. **We** have the right to cancel the **Policy** where permitted by law. For example, **We** may cancel:
 - a. If **You** failed to comply with **Your** duty of disclosure; or
 - b. Where **You** have made a misrepresentation to **Us** during negotiations prior to the issue of the **Policy**; or
 - c. Where **You** have failed to comply with a provision of the **Policy**, including the term relating to payment of **Premium**; or
 - d. Where **You** have made a fraudulent claim under the **Policy** or under some other contract of insurance that provides cover during the same period of time that the **Policy** covers **You**; and **We** may do so by giving **You** at least three days' notice in writing of the date from which the **Policy** will be cancelled. The notification may be delivered personally or posted to **You** at the address last notified to **Us**.
 - e. Where an act or omission by **You** has the effect of altering the state or condition of the subject-matter of the contract or of allowing the state or condition of that subject-matter to alter.
2. If **You** or **We** cancel the **Policy** **We** may deduct a pro rata proportion of the **Premium** for time on risk, reasonable administrative costs related to the acquisition and termination of the **Policy** **We** incur and any government taxes or duties **We** cannot recover.

3. In the event that **You** have made a claim under this **Policy** no return of **Premium** will be made for any unused portion of the **Premium**.

Your Duty of Disclosure

Before **You** enter into this **Policy**, the Insurance Contracts Act 1984 requires **You** to provide **Us** with the information **We** need to decide whether and on what terms **Your** application for insurance is acceptable and to calculate how much **Premium** is required.

The Act imposes a different duty the first time **You** enter into the **Policy** with **Us** to that which applies when **You** renew, vary, extend, reinstate or replace the **Policy**. These two duties are set out below.

Your Duty of Disclosure when You enter into the Policy with Us for the first time

You will be asked various questions when **You** first apply for the **Policy**. When **You** answer these questions, **You** must:

1. Give **Us** honest and complete answers;
2. Tell **Us** everything that **You** know; and
3. Tell **Us** everything that a reasonable person in the circumstances could be expected to tell **Us**.
4. Tell **Us** everything that a reasonable person in the circumstances could be expected to tell **Us**.

Your Duty of Disclosure when You renew, vary, extend, reinstate or replace this Policy

When **You** renew, vary, extend, reinstate or replace the **Policy**, **Your** duty is to tell **Us** before the renewal, variation, extension, reinstatement or replacement is made, every matter which:

1. **You** know; or
 2. A reasonable person in the circumstances could be expected to know,
- is relevant to **Our** decision whether to insure **You** and whether any special conditions need to apply to the **Policy**.

What **You** do not need to tell **Us** for either Duty of Disclosure

You do not need to tell **Us** about any matter:

1. That diminishes **Our** risk;
2. That is of common knowledge;
3. That **We** know or should know as an **Insurer**; or
4. That **We** tell **You** **We** do not need to know.

Who does the duty apply to?

The duty of disclosure applies to **You** and everyone that is a **Named Insured** under this **Policy**. If **You** provide information for another **Named Insured**, it is as if they provided it to **Us**.

What happens if the duty of disclosure is not complied with?

If the duty of disclosure is not complied with, **We** may cancel the **Policy** and/or reduce the amount **We** pay in the event of a claim. If fraud is involved, **We** may treat the **Policy** as if it never existed and any claims may be declined.



Renewal procedure

Before **Your Policy** expires, **We** will advise **You** whether **We** intend to offer renewal and if so on what terms. This document also applies for any offer of renewal **We** may make unless **We** tell **You** otherwise. It is important that **You** check the terms of **Our** renewal offer before renewing to satisfy **Yourself** that the details and content are correct. In particular, check the limits and **Excess(es)** applicable to ensure the levels of cover are correct for **Your** requirements. Please note that **You** need to comply with **Your** Duty of Disclosure before each renewal.

Interests of other parties

The important term "Interest of other parties" applies to Sections 1, 2, 3, 4 & 6 of this **Policy** and not section 5. The pecuniary or economic interest of only those lessors, financiers, trustees, mortgagees, owners and all other parties specifically noted in **Your** records (other than floor plan financiers) **We** will automatically note that insurable interest without any notification or specification by **You** and where **Insured Property** the subject of that insurable interest is **Damaged**, pay claims for the **Insured Property** in accordance with the priority agreed between **You** and the party with the insurable interest. **You** must tell **Us** in writing the nature and extent of such interest to be disclosed in the event of **Damage**.

Where the insurance covers the interest of more than one party, any act or neglect of an individual party will not prejudice the rights of the remaining parties, provided that the remaining parties must, as soon as becoming aware of any act or neglect whereby the risk of **Damage** has increased, give notice in writing to **Us** and on demand pay such reasonable additional **Premium** as **We** may require.

The Goods and Services Tax (GST) and Your insurance (GST registered policyholders only)

GST has an impact on the way in which claim payments are calculated under **Your Policy**. **We** will calculate the amount of any payment **We** make having regard to **Your** GST status.

If, for example, **We** make a cash payment for the purchase of goods or services for which **You** are entitled to claim an input tax credit, **We** will only pay an amount equal to **Your** net cost – i.e. **Your** cost after claiming input tax credits. The wording contained in this **Policy** sets this out in more detail.

In respect of **Your Policy**, where **You** are registered for GST purposes **You** should calculate **Your** insured amounts or advise **Us** of **Your** asset values or turnover having regard to **Your** entitlement to input tax credits. **You** should, therefore, consider the net amount (after all input tax credits have been taken into account) which is to be insured and calculate and advise to **Us** the insured amounts, asset values or turnover on a GST exclusive basis.

If **You** are either wholly or partially input taxed, **You** are in a special category under the GST legislation, and will

need to advise **Us** of **Your** sums insured, asset values or turnover on a GST inclusive basis.

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

Privacy statement

Privacy legislation regulates the way private sector organisations can collect, handle, store and disclose personal information and Mainstay Underwriting and **Insurers** are bound by the Privacy Act 1988 (Cth.) when doing so.

We have developed a privacy policy that explains the sort of personal information We hold about **You** and what We do with it.

We collect, handle, store and disclose **Your** personal and sensitive information in order to:

1. Consider **Your** application for insurance;
2. Determine the premium, terms and conditions of **Your Policy** (if the application is accepted); and
3. review, assess and handle any claims.

We may disclose personal information to third parties who We believe are necessary to assist **Us** and them in **Us** providing the relevant services and products. This includes but is not limited to:

1. Relevant employees involved in providing services
2. Other companies, business partners and/or service providers that may be located in Australia or overseas.
3. Your insurance broker that collects this from you;
4. Those involved in the claims handling process, including but not limited to loss adjusters, legal firms investigators, agents, accountants, engineers or other professional experts;
5. Insurance companies, Lloyd's Syndicates, reinsurance brokers and reinsurers (which may be located outside of Australia) with whom We transact business;
6. Insurance reference bureau, credit reference bureau or banks;
7. Government, law enforcement, dispute resolution, statutory or regulatory bodies, or as required by law.

We limit the use and disclosure of any personal information provided by **Us** to any third party to the specific purpose for which it was supplied.

Where these entities are overseas, We regularly review the security of **Our** systems used for sending personal information.

Any information disclosed may only be used for the purposes of collection detailed above and system administration.

By completing and returning a **Proposal** and/or providing **Us** with any additional information in connection with **Your** application, **You** agree to **Us** using and disclosing **Your** personal information as set out above. This consent to the use and disclosure of personal information remains valid unless **You** alter or revoke it by giving **Us** written notice.

Personal information may also include sensitive information such as, amongst other things, information

about an individual's health, membership of professional associations and criminal records. You have the right to seek access to **Your** personal information and to correct it at any time and We aim to ensure that **Your** personal information is accurate, up to date and complete.

Please contact Mainstay Underwriting on 07 5680 9945 EST 9am-5pm, Monday to Friday if **You** would like to seek access to, or revise, **Your** personal information or feel that the information We currently have on record is incorrect, incomplete or believe that the privacy of **Your** personal information has been interfered with. In these cases, **You** are entitled to raise **Your** concerns. **Your** complaint will be managed and resolved through **Our** Complaints Procedure.

Should **You** wish to obtain more information about Mainstay Underwriting privacy policies, please contact **Us** or alternatively please review the policy on **Our** website www.MainstayUnderwriting.com.au

From time to time We may advise, or offer you, information on other Mainstay Underwriting products or services that may be relevant and of interest to you. If **You** do not wish to receive these offers or information, please call Mainstay Underwriting on 07 5680 9945 EST 9am-5pm, Monday to Friday.

Updating this PDS

We may need to update this Product Disclosure Statement ("PDS") from time to time if certain changes occur where required and permitted by law. **We** will issue **You** with a new PDS or a Supplementary PDS or other compliant document to update the relevant information except in limited cases. Where the information is not something that would be materially adverse from the point of view of a reasonable person considering whether to buy this insurance, **We** may issue **You** with notice of this information in other forms or keep an internal record of such changes (**You** can get a paper copy free of charge by contacting **Us** using **Our** details on the back cover of this PDS).

Other documents may form part of **Our** PDS and this **Policy**. If they do, **We** will tell **You** in the relevant document.

Further information and confirmation of transactions

If **You** require further information about this **Policy** or wish to confirm a transaction, please contact Mainstay Underwriting.

AML collection of Personal Information

We may be required by Anti-Money Laundering/Counter Terrorism Financing legislation to collect **Your** personal information.

Australia Terrorism Insurance Act 2003

We have treated this **Policy** (or part of it) as an insurance to which the Australia Terrorism Insurance Act 2003 (ATIA) applies.

ATIA and the supporting regulations made under the Act deem cover into certain policies and provide that the **Terrorism** exclusion to which this **Policy** is subject shall not apply to any "eligible Terrorism Loss" as defined in ATIA.

Any coverage established by ATIA is only in respect of any "eligible Terrorism Loss" resulting from a "terrorist act" which is a "declared terrorist incident" as defined in ATIA. The **Terrorism** exclusion to which this **Policy** is subject applies in full force and effect to any other claim and any act or **Event** that is not a "declared terrorist incident".

All other terms, conditions, insured coverage and exclusions of this **Policy** including applicable limits and deductibles remain unchanged.

If any or all of **Us** have reinsured this **Policy** with the Australian Reinsurance Pool Corporation, then any such underwriters will not be liable for any amounts for which they are not responsible under the terms of ATIA due to the application of a "reduction percentage" as defined in ATIA which results in a cap on the underwriter's liability for payment for "eligible Terrorism Losses".

General Conditions

The following conditions apply to all Sections of this **Policy**, unless more specifically stated in the relevant Section in which case the term in that Section shall take precedence:

Accommodation and Travelling Expenses

If your Vehicle is on a journey and:

- a. suffers Accidental Damage and is unable to be driven; or
- b. is lost by theft and not found within a reasonable time;

we will pay the reasonable cost for essential temporary accommodation expenses incurred by you to complete the journey or return to the point of departure, up to a maximum of \$500 for any one event unless such other amount is specified in the Schedule.

Actions of parties other than You

The acts or omissions of:

1. A tenant of **Yours**; or
2. The owner of, or another tenant in, the **Building** or situation;

which breach any provision of this **Policy** will not affect **Your** entitlement to cover provided that:

- a. The act or omission was committed without **Your** prior knowledge or complicity; and
- b. **You** notify **Us** of the happening or existence of the act or omission as soon as **You** become aware of it; and
- c. **You** pay any reasonable extra **Premium** which **We** require.

Alteration to risk

If **You** become aware of any changes to the facts or circumstances which existed when this **Policy** commenced that change the nature of the risk in a way



that would increase the risk of **Loss, Damage** or liability **You** must notify **Us** in writing. If **We** agree to the change, **We** will do so in writing and **You** must pay **Us** any additional **Premium** **We** require and/or **We** may cancel cover if **We** do not agree.

Bankruptcy or Insolvency.

In case of execution against **You** of any final judgment covered by this **Policy** being returned 'unsatisfied' by reason of such bankruptcy or insolvency, then an action may be maintained by the injured party or their representative against **Us** in the same manner, and to the same extent as **You** but not in excess of the **Limit of Liability** and subject to the terms of the **Policy**.

Basis and method of Settlement of Claims

We will choose the method of settlement of **Your** Claim. If **You** do not agree with the way **We** wish to settle **Your** claim **We** may settle all or any element of a claim for the cost to repair or replace any element of **Your** claim.

We have the right to choose the builder or repairer or supplier to repair, reinstate or replace Insured Property and **You** give **Us** the right to enter into a contract with a builder, repairer or supplier on **Your** behalf.

Burning, Welding and Cutting Condition

It is a condition of this **Policy** that all of the following precautions are adhered to on each occasion that **You** are using any oxy-acetylene or electric welding or power driven cutting/grinding equipment or any blow lamp or blow torch away:

1. The immediate area in which the operation is to be carried out must be segregated to the greatest practicable extent by the use of screens made of metal and/or fire retardant material;
2. The whole of the segregated area must be adequately cleaned and freed from combustible material before operations commence;
3. Combustible floors/substances in or surrounding this segregated area must be liberally covered with sand or protected by overlapping sheets of incombustible material;
4. The designated areas must be well away from spray painting and areas where flammable liquids or products are stored or used;
5. The following must be kept available for immediate use near the scene of operations:
 - a. suitable fire extinguishers; and/or
 - b. hoses connected up in readiness for immediate use and tested prior to the commencement of the work.
6. A thorough examination must be made in the vicinity of the work approximately one hour after the termination of each operation.
7. Any such works are conducted in accordance with Australian Standard AS1674;

If **You** do not carry out or maintain these minimum standards, **We** may reduce or refuse to pay a claim or may cancel this **Policy**.

Claim administration and legal proceedings

When a claim is admitted, **We** have the right at **Our** discretion to exercise all **Your** legal rights relating to the claim and to do so in **Your** name. **We** will take full control of the administration, conduct or settlement of the claim including any recovery or defence that **We** may consider is necessary.

Claim settlements – GST

When **We** calculate the amount **We** will pay **You**, **We** will have regard to the items below:

Where **You** are liable to pay an amount for GST in respect of an acquisition relevant to the claim (such as services to repair a **Damaged** item covered under this **Policy**) **We** will pay the GST amount.

We will pay the GST amount in addition to the sum insured or **Limit of Liability** or other limits shown in this **Policy**.

If **Your** sum insured or **Limit of Liability** is not sufficient to cover the claim, **We** will only pay the GST amount that relates to **Our** settlement of the claim.

We will reduce the GST amount **We** pay by the amount of any input tax credits to which **You** are or would be entitled.

Where **We** make a payment under this **Policy** as compensation instead of payment for a relevant acquisition, **We** will reduce the amount of the payment by the amount of any input tax credit that **You** would have been entitled to had the payment been applied to a relevant acquisition.

Where the **Policy** insures Business Interruption, **We** will (where relevant) pay **You** on the claim by reference to the GST exclusive amount of any supply made by **Your** **Business** that is relevant to the claim.

Complying with Our Requirements

You must comply, within a reasonable time which **We** will specify, with any request made by **Us**:

1. To arrange a survey of **Your** **Property** at **Your** cost if **We** require it prior to offering **You** cover under any Section;
2. To be allowed to survey **Your** **Premises** or examine **Your** **Products**;
3. For the protection or improvement of **Your** **Property**; or
4. To reduce the likelihood of **Loss** of or **Damage** to property, breakdown, audit, fidelity loss or any other **Loss** or **Damage** insured by the **Policy**.

Disclosure – Input tax credit entitlement

If **You** register, or are registered, for GST **You** are required to tell **Us** **Your** entitlement to an input tax credit on **Your** **Premium**. If **You** fail to disclose or **You** understate **Your** entitlement, **You** may be liable for GST on a claim **We** may pay. This **Policy** does not cover **You** for this GST liability, or for any fine, penalty or charge for which **You** may be liable.



Excess

You must pay any **Excess** that applies to a claim under any Section in **Your Policy** for any **Event**. The **Excess** that applies to that Section will be set out in **Your Schedule** and if not specified is \$1,000.

The **Excess** must be paid to **Us** or as **We** direct within the time **We** specify. Alternatively, **We** may deduct the **Excess** from the amount **We** pay for any Claim.

Unless specified elsewhere in a particular Section, **Your Excess** is included in calculating the **Limit of Liability**.

For the purpose of the application of any **Excess**, **Damage** resulting from:

1. earthquake occurring during each period of 72 consecutive hours, or
2. atmospheric disturbance (for example, and including, hailstorms) occurring during each period of 24 consecutive hours

is considered as one **Event** whether the earthquake or atmospheric disturbance is continuous or sporadic in its sweep or scope and the **Damage** was due to the same seismological disturbance or atmospheric conditions.

Each **Event** is deemed to have commenced on the first happening of any such **Damage**.

If more than one **Excess** can be applied to one **Event** then **You** will only need to pay the highest **Excess**, unless specified otherwise.

