

Zurich Transportation Insurance

Product Disclosure Statement



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About our Transportation Insurance

About Zurich

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

ZAIL is part of the Zurich Insurance Group, a leading multi-line insurance provider with a global network of subsidiaries and offices. With about 60,000 employees, the Zurich Insurance Group delivers a wide range of general insurance and life insurance products and services for individuals, small businesses, and mid-sized and large companies, including multinational corporations, in more than 170 countries.

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

This PDS will help you to:

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

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

We sometimes capitalise or italicise terms in this PDS, to show that words are abbreviations or have a particular defined meaning. You should refer to the Definitions section of this document from page 13 and Definitions within the *cover section* to obtain the full meaning of such terms.

How to apply for this insurance

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

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

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

Our Transportation Insurance

The Zurich Transportation Insurance is designed for all transportation enterprises covering *vehicles*, *goods* carried and the liability exposures presented from your *business* operations.

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

Section 1 – Motor Fleet

Comprehensive Cover which provides both:

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

Section 2 – Business Resilience Cover

Cover for *loss of income* and additional expenditure that results from an *interruption* of your *business* caused by a *vehicle* insured under Section 1 – Motor Fleet being deemed a *total loss* during the *period of insurance*.

Section 3 – Goods in Transit (Carriers)

Cover to provide indemnity to the owner of the *goods* that arises from an event insured against whilst in your custody whether or not you are liable.

We provide two options of coverage:

- Comprehensive – loss of or accidental damage to *goods* whilst in your custody.
- Defined Events – loss of or damage to *goods* by named perils; fire, explosion, lightning, flood, collision, overturning, jackknifing, derailment, impact of *goods* while on the conveyance carrying them.

Section 4 – Carriers Cargo Liability

Cover for compensation which you become legally liable to pay in respect of loss of or damage to *goods* while in your custody.

Section 5 – General and Product Liability

Cover for compensation which you become legally liable to pay in respect of *personal injury, property damage or advertising liability* happening as a result of an *occurrence* arising in connection with your *business*.

Our contract with you

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

Your policy is made up of:

- the policy wording which begins on page 13. It tells you what is covered, sets out the claims procedure, exclusions and other terms and conditions of cover;
- the proposal, which is the information you provide to us when applying for insurance cover;
- your most current policy *schedule* issued by us. The *schedule* is a separate document unique to you, which shows the insurance details relevant to you. It includes any changes, exclusions, terms and conditions made to suit your individual circumstances and may amend the policy; and
- any other written change otherwise advised by us in writing (such as an *endorsement* or a supplementary PDS). These written changes vary or modify the above documents.

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

This document is also the PDS for any offer of renewal we may make, unless we tell you otherwise. Please keep your policy in a safe place. We reserve the right to change the terms of this product where permitted to do so by law.

Significant issues to consider

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

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

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

Excesses can apply

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

Details of the excess amounts and circumstances in which they will be applied are set out in the Definition of excess on page 14 and the relevant *cover sections*.

The amount of any excess you will be required to pay will appear on your *schedule*.

Exclusions

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

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

Some of the exclusions may be less common, and as such may be unexpected. For example, the General and Product Liability coverage excludes cover for 'Information technology hazards' such as damage to your computer programs as a result of a *computer virus*. Please refer to page 46 for the details of this exclusion.

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

Please refer to General Exclusion on page 16 and Additional Exclusions to the individual *cover sections* as follows:

- Section 1 – Motor Fleet pages 27, 30 and 33;
- Section 2 – Business Resilience Cover on page 37;
- Section 3 – Goods in Transit (Carriers) on page 40;
- Section 4 – Carriers Cargo Liability on page 41;
- Section 5 – General and Products Liability from page 45.

Terms and Conditions

General Terms and Conditions applicable to all Cover Sections set out your obligations which you need to comply. Please refer to page 18. Special Terms and Conditions are applicable in the following cover sections:

- Section 1 – Motor Fleet on page 27 and 35;
- Section 4 – Carriers Cargo Liability on page 41;
- Section 5 – General and Products Liability from page 49.

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

Make sure you have the cover you need

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

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

Duty of Disclosure

Before you enter into a contract of general insurance with us, you have a duty under the Insurance Contracts Act 1984 (Cth) to disclose to us every matter you know, or could reasonably be expected to know, is relevant to our decision whether to insure you and, if so, on what terms. This applies to all persons to be covered under this contract of insurance.