Fire Precaution Condition

It is a condition of this **Policy** that **You** adhere to the following fire precautions and minimum standards:

1. Smoking must be strictly prohibited internally throughout the workplace. "No Smoking" signs should be conspicuously displayed at all access points to the workplace. A dedicated external staff area is to be assigned for smoking with a clearly defined receptacle for extinguishing and disposing of cigarette butts;
2. Flammable liquids are to be stored in a purpose built flammable liquids store or cabinet;
3. The following minimum fire protection must be present:
 - a. A fire extinguisher outside any spray booth;
 - b. A fire extinguisher adjacent to the flammable liquids store;
 - c. A fire extinguisher adjacent to electrical switchboards;
 - d. A fire extinguisher for each 200sq metres of floor space or hose reels installed so that any point of the factory floor is reachable by at least one hose stream.
 - e. Fire extinguishers and hose reels should be kept accessible at all times. Sign posting should clearly identify the position of hose reels and extinguishers.
 - f. All fire protection equipment is to be inspected and certified at least every 12 months or as per the Relevant Standards of the Local State or Territory in which the **Building** is located.

If **You** do not carry out or maintain these minimum standards, **We** may reduce or refuse to pay a claim or may cancel this **Policy**.

Headings

Headings have been included for ease of reference only. The provisions of the **Policy** are not to be construed or interpreted by reference to such headings.

Interpretation

In this **Policy** the singular includes the plural and vice versa. The male gender includes the female and neutral genders.

A reference to section or Section in the **Policy** is a reference to a section of the **Policy**.

A reference to an additional benefit in a **Section** of the **Policy** is a reference to those additional benefits set out in that Section of the **Policy**.

A reference to an optional benefit in a **Section** of the **Policy** is a reference to those optional benefits set out in that Section of the **Policy**.

Keeping Us up to date

During the **Period of Insurance** and at renewal, **You** must tell **Us** of any of the following changes (for which **We** may ask for an additional **Premium** to maintain cover):

1. If the **Building** is not in a good state of repair;
2. Details of any work on the **Building** other than routine maintenance or decoration;
3. Any material change in the **Business**;
4. Any change of **Premises**;
5. details of any conversion or modification to a **Vehicle** made by someone other than the manufacturer. For example, if **You** give a **Vehicle** wide tyres or wheels, or lower its suspension; and
6. If there is any change in the use of **Your Vehicle**. For example, if **You** start using **Your Vehicle** for courier services.

You must tell **Us**:

1. If **You** or any person who is likely to drive **Your Vehicle** has been charged with or convicted of any motor offence or motor infringement (but not parking fines);
2. Details of any motor **Accidents** that **You** or any person likely to drive **Your Vehicle** has had – whether or not involving **Your Vehicle**; or
3. If **You** or any person who is likely to drive **Your Vehicle** is convicted of any criminal offence.

Maximum amounts

Where a dollar amount is specified e.g. "*Maximum: \$2,000*" for example in an Additional or Optional Benefit(selected by **You** and specified as covered in the Schedule) in any Section of this **Policy**, that amount is the maximum amount **We** will pay in respect of any one **Event** for that Additional or Optional Benefit unless a higher amount is specified for that Additional or Optional Benefit in **Your Schedule**.

Non-imputation

Where this insurance is arranged in the joint names of more than one **Insured**, as described in the definition of **You**, it is hereby declared and agreed that:



1. Each **Insured** shall be covered as if it made its own **Proposal** for this insurance;
2. Any declaration, statement or representation made in any **Proposal** shall be construed as a separate declaration, statement or representation by each **Insured**;
3. Any knowledge possessed by any **Insured** shall not be imputed to the other **Insured(s)**.

Other notices

Any communications under this **Policy** must be sent to **Us** by the **You** to **Our** address or facsimile number specified in this PDS.

Premium Adjustment

Unless otherwise stated, the **Premium** charged for this **Policy** is a flat **Premium** and not subject to adjustment, except in relation to the provisions contained within General Conditions 'Alteration to Risk' and 'Keeping Us up to Date'.

Reading exclusions

If any portion of any exclusion is found to be invalid or unenforceable the remainder will remain in full force and effect.

Reasonable care and maintenance

You must:

1. Take all reasonable steps to prevent **Loss** of or **Damage** to property, breakdown, financial loss, fidelity loss or any other **Loss** or **Damage** covered by this **Policy**;
2. Take all reasonable care to prevent **Personal Injury** to another person or **Damage** to another person's property;
3. Comply with all laws and safety requirements imposed by any authority or by state or national legislation;
4. Employ only competent **Employees**;
5. Keep all property well maintained; and
6. Keep all **Vehicles** in a roadworthy condition.

Reinstatement of Sum Insured

After **We** have admitted liability for a claim, **We** will automatically reinstate the Sum Insured and/or Additional Benefit limits to their pre-**Loss** amount without any additional **Premium** having to be paid. This condition does not apply when **We** pay a **Total Loss** or the full Sum Insured. Automatic reinstatement does not apply to Sections 1,2 and 3 and to additional Benefit in any Section.

Salvage Value

We are entitled to any **Salvage Value** on recovered and **Damaged** items that have been replaced.

Spray Painting Condition

It is a condition precedent to this **Policy** that spray painting is to be conducted in a spray booth with extraction vents whenever spray painting operations are undertaken as part of **Your Business**.

If **You** do not carry out or maintain these minimum standards, **We** may reduce or refuse to pay a claim or may cancel this **Policy**.

Storage of Hazardous Goods

Hazardous Goods stored at the **Situation** by any **Business** must be stored in quantities and in a manner permitted by relevant laws or regulations. Failure to comply with the above may cause a declination of a claim and/or cancellation of cover.

Subrogation and recoveries

Where **We** pay a claim, **We** are subrogated to **Your** rights in respect of that claim. **You** agree to provide **Us** with all information, evidence, documentation, assistance and co-operation and to execute such documents, including signed statements and affidavits, which **We** reasonably request in the exercise of **Our** rights of recovery, at **Your** own cost, and use reasonable endeavours to assist **Us** in the exercise of **Our** rights of recovery.

All **Money** recovered from other parties will be allocated in accordance with **Policy** 67 of the Insurance Contracts Act 1984 (C'th) as at the date this PDS and **Policy** Wording was prepared.

All **Money** recovered from other parties before settlement of any claim under this **Policy** will be held for the benefit of **Us** and applied as stated immediately above after settlement, if any is made.

Recoveries do not include any amount recovered from insurance, surety, reinsurance, security or indemnity taken for the benefit of **Us**.

Subrogation waiver

We agree to waive any rights and remedies or relief to which **We** may become entitled by way of subrogation against:

1. Any corporation or organisation (including its directors, officers, **Employees** or servants) owned or controlled by **You**, any of **Your** subsidiaries or any co-owner of the relevant **Insured Property**;
2. **Your** directors, officers, **Employees** or servants; or
3. Any government, semi-government, municipal or other statutory authorities or owners and lessors of **Premises** but only where **You** have waived **Your** rights or remedies against such parties or agreed to hold such parties harmless in any contract **You** have with them.

Under insurance

Claims under this **Policy** for Sections:

- 1 *Property Damage*,
- 2 *Business interruption*,
- 3 *Crime & Contingencies*
- 4 *Motor Combined Risks policies (clauses 4.1, 4.2 only)*,
- and
- 6 *Equipment breakdown*

will be limited in the amount that **We** pay when **You** have a claim if **You** have understated a sum insured or declared value in **Your Proposal** or request for insurance.

If **You** have understated a sum insured or declared value, **We** will only pay that proportion of the claim



which the sum insured bears to 80% of the value at the commencement of the Period of Insurance.

Example

You insure **Your Property** for Sum Insured \$100,000 and there is a fire. The repairs cost \$40,000.

The value of **Your Property** was actually \$200,000.

Under Insurance is applied on the value of **Your Building** that is less than 80% of the true value.

Claim payment calculation

Declared value: \$100,000

Actual value: \$200,000 x 80% (=160,000)

= .625

Claim cost: \$40,000 x .625

Payment to **You** because of under insurance = \$25,000 for the cost of repairs to **Your Property** (but always subject to the application of any **Excess** or GST provision above).

This condition does not apply if the amount of any **Loss** or **Damage** (net of any Input Tax Credit that **You** could claim) is less than 10% (ten percent) of the total Sum Insured specified in **Your Schedule** for a sum insured or a declared value.

Vehicle Return

Where your Vehicle is Damaged in an accident and unable to be driven we will pay up to a maximum of \$500 any one event (unless such other amount is specified in the Schedule) to return your Vehicle to its original destination or point of departure, whichever is required by you.

Your representative – authorisation

By entering into this **Policy**, **You** agree that the person representing **You** when applying for this insurance is authorised to give and receive information on **Your** behalf in relation to all matters arising under this **Policy** and in accordance with the Insurance Contracts Act 1984.

General Exclusions

Exclusions to all sections

The following exclusions apply to all Sections of this **Policy**, unless the relevant Section specifies to the contrary, in which case the term in that Section will prevail, however the Communicable Disease and Terrorism exclusions below, will apply to all Sections and prevail notwithstanding any clause to the contrary in any Section.:

Absolute Asbestos Exclusion

This **Policy** shall not apply to and does not cover any actual or alleged liability whatsoever for any claim or claims in respect of **Loss** or **Losses** directly or indirectly arising out of, resulting from or in consequence of, or in any way involving **Asbestos**, or any materials containing **Asbestos** in whatever form or quantity.

Biological or Chemical Materials

It is agreed that this **Policy** excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with the actual or threatened malicious use of pathogenic or poisonous biological or chemical materials regardless of any other cause or event contributing concurrently or in any other sequence thereto.

NMA2962 06/02/2003

Communicable Disease

Notwithstanding any other provision, clause or term of this **Policy** to the contrary, this **Policy** does not insure any **Loss**, **Damage**, liability, claim, cost, expense or other sum of any kind, whether directly or indirectly and/or in whole or in part, "relating to" or occurring concurrently or in any sequence with a "Communicable Disease" or the fear or threat (whether actual or perceived) of a "Communicable Disease".

For the purposes of this Exclusion, **Loss**, **Damage**, liability, claim, cost, expense or other sum, includes, but is not limited to, any cost to clean-up, detoxify, remove, monitor or test:

1. for a "Communicable Disease", or
2. any property insured hereunder that is affected by a "Communicable Disease".

As used herein:

1. "Communicable Disease" means any infectious disease, contagious disease or communicable disease or any other disease which can be transmitted by means of any substance and/or agent from any organism to another organism where:
 - a. the disease, substance or agent includes, but is not limited to, a virus, bacterium, parasite or other organism or any variation or mutation thereof, whether deemed living or not, and
 - b. the method of transmission, whether direct or indirect, includes but is not limited to, airborne transmission, bodily fluid transmission, transmission from or to any surface or object, solid, liquid or gas or between organisms, and
 - c. the disease, substance or agent can cause or threaten **Damage** to human health or human



welfare or can cause or threaten **Damage** to, deterioration of, **Loss** of value of, marketability of or **Loss** of use of tangible or intangible property insured hereunder.

2. "relating to" means relating to, in connection with, arising under, arising out of, as a result of, as a consequence of, attributable to, and any other term commonly used and/or understood to reflect or describe a nexus and/or connection from one thing to another whether direct or indirect.

This exclusion applies to all coverage extensions, additional coverages, exceptions to any exclusion and other coverage grant(s).

All other terms, conditions and exclusions of the **Policy** remain the same.

LMA5393 (SCOR Edits) - 15 April 2020

Deliberate Acts

This **Policy** shall not apply to and does not cover any claim or claims in respect of **Loss, Damage** or liability arising from criminal, deliberate or intentional acts or omission caused or incurred by **You** or by any person acting with **Your** express or implied consent.

Driving Under the Influence of Drugs/Alcohol

Directly or indirectly, caused by, arising from or in connection with **Vehicles** being driven or controlled by **You**, on **Your** behalf or by any of **Your Employees**:

1. Whose faculties are impaired by or who is under the influence of alcohol or drugs and/or alcohol;
2. Who has been convicted of driving or controlling any such **Vehicle** while under the influence of alcohol and/or drugs;
3. In whose breath or blood the concentration of alcohol equals or exceeds that prohibited by the law applicable in the State or Territory at the time the incident occurred, as indicated by analysis of the person's breath or blood; or
4. Who fails or refuses:
 - a. To provide a specimen, or sample of breath for analysis by a breath analysing instrument;
 - b. To provide a specimen or sample of blood for a laboratory test or blood test; or
 - c. To comply with a direction or requirement of a member of the police force or other authorised person as to the provision 4a. or 4b, where such specimen or sample is sought or such direction or requirement is made to ascertain the concentration of alcohol or drugs in such person's breath or blood while the **Vehicle** was being driven or controlled by any such person.

However, this Exclusions shall not apply if:

1. There is any relevant statutory provision to the contrary;
2. There is any statutory provision which allows an election or exemption of a person from providing a specimen or sample but only to the extent of such election or exemption; or
3. Where **You** were not driving or controlling the **Vehicle**, and **You** did not consent to the **Vehicle** being either driven or controlled by any such person, however the burden of proof shall be upon **You**.

Fuel and Oils

This **Policy** does not cover any **Loss, Damage** or liability directly or indirectly caused by, arising from or in any way connected with:

1. Incorrect fuel, incorrect additive or non-approved fuel systems
 - a. the use of incorrect fuel or incorrect additive; or
 - b. the use of a fuel system in **Your Vehicles** and which does not comply with Australian Standards.
2. **Loss** of fuel

The **Loss** of or **Theft** of fuel from **Your Vehicles** or **Property** or for the cost or replacement of contaminated fuel in **Your Vehicle** or **Property**.

3. **Loss** of oil/coolant

Any resultant mechanical **Damage** caused by the **Loss** of oil or coolant in **Your Vehicle**. However, this exclusion will not apply if **Your Vehicle**:

- a. suffers Malicious Damage; or
- b. is **Damaged** by impact; or
- c. is **Damaged** by an unauthorised person driving **Your Vehicle**.

Known Faults or Defects

This **Policy** does not cover claims, **Loss, Damage** or liability caused by faults or defects known to **You** or any **Employee** whose knowledge in law would be deemed to be **Yours** and not disclosed to **Us** at the time this **Policy** was entered into.

Lawful Seizure

This **Policy** does not cover claims, **Loss, Damage** or liability directly or indirectly caused by, or arising from, or in consequence of, or contributed to by Lawful seizure caused directly or indirectly by the lawful seizure, detention, confiscation, nationalisation or requisition of the **Property Insured**;

Radioactive Contamination and Explosive Nuclear Assemblies

This **Policy** does not cover:

- a. loss or destruction of or damage to any property whatsoever or any loss or expense whatsoever resulting or arising therefrom or any consequential loss; or
- b. any legal liability of whatsoever nature; directly or indirectly caused by or contributed to by or arising from
 - (i) ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel
 - (ii) the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof.

NMA1622 04/04/1968

Sanction Limitation and Exclusion Clause

No (re)insurer shall be deemed to provide cover and no (re)insurer shall be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose that (re)insurer to any sanction,

prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of Australia, the European Union, United Kingdom or United States of America.

Terrorism

Notwithstanding any provision to the contrary within this **Policy** or any endorsement thereto it is agreed that this **Policy** excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any **Act of Terrorism** regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

This Exclusion also excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to any **Act of Terrorism**.

If **We** allege that by reason of this exclusion, any loss, damage, cost or expense is not covered by this **Policy** the burden of proving the contrary shall be upon the **You**.

In the event any portion of this Exclusion is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

NMA2920 08/10/2001

Tyre Manufacturing, Re-tread or Rebuild Tyre Manufacturing

This **Policy** does not cover, **Loss, Damage** or liability directly or indirectly arising out of or in any way connected with tyre manufacturing, re-tread or rebuilt tyre manufacturing.

War and Civil War

This **Policy** does not cover **Loss, Damage** or liability directly or indirectly occasioned by, happening through or in consequence of war, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power or confiscation or nationalisation or requisition or destruction of or damage to property by or under the order of any government or public or local authority.

NMA0464 01/01/1938

Exclusions to Sections 1, 2, 3, 4 & 6

The following exclusions apply to Sections **1, 2, 3, 4 & 6** of this **Policy**, unless the relevant Section specifies to the contrary in which case the term in that Section will prevail. However, the Property Cyber and Data exclusion below, will apply to all Sections and prevail notwithstanding any clause to the contrary in any Section.

Absolute Cladding Exclusion

This **Policy** shall not apply to and does not cover any claim or claims in respect of **Loss** or **Losses** directly or indirectly arising out of, resulting from or in

consequence of, or in any way involving cladding (meaning, the installation of which would not comply with the Building Code of Australia) including but not exclusively any skin or layer attached to the outside of any:

1. **Buildings** or
2. **Your Premises** or
3. Property, or
4. any materials which form part of the cladding, skin or layer of **Your Buildings** or Property in whatever form.

Consequential Loss

This **Policy** does not cover **Consequential Loss** of any kind including **Loss** resulting from delay or lack of performance, **Loss** of contract or depreciation in value of any undamaged **Insured Property**.

Excluded Perils

We will not pay for **Damage** caused directly or indirectly by or in connection with or arising from or occasioned through:

1. **Flood**
2. Fusion
3. **Water** from or action by the **Sea**, tidal wave or high **Water**
4. Moths, termites or other insects, vermin, rust or oxidation, mildew, **Mould, Contamination** or pollution, wet or dry rot, corrosion, change of colour, dampness of atmosphere or other variations in temperature, evaporation, disease, bacteria, viruses, inherent vice or latent defect, **Loss** of weight, change in flavour, texture or finish, smut or smoke from industrial operations (other than sudden and unforeseen **Damage** resulting from such smoke or smut);
5. Wear and tear, fading, gradual deterioration or developing flaws, normal upkeep or making good;
6. Error or omission in design, plan or specification or failure of design;
7. Normal settling, seepage, shrinkage or expansion in **Buildings** or foundations, walls, pavements, **Roads** and other structural improvements, creeping, heaving and vibration of land; or
8. The roots of trees or other plants
9. The **Explosion**, implosion, rupture, **Collapse**, bursting, cracking or overheating of any **Boiler**, economiser or other pressure vessel, including pipes, valves and other apparatus forming part of any of these and in respect of which a certificate is required to be issued under terms of any statute or regulation. This exclusion shall be limited to the items immediately affected by the perils in this clause 9;
10. Faulty materials or faulty workmanship.
11. Incorrect siting of **buildings** consequent upon:
 - a. Error in architectural design or specification;
 - b. Faulty workmanship; or
 - c. Non-compliance by **You** (or anyone acting on **Your** behalf) with the necessary permits issued by government, public or local authorities;



12. Demolitions ordered by government or public or local authorities due to failure on **Your** part or **Your** agents to obtain the necessary permits required;
13. Spontaneous combustion, spontaneous fermentation or heating or any process involving the direct application of heat. However, this exclusion is limited to the item or items immediately affected and do not extend to other property **Damaged** as a result of the spontaneous combustion, fermentation or heating or process involving the direct application of heat.
14. unexplained disappearance or unexplained inventory shortage, whether resulting from errors in supply or delivery of materials by or to **You** or solely from clerical or accounting errors by **You**;
15. **Pollution and Contamination** except **Loss** or destruction of or **Damage** to **Property Insured** at the **Situation** caused by:
 - a. **Pollution and Contamination** at the **Situation** which itself results from fire, lightning, **Explosion, Aircraft** or other aerial devices or articles dropped therefrom, riot, civil commotion, strikers, locked out workers, persons taking part in labour disturbances, malicious damage, earthquake, storm, bursting, overflowing discharging or leaking of **Water** tanks, apparatus or pipes, sprinkler leakage or impact by any **Vehicle** or animal;
 - b. Any of the perils listed in a. above which itself results from **Pollution and Contamination**;
16. **Accidental Damage**, unless specified in the **Schedule** as insured and then only up to the Sub limit specified in the **Schedule**
17. fraudulent or dishonest acts, fraudulent misappropriation, embezzlement, forgery, counterfeiting data corruption, unauthorised amendment of data and erasure by electronic or non-electronic means involved the **Insured Property** by **You** or any of **Your Employees** acting alone or in collusion with any other person;
18. Access by any person, other than **You** or **Your Employee**, to **Your** computer system via data communication media that terminate in **Your** computer;
19. The cessation of work whether total or partial or the cessation, interruption or retarding of any process or operation as a result of strikes, labour disturbances or locked out workers. However, this exclusion does not apply in respect of **Loss** or **Damage** directly caused by strikers, locked out workers or similar persons;
20. Erosion, subsidence, earth movement or **Collapse** resulting from them; or
21. Kidnapping, bomb threat, threat of **Contamination**, hoax, extortion or any attempt of these.

We will pay for **Damage to Insured Property** caused directly by any circumstances not excluded under this Excluded Perils provision, notwithstanding that these circumstances may in turn have been caused by any of the circumstances referred to in specific perils above.

Property Cyber and Data Exclusion

Notwithstanding any provision to the contrary within this **Policy** or any **Endorsement** thereto this **Policy** excludes any:

- **Cyber Loss**;
- loss, **Damage**, liability, claim, cost, expense of whatsoever nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any **Loss** of use, reduction in functionality, repair, replacement, restoration or reproduction of any **Data**, including any amount pertaining to the value of such **Data**;

regardless of any other cause or event contributing concurrently or in any other sequence thereto.

In the event any portion of this exclusion is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

This exclusion supersedes and, if in conflict with any other wording in the **Policy** or any **Endorsement** thereto having a bearing on **Cyber Loss** or **Data**, replaces that wording.

Definitions in this exclusion:

Cyber Loss means any loss, **damage**, liability, claim, cost or expense of whatsoever nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any **Cyber Act** or **Cyber Incident** including, but not limited to, any action taken in controlling, preventing, suppressing or remediating any **Cyber Act** or **Cyber Incident**.

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

Cyber Incident means:

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

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

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

LMA5401 11 November 2019



Property Exclusions

We do not cover any **Loss** or **Damage** to:

1. Property undergoing construction, erection, alteration or addition when the value of work exceeds 10% of the Declared Value on **Buildings** at the **Situation**;
2. Property whilst in transit other than the incidental movement of property within the **Premises** other than during temporary removal of **Insured Property** (other than stock or merchandise and **Vehicles**) to any **Premises** in Australia;
3. **Money**;
4. Jewellery, furs, bullion, precious metals or precious stones, other than any of these that are stock of the **Business** and not exceeding \$2,000 unless specified on the **Schedule**;
5. Works of art, antiques and curios unless they are on the **Premises** at the **Situation** at the time of the **Damage** and then limited to an amount not exceeding \$2,000 in total unless such other amount is specified in the **Schedule**;
6. Any locomotive or rolling stock or **Watercraft**, other than any of these that are stock of the **Business**, however, cover in respect of **Watercraft** whilst on **Water** will only apply to stock whilst being used for demonstration purposes, up to the amount set out on the **Schedule**;
7. Any **Aircraft** (including its **Accessories** or spare parts) other than any of these that are stock of the **Business**, however, no cover is provided for any **Loss** or during taxiing, take off, flight or landing;
8. Any **Vehicles** or customer's **Vehicles** or other property owned by **Your** customers except as specifically provided for in **Policy** in Section 4- *Motor Combined Risks* and other than to the extent cover is specifically provided under that Section;
9. Livestock, animals, birds or fish;
10. Standing timber, growing crops and pastures;
11. Land, other than structural improvements on or in the land if those structural improvements are not otherwise excluded in this **Policy**;
12. Bridges, canals, tunnels, railway tracks, dams and reservoirs (other than tanks) and their contents;
13. Docks, wharves and piers not forming part of any **Building**;
14. Mining property located beneath the surface of the ground unless otherwise expressly stated in this **Policy**;
15. Property during the course of, and as a result of, its processing or modification;
16. Property in the **Open Air** other than hail nets, textile canopies, awnings and blinds unless such property comprises or forms part of a permanent structure designed to function without protection of walls or roof caused by wind, rainwater or hail;
17. **Vehicles** other than customer's **Vehicles** in the **Open Air** caused by hail;
18. Hail **Damage** to **Vehicles** when located at a residential address other than the **Situation** defined in **Your Schedule**.
19. Property forming part of any or under construction, erection, alteration or addition when the value of work to be completed at any one **Premises** at the

time of the **Damage** exceeds 10% of the **Limit of Liability** specified for Section 1 or \$500,000,

whichever is the lesser. This exclusion will apply only to the works comprising such construction, erection, alteration or addition and not to any original or existing structures;

20. Empty **Premises** undergoing demolition; or

21. Any equipment where such **Damage** is caused by a breakdown of the equipment.

Unexplained Loss

Damage caused by or consisting of disappearance unexplained or inventory shortage, misfiling or misplacing of information.

Unsealed Roads

For all circumstances (except for specified **Vehicles** and where specified in the **Schedule**), this **Policy** has a total exclusion for **Vehicles** on unsealed **Roads**.

Vehicles Locked In Buildings

If **You** have noted on **Your Proposal** that all **Vehicles** are locked in **Buildings** during non-business hours, then there is a general exclusion on all **Vehicles** that are not kept within **Buildings** during non-working hours. This exclusion does not apply to **Vehicles** that are not at the **Business** location for **Business** purposes, where they are in the care custody and control of another **Business**.



Section 1 Property Damage

1.1 Insuring Clause

We will indemnify **You** in respect of **Damage to Property Insured** occurring during the **Period of Insurance** at the **Premises** subject to the **Excess**.

We will also pay for the reasonable costs of effecting **Emergency Repairs to Your Property**, following **Damage** which is the subject of indemnity under this Section.

1.2 Limit of Indemnity

The maximum **We** will pay under this Section in any one **Period of Insurance** will not exceed

1. The sum insured on each item in the **Schedule** or
2. The total sum insured specified in the **Schedule** for the claim; or
3. Any other maximum amount payable or **Limit of Liability** specified in the **Schedule**

You should refer to each Section and **Your Schedule** for specific limits.

1.3 What We Cover

Your Property

1. the property shown in the **Schedule**
2. the property in the Premises in **Your** custody or control
3. the property for which **You** are responsible under any lease, hire, rental or similar contractual agreement,

in connection with the **Business** but excluding commercial loads of customer's **Vehicles**.

1.4 Definitions Applicable to this Section

Declared Values

The values of property insured at each **Situation** calculated as applicable in accordance with the Basis of Settlement. **You** shall complete a statement of declared values at the commencement of the **Period of Insurance** and as at the end of the **Period of Insurance**.

1.5 Basis of Settlement

Reinstatement or replacement

We will pay the cost of rebuilding, replacing or repairing any **Damaged** part of **Your Business** property to the same condition as when they were new or, where appropriate.

On hail nets, textile canopies, awnings and blinds, reinstatement and replacement value for the first 24 months following installation as new. After this time, **We** will pay the reinstatement and replacement value less 10% for each subsequent 12 month period or part of that period.

Business property may be rebuilt or erected at another location and in a manner suitable to **You** provided **You** pay any additional costs to build or erect elsewhere. If the **Business** property is lost or **Damaged**, **You** must commence to rebuild, replace or repair within a reasonable time of the **Loss** or **Damage**, after **Our** consent has been obtained. If **You** do not, **We** will pay no more than the cost that would have been incurred if

the work of rebuilding, replacement or reinstatement has been commenced and carried out with reasonable dispatch.

Extra cost of reinstatement

(Applicable to **Buildings**, machinery and plant). Where 'reinstatement or replacement' basis of settlement is shown in the **Schedule**, this cover extends to include the extra cost of reinstatement (including demolition or dismantling) of **Damaged** property **Insured** necessarily incurred to comply with the requirements of any Act of Parliament or Regulation made under an Act or by law or the Regulation of any Municipal or Statutory Authority, subject to the following provisions and subject also to the terms, conditions and sums **Insured** of this Section.

Provided that:

1. The work of reinstatement, must be commenced and carried out within a reasonable period, failing which **We** will not pay more than the amount which would have been payable under the **Policy** if the work of reinstatement had been commenced and carried out with reasonable dispatch;
2. The work of reinstatement may be carried out wholly or partially upon any other site, if the requirements of the Act, Regulation or By-law necessitate it, subject to **Our** liability not being increased;
3. **Our** total liability under this clause 'Extra cost of reinstatement' will be limited to:
 - a. The **Limit of Liability** shown in the current **Schedule** for 'Extra cost of reinstatement' shall be in addition to the sum **Insured** for **Insured Property**; or
 - b. If no such sub-Limit of Liability is stated, and the replacement cost of the **Damage to Buildings or contents**, as the case may be, is less than fifty percent (50%) of the replacement cost of the **Buildings** or contents, **Our** liability shall be limited to the extra cost necessarily incurred in reinstating the **Damaged Business** property only;
4. The amount recoverable shall not include the additional costs incurred with complying with any such Act, Regulation or By-law or requirement with which **You** have been required to comply prior to the happening of the **Damage**.

The underinsurance condition in Section 1 will not be applied to the amount payable under this clause.

Floor space ratio index (plot ratio)

Where **Buildings** are **Damaged** and the cost of reinstatement is more than 50% of the cost of reinstatement if the **Buildings** had been totally destroyed and reinstatement of such **Damage** is limited or restricted by:

1. Any Act of Parliament or regulation thereunder; or
2. Any by-law or regulation of any municipal or other statutory authority;

resulting in either case in the reduction of the floor space ratio index (plot ratio) of the site, then **We** shall pay in addition to the amount payable on reinstatement of such **Buildings** the difference between:



1. The actual costs incurred in reinstatement subject to the reduced floor space ratio index (plot ratio); and
2. The estimated cost of reinstatement at the time of **Damage** had the reduced floor space ratio index (plot ratio) not applied.

Provided that **Our** total liability for reinstatement or replacement value, additional costs of compliance and under this 'Floor Space Ratio Index (Plot Ratio)' clause shall not exceed the sum insured respect of the **Buildings** which are the subject of the claim.

Loss of Land Value

If a competent local or government authority refuses to allow the full reconstruction of the **Premises** following **Damage**, or allows partial reconstruction only, **We** will pay the difference between the **Land Value** before and after the **Damage**.

We will deduct from what **We** pay any amount of compensation payable to **You** by the relevant authority arising out of the action of the authority.

Our liability in respect of **Loss of Land Value** is limited to \$500,000.

The following provisions apply to this condition:

1. **Our** payment will be made following the ruling of the competent local or government authority resulting in the **Loss of Land Value**.
2. If **We** have made a payment to **You** and subsequently the ruling of the competent local or government authority is changed resulting in an increase in the **Land Value**, that part of the claim paid in excess of the revised **Land Value** will be refunded by **You** to **Us**.
3. All disputes relating to **Land Value** will be referred to the decision of two registered valuers, one to be appointed by each of the parties, and if the two registered valuers do not agree, to a third valuer appointed by the President of the Australian Institute of Valuers as an expert whose decision shall be binding.

1.6 Additional Benefits

The following additional benefits apply to this Section. These benefits will only be payable in the event that a claim is paid under *this* Section. Unless stated otherwise, these additional benefits are included in **Our Limit of Liability** and not in addition to it.

Architects, surveyors, legal and consulting engineer's fees

We will cover **You** for architects, surveyors, legal and consulting engineers, and other fees incurred in the reinstatement or repair of the property insured under the **Policy** following **Damage**, but not for preparing any claim. The amount payable under each item will not exceed in total its sum insured.

Clearance of drains

The insurance for **Buildings** extends to include expenses reasonably incurred by **You**, with **Our** consent, in cleaning, clearing and/or repairing drains, sewers or

gutters for which **You** are responsible as a consequence of **Damage** on the **Premises**.

Maximum: \$10,000

Customs, excise and other duties

We will cover **You** for **Your** liability for customs, excise and other duties which **You** become liable to pay in connection with the repair or reinstatement of **Insured Property** that is covered by this Section.

Director's or Employee's property

We will cover **You** for the replacement cost of the following property used for the **Business** and caused by an **Event** covered by this Section which happens during the **Period of Insurance**:

1. **Personal Property** of **Your** directors or **Employees** on the **Premises** at the time of the **Loss or Damage**; and
2. Tools of trade belonging to **Your** directors or **Employees** away from the **Premises** at the time of the **Loss or Damage**.

Maximum: \$10,000

Employees tools

We will pay for **Damage** to portable hand tools belonging to **Your Employees** which **You** accept responsibility for and are being used in connection with the **Business**, whilst at the **Premises** (provided the sums insured in the **Schedule** are equal to or more than the **Market Value**).

Maximum: \$10,000 per Employee, Aggregate \$20,000 per event.

Exhibition Sites

We will indemnify **You** in respect of **Damage** as insured by this Section for **Insured Property** whilst at any exhibition within Australia where **You** are exhibiting goods for a period which does not exceed seven days duration in the course of demonstration, construction, erecting or dismantling at any such exhibition.

We will not indemnify **You** in respect of **Damage** caused by **Theft** or attempted **Theft** from an unattended **Vehicle**, being any **Vehicle** with no person in charge or keeping the **Vehicle** under observation and able to observe or prevent any attempt by any person to interfere with the **Vehicle** unless all keys, key cards or remote control transmitter are removed from the **Vehicle** and the **Vehicle** is securely locked at all points of access and any additional locking devices immobilisers or alarms be in operation where fitted by the manufacturer or a professional

Maximum: \$50,000

Exploratory costs

We will cover the reasonable costs of identifying and locating the source of the **Damage** for which a claim is payable, where such **Damage** is caused by the bursting, discharge, overflowing or leakage from fixed apparatus, fixed appliances, fixed pipes or other systems used to hold or convey liquid of any kind but **We** will not pay for the repair or replacement of such apparatus, appliances, pipes or other systems which give rise to the **Damage**.

We will not pay for any of these costs if the **Damage** is caused by a **Building** defect, **Building** movement, wear, tear, gradual corrosion, gradual deterioration, Earth Movement or by trees, plants or their roots.
Maximum: \$5,000.

Express carriage rates and extra payments

We will cover **You** for the costs and expenses incurred by **You** for express carriage rates and extra payments for overtime, night, Sunday or holiday working incurred in connection with the repair or reinstatement of **Insured Property** that is covered by this Section.
Maximum: \$2,000

Fire Brigade Damage

We will indemnify **You** in respect of costs and expenses necessarily incurred in reinstating or repairing landscaped gardens and grounds following **Damage** caused by fire brigade equipment or personnel in the course of combating fire
Maximum: \$20,000

Fire extinguishing costs

This Section includes the reasonable costs and expenses incurred in refilling, recharging and replacing any

1. Portable fire extinguishing appliances
2. Local fire suppression system
3. Sprinkler installation
4. Sprinkler heads

as a result of **Damage** insured by this Section.
Maximum: \$5,000.

We will not cover **You** for any costs and expenses recoverable from **Your** maintenance company or fire and rescue services.