You have the same duty to disclose those matters to us before they renew, extend, vary or reinstate a contract of general insurance. This duty however, does not require disclosure of a matter that:

- diminishes the risk to be insured;
- is of common knowledge;
- we know or in the ordinary course of our business we ought to know; and
- we indicate to *you* that we do not want to know.

Non-disclosure or Misrepresentation

If you make a misrepresentation to us, or if *you* do not comply with your duty of disclosure and we issue the policy with terms and conditions that are different to the terms and conditions that would have been issued had there not been any misrepresentation, or your duty of disclosure had been complied with, then:

- we may reduce the cover provided so that we are placed in the same position as we would have been in, had there not been any misrepresentation and *your* duty of disclosure had been complied with;
- we may cancel the policy; or
- we may treat the policy as if it never existed if the misrepresentation or the non-compliance with *your* duty of disclosure was fraudulent.

How we calculate your premium

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

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

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

- type of vehicles; (make, age, model within the make up of the fleet);
- use of vehicles; (private, business);
- the value of the vehicles and the Basis of Settlement selected;
- the value and type of the *goods* carried;
- the size of your operation based on estimated gross freight earnings and/or turnover;
- type of Extensions of Cover chosen and the terms and conditions applied;
- location and operating radius of the *vehicles*;
- claims history from prior years; and
- risk management procedures your *business* undertakes.

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

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

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

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

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

Goods and Services Tax

This policy has provision for payment of Goods and Services Tax (GST) by you in relation to the premium payment.

The *sum insured* that you choose for your *vehicle* should exclude GST.

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

For further information, see 'Payments in respect of Goods and Services Tax' on page 19.

How to make a claim

If you need to make a claim against this policy, please refer to 'Claims procedures' under General Terms and Conditions applicable to all Cover Sections on page 18. If you have any queries please contact your intermediary as soon as possible, or call us on 132 687.

Privacy

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

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

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

By providing us or your intermediary with your Information, you consent to our use of this Information which includes us disclosing your Information where relevant for the purposes, to your intermediary, affiliates of the Zurich Insurance Group Ltd, other insurers and reinsurers, our service providers, our business partners or as required by law within Australia or overseas.

Zurich may obtain Information from government offices and third parties to assess a claim in the event of loss or damage.

For further information about Zurich's Privacy Policy, a list of service providers and business partners that we may disclose your Information to, a list of countries in which recipients of your Information are likely to be located, details of how you can access or correct the Information we hold about you or make a complaint, please refer to the Privacy link on our homepage – www.zurich.com.au, contact us by telephone on 132 687 or email us at Privacy.Officer@zurich.com.au

Cooling-off Period

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

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

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

You can cancel your policy at any time after the cooling-off period. Please refer to 'Cancellation' under Terms and Conditions applicable to all Cover Sections on page 19.

General Insurance Code of Practice

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

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

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

Complaints and Disputes Resolution process

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

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

If you are not satisfied with the outcome of the dispute resolution process and would like to take the complaint further, you may refer the matter to the Financial Ombudsman Service (FOS), an independent and external dispute resolution scheme. The FOS is free of charge to you. FOS contact details are:

The Financial Ombudsman Service
Freecall: 1300 78 08 08
Post: GPO Box 3, Melbourne, Victoria 3001
Website: www.fos.org.au
Email: info@fos.org.au

Repair Industry Code of Conduct

Zurich complies with the Repair Industry Code of Conduct.

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

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

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

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

This guarantee is for the life of the *vehicle* and is in addition to your statutory rights against the repairer and warranties that you have from the repairer directly. Wear and tear is not covered by this guarantee.

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

Financial Claims Scheme

Zurich is an insurance company authorised under the Insurance Act 1973 to carry on general insurance business in Australia. As such, we are subject to prudential requirements and standards, regulated by the Australian Prudential Regulation Authority (APRA).

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

The FCS may apply in the event that a general insurance company becomes insolvent. If the FCS applies, a person who is entitled to make a claim under this insurance policy may be entitled to a payment under the FCS. Access to the FCS is subject to eligibility criteria.

Further information about the FCS can be obtained from the APRA website at <http://www.apra.gov.au> and the APRA hotline on 1300 13 10 60.

Headings

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

Updating this PDS

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

Benefits of cover available

The following table shows highlights of some of the major benefits of covers available under the policy. Exclusions, limits and conditions apply so please refer to each *cover section* for full details of coverage.