Government or authority fees

Any fee, contribution or other impost payable to any government, local government or other statutory authority where payment of the fee, contribution or impost is a condition precedent to the obtaining of consent to reinstate any **Property Insured**, provided that **We** will not be liable for payment of any fines and/or penalties imposed upon **You** by any such authorities.
Maximum: \$2,000

Landscaped grounds

This Section includes costs incurred by **You** with **Our** consent in reinstating or repairing landscaped gardens and grounds following **Damage** to **Insured Property** at the **Premises**.
We will not cover **You** for any subsequent costs arising due to the failure of reinstated or repaired trees, shrubs, plants, turf and the like to germinate or become established.
Maximum: \$10,000

Lock Replacement – Other than Vehicles

We will indemnify **You** in respect of the cost of changing locks or lock mechanisms on doors windows safes and strongrooms at the **Premises** to maintain security following **Theft** of keys from the **Premises** or from **Your**

home or the home of any director partner or **Employee of Yours**
Maximum: \$2,000

Miscellaneous property

Cover for **Buildings** and machinery, plant and all other contents also includes

1. Telephone, gas, **Water** and electrical instruments, meters, piping, cabling and all **Accessories** including similar property in adjoining yards, roadways or underground pertaining to the **Premises** insured under the **Policy** and for which **You** are responsible
2. Plant, conveyors, trunk cables, lines, wire, service pipes and other equipment including all supporting structures in the open or adjoining or connected with a **Building(s)**.

Removal of Debris

This Section also includes costs and expenses necessarily incurred with **Our** consent in

1. Removing **Debris**
 2. Dismantling and/or demolishing
 3. Shoring up or propping
- of the portion(s) of the **Building(s)** as a result of **Damage**. We will not pay for any costs or expenses
1. Incurred in removing **Debris** except from the site of the property destroyed or **Damaged** in the area immediately adjacent to the site
 2. Arising from **Pollution and Contamination** of property not insured by this Section

Maximum: The lesser of 10% declared value at situation or \$100,000

Temporary protection costs

We will cover **You** for the costs and expenses necessarily and reasonably incurred for the temporary protection and safety of **Insured Property** pending repair or replacement as a result of **Damage** covered by this Section.
Maximum: \$100,000

Temporary removal

This Section extends to cover **Insured Property** other than motor **Vehicles** whilst temporarily removed from the **Premises** for **Business** purposes anywhere in the **Policy** territories excluding

1. Any amount in **Excess** of 10% of the item sum insured shown in the **Schedule** or \$25,000 whichever is the less
2. Property whilst at any exhibition
3. **Employee's** tools
4. Property in **Vehicles**
5. Property in transit
6. Property which is removed from the **Premises** for more than 90 consecutive days, unless **We** agree a longer period in writing
7. Property which is more specifically **Insured**.

Maximum: \$20,000

1.7 Conditions applying to this Section

The following conditions apply to this Section:

Acquired companies

This Section extends to cover **Vehicles** located in Australia belonging to companies and other organisations in which **You** acquire a controlling interest during the **Period of Insurance**, provided that:

1. **You** tell **Us** about details of such acquisition within 90 days following the date of acquisition; and
2. The **Business** of the new acquisition is similar to the **Business**.

For the purposes of this clause, a controlling interest will mean, in the case of a company, the acquisition of shares carrying more than 50% of votes capable of being cast at a general meeting of ordinary shareholders in such company.

Branded goods

Any salvage of branded goods or merchandise, **You** own or which is held by **You** in trust or on commission, or goods sold but not delivered, will not be disposed of by sale without **Your** consent. If such salvage is not disposed of by sale, then the **Damage** will be assessed at the value agreed between **You** and **Us** after brands, labels or names have been removed by or on **Your** behalf.

Fire-break doors and shutters

All fire-break doors and shutters must be kept closed except during working hours and be maintained in efficient working order. If **You** fail to comply with these conditions **We** may decline a claim in respect of fire and/or cancel the **Policy**.

Fire extinguishing appliances

All fire extinguishing appliances must be maintained in efficient working order during the **Period of Insurance**. If **You** fail to comply with these conditions **We** may decline a claim in respect of fire and/or cancel the **Policy**.

This **Policy** will not be invalidated by any defect in any of the appliances due to any circumstances beyond **Your** control.

Glass

This section does not cover incidental glass damage, as glass cover is offered within Section 3. Section 1 will provide glass cover where there is structural or major damage to the building.

Insurer's rights

On the happening of any **Loss** or **Damage** in respect of which a claim is or may be made under this **Policy**, **We** and every person authorised by **Us** may, without incurring any liability and without diminishing **Our** right to rely upon any conditions of this **Policy**, enter, take or keep possession of any **Building** or **Premises** where the **Loss** or **Damage** has happened and may take possession of or require to be delivered to **Us** any of the **Insured Property** and may keep possession of and deal with such

property for all reasonable purposes and in any reasonable manner.

Sprinkler installations

You must ensure that the **Premises** are protected, as required by law, by an approved installation of automatic sprinklers, automatic external alarm signal and automatic alarm signal connected with a fire brigade station. **You** must also ensure that these installations are maintained in good working order.

You must undertake the regular maintenance of these installations in accordance with Australian Standard AS 2118 Automatic Sprinkler Installation.

Notice of all alterations, additions and maintenance to the automatic sprinkler installation must be given by **You** to **Us** as soon as reasonably practicable.

Once **You** notify **Us** of any changes, **We** will decide if **We** will agree to continue to insure **You** under this **Policy**, and on what terms. **We** may charge **You** additional **Premium** to continue to insure **You** if **We** agree or **We** may cancel cover if **We** disagree.

Underinsurance

If:

1. At the time of the claim, the declared value of **Your Insured Property** at the commencement of the **Period of Insurance** was less than 85% of the actual value of **Your Insured Property** at the time of the claim; and
2. At the commencement of the **Period of Insurance**, the declared value of **Your Insured Property** was insured for less than 85% of actual value of **Your Insured Property**,

then **We** will pay the same proportion of the **Loss** which **Your** declared value of **Your Insured Property** bears to 85% of the actual value of **Your Insured Property**.

This condition does not apply if the relevant claim does not exceed 5% of the amount of the declared value of **Your Insured Property** at the commencement of the **Period of Insurance**.



Section 2 Business Interruption

2.1 Insuring clause

In the **Event of Insured Property** used by **You** at the **Premises** for the purpose of the **Business** being **Damaged** and that **Damage** is covered under Section 1, **We** will cover **You** for the **Loss** resulting from such interruption or interference with the **Business** carried on by **You**, as a consequence of that **Damage** in accordance with the following terms and conditions.

2.2 Definitions

The following definitions apply to Section 2

Adjustments

Mean, in respect of shortage in turnover, rate of **Gross Profit**, rate of payroll, standard turnover and annual turnover such Adjustments as may be necessary to provide for the trend of the **Business** and for variations in or other circumstances affecting the **Business** either before or after the **Damage** or which would have affected the **Business** had the **Damage** not occurred, so that the figures adjusted represent as nearly as may be reasonably practicable the results which but for the **Damage** would have been obtained during the relative period after the **Damage**.

Annual turnover

Means the turnover of the **Business** (subject to any Adjustments) during the 12 months immediately before the date of the **Damage**.

Gross income

Means the amount paid or payable to **You** for goods sold, services rendered, or rental received, less the purchase price of **Vehicles** or stock.

Indemnity period

Means the period beginning when the **Damage** took place, and ending when the **Business** is no longer affected by the **Damage**, or the period shown in the **Schedule**, whichever is the sooner.

Insured Property

Means all real and **Personal Property** of every kind and description (except as excluded in this **Policy**) belonging to **You** or for which **You** are responsible, or have assumed responsibility to insure prior to the occurrence of any **Damage**, including all such property in which **You** may acquire an insurable interest during the **Period of Insurance**.

Insured Property Insured excludes:

1. **Customer Vehicles**: - **You** should refer to Section 4- 'Motor Combined Risks' for cover relating to **Vehicles**, stock of **Vehicles**, **Customer Vehicles**.
2. **Vehicles** financed under **Your Dealer Floor Plan Agreements**: - **You** should refer to Section 4- 'Motor Combined Risks' for cover relating to **Vehicles**, stock of **Vehicles**, and **Customer Vehicles**

Payroll

Means the remuneration (including but not limited to payroll tax, fringe benefits tax, sick pay, bonuses, holiday pay, long service leave, workers' compensation insurance premiums and accident compensation levies, superannuation and pension fund contributions, and the like), paid to or on behalf of all **Employees** employed in the **Business**.

Rate of Gross Profit

Means the rates of **Gross Profit** (subject to any Adjustments) expressed as a percentage, earned on the standard income during the financial year immediately before the date the **Damage**.

Rate of payroll

Means the rate of payroll to turnover (subject to any Adjustments) during the 12 months immediately before the date of the **Damage**.

Shortage in turnover

Means the amount by which the turnover (subject to any Adjustments) during a period shall, as a consequence of the **Damage**, fall short of the part of the **Standard Turnover** which relates to that period.

Standard income

Means the gross income during that period which corresponds to the **Indemnity Period**, in the 12 months before the **Damage** occurred.

Standard turnover

Means the turnover (subject to any Adjustments) during that period in the twelve months immediately before the date of the **Damage** which corresponds with the **Indemnity Period**.

Theft

Means **Theft** or attempted **Theft** of **Insured Property**, involving:

1. **Theft** following forcible and violent entry to the **Premises** or any attempt at that;
2. **Theft** or any attempt at **Theft** by a person feloniously concealed on the **Premises**;
3. **Theft** following assault or violence or threat of immediate assault or violence to **You**, **Your Employees** or customers, occurring on the **Premises**;
4. **Theft** following armed hold up occurring at the **Premises**; or
5. **Theft** or attempted of stock of spare parts or **Accessories** whilst in, on the **Premises**.

Turnover

Means the **Money** (less discounts, if any allowed) paid or payable to **You** for goods sold and delivered and for services rendered in the course of the **Business** at the **Premises**.



2.3 Limit of Indemnity

The maximum **We** will pay for any **Event** in the **Period of Insurance** is the **Limit of Liability** specified in the **Schedule**.

2.4 Additional benefits

The following additional benefits apply to *this* Section. These benefits will be payable in the **Event** that a claim is paid under *this* Section. Unless stated otherwise, these additional benefits are included in **Our Limit of Liability** and not in addition to it.

Accounts receivable

All sums due to **You** from customers that **You** are unable to collect because of **Damage** to records of accounts receivable. **We** will also pay collection expenses in **Excess** of normal collection costs made necessary because of the **Damage** as well as interest charges at the ruling rate of **Your** bank on any loan to offset impaired collections pending repayment of such sums made uncollectible by such **Damage**. If **You** cannot accurately establish the total amount of accounts receivable outstanding as at the date of **Loss**, the amount will be computed as follows:

1. determine the amount of all outstanding accounts receivable at the end of the same fiscal month in the year immediately preceding the year in which the **Loss** occurs;
2. calculate the percentage of increase or decrease in the average monthly total of accounts receivable for the year immediately preceding the month in which the **Loss** occurs, as compared with such average for the same months of the preceding year;
3. the amount determined under 1 above, increased or decreased by the percentage calculated under 2 above, will be the agreed total amount of accounts receivable as of the last day of the fiscal month in which said **Loss** occurs;
4. the amount determined under c. above, will be increased or decreased in conformity with the normal fluctuation in the amount of accounts receivable during the fiscal month involved, consideration being given to the experience of the **Motor Trade Business** since the last day of the last fiscal month for which statements have been rendered less:
 - a. the amounts of such accounts evidenced by records not suffering **Damage** or otherwise established or collected by **You**;
 - b. an amount to allow for probable bad debts that would normally have been uncollectible by **You**;
 - c. all unearned interest and service charges; and
 - d. settlement or term discounts normally allowed.

Maximum: \$50,000

Computer installations

Any **Loss** resulting from interruption of or interference with the **business** occasioned by **Damage** to computer installations, including ancillary equipment and data processing media utilised by **You** in connection with the **Business** anywhere in Australia, is deemed to be **Loss**

resulting from **Damage to Insured Property** used by **You** at **Your Premises** for the purpose of this Section.

This additional benefit only applies to **Damage** that would have been covered under Section 1 (other than under the additional benefits or optional covers) if such **Damage** had been to property insured under that Section.

Maximum: \$20,000

Closure

This Section is extended to include **Loss** directly or indirectly resulting from interruption of or interference with the **Business** carried on by **You** at **Your Premises**, as a consequence of closing of the whole or part of **Your Premises**, in the **Period of Insurance**, by order of a public authority as a consequence of defects in the drains or other sanitary arrangements at **Your Premises**.
Maximum: \$250,000 for any one Loss at any one Premises.

Insured's Premises

Any **Loss** resulting from interruption to or interference with the **business** as a consequence of **Damage** to the customer's **Premises**, which prevents access to such **Premises**, anywhere in Australia, is deemed to be **Loss** resulting from **Damage to Insured Property** at the **Premises** for the purpose of this Section 2.

This optional cover only applies where that **Damage** would have been covered under Section 1 (other than under the additional benefits or optional covers) if such **Damage** had been to **Insured Property**.

The most **We** will pay under this optional cover is the **Limit of Liability** set out in the **Schedule** for **Your Premises**.

Maximum: \$250,000

New Business

In the **Event** of **Damage** occurring at the **Premises** before the completion of the first year's trading of the **Business** the terms rate of **Gross Profit**, annual turnover, standard turnover and rate of payroll used this Section will have the following modified meanings:

1. **Rate of Gross Profit** – The rate of **Gross Profit** earned on the turnover during the period between the date of the commencement of the **Business** and the date of the **Damage** (subject to any Adjustments).
2. Annual turnover – The proportional equivalent, for a period of 12 months of the turnover realised during the period between the commencement of the **Business** and the date of the **Damage**.
3. Standard turnover – The proportional equivalent, for a period equal to the indemnity period, for the turnover realised during the period between the commencement
4. Rate of payroll – The rate of payroll to turnover during the period between the date of the commencement of the **Business** and the date of the **Damage**.



Prevention of access

Any **Loss** resulting from interruption of or interference with the **Business** as a consequence of **Damage** to property:

1. Within 1km of the **Premises** which prevents the use of or access to the **Premises**, whether or not **Insured Property** at the **Premises** is **Damaged**, is deemed to be **Loss** resulting from **Damage to Insured Property** at the **Premises** for the purpose of this Section 2; or
2. Within 1KM of and forming part of or contained in the complex of which the **Premises** forms part, which results in a cessation or diminution of trade due to temporary falling away of potential custom whether or not **Insured Property** at the **Premises** is **Damaged**, is deemed to be **Loss** resulting from **Damage to Insured Property** at the **Premises** for the purpose of this Section 2.

This additional benefit only applies to **Damage** that would have been covered under Section 1 (other than under the additional benefits or optional covers) if such **Damage** had been to property insured under that Section.

Maximum: \$250,000

Specified Suppliers' and/or Customers' Premises

Loss resulting from interruption of or interference with the **Motor Trade Business** in consequence of **Damage** to property at the **Premises**, anywhere in Australia, of **Your** direct suppliers or customers shall be deemed to be **Loss** resulting from **Damage** to property used by **You** at the **Situation**.

The maximum **We** will pay under this optional benefit, in respect of any one **Loss** or series of **Losses** arising out of the one **Event** or **Occurrence** is the amount of the sub limit shown in the **Schedule** against each specified supplier and/or customer.

We will not pay for a claim following **Flood**, earthquake or windstorm if an overseas specified supplier cover is shown on the **Schedule**.

Maximum: \$250,000

Turnover/Output Alternative

At **Your** option, the term output can be substituted for the term turnover in Section 2.

Output means the sale value of goods manufactured or processed by **You** in course of the **Business** at the **Premises**. If **You** chose this substitution, cover under Turnover elsewhere after **Damage** is amended to read as follows:

If during the **Indemnity Period** goods are manufactured or processed other than at the **Premises** for the benefit of the **Business**, either by **You** or by others on **Your** behalf, the amounts received or receivable in respect of sale or invoice value of those goods will be brought into account in arriving at the output during the **Indemnity Period**.

Unspecified Suppliers' and/or Customers' Premises

Loss resulting from interruption of or interference with the **Motor Trade Business** in consequence of **Damage** to property at the premises anywhere in Australia of **Your**

direct suppliers or customers which shall be deemed to be **Loss** resulting from **Damage** to property used by **You** at the **Situation**.

Maximum: \$250,000

Utilities extension

Any **Loss** resulting from interruption of or interference with the **Business** directly or indirectly as a consequence of **Damage** anywhere in Australia to any communication link, subterranean or undersea pipe or cable or electric power station or sub-station, gas works, **Water** works or supply line of the supply undertaking from which **You** obtain electric current, gas or **Water**, is deemed to be **Loss** resulting from **Damage to Insured Property** used by **You** at the **Premises** for the purpose of this Section.

This additional benefit only applies to **Damage** that would have been covered under Section 1 (other than under the additional benefits or optional covers) if such **Damage** had been to property insured under that Section.

However, this will not apply to any **Loss** during the 48 hours immediately following the **Damage**.

Maximum: \$250,000

2.5 Optional Benefits

If **You** have requested any of the following benefits in **Your Proposal**, and they appear in **Your Schedule** as covered **We** will pay:

Additional increase in cost of working

We will pay for the additional increase in cost of working (not otherwise recoverable under this Section) necessarily and reasonably incurred during the indemnity period as a consequence of the **Damage** for the purpose of avoiding or diminishing reduction in turnover or resuming or maintaining normal **Business** operations or services.

The most **We** will pay for **Your** additional increase in cost of working is the **Limit of Liability** set out in the **Schedule** for additional increase costs of working.

Claims Preparation Expenses

In addition to the amount payable under Clause 1 **Gross Profit**, the costs of such reasonable professional fees as may be payable by **You**, and such other reasonable expenses necessarily incurred (with **Our** written consent) by **You** and not otherwise recoverable, for preparation of claims under this Section and Section 1 – Property Damage: Material Damage up to the limit specified in **Your Schedule**.

Gross Profit

The actual **Loss** of **Gross Profit** due to reduction in Turnover and increase in cost of working, and the amount payable will be:

1. In respect of reduction of turnover: the sum produced by applying the Rate of **Gross Profit** to the **Shortage in Turnover**;
2. In respect of increase in cost of working: the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in **Turnover** that, but for

that expenditure, would have taken place during the **Indemnity Period** in consequence of the **Damage**, but not exceeding the sum produced by applying the Rate of **Gross Profit** to the amount of the reduction so avoided;

3. Less any sum saved during the **Indemnity Period** in respect of the charges and expenses of the **Motor Trade Business** payable out of **Gross Profit** that cease or are reduced in consequence of the **Damage**.

Loss of Rent Receivable

We will pay in respect of rent receivable the difference between

1. The rent that would have been receivable for the **Premises** during the **Indemnity Period** but for the **Damage** and
2. The amount of rent actually received during the same period less any savings in charges or expenses of the **Business** which
 - a. Are payable out of rent receivable and
 - b. Reduce or cease due to the **Damage**

If at the time of the **Damage** the sum **Insured** specified in the **Schedule** is less than the rent which but for the **Damage** would have been receivable during the 12 months from the date of the **Damage** (proportionately increased where the maximum **Indemnity Period** exceeds 12 months) **You** will be **Your** own **Insurer** for the difference and bear a rateable share of the **Loss**

Payroll

We will pay for **Your** **Loss** of **Gross Profit** due to payroll in accordance with the provisions below.

The amount payable is:

1. In respect of reduction of turnover:
 - a. During the portion of the **Indemnity Period** beginning with the occurrence of the **Damage** and ending not later than the number of weeks after that as specified in the **Schedule**, the sum produced by applying the rate of payroll to the shortage in turnover during the said portion of the **Indemnity Period** less any saving during that portion of the **Indemnity Period** through reduction in the amount of payroll paid as a consequence of the **Damage**; and
 - b. During the remaining portion of the **Indemnity Period**, the sum produced by applying the rate of payroll to the shortage in turnover during the remaining portion of the **Indemnity Period** less any saving during that remaining portion of the **Indemnity Period**, through reduction in the amount of payroll paid in consequence of the **Damage**; but not exceeding the sum produced by applying the percentage of the rate of payroll specified in the **Schedule** to the shortage in turnover during the remaining portion of the **Indemnity Period**, increased by such amount as is deducted for savings under the terms of clause (a) above.
 - c. At **Your** option, the number of weeks referred to in clause (a) above may be increased to the number of weeks specified in the **Schedule** under the heading consolidated period.

However, the amount arrived at under the provisions of clause (b) shall not exceed such amount as is deducted under clause (a) for savings effected during the said increased number of weeks.

2. In respect of increase in cost of working – the additional expenditure described in clause (2) of **Gross Profit** exceeds the amount payable under it, but not more than the additional amount which would have been payable in respect of reduction in **Turnover** under the provisions of clauses (a) and (b) of this clause, had such expenditure not been incurred.

2.6 Conditions

The following conditions apply to Section 2.

Accumulated stocks

In adjusting any **Loss**, account will be taken, and equitable allowances made, if there is a shortage in turnover due to the **Damage** is postponed by reason of the **Turnover** being temporarily maintained from accumulated stocks of finished goods.

Alterations and forfeiture

We will not pay any claim under this Section if the **Motor Trade Business** is wound up or carried on by a liquidator, administrator or a receiver or is permanently discontinued.

Books of account

Any particulars or details contained in **Your** books of account or other **Business** books or documents which may be required by **Us** for the purpose of investigating or verifying any claim under this Section must, at **Our** request, be produced and certified by **Your** accountants. An auditors' certificate will be prima facie evidence of the particulars and details to which such certificate relates.

Salvage sale

If, following **Damage** covered under Section 1, **You** hold a salvage sale during the **Indemnity Period**, clause (1) of the **Gross Profit** calculation method will, for the purpose of any claim connected with that **Damage**, apply as follows:

In respect of reduction in **Turnover**:

The sum produced by applying the **Rate of Gross Profit** to the amount by which the turnover during the **Indemnity Period** (less the **Turnover** for the period of the salvage sale) shall, as a consequence of the **Damage**, fall short of the standard **Turnover**, from which shall be deducted the **Gross Profit** actually earned during the period of the salvage sale.

For this condition, **Shortage in turnover** means:

The amount by which the turnover during a period (less the turnover for the period of the salvage sale) will, as a consequence of the **Damage**, fall short of the part of the standard turnover which relates to that period, from which will be deducted the payroll paid during the period of the salvage sale.



Turnover elsewhere after Damage

If during the **Indemnity Period** goods are sold or services are rendered other than at the **Premises** for the benefit of the **Business**, either by **You** or by others on **Your** behalf, the amounts received or receivable in respect of those sales or services will be brought into account in arriving at the turnover during the **Indemnity Period**.

Underinsurance

If at the time of the claim, the declared value of **Your Gross Profit** or **Payroll** was less than 85% of the actual value of **Gross Profit** or **Payroll** at the commencement of the **Period of Insurance**, then **We** will pay the same proportion of the **Loss** which **Your** declaration of the **Gross Profit** or **Payroll** bears to 85% of the actual **Gross Profit** or **Payroll**.

This condition does not apply if the relevant claim does not exceed 5% of the amount of **Your** declaration of **Gross Profit** or **Payroll**.

If the **Schedule** sets out that cover is limited to parts and service activities only, the amount **We** will pay for **Loss** of **Gross Profit** under this condition is the **Gross Profit** calculated based only on amounts (less discounts, if any) paid or payable to **You** for goods sold and delivered and for services rendered, other than for the sale of **Vehicles**, in the course of the **Business** at the **Premises**.

If the **Business** is conducted in departments the independent trading results of which are ascertainable, these provisions apply separately to each department affected by the **Damage**.

2.7 Exclusions

We do not cover:

1. legal liability of whatsoever nature, other than legal liability covered specifically under Section 1 or
2. consequential **Loss** of any kind including consequential **Loss** due to delay, lack of performance, **Loss** of contract or depreciation in the value of land or stock, other than covered specifically under this Section.



Section 3 Crime & Contingencies

3.1 The cover

This Section provides **You** with the covers set out below that have been chosen by **You** and that are shown as included in the **Schedule**.

3.1.1 Theft

We will cover **You** for **Loss** or **Damage** to **Insured Property** caused by **Theft** in the **Period of Insurance**.

Under this Section, **We** do not cover **Theft**:

1. By any of **Your Employees**, directors or officers;
2. Of **Money**;
3. Of livestock, animals, birds or fish;
4. Of standing timber, growing crops and pasture;
5. Of jewellery, furs, bullion, precious metals or precious stones other than as stock or merchandise of the **Business**.

3.1.2 Money

We will insure **You** against

1. **Loss of Money** connected to the **Business** which occurs whilst
 - a. In transit
 - b. At any of **Your Premises**
 - c. In a bank night safe
 - d. At the residence of any principal or authorised **Employee of Yours**
2. **Loss of or Damage** to safes or strongrooms at the **Premises** caused by unauthorised persons attempting to gain entry to the safe or strongroom, anywhere in Australia up to the limits of liability stated in the **Schedule** for this Section, subject to the limit for any one **Loss**.
3. Pay for **Loss** of or **Damage** to clothing and personal effects belonging to **You** or any **Employee of Yours** caused by robbery or attempted robbery occurring in the course of the **Business** subject to a limit of \$500 in respect of any one person.

3.1.3 Glass

We will cover **Loss** or **Damage** to **Glass** in the **Period of Insurance** in an **Event** covered by this Section where no other **Insured Property** is lost or **Damaged**.

Cover under this optional cover is limited to:

1. The cost of repairing or replacing **Damaged Glass**;
2. Temporary shuttering or hiring of security service pending replacement of **Damaged Glass**; *Maximum: \$10,000*
3. Frames, Tiles and Stock **Damage** (as a result of **Loss**) *Maximum: \$10,000*
4. Signwriting and ornamentation on **Glass**;
5. Replacement burglar alarm tapes on **Glass**;
6. Removing and re-fixing of windows and show-case frames and fittings; and
7. Heat reflecting material or process on **Glass**.

The most **We** will pay under this additional benefit is the **Limit of Liability** set out in the **Schedule** for **Glass**.

3.1.4 Employee dishonesty

We will cover **You** for **Loss of Money** or goods belonging to **You** or for which **You** are responsible, caused by dishonesty committed by an **Employee** during the **Period of Insurance**.

We will pay **You**, at **Our** discretion, the lesser of the:

1. **Actual cash value** of any **Money**; or
2. Cost of repairing or replacing goods with any property or material of like quality and value.

We may, with **Your** consent, settle any claim for **Loss** or **Damage** to goods directly with their owner. However:

1. **We** will not pay more than the limit of indemnity shown in the **Schedule** for any one **Employee** and for any **Loss** that arises out of the act or acts of any one **Employee** or for which that **Employee** is concerned or implicated by acting in concert with any other person. The limit of indemnity for any one **Employee** shown in the **Schedule** under this Section will be reduced by the total of any claims payable by **Us** for **Losses** resulting from the fraudulent or dishonest conduct of that **Employee** in any period before the current **Period of Insurance**;
2. For all **Losses** suffered during the **Period of Insurance**, **We** will not pay in total more than the limit of indemnity shown in the **Schedule** for all **Employees**.
3. For property **Insured** other than **Money**, after payment for any lost property, that property, if recovered will belong to **Us** subject to **Your** right to reclaim it upon repayment of any amount paid by **Us**;
4. For **Money**, any recovery made either by **You** or by **Us** after settlement of the claim will first be applied to any uninsured **Loss** borne by **You**.

3.1.5 General Property

We will pay **You** in accordance with the Basis of Settlement if any of the Property **Insured** as shown in the **Schedule** is **Damaged** by a Defined **Event** occurring during the **Period of Insurance**.

3.2 Basis of Settlement

The Basis of Settlement will be:

1. Where **Damage** to Property **Insured** can be repaired, the reasonable costs of restoring the **Damaged** item to its former working order. If **You** complete the repairs in **Your** own workshop **We** will pay the reasonable cost of materials and wages as well as a reasonable allowance to cover the overheads.
2. Where a **Damaged** item is not repaired:
 - a. for items that could not be repaired, the actual value of the item immediately before the **Damage**; or
 - b. for items that could be repaired but have been replaced, the estimated cost that would have been incurred for necessary repairs to return the **Damaged** item to its former state of serviceability.

Maximum: \$2,000 for any one item



Definitions

The following definitions apply to Section 3

Defined Event means the damage or accidental loss to the property insured. It does not include:

1. the cleaning, maintenance, overhaul, repair or renovation, alteration, addition or undergoing a trade process;
2. wear and tear, fading, gradual deterioration or developing flaws, normal upkeep or making good, or any gradual cause;
3. moths, termites or other insects or vermin;
4. scratching, biting or chewing by any animal;
5. chipping, scratching, denting or marring that does not materially affect the use or operation of the property insured;
6. change in colour, loss of weight, change in flavour, texture or finish;
7. the action of light, atmospheric conditions, any form of fungus or extremes of temperature, rust or oxidation, wet or dry rot, corrosion, inherent vice or latent defect;
8. mechanical, hydraulic, electrical or electronic breakdown, burnout, failure, malfunction or derangement of any equipment or device;
9. soot or smoke from industrial operations (other than sudden and unforeseen resultant damage);
10. any faults or defects in any item of property insured that you or any of your employees knew or should reasonably have known about before taking out cover under this Policy Section;
11. unexplained inventory shortage, disappearance resulting from clerical or accounting errors, or shortage in the supply or delivery of materials;
12. testing, experimentation, intentional overloading, misuse or abuse;
13. cracking, scratching or breakage of glass or fragile items unless as a consequence of loss or damage;
14. fraud or dishonesty by you or any other person;
15. detention, confiscation or disappearances by Customs or any lawful authority;
16. the sea, including tidal wave, tsunami, storm surge or high water;
17. faulty materials or faulty workmanship;
18. loss of, or damage to, money or documents of any kind;
19. loss of, or damage to, tools of trade, sporting equipment, any remote controlled devices, guns or musical instruments while they are in use
20. committed by any person or any member of your family or by any of your employees whilst lawfully permitted to enter, be on or at the premises; or of unattended property insured in the open air theft from any building or vehicle unless the property insured was Securely locked, securely affixed or chained

3.3 Limit of Liability

The most **We** will pay is the **Limit of Liability** set out in the **Schedule** for the specific event.

3.4 Additional benefits

The following additional benefit applies to this cover.

Employee Dishonesty

We will also pay for:

1. The fees payable by **You** to **Your** auditors to quantify any **Loss** covered by this additional benefit; and
2. Other costs, charges and expenses reasonably and necessarily incurred by **You** in connection with the preparation of a claim covered for **Employee** dishonesty

Theft – Director’s or Employee’s property

We will cover **You** for the replacement cost of the following property used for the **Business** and caused by **Theft** in the **Period of Insurance**;

1. **Personal Property** of **Your** directors or **Employees** on the **Premises** at the time of the **Loss** or **Damage**; and
2. Tools of trade belonging to **Your** directors or **Employees** away from the **Premises** at the time of the **Loss** or **Damage**.

Maximum: \$10,000.

3.5 Specific condition

Burglar alarms

If a burglar alarm system is installed on the **Premises** the following conditions apply:

1. the burglar alarm must be well maintained and in good working condition at all times;
2. the burglar alarm must be made operative whenever the **Premises** are left unoccupied;
3. if the burglar alarm system relies upon either electricity or communication services to operate in the correct manner, electricity and communication services must be connected to the burglar alarm and operational at all times unless the power supply has failed due to unforeseen circumstances beyond **Your** control.

If **You** do not comply with the above conditions, any claim arising from **Theft** will not be covered as these conditions are inherent requirements of **Your** cover.

3.6 Conditions

The following conditions apply to Section 3:

Employee Dishonesty

The following conditions apply

1. This Section extends to cover alterations or additions to **Your** staff from the date of each alteration or addition subject to **You** providing, at **Our** request, a statement showing the total number of **Employees** and the categories required to ascertain and adjust the **Premium** and **You** paying any adjusted **Premium** to **Us**.
2. If **You** are unable to designate the specific **Employee** causing the **Loss**, **Your** claim in respect of such **Loss** shall not be invalidated by **Your** inability to do so, provided that the **Loss** was in fact due to an act of fraud or dishonesty committed during the **Period of Insurance** by one or more of the **Employees**.
3. If this **Policy** supersedes any similar **Policy** previously held by **You**, then this additional benefit will apply to



any **Loss** which is **Discovered** by **You** during the **Period of Insurance** (or within 12 months after the end of it) and which would have been recoverable by **You** under such prior **Policy** but for the fact that the time allowed under that **Policy** for the **Discovery** of that **Loss** had expired, but only if that **Loss** would have been covered under the terms of this additional benefit had it been in force when the act of fraud or dishonesty resulting in the **Loss** was committed.

4. Any person who ceases to be **Your Employee** will be considered as being an **Employee** for the purposes of this Section for a period of 12 months after such person ceased to be an **Employee**.
5. **You** must institute or maintain and continue to employ, in every manner, all such systems of check and control, accounting and clerical procedures and methods of conducting the **Business** as is reasonable in the circumstances or has been represented to **Us**, however, **You** may change the remuneration, conditions of service, duties and position of any **Employees**. Cover under this option will not be invalidated in the **Event** of a breach or non-compliance with this condition if such breach or non-compliance occurs without the knowledge or consent of **Your** officer responsible for insurance.
6. **You** must, to the extent allowed by law, retain all salary, commission, **Moneys** or assets or the property of any **Employee** in respect of whom a claim is made which may be in or come into **Your** hands or under **Your** control and apply the same towards making good the amount of any default due to acts covered under this option.
7. However, if the **Total Loss** to **You** exceeds the amount recoverable under this item, that retention shall be applied first to the uninsured portion of the **Loss**.
8. In the **Event** of the **Discovery** by **You** of any **Loss** or **Damage** involving suspected fraud or dishonesty by an **Employee**, **You** must notify **Us** in writing of such **Loss** but may, regardless of anything to the contrary in this **Policy**, refrain from reporting the matter to the police unless otherwise requested by **Us** to the contrary.

If **You** do not comply with the above conditions, any claim arising from **Employee Dishonesty** will not be covered as these conditions are inherent requirements of **Your** cover.

Branded goods

Any salvage of branded goods or merchandise, **You** own or held by **You** in trust or on commission, or goods sold but not delivered, will not be disposed of by sale without **Your** consent. If such salvage is not disposed of by sale, then the **Damage** will be assessed at the value agreed between **You** and **Us** after brands, labels or names have been removed by or on **Your** behalf.