Summary of covers available	Benefits of cover available	Page no.
Section 1 – Motor Fleet	Own Damage: Cover for Loss or Damage to your Vehicle – Part A	22
	Liability: Cover for Third Party Liability – Part B	28
Section 2 – Business Resilience Cover	Cover for <i>loss of income</i> and additional expenditure that results from an <i>interruption of your business</i> caused by a <i>vehicle</i> insured under Section 1 – Motor Fleet being deemed a <i>total loss</i> during the <i>period of insurance</i>	36
Section 3 – Goods in Transit (Carriers)	Cover to provide indemnity to the owner of the <i>goods</i> that arise from an event insured against while in your custody whether or not you are liable	38
Section 4 – Carriers Cargo Liability	Cover for compensation which you become legally liable to pay in respect of loss of or damage to <i>goods</i> while in your custody	41
Section 5 – General and Product Liability	Cover for compensation which you become legally liable to pay in respect of <i>personal injury, property damage or advertising liability</i> happening as a result of an <i>occurrence</i> arising in connection with your <i>business</i>	42
Section 1 – Motor Fleet Own Damage Extensions of Cover – Part A		
New vehicle replacement (if <i>vehicle</i> is stolen or declared by us as a total loss)	A new replacement vehicle including registration fees, delivery charges and stamp duty for a sedan, station wagon, 4WD, utility, van, mini bus, rigid body truck, rigid body tipper, table-top truck, prime mover including attached articulated trailer, being less than two years old from <i>vehicle's</i> first registration date, where replaceable	22
	Payment up to an additional 20% limit of <i>market value</i> or <i>sum insured value</i> whichever is the lesser for replacement cost (including registration fees, delivery charges and stamp duty) for Other Vehicles less than one year old from <i>vehicle's</i> first registration date, where replaceable	23
Total loss of encumbered vehicles	Up to an additional 25% limit of <i>market value</i> or <i>sum insured value</i> whichever is the lesser on encumbered <i>vehicles</i> having a value of \$500,000 or less, or up to an additional 25% limit of <i>market value</i> or <i>sum insured value</i> , whichever is the lesser, for other encumbered <i>vehicles</i> having a value above \$500,000	23
Removal and delivery expenses	Reasonable costs of removing and delivering your <i>vehicle</i> , if your <i>vehicle</i> suffers loss or damage, up to a maximum \$50,000 per event	24
Re-delivery following theft	Reasonable costs of returning your <i>vehicle</i> following theft, up to a maximum \$50,000 per event	24
Journey disruption	Following loss or damage to your <i>vehicle</i> , if more than 100 km from normal place of garaging, certain reasonable costs of transporting the driver and passengers, obtaining overnight accommodation or hiring another vehicle, up to a maximum \$5,000 per event in certain circumstances	24
Substitute vehicle	Coverage for substitute <i>vehicle</i> whilst your <i>vehicle</i> is out of operation	24
Retrieval costs	In the event of your <i>vehicle</i> becoming unintentionally immobilised, retrieval costs up to a maximum \$50,000 per <i>period of insurance</i>	24
Removal of debris / load	Reasonable costs incurred for clean-up and removal of debris up to a maximum \$50,000 per event	25
Expediting expenses	Immediate repair costs, provided such costs do not exceed 50% of normal repair costs or \$5,000, whichever is the lesser	25
Employees' personal property	Covering certain uninsured personal property of employees damaged in an accident, stolen from the locked <i>vehicle</i> , up to a maximum amount \$2,500 per event	25