Theft – Employee’s Tools

Maximum: \$10,000

Theft – Temporary Protection

Maximum: \$50,000

Theft – Temporary Removal of Contents and Stock

Maximum: \$20,000

Theft – Replacement Keys and Locks

Maximum: \$15,000



Section 4 – Motor Combined Risks

Definitions

These Definitions apply to all parts of Section 4.

Purpose of use

Means the purpose of use set out in the **Schedule** which is the use that **Your Vehicle** can be put to, as follows:

1. Private Use – if **You** do not use it in connection with earning an income, or if **You** only drive it to and from work or occasionally in connection with work.
2. Goods Carrying / Trade Use – if registered for **Business** or used in connection with a recognised trade.
3. **Business** Use – if registered for **Business** or used in connection with **Your** occupation or **Business** in a way not listed above.
4. Test drive – if any **Vehicle** from **Your** stock of **Vehicles** including customer's **Vehicles** is being used for a test drive.

Test drive

Means use of **Your Vehicle** by **You** or by any other person with **Your** permission for the sole purpose of testing a **Vehicle** prior to sale or purchase.

Section 4.1 – Motor Composite

4.1.1 The Cover

We will cover **You** against **Loss** of or **Damage** to the **Insured Vehicle** up to the **Insured** value occurring during the **Period of Insurance** and anywhere within Australia.

Loss or Damage to Your Vehicle

We will cover **You** for **Loss** or **Damage** to **Your Vehicle**:

1. **Accidental Damage**, including **Damage** caused by storm or earthquake;
2. **Malicious Damage**, whilst being used for the purpose of use and caused by an **Accident** during the **Period of Insurance**.

Fire and Theft

1. Fire, self-ignition, lightning or **Explosion**
2. **Theft** or attempted **Theft** and not found, including the reasonable cost of:
 - a. Protection and removal to the nearest repairers
 - b. Delivery to the **Premises** after repair.

If to **Our** knowledge the **Insured Vehicle** is subject to a hire purchase, leasing or contract hire agreement **We** will pay any outstanding amount due to the owner described in the agreement first with any balance being paid to **You**.

Contribution to repair work

You, Your customer or the owner of the **Customer Vehicle** may have to contribute to the cost of replacing or repairing tyres, engines, **Accessories**, paintwork, bodywork, radiators, batteries, interior trims, or caravan annexes affected by wear and tear or rust and corrosion. How much that is required to be paid will depend on

how worn **We** consider these items were when the **Damage** happened.

If **You, Your** customer or the owner of the **Customer Vehicle** do not agree to pay these amounts, **We** will pay the reasonable repair cost less reasonable contribution charges. **We** will subtract any **Excess** that may apply

4.1.2 Limit of Liability

The following limits apply:

1. Loss or Damage to Your Vehicle AND Fire and Theft (excluding hail and flood). The most **We** will pay for Loss or Damage to Your Vehicle is the amount shown on the Schedule or the stock card value of the vehicle or the Market Value of the Vehicle, whichever is the least.
2. Damage caused by hail to Your Vehicle/s away from the static location that is not a Total Loss is:
 - a. if **You** do not repair the Vehicle, Your Stock Card Value of the vehicle; and
 - b. if **You** do repair the Vehicle, the Market Value of the Vehicle immediately prior to the Damage.

The maximum **We** will pay for any Event is the Limit of Liability specified in the Schedule. **Legal liability**
The most **We** will pay for all claims arising from any one **Accident** is the **Limit of Liability** set out in the **Schedule**.

4.1.3 Additional benefits

The following additional benefits apply to this Section. These benefits will be payable if a claim is paid under this Section. Unless stated otherwise, these additional benefits are included in the **Limit of Liability** and not in addition to it.

Dangerous Goods

If your **Vehicle** is being used for, or in connection with, the transportation, storage, loading or unloading of **Dangerous Goods** (as defined in the Australian **Dangerous Goods Code**). If the method of transportation complies with the Australian **Dangerous Goods Code** and all other legislative and regulatory requirements, we will pay not more than \$100,000 each event unless such other amount is specified in the **Schedule**.

Loan Vehicles

If **You** have advised **Us** that it is **Your** practice to provide loan **Vehicles** (with or without consideration) to selected customers where that customer owns a **Vehicle** which has been left with **You** for service or repair, then **We** agree to cover such loan **Vehicles**, as if they were **Your Vehicle**.

The following conditions apply to this additional benefit:

1. **You** must satisfy **Yourself** that the customer possesses a valid driver's licence appropriate for the **Vehicle**;
2. Full details of the arrangement, including a clear copy of the driver's licence of the borrower must be recorded in a register of courtesy and loan **Vehicles** kept by **You**;

Cover for loan **Vehicles** are limited to a radius of 100 kilometres from **Your Premises**.



Lock and Keys Replacement - Vehicles

We will indemnify **You** in respect of the cost of replacing locks entry key and transponders ignition and steering locks that can be opened or operated with the lost items to maintain security following **Theft** of keys
Maximum: \$15,000.

We will not be liable unless

1. **You** inform the Police of the **Loss** as soon as it is **Discovered**
2. There is a reasonable belief that such keys and transponders are in the possession of a person other than **You** and the person will know the identity and location of the **Vehicles**

Signwriting clause

We will pay for any **Loss** of or **Damage** to signwriting and artwork where reinstatement is required *Maximum: \$1,000 each event.*

Towing and storage

If **We** accept a claim for **Loss** or **Damage** to **Your Vehicle**, **We** will pay the reasonable cost of protection, removal and towing of **Your Vehicle** to the nearest repairer, place of safety or any other place which **We** agree to.
Maximum: \$50,000.

Trailers

Cover under this Section is extended to apply to the following, as if they are **Your Vehicle**:

1. **Your** 2-wheel box, boat or similar trailer (but not a caravan);
2. **Your** motorcycle trailer or sidecar; or
3. Any trailer or drawn implement.

We will not pay for **Loss**, **Damage** or liability to or caused by:

1. property being carried in or on the trailer, drawn implement or sidecar;
2. tarpaulins, gates and binders; or
3. If more than one trailer, drawn implement or sidecar is attached to **Your Vehicle**. This additional benefit does not apply to any **Vehicle** being towed by **Your Vehicle**.

Testing, delivery, collection and loan and use of Vehicle

We agree to insure as if they were **You**, any person who is driving **Your Vehicle**, with **Your** consent, for the purpose of testing, demonstrating, collecting, delivering, on any public or private **Road**, thoroughfare or **Your Premises**.

The following conditions apply:

1. **You** must clearly identify that the borrower possesses a current, valid driver's license applicable for the **Vehicle**; and
2. Record and keep full and complete details of the driver and a clear photocopy of the borrower's current license.
3. Maximum radius allowed is 100KM from **Your Premises**, with the exception of collection and delivery of **Vehicles**, however this must be for **Business** use only.
4. Additionally- for **Your** stock **Vehicles**: -

- a. Accompanied test drive – a responsible member of **Your** staff accompanies the borrower and the member of staff does not voluntarily leave or vacate the **Vehicle** without possession of the **Vehicle's** keys; or
- b. Unaccompanied test drive – **You** must obtain a clear copy of the borrower's current and valid driver's license, as well as at least one other form of identification. Both forms are to be verified by **Your** staff. The second form of identification is required regardless to whether the identification is genuine or not, it is a form of deterrent to any would be thief. Furthermore, an additional **Excess** of \$5,000, applies in addition to all other applicable **Excesses**.

4.1.4 Exclusions

We will not pay a claim for:

Above the 26th Parallel

Occurrence arising from a Cyclone, Storm or **Flood** where the Occurrence occurs above the 26th parallel

Approved Fuel Systems

Loss or **Damage** is caused by a fuel system which does not comply with the relevant Australian Standard.

Damage to tyres

Damage to tyres or wheel rims due to application of brakes, side slips, cuts, bursts or punctures or otherwise resulting from any cause other than an **Accident** involving the **Insured Vehicle**.

Deception

Loss suffered through the obtaining of an **Insured Vehicle** by deception.

Drivers Under 25

We will not pay a claim arising from an Occurrence where the **Vehicle** value is over \$100,000 and the driver was under 25.

Vehicles worth more than \$200,000

For **Vehicles** worth more than \$200,000 there is no cover for drivers under 30, no cover for personal use, 150km maximum radius from **Your Premises** allowed.

Driving Under the Influence of Drugs/Alcohol

For **Damage** incurred while **Your Vehicle** is being driven by or in the charge of any person (including **You**):

1. Whose faculties are impaired by or who is under the influence of alcohol or drugs, or alcohol and drugs;
2. Who is convicted of driving or being in charge of such **Vehicle** while under the influence of alcohol or drugs or alcohol and drugs; or
3. In whose breath or blood the concentration of alcohol equals or exceeds that prohibited by the law applicable in the State or Territory at the time when the **Accident** which would otherwise give rise to a claim under this **Policy** occurred, as indicated by analysis of the person's breath or blood; or
4. Who fails or refuses:



- a. To provide a specimen, or sample of breath for analysis by a breath analysing instrument;
- b. To provide a specimen or sample of blood for a laboratory test or blood test; or
- c. To comply with a direction or requirement of a member of the police force or other authorised person as to the provision of a specimen or sample of breath for analysis by a breath analysing instrument, a specimen or sample of blood for a laboratory test or blood test, where such specimen or sample is sought or such direction or requirement is made to ascertain the concentration of alcohol or drugs in such person's breath or blood while the **Vehicle** was being driven by or in the charge of such person.

However, any exclusions in the above paragraphs 1, 2, 3 or 4 do not apply if:

1. There is any relevant statutory provision to the contrary or to the extent that there is any statutory provision which allows for an election by a person as to the specimen or sample such person may provide or which exempts a person from providing any specimen or sample but only to the extent of such election or exemption; or
2. **You** prove that **You** did not consent to the **Vehicle** being either driven by or in the charge of any such person (if that person was not **You**).

Hail

We will cover **You** for **Damage** to **Your Vehicles** and customer's **Vehicles** caused by hail in the **Period of Insurance**, whilst located at **Your Premises**. The Maximum claim is \$50,000 in the annual aggregate for any one assured/**Insured/Policy**, in respect of customers **Vehicles** only in the care, custody and control of the **Insured**.

Hire or Reward

Your Vehicle is used for carrying passengers for hire or reward, except for a private pooling arrangement or when **You** receive a travelling allowance from **Your** full time employer.

Illegal Purpose

Your Vehicle is used for any illegal purpose with **Your** consent.

Overloaded Vehicle

Your Vehicle is used to carry or tow a load or carry passengers greater than that for which **Your Vehicle** was constructed.

Personal Injury

Property Damage to Vehicles other than Your Vehicles Racing

Any **Accident**, injury, **Loss** or **Damage** occurring while the insured **Vehicle** is being used for racing and/or speed tests.

Seizure of Vehicle

Loss, Damage or liability after **Your** legal interest in **Your Vehicle** ceases, or **Your Vehicle** is seized or taken possession of by any persons lawfully entitled to do so.

Stolen Vehicles

We do not cover stolen **Vehicles** by any of **Your** employees, directors or officers or anyone legally authorised on the **Premises**. **Vehicles** stolen resulting from or involving the use of the **Vehicle's** own key (whether the operation and/or ignition of the **Vehicle** is by the use of a manual key or keyless process). Provided that this exclusion will not apply where:

1. the **Vehicle's** key is locked within a safe; and is obtained by violent and forcible means; or
2. the **Vehicle's** key is obtained by violence or force, or threat of violence or force, to **You**, a bailee, **Your Employee** or customer.

Test and Demonstration Vehicles

Loss or **Damage** subsequent to **Theft** of a **Vehicle**, provided that this exclusion will not apply where:

1. Accompanied test drive
 - a. A responsible member of **Your** staff accompanies the test drive and the member of staff does not voluntarily leave or vacate the **Vehicle** without possession of the **Vehicle's** keys; or
2. Unaccompanied test drive
 - a. A clear photocopy of the test driver's current and valid driver's licence and at least one other form of identification are obtained by **You**.

Trailers

For **Damage** caused or contributed to by more than the legally permitted number of trailers being attached to **Your Vehicle**.

Unregistered Vehicles

If **Your Vehicle** is unregistered at the time of the event giving rise to the claim.

Unroadworthy Condition

Your Vehicle is used in an unroadworthy or unsafe condition. However, **We** will cover **You** if the condition could not reasonably have been detected by **You** or that the **Loss, Damage** or liability was not caused by or contributed to by the unroadworthy or unsafe condition.

Vehicle used on rails

If **Your Vehicle** is used on rails or tracks at the time of **Accident**.

The General Exclusions are applicable to all Sections.

4.1.5 Conditions

The following conditions apply to this Section:

At the Accident scene

You must do the following at the scene of any **Accident**:



1. Notify the police: If there is serious **Damage** to property, including the **Vehicles** involved, or if any person is injured.
2. Obtain full details: Write down full particulars of any other **Vehicles** involved - registration number, year, make, model, full name and address of driver and registered owner and licence details, and other person's insurance company, date and time of **Accident**.
3. Admit nothing: Do not make any admission of liability or offer to pay for any **Damage**, otherwise **You** will violate the conditions as laid out in **Your Policy**.
4. Seek witnesses: If possible, obtain the name, address and telephone number of all witnesses.

After the Accident

You must do the following at the scene of any **Accident**:

1. Provide **Us** with full details: As soon as possible after the **Accident**, supply **Us** with full details in writing. **You** are also required to send any correspondence from other parties to **Us**, as well as any notice of impending prosecution or details of any inquest or official inquiry.
2. Take steps to protect and safeguard the **Vehicle** and retain any salvage.
3. Do not authorise repairs (including windscreen or **Glass** breakage) without **Our** prior written consent.
4. Do not take legal action: **We** will attempt to recover any outstanding debt resulting from an **Accident**, and if circumstances warrant, may elect to undertake **Your** defence in any court and represent **You** at any inquest or official inquiry, provided **You** have complied with the terms of the **Policy**.

You must comply with the above conditions at the **Accident** scene and after the **Accident**. Failure to comply with such listed conditions may affect the amount that **You** may be able to claim and/or cover may be cancelled.

Non-Standard Parts / Accessories / Repairs / Spray Painting

For **Vehicles** with non-standard parts / accessories / repairs / spray painting, the maximum payment **We** will make would be the cost of a standard part / accessory / spray painting.

Prevention of Loss or Damage

You must take all reasonable precautions to secure **Your Vehicle** or **Customer Vehicle** against unauthorised entry when it is unattended. Failure to comply with this condition may affect the amount that **You** may be able to claim arising from **Theft** and/or cover may also be cancelled.

Sub-Contractors

It is a condition precedent that all sub-contractors have their own insurance (active Public Liability with a minimum \$1,000,000 cover), valid licenses and that the policyholder actively ensures these are at all times valid, both on employment and regularly thereafter. This **Policy** will not respond where a sub-contractor does not have adequate insurance or licenses.

Valid License

It is a condition precedent that all **Employees** hold valid, current, appropriate licenses for tasks they carry out for **You** or at **Your** request. It is **Your** responsibility to actively ensure these licenses are at all times valid. This **Policy** will not respond where **Employees** do not have an adequate license.

Vehicles Kept Within Bollards / Perimeter Fencing

Vehicles must be kept within the property boundary (inside bollards / perimeter fencing) of the **Premises** after **Business** hours, when not trading or when the Motor Trade is closed. This exclusion does not apply to **Vehicles** that are not at the **Business** location for **Business** purposes, where they are in the care custody and control of another **Business**.

A claim in respect of any **Damage** arising from non-compliance will affect the amount of **Your** claim.

Section 4.2 – Inland Transit

4.2.1 The cover

We will indemnify **You** in respect of **Damage** to **Insured Property** occurring during the **Period of Insurance** whilst being carried anywhere within Australia including whilst

1. Loading and unloading
 2. Temporarily stored in or on a **Vehicle** during transit
- We** will not cover any period of time during which the **Insured Property** is in storage either overnight or otherwise, other than in the ordinary course of transit, except as otherwise provided in this Section.

4.2.2 What We cover

We will calculate the amount **We** will pay for a claim under this Section as follows:

1. For **Vehicles**, the invoice value plus any freight charges payable;
2. For parts and **Accessories**, the invoice value plus any freight charges payable.
3. Where **Insured Property** has been **Damaged** and can be economically repaired, **We** will pay the cost necessary to reinstate or repair the **Damaged Property** to a condition substantially the same as, but not better or more extensive than, its condition at the time of the **Damage**.

4.2.3 Limit of Liability

Our liability under this Section shall not exceed the limits stated in the **Schedule** or limit specified in any extension to this Section arising out of any one **Event** at any one location to any one load or combination of loads of property **Insured** in transit.

4.2.4 Additional benefits

The following additional benefits apply to this Section. Unless stated otherwise, cover under these additional benefits is included, and not in addition to, the **Limit of Liability**.



Extra costs and expenses

We will indemnify You for costs and expenses reasonably incurred by You with Our consent

1. In transferring the **Insured Property** to any other **Vehicle** or trailer or delivering such property to its original destination or returning to its place of dispatch consequent upon collision or overturning of the conveying **Vehicle** or trailer up *Maximum*: \$5,000 any one claim
2. The reloading of property **Insured** to the conveying **Vehicle** or trailer following accidental discharge *Maximum*: \$5,000 any one claim
3. The removal of **Debris** and site clearance following **Damage** to property **Insured** *Maximum*: \$10,000

Removal of Debris

We will cover the cost of removal and disposal of **Damaged**, deteriorated or contaminated **Insured Property** and the cost of cleaning up or decontaminating the **Premises**, location or conveyance.

Maximum: \$100,000 for any one event.

Under this additional benefit, the term "ordinary course of transit" is extended to include the following:

1. Whilst in any packer's **Premises** for the purpose of packing;
2. Whilst at any exhibition or display (other than in **Your Premises**);
3. Any period where the **Insured Property** is 'shut out' from the conveyance or intended destination; and
4. Any **Insured Property** which has been 'over-carried', until returned to the place of destination.

General average and salvage clause:

1. We will pay general average and salvage charges payable by You up to the **Limit of Liability**.

It is a condition of this additional benefit that all **Insured Property** is **Insured** for not less than the amounts payable under this **Policy** for that property.

4.2.5 Exclusions

We will not pay for any **Loss**, **Damage** or expense caused by or resulting from:

Damage caused by

1. Defective or inadequate packing insulation or labelling delay inadequate documentation disappearance or unexplained or inventory shortage
2. Evaporation or ordinary leakage
3. Vermin, insects, wear and tear, inherent vice, latent defect, gradual deterioration
4. **Pollution and Contamination**
5. An existing or hidden defect
6. Indirect or consequential **Loss**
7. Vibration denting scratching or bruising
8. Mechanical or electrical breakdown derangement defect or failure

Damage caused by deterioration or variation in temperature unless directly consequent upon fire, **Theft** or overturning or collision of the carrying **Vehicle**

Damage caused by **Theft** or attempted **Theft** of the property **Insured** and/or tools and/or clothing and personal effects from any unattended **Vehicle** being any

Vehicle with no person in charge or keeping the **Vehicle** under observation and able to observe or prevent any attempt by any person to interfere with the **Vehicle** unless You have ensured that

1. All doors windows and other points of access have been locked where locks have been fitted and
2. All manufacturers' security devices have been put into effect and
3. The keys have been removed from any unattended **Vehicle** and
4. Unattached trailers have anti-hitching devices fitted and they are put into effect

Damage resulting from **Theft** or attempted **Theft** from any unattended **Vehicle** during the hours from 9pm until 6am unless such **Vehicle** is

1. Garaged in a securely locked **Building** of substantial nature or
2. A compound which has secure walls and/or fences and securely locked gates

Property in transit for hire or reward

Loss of market or indirect or consequential **Loss**

4.2.6 Conditions

The following conditions apply to this **Policy**:

Reasonable Care

You must

1. Only employ reliable and competent drivers and
2. Allow Us access to examine any **Vehicle** which You operate or **Premises** from which You operate

Any claim arising from non-compliance of the above conditions may affect the amount You can claim.

Brands and labels clause

Any **Insured Property** bearing identifying brands or labels or other permanent markings, may be retained by You to dispose of as You see fit, provided a reasonable allowance is agreed for the value of the **Insured Property** and this allowance is deducted from the claim settlement.

Where only the labels or packaging are affected, We will pay You only the cost to recondition or replace labels or packaging.

No cover for carrier

Cover will not be provided for the benefit of the carrier or other bailee.

Section 4.3 – Third Party Property extension

4.3.1 The cover

We will indemnify You in respect of amounts You are legally liable to pay for property **Damage** to **Vehicles** or **Watercraft** which are not **Your Property** occurring as a result of You driving **Your Vehicles** or **Watercraft** including Loading and unloading same.



4.3.2 What We cover

We will calculate the amount We will pay for a claim under this Policy as follows:

1. For **Vehicles**, the invoice value plus any freight charges payable;
2. For parts and **Accessories**, the invoice value plus any freight charges payable.
3. Where the third party's Property has been **Damaged** and can be economically repaired, **We** will pay the cost necessary to reinstate or repair the **Damaged** Property to a condition substantially the same as, but not better or more extensive than, its condition at the time of the **Damage**.

4.3.3 Limit of Liability

Our liability under this Policy shall not exceed the limits stated in the **Schedule** or limit specified in any extension to this Policy, arising out of any one **Event** at any one location.

4.3.4 Additional benefits

The following additional benefits apply to this Section. Unless stated otherwise, cover under these additional benefits is included, and not in addition to, the **Limit of Liability**.

Removal of Debris

If **You** are legally liable to pay the cost of removing **Debris** or cleaning up or removing goods that have fallen off **Your Vehicle** because it was in a collision or it overturned in an **Accident** covered by this Policy, **We** will pay those costs, *Maximum*: \$10,000.

1. **We** will not pay if the goods or **Debris** are **Dangerous Goods**.
2. This additional benefit applies in addition to the **Limit of Liability**.

Towed Vehicle

We will pay any amount **You** are legally liable to pay in respect of **damage** to another **Vehicle** or **Watercraft** as a result of an **Accident** in the **Period of Insurance** for **Loss** of or **Damage** to property arising out of any **Vehicle** being towed, carried or retrieved by **Your Vehicle**; and for **Damage** to any **Vehicle** being towed or retrieved by **Your Vehicle**. *Maximum*: \$150,000. **We** will only cover **You** under this additional benefit if **Your Vehicle** and the **Vehicle** being towed, carried or retrieved are being operated in accordance with any law relating to the use of a tow truck.

4.3.5 Exclusions

We will not indemnify **You** in respect of any amounts **You** are legally liable to pay for

1. any **Loss**, **Damage** or expense other than **Damage** to any property which is not a **Vehicle** or **Watercraft**
2. **Personal Injury**
3. consequential, financial or economic **Loss**.



Section 5 – Broadform Liability

5.1 The cover

Where this Section is shown as insured on the **Schedule**, **We** agree to indemnify **You** against all amounts which **You** become legally liable to pay as compensation for **Personal Injury** or **Property Damage** as a result of an **Occurrence** first happening in connection with **Your Motor Trade Business** during the **Period of Insurance**, within the **Territorial Limits**.

5.2 Definitions

The following definitions apply to this Section:

Employment Practices

Means any wrongful or unfair dismissal, failure to promote, negligent reassignment, negligent disciplinary action, denial of natural justice, refusal to employ, demotion, negligent evaluation, harassment, invasion of privacy, defamation, misleading representation or advertising, sexual harassment or discrimination in respect of **Your Employees**.

Hovercraft

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

Incidental Contracts

Means:

- Any written rental agreement or lease of real property which does not impose on **You**:
 - An obligation to insure such property;
 - Any liability regardless of fault;
- Any written contract with any public authority for the supply of **Water** gas or electricity but only to the extent of indemnifying any such authority in respect of liability arising out of **Your Motor Trade Businesses** and excepting contracts for the performance of work or provision of services by **You**.

Limit of Liability

Means the amount stated in the **Schedule**.

Medical Persons

Means legally qualified, enrolled and registered medical practitioners, legally qualified registered nurses, dentists and first aid attendants.

Occurrence

Means an event including continuous or repeated exposure to substantially the same general conditions, which results in **Personal Injury** or **Property Damage** that is neither expected nor intended (except for matters set out in the definition of **Personal Injury** in sub paragraph 5.) from **Your** standpoint.

All events of a series consequent upon or attributable to one source or original cause shall be deemed to be one **Occurrence**.

Product

means anything manufactured, constructed, erected, assembled, installed, grown, extracted, produced or processed, treated, altered, modified, repaired, serviced, bottled, labelled, handled, sold, supplied, distributed, imported or exported, by **You** or on **Your** behalf, including any packaging or containers thereof, including the design, formula or specification, directions, markings, instructions, advice or warnings given or omitted to be given in connection with such products and anything which by law **You** are deemed to have manufactured in the course of the **Business** including discontinued products.

Property Damage

Means:

- Physical damage to, loss of or destruction of tangible property including any resultant **loss** of use; or
- Loss of use of tangible property that has not been physically damaged, lost or destroyed provided such loss of use is caused by physical damage to, loss of or destruction of other tangible property.

Territorial Limits

Means:

- Anywhere within Australia or its external territories;
- Elsewhere in the world but only in respect of:
 - Travelling **Employees** and/or directors or partners who are normally resident in Australia and who are not undertaking manual work or supervision outside of Australia or its external territories;
 - Your** products exported to anywhere in the world except the United States of America or Canada or any country, territory or protectorate to which the laws of the United States of America or Canada apply.

Vehicle

means any type of machine, including attachments, that is designed to travel on wheels or on self-laid tracks made or intended to be propelled by mechanical power.

Watercraft

Means any vessel, craft or thing made or intended to float on or in or travel on or through water other than model boats.

5.3 Limits of Liability

Our liability shall not exceed the **Limit of Liability** in respect of any one claim or series of claims caused by or arising out of one **Occurrence**.

However, for claims caused by or arising out of any **Product**, **Our** liability shall not exceed the **Limit of Liability**:

- for one claim or series of claims; and
- for all claims during the **Period of Insurance**.



5.4 Additional benefits

The following additional benefits apply to this Section. These supplementary benefits are included within **Our Limit of Liability** and not in addition to it.

Legal costs

If **We** agree to pay a claim under this Section, in addition to the **Limit of Indemnity**, **We** will pay legal costs incurred by **Us** or by **You**, after **We** have provided **Our** written consent, in the investigation, defence or settlement of a claim for compensation made against **You**.

Additional costs

We will pay the following additional costs incurred by **You** in connection with an **Occurrence** covered by this Section:

1. First aid costs, other than medical costs which **We** are not allowed to pay by law; and
2. Costs incurred for temporary repairs, shoring up or protection of **Damaged** property of others.

Expenses

With **Our** written consent, **We** will reimburse **You** for all reasonable expenses **You** incur in connection with any claim made against **You** that is covered by this Section, other than loss of earnings.

Faulty workmanship

We will cover **You** for all amounts which **You** become legally liable to pay to rectify, perform, re-perform, complete, or improve any work undertaken by **You** or on **Your** behalf in connection with **Your Motor Trade Business**.

Provided that:

1. The faulty workmanship was performed during the **Period of Insurance** and resulted in a legal liability to carry out the rectifying, performing, re-performing, completing or improving work on the **Vehicle**; and
2. **Our** liability to indemnify **You** pursuant to this clause shall be limited to an amount equal to the wholesale price of parts, freight costs and net labour costs necessarily and reasonably incurred to rectify, perform, re-perform, complete, or improve any work.

Our liability under this Additional benefit shall not exceed \$30,000 for any one claim and \$50,000 in the aggregate for all such claims in the **Period of Insurance**. For the purposes of this clause faulty workmanship means defective work arising out of any act, error or omission in relation to:

1. Work undertaken by **You** or on **Your** behalf in connection with **Your Motor Trade Business**;
2. Work which **You** fail, omit or neglect to undertake; or
3. Advice which **You** provide or fail, omit or neglect to provide in relation to work which is, should be, or could be, undertaken on **Vehicles** entrusted to **You** for repair, servicing or maintenance.

The "Faulty Workmanship" Exclusion of this Section does not apply to this additional benefit.

Removal of Debris

If **You** are legally liable to pay the cost of removing **Debris** or cleaning up or removing goods that have fallen off **Your Vehicle** because it was in a collision or it overturned in an **Accident** covered by this **Policy**, **We** will pay those costs.

However **We** will not pay if the goods or **Debris** are **Dangerous Goods**.

This additional benefit applies in addition to the **Limit of Liability**.

Our liability under this additional benefit shall not exceed \$10,000 for any one claim.

Towed Vehicle

We will pay any amount **You** are legally liable to pay for loss of or damage to property or **Personal Injury** arising out of any **Vehicle** being towed, carried or retrieved by **Your Vehicle**; and for **Damage** to any **Vehicle** being towed or retrieved by **Your Vehicle**.

However, **We** will only cover **You** under this additional benefit if **Your Vehicle** and the **Vehicle** being towed, carried or retrieved are being operated in accordance with any law relating to the use of a tow truck.

Our liability under this additional benefit shall not exceed \$150,000 for any one claim.

5.5 Exclusions

We will not indemnify **You** under this Section in respect of liability:

Aircraft, Hovercraft and Watercraft

Directly or indirectly arising from:

1. the ownership, operation, maintenance or use by **You** or on **Your** behalf of any **Aircraft** or **Hovercraft**;
2. any of **Your** products which are incorporated into the structure, machinery or controls of any **Aircraft** or **Hovercraft**; or
3. the ownership, operation, maintenance or use by **You** or on **Your** behalf of any **Watercraft** exceeding ten (10) metres in length whilst such **Watercraft** is on, in or under water.

Aircraft landing areas

Directly or indirectly arising from the use of any land, property or structure as an airport, **Aircraft** hangar or **Aircraft** landing area, where such airport, **Aircraft** hangar or **Aircraft** landing area.

Assault and battery

Arising out of assault and/or battery committed by **You** or at **Your** direction.

However, this exclusion will not apply when such assault and/or battery is committed for the purpose of preventing **Personal Injury** or property **Damage** or eliminating danger to a person.

Cyber and Data Total Exclusion

For loss, damage, claim, fines, penalties, cost or expense of whatsoever nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any:

1. **Cyber Act or Cyber Incident** including, but not limited to, any action taken in controlling, preventing, suppressing or remediating any **Cyber Act or Cyber Incident**; or
2. loss of use, reduction in functionality, repair, replacement, restoration, reproduction, loss or theft of any **Data**, including any amount pertaining to the value of such **Data**;

regardless of any other cause or event contributing concurrently or in any other sequence thereto. In the event any portion of this provision is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

This provision supersedes any other wording in the **Policy** or any endorsement thereto having a bearing on a **Cyber Act, Cyber Incident or Data**, and, if in conflict with such wording, replaces it.

If **We** allege that by reason of this endorsement that loss sustained by **You** is not covered by this **Policy**, the burden of proving the contrary shall be upon **You**

Defamation, libel and slander

Directly or indirectly arising from the publication or utterance of any libellous, slanderous, defamatory or disparaging material:

1. Made prior to the commencement of the **Period of Insurance**;
2. Made at **Your** direction or with **Your** authority and with knowledge of its falsity; or
3. Related to advertising, broadcasting, telecasting or publishing activities conducted by **You** or on **Your** behalf.

Employer's Liability

For any loss of damage:

1. for which **You** are or would be entitled to indemnity under any fund scheme, policy or insurance or self-insurance pursuant to or required by any legislation relating to workers compensation whether or not such insurance has been effected;
2. imposed by the provisions of any industrial award or agreement or determination or any contract of employment or workplace agreement where such liability would have been imposed in the absence of such industrial award or agreement or determination or any contract of employment or workplace agreement;
3. related to **Employment Practices**.

Erection and alterations to Buildings

The erection, demolition of or alteration or addition to **Buildings** by **You** or on **Your** behalf except where the completed value of such work does not exceed \$500,000.

Faulty Workmanship

Directly or indirectly caused by or arising from the cost of performing, correcting or improving any work that **You** have undertaken.

Imports

Products imported by **You** and distributed or sold on.

Liability assumed under contract

Assumed under contract or agreement that requires **You** to:

1. Effect insurance over real or personal property;
2. Assume liability regardless of fault.

However, this exclusion does not apply to:

1. liabilities that would have been implied by law in the absence of such contract or agreement;
2. liabilities assumed under **Incident Contracts**;
3. terms regarding the merchantability, quality, fitness or care of **Your Products** which are implied by law or statute; or
4. liabilities assumed under contract specifically designated in the **Schedule** or in any endorsement(s) to this **Policy**.

Loss of use

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

1. Delay in or lack of performance by **You** or on **Your** behalf of any contract or agreement; or
2. The failure of **Your Products** to meet the level of performance, quality, fitness or durability expressly or impliedly warranted or represented by **You**

However, this Exclusion does not apply to loss of use of other tangible property resulting from the sudden and accidental physical damage to or destruction of **Your Products** after such **Products** have been put to use by any person or organisation other than **You**.

North America

1. Brought in a court of law with the territorial limits of **North America**;
2. Arising out of the enforcement of any judgement, order or award obtained within, or determined pursuant to, the laws of **North America**;
3. Arising out of **Products** which to **Your** knowledge at the time of **Your** acceptance of this **Policy** or any subsequent renewal would be exported to **North America**.

Own Property Damage

For **Property Damage** occurring to property owned by **You** or in **Your** physical or legal control.

However, this Exclusion shall not apply to:

1. premises or part(s) of premises (including their contents) which are tenanted, leased or rented by **You** for the purpose of **Your Business**, but no cover is provided by this **Policy** if the **You** have assumed the responsibility to insure such premises;
2. personal clothing and effects of **Your** directors, employees and visitors;
3. (a) premises (and/or their contents) temporarily occupied by **You** for the purpose of carrying out work in connection with **Your Business**; or (b) any other property in **Your** possession for the purpose of being worked upon; But no indemnity is granted for damage to that part of any property upon which **You** are or have been working if the damage arises solely out of such work;



4. Vehicles (not belonging to or used by **You** or on **Your** behalf) in **Your** physical or legal control whilst within a car park owned or operated by **You** unless part of **Your Business** is the operation of a car park for reward; and
5. In spite of Exclusion "Liability assumed under contract", any property (except property owned by **You**) not mentioned in 1. To 4 above whilst in **Your** physical or legal control whether or not **You** have accepted or assumed legal liability for such property. Provided that **Our** total liability payable for all claims during the Period of Insurance under this point 5 shall not exceed \$250,000 for each and every **Occurrence**, or as otherwise stated in the **Schedule**.