Summary of covers available	Benefits of cover available	Page no.
Signwriting	Reasonable replacement costs in respect of signwriting or artwork	25
Hire of vehicle following theft	Up to a maximum \$5,000 per <i>vehicle</i> / \$5,000 per event	25
Locks / keys	Up to a maximum \$10,000 per <i>vehicle</i> / \$50,000 per event	26
Funeral expenses	Up to a maximum \$10,000 for funeral expenses following fatal injury to your driver	26
Disability modifications	Up to a maximum \$10,000 if your driver suffers a permanent disability that necessitates modifications to your <i>vehicle</i>	26
Rewards	Up to a maximum \$5,000 for all rewards offered to recover your stolen <i>vehicle</i>	26
Employee's vehicles	Coverage for employee's <i>vehicles</i> being used in connection with your <i>business</i> , with you consent, to a maximum \$50,000 any one loss, any one event	26
Windscreen	Costs in respect of loss or damage to windscreen or windows of your <i>vehicle</i>	26
Section 1 – Motor Fleet Liability Extensions of Cover – Part B		
Legal costs and authorised expenses	Legal costs and expenses incurred with our written consent, in addition to the <i>limit of liability</i>	28
Non-owned or supplied vehicle	Coverage for non-owned or supplied <i>vehicles</i> being used in connection with your <i>business</i>	29
Employer or principal	Covering employer's or principal's liability for an accident involving your <i>vehicle</i>	29
Vehicles under tow	Covering disabled <i>vehicle</i> being towed by your <i>vehicle</i>	29
Non-owned trailer liability	Damage to non-owned trailer being towed by your <i>vehicle</i> , up to a maximum value of \$100,000 per event	29
Section 1 – Motor Fleet Extensions of Cover applicable to Part A and B		
Automatic additions	Automatically covering additions to your fleet to a maximum \$500,000 per <i>vehicle</i>	31
Acquired companies / firms	Coverage for <i>vehicle</i> of acquired companies and firms	31
Police, Fire Brigade and other Authorities	Covering costs levied in respect of Police Force, Fire Brigade or other Authorities as a result of loss or damage to your <i>vehicle</i> , to a maximum \$50,000 per event	32
Cover for other owners	Coverage for other owners <i>vehicles</i> as declared to us in your Declaration of Vehicles attaching to the <i>schedule</i>	32
No fault excess	If the total excesses applicable to your claim are \$5,000 or less and you were not at fault in an accident, you may not need to pay any excess	32
Difference in excess / hired-in or rental vehicles	Covering any difference in excess between that payable under the terms of the hire agreement and the excess level under your policy	33
Registration of vehicles	Coverage is maintained in the event of vehicle registration being cancelled or suspended due to traffic or parking fines	33
Psychological counselling	Coverage provides reasonable costs incurred in your driver obtaining professional counselling as a result of an accident involving your <i>vehicle</i> , up to a maximum of \$10,000	33
Crisis coverage	Coverage provides reasonable costs to pay <i>public relations expenses</i> , with our written consent as a result of an accident involving your <i>vehicle</i> , up to a maximum of \$50,000	33

Summary of covers available	Benefits of cover available	Page no.
Section 2 – Business Resilience Cover		
Business resilience cover	Covers <i>loss of income</i> and additional expenditure that results from an <i>interruption of your business</i> caused by a <i>vehicle</i> insured under Section 1 – Motor Fleet being deemed a <i>total loss period of insurance</i>	36
Section 3 – Goods in Transit (Carriers)		
Cover options	1. Comprehensive – loss of or accidental damage to <i>goods</i> whilst in your custody	38
	2. Defined Events – loss of or damage to <i>goods</i> by named perils; fire, explosion, lightning, flood, collision, overturning, jackknifing, derailment, impact of <i>goods</i> while on the conveyance vehicle carrying them	38
Legal costs	Legal costs and expenses incurred with our written consent, in addition to the <i>sum insured</i>	38
Disposal / Salvage of damaged goods	We will pay for the cost of removal of damaged <i>goods</i> , including reasonable costs up to \$50,000 for salvaging and onforwarding <i>goods</i> whether or not they are damaged	38
Insured's equipment	Up to a limit of \$5,000, for loss of or damage to your own equipment, not being part of or permanently attached to the conveying <i>vehicle</i>	39
Optional Extensions to Cover 2	1. Theft, pilferage and non delivery of the <i>goods</i>	39
	2. Loading / Unloading	39
	3. Breakdown of refrigerating machinery	40
Section 4 – Carriers Cargo Liability		
Removal and Disposal	Coverage provides costs of removal and disposal of damaged <i>goods</i> up to a limit of \$50,000	41
Legal costs	Legal costs and expenses incurred with our written consent, in addition to the <i>limit of liability</i>	41
Optional Extension	Cover can be extend to included your subcontractors for their liability for work undertaken by them on your behalf	41
Section 5 – General and Product Liability		
Territorial limits	Worldwide including business visits to <i>North America</i>	42
Legal costs and authorised expenses	Legal costs and expenses incurred with our written consent, in addition to the <i>limit of liability</i>	43
Optional Extension	Cover can be extend to included your subcontractors for their liability for work undertaken by them on your behalf	44
Property in the physical or legal control	Property, other than a <i>vehicle</i> , an <i>aircraft</i> , <i>watercraft</i> , <i>hovercraft</i> , transportation of <i>goods</i> , not owned by you, but in your physical or legal control subject to a maximum of \$250,000 for any one <i>occurrence</i> and in the aggregate during any one <i>period of insurance</i>	47