Participation

directly or indirectly arising out of or in any way connected with, the "Participation" in any sport, exercise or activity including but not limited to rally driving, motor racing, any **Vehicle** activity on a race track, competitive motor sports, aerobics, athletics, football, aquatic, aerial or equestrian activity. For the purposes of this exclusion, "Participation" includes the participation, training or practice for, supervision or control of such activities.

Penalties, fines and damages

For fines, penalties, liquidated damages, punitive damages, exemplary damages, aggravated damages and any additional damages resulting from the multiplication of compensatory damages.

Pollution or Contamination

Arising directly or indirectly out of or caused by, through, or in connection with **Pollution or Contamination**.

Product defect

Directly or indirectly arising from any defective, design or error in specification or formula in any of **Your Products**.

Product guarantee

Directly or indirectly arising from any warranty or guarantee given by **You** or on **Your** behalf in respect of **Your Products**, but this exclusion does not apply to the requirements of any legislation as to product safety and information.

Product recall

Arising directly or indirectly out of, or caused by, through or in connection with the withdrawal, inspection, repair, replacement, modification or loss of use of **Your Products** or of any property of which such **Products** form a part if **Your Products** are withdrawn from the market or from use.

Professional liability

Directly or indirectly arising out of or in any way connected with the provision by **You** or any one on **Your**

behalf to provide professional advice or any error or omission connected therewith.

This exclusion does not apply to the rendering of or failure to render medical advice by medical persons employed by **You** to provide first aid and other medical services on **Your Premises**.

Spray Drift

directly or indirectly caused by, arising from or in connection with the drifting of particles, forming part of any spraying process, being carried out to and depositing on any surface not intended to be sprayed upon by **You** or on **Your** behalf.

Tobacco Products

Caused by or arising directly or indirectly out of or in connect with:

1. The effects of cigarette or tobacco smoking allowed within **Your** premises; or
2. The sale, distribution or supply of cigarettes or tobacco products in the course of the **Business**.

Vehicles

Arising from the ownership, use, legal possession or legal control by **You** of any **Vehicle** or any attachment to any such **Vehicle**:

1. Which is registered or is required to be registered under any legislation; or
2. In respect of which compulsory liability insurance or statutory indemnity is required by virtue of any legislation, whether or not such insurance is effected.

However, this exclusion does not apply to:

1. **Personal Injury** where the insurance required by virtue of any legislation does not provide indemnity, and the lack of indemnity is not due to a breach of legislation relating to **Vehicles**;
2. the loading and unloading of any **Vehicle**;
3. The delivery or collection of goods to or from any **Vehicle**;
4. 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;
5. the use of any tools, implements, machinery or plant attached to or towed by a **Vehicle** whilst being used by **You** at **Your** premises or on any worksite;
6. **Property Damage** to **Vehicles** not belonging to **You** or used by **You** or on **Your** behalf, but in **Your** care, custody or control, subject to a maximum of \$250,000 any one **Occurrence** or any higher **Limit of Liability** set out in the **Schedule**; or

Vibration and removal of support

Arising directly or indirectly from vibration or from the removal or weakening of or interference with support to land, buildings or any other property.

5.6 Conditions

The following conditions are specific to this Section:

Discharge of liabilities

We may at any time pay to **You** or on **Your** behalf in respect of all claims against **You**:

1. The amount of the **Limit of Liability** (after deduction of any sum or sums already paid by **Us**); or
2. Any lesser sum for which the claim or claims may be settled.

Upon such payment **We** will relinquish conduct or control of the defence of all claims against **You** and will have no further liability under this **Policy** in connection with such claim or claims.

Provided that **We** will pay for costs, charges and expenses recoverable from **You** in respect of the period prior to the date of such payment (whether or not this is pursuant to an order made subsequently) or incurred by **Us** or by **You** with **Our** written consent prior to the date of such payment.

Property inspection

We may at any reasonable time inspect **Your** property or property which **You** occupy or are responsible for.

Subrogation

In the event of any payment under this **Policy**, **We** will be subrogated to all of **Your** rights of recovery against any person or organisation and **You** shall execute and deliver any appropriate instruments and papers and do whatever else is necessary to secure such rights. Any amounts recovered shall be applied in accordance with the provisions of s.67 of the Insurance Contracts Act 1984.



Section 6 Equipment Breakdown

6.1 The cover

We will cover You for Loss or Damage to equipment which is in use or connected ready for use at Your Premises as a result of a Breakdown that happens during the Period of Insurance.

We will also cover You for Loss or Damage to other Equipment directly Damaged by a Breakdown to equipment covered under this Section.

What We cover

Equipment

For all equipment, We will, at Our option:

1. Repair the equipment or replace the equipment with similar (not necessarily new) property of like kind, capacity, size, quality and function; or
2. Pay You the lesser of the cost to repair the equipment or replace the equipment with similar (not necessarily new) property of like kind, capacity, size, quality and function.

If We agree that You can carry out the repairs at the Premises or at a workshop owned by You, We will pay the actual costs of materials and wages incurred plus a reasonable overhead mark-up, provided that a qualified person carries out the repairs.

If it is necessary to replace parts that are unavailable, We will not pay more than the estimated cost of similar parts currently available. If similar parts are unavailable, We will not pay more than the manufacturers, or suppliers, latest list price.

We will also pay the reasonable and necessary cost of cleaning, storing, recycling or replacing any gas or fluid used as transfer or insulating media in the operation of the equipment.

For all exposed film, records, manuscripts, drawings and other valuable papers and records, that are lost or Damaged as a result of a Breakdown covered by this Section, We will pay You the cost of blank material and the cost of transcription from duplicates or from originals.

For all other Insured Property covered under this Section We will, repair or replace the Insured Property or pay You the cost to repair or replace the Insured Property, whichever is lesser.

6.2 Definitions

The following definitions apply to this Section:

Breakdown

Means the sudden and Accidental Damage to an item of equipment or a part of it, which manifests itself at the time of its occurrence by Damage to the item of equipment or part thereof that necessitates its repair or replacement, but breakdown does not mean:

1. Depletion, deterioration, corrosion or erosion of material;
2. Wear and tear;

3. Leakage at any valve, fitting, shaft seal, gland packing, joint or connection;
4. Vibration or misalignment;
5. The failure of any structure, foundation or setting (other than bedplate) supporting the equipment or any part of it;
6. The functioning of any safety device or protective device; or
7. The cracking of any part of a gas turbine exposed to the products of combustion.

Commencement of liability

Means:

1. The local time at the Premises at the time of the Breakdown; or
 2. Twenty four hours before notice of the Breakdown is received by Us;
- whichever is later.

Equipment

1. Means all equipment of the type less than 10 years old described below that is owned, leased, operated or controlled by You including:
2. Any Pressure Plant;
3. Any mechanical or electrical machine or electrical apparatus used for the generation, transmission, transformation or utilisation of mechanical or electrical power; or
4. Any electronic equipment used:
 - a. For the generation, control, transmission, reception, recording, reproduction, playback or other use of television, radio or telephone signals;
 - b. For research, diagnostic, treatment, experimental or other medical or scientific purposes;
 - c. For starting, stopping, controlling or monitoring one or more Insured items of equipment.

However, Equipment does not include:

1. Any Vehicle, locomotive or rolling stock, Watercraft or Aircraft;
2. Any power shovel, excavator, dragline or other mobile equipment. However, the meaning of equipment shall include any electrical equipment used with such machine or equipment;
3. Any belt, rope or chain;
4. Any refractory or insulating material;
5. Any anode tube, laser source head or tube, ultrasound probe or head, klystron tube, x-ray or video amplifier tube;
6. Any die, mould, or template;
7. Any hose, any piping or any electrical reticulating system in or under Water (whether or not in conduit),
8. Buried piping (except such piping included in Pressure Plant), sewer piping, drainage piping, sprinkler system or its accessory equipment;
9. Any penstock, draft tube or well casing;
10. Any digital camera, mobile phone, tablet, drone or removable satellite system; or
11. Any elevator, escalator, crane, hoist or conveyor other than any Pressure Plant, pump, compressor,



fan, blower, engine or turbine and the following connected to such machine or apparatus;

- a. Any separate enclosed gear set connected to such machine or apparatus by a coupling, clutch or belt;
- b. Any electrical equipment; or
- c. Any electronic equipment used solely to start, stop, control or monitor such machine or apparatus.

6.3 Excess

The amount **We** pay **You** under this Section arising from any one **Breakdown** will be reduced by the **Excess**. If a time **Excess** is shown in the **Schedule** as applying to this Section, **We** will not be liable for any **Loss** or expense arising during the period after the commencement of liability and prior to the expiry of the specified number of hours specified for the time **Excess**. If more than one time **Excess** is applicable to any one **Breakdown**, then only the highest applicable time **Excess** for that coverage shall apply.

6.4 Limit of Liability

Our maximum liability under this Section for any one **Breakdown**, and in the aggregate for all **Breakdowns** in the **Period of Insurance**, is the **Limit of Liability** set out in the **Schedule**.

6.5 Additional benefits

The following additional benefits apply to this Section. These benefits will be payable in the event that a claim is paid under this Section (other than the optional covers).

Professional fees

We will pay for the reasonable and necessary fees authorised by **Us** which are payable to auditors, accountants, lawyers, architects, engineers or other professionals for producing and certifying information required by **Us** to establish the amount payable under this Section, including under the optional covers.

This does not apply to any amount paid or payable to **Your Employees** or to third party loss adjusters appointed by **You**. **We** will not pay more under this additional benefit than the **Limit of Liability** set out in the **Schedule** for professional fees.

Maximum: \$25,000

Expediting expenses

We will pay the reasonable extra cost, including overtime and the extra cost of express or rapid means of transportation, necessary to:

1. Make temporary repairs;
 2. Expedite permanent repairs; or
 3. Expedite permanent replacement, of the **Damaged** equipment or other **Insured Property**.
- We** will not pay any costs relating to any property installed to replace the function of the **Damaged** equipment or other **Insured Property** on a temporary basis.

Maximum: \$25,000

Temporary hire costs

We will pay for the hiring of temporary property, necessary to keep the **Business** operating as nearly as practical as before the breakdown, up to:

1. 50% of the normal cost to repair or replace the **Damaged** equipment and other **Insured Property**; or
2. \$25,000;

whichever is the lesser, for any one **Breakdown**.

Cover under this additional benefit applies in addition to the **Limit of Liability**.

Bore pump removal costs

We will pay for the necessary and reasonable cost of removal and installation of bore pumps, *Maximum: \$5,000*, for any one **Breakdown**.

Errors and omissions

We agree that **We** will not limit or refuse cover under this Section (including the optional covers) as a result solely of:

1. Any error or unintentional omission by **You** in the description of **Premises**, equipment or **Insured Property**; or
2. **Your** failure through error to include in this **Policy** any **Premises** at the commencement of the **Period of Insurance**.

The following conditions apply:

1. **You** must notify **Us** in writing of such error or omission immediately upon **Discovery** and report corrections;
2. The **Premises** is in Australia or within any other country in which a **Premises** specified in the **Schedule** is located;
3. **You** must pay the additional **Premium** required by **Us**;
4. The **Excess** that applies will be the highest amount or time shown in this **Policy** for such **Loss**; and
5. **We** shall be liable for **Loss** under this additional benefit to the extent that **We** would have been liable had the error or omission not occurred.

Water Damage

We will pay for **Loss** to any **Insured Property**, **Damaged** by **Water**, including salvage expense, as a direct result of a breakdown to any piping described in the definition of equipment. However, **We** will not pay more than the amount set out in the **Schedule** for **Water Damage**.

Maximum: \$25,000

Hazardous substances

If a **Hazardous Substance** escapes or is released solely as a result of a breakdown, **We** will pay for the increase in the cost to repair, replace, clean up or dispose of affected **Insured Property**.

We will not pay for any increase in **Loss** or **Damage** to any **Insured Property** that has broken down that is caused by or arises from a **Hazardous Substance**. **We** will not be liable under this additional benefit for any **Loss** or **Damage** caused by **Ammonia Contamination**. In this additional benefit the expression 'increase in **Loss**' means that cost or **Loss** beyond that which would



have been incurred had no **Hazardous Substance** been present.

Maximum: \$25,000

Ammonia contamination

For the purposes of this Section (including the optional covers) **Loss** or **Damage** caused by ammonia making contact with **Insured Property** as a direct result of a **Breakdown** to any refrigerating or air conditioning system, vessels or piping, described within the definition of **Pressure Plant** or equipment is deemed to be **Loss** or **Damage** as a result of a **Breakdown**.

Newly acquired Premises

We will cover **You** for and in connection with a **Breakdown** at **Premises** newly acquired by **You** provided that:

1. **You** notify **Us** in writing within 90 days after the date the **Premises** is acquired;
2. The **Premises** is in Australia or within any other country in which a **Premises** specified in the **Schedule** is located;
3. **You** must pay the additional **Premium** required by **Us**;
4. The **Money Excess** (and time **Excess**) that applies will be the highest amount shown in this **Policy** for such **Loss**; and
5. **We** will not pay more than the **Limit of Liability** set out in the **Schedule** for newly acquired **Premises**.

6.6 Optional cover

If **You** have cover under this Section, **You** can choose to add the following optional cover to **Your Policy**. The option that **You** have chosen to add to **Your Policy** will be set out in the **Schedule**. If **You** have cover under Section 2 – Business Interruption please read the *Cover under more than one Section* condition that is applicable to all Sections in this **Policy**.

Business interruption

If **We** have agreed to pay a claim under this Section for repair or replacement of equipment caused by **Breakdown**, **We** will pay the additional increase in cost of working (not otherwise recoverable under this Section) necessarily and reasonably incurred during the **Indemnity Period** as a consequence of the breakdown for the purpose of avoiding or diminishing reduction in turnover or resuming or maintaining normal **Business** operations or services. The most **We** will pay for **Your** additional increase in costs of working is the **Limit of Liability** set out in the **Schedule** for additional increase costs of working.

Equipment more than 10 years old

If **We** agree in writing to cover equipment more than 10 years old, the extent of the cover **We** will provide for that equipment AND the equipment and the specified sum is set out in **Your Schedule**, and **We** will pay (up to the specified sum) for the repair or **Total Loss** of that equipment, or the cash equivalent, whichever is lesser.

6.7 Exclusions

We will not be liable under this Section for any:

Excluded Perils as defined in General Exclusions.

Water and Explosion (**Loss** or **Damage** caused by or resulting from):

1. Escape of **Water** or liquids, unless resulting from a **Breakdown**; or
2. **Explosion** that is accompanied by or that ensues from a **Breakdown**; however, with respect to:
 - a. An item of equipment which forms part of **Pressure Plant** (but not including a **Boiler** of the chemical recovery type), the **Loss** to the item of equipment, resulting from **Damage** to the same item of equipment in which the **Breakdown** occurred, is not excluded; and
 - b. An **Explosion** of gas or unconsumed fuel within the furnace of a fired pressure vessel or a **Boiler** (being an item of **Pressure Plant**, but not including a **Boiler** of the chemical recovery type), or within the passages from the furnace of such a fired pressure vessel or **Boiler** to the atmosphere, the **Loss** to the item of equipment, resulting from **Damage** to the same item of equipment in which the **Breakdown** occurred, is not excluded.

Consequential Loss (except as covered specifically in this Section) **Loss**, **Damage**, cost or expense caused directly or indirectly by or resulting from:

4. Delay or interruption of the **Business**;
5. Lack of power, light, heat, steam or refrigeration; or
6. Any other indirect result or consequence of a **Breakdown**.

Certain circumstances Loss, Damage, cost or expense in respect to any item of equipment which is caused directly by **Breakdown** while such item is undergoing any pressure test, an insulation **Breakdown** test or is being dried out.

Equipment more than 10 years old

Unless the optional cover for equipment more than 10 years old is selected by **You** and specified in **Your Schedule**, **We** will not cover anything that was manufactured or built more than ten years before the date of any claim made under this **Policy**.



6.8 Conditions

The following conditions apply to this Section:

One breakdown

If a **Breakdown** to any item of equipment causes a **Breakdown** simultaneously to any other item of equipment, or a series of **Breakdowns** occur simultaneously as a result of the same cause, they will be considered as one **Breakdown** for the purposes of the Section.

Inspection

We have the right to inspect any item of equipment at any reasonable time. Neither the right to make inspections nor the making of them is an undertaking to **You** or others that such equipment is safe and not hazardous or injurious to health.

Precautions

You must take responsible measures to maintain the equipment in sound working condition and to prevent a breakdown from occurring and to comply with any Act of Parliament or Regulation or any law, by-law, ordinance, regulation of any Municipal or Statutory Authority, rule or ruling in relation to the operation, maintenance, repair or inspection of the equipment including:

1. Where certificate of inspection is required by any statute or regulation, such equipment shall be so certified;
2. Where **Pressure Plant** is not inspected by a Statutory Authority, the plant must be inspected and conform with Australian Standards AS3788 and all other relevant Australian Standards, regulations and codes;
3. The load on the safety valve or safety valves upon any item of equipment shall not be in **Excess** of that permitted by the certificate issued for the item; and
4. No safety valve or other limiting device shall be removed or rendered inoperative.

Non-compliance with the above precautions may affect the amount that **You** may receive on a claim.