Zurich Transportation Insurance Policy Wording

Our Agreement

Subject to the terms and conditions contained in this policy, and after you have paid or agreed to pay us the premium, we will provide you with the cover shown in the *cover sections* that occurs within the *territorial limits* and during the *period of insurance*, up to the appropriate amounts shown in the *schedule* or other limits shown within the wording.

In issuing this policy, we have relied on the information contained in the proposal form and or any other information given by or on your behalf.

Definitions

The following definitions shall apply to your policy.

Act of terrorism

act of terrorism means any act, or preparation in respect of action, or threat of action designed to influence the government de jure or de facto of any nation or any political division thereof, or in pursuit of political, religious, ideological or similar purposes to intimidate the public or a section of the public of any nation by any person or group(s) of persons whether acting alone or on behalf of or in connection with any organisation(s) or government(s) de jure or de facto, and which:

- (a) involves violence against one or more persons;
- (b) involves damage to property;
- (c) endangers life other than that of the person committing the action;
- (d) creates a risk to the health or safety of the public or a section of the public; or
- (e) is designed to interfere with or to disrupt an electronic system.

Advertising liability

advertising liability means:

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

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

Aircraft

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

Airside activities

airside activities means any *vehicle* being used for the following:

- (a) movement within or on airport taxi-ways, parking stations, landing grounds, tarmac or any temporary landing ground;
- (b) the refuelling or towing of any *aircraft*;
- (c) any operation on any of the airport areas involving landscaping, site clearance, earthmoving, excavation, tunnelling, boring, laying of foundations, erection or dismantling of scaffolding, site restoration and the provision of roadways and other access works;
- (d) the construction, alternation, repair, restoration, maintenance, extension, demolition or dismantling of buildings, runways or structures (whether permanent or not) forming, or to form part of the airport areas; or
- (e) the installation, alteration, repair, or maintenance or fittings, including lighting, power supply, drainage, sanitation, water supply, gas supply, fire protection, security and communications systems in any of the airport areas.

Business

business means all your activities and operations stated in the *schedule* including the ownership and tenancy of premises, private work carried out with your consent by your employees for any of your directors or senior executive officers, and the provision or management of canteen, social or sports organisations for your employees and internal first aid, fire and ambulance services.

Dangerous goods

dangerous goods means dangerous goods or explosives as defined in either the current Australian Code for the Transport of Dangerous Goods by Road and Rail or the current Australian Code for the Transport of Explosives by Road or Rail or the current New Zealand Land Transport Rule: Dangerous Goods Amendment 2010.

Endorsement

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

Excess

excess means the amount you first bear in relation to each event claim or *occurrence*.

The *excess* applies to all amounts payable under this policy (unless expressly stated in the *cover section*) including the indemnity provided under additional payments.

Goods

goods mean the goods in transit including livestock, shipping containers, flatracks and packaging. Insured *goods* do not include goods owned, leased or rented by you or goods on loan to you.

Hovercraft

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

Insured

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

Insured person

insured person means the *insured* and the parties described under the heading 'Cover for Others' within Section 5 – General and Product Liability.

Limit of Liability

limit of liability means the Limits of Liability stated in the *schedule*.

Market value

market value means the value of your *vehicle* just before the loss or damage occurs, based upon the age and condition of your *vehicle* exclusive of GST.

North America

North America means:

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

Occurrence

occurrence means an event or series of events including continuous or repeated exposure to substantially the same general conditions which results, unexpectedly and unintentionally from your standpoint, in *personal injury* or *property damage* or *advertising liability*.

All *personal injury* or *property damage* happening during the *period of insurance* attributable to one source or to a common cause or to the same general conditions shall be deemed to be one *occurrence*.

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

Payload

payload means the maximum load that the *vehicle* is designed to carry. *Payload* is calculated from the gross vehicle mass (GVM) subtracting the vehicle's own weight and without any cargo or passengers.

Period of insurance

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

Personal injury

personal injury means:

- (a) bodily injury, death, sickness, disease, shock, fright, mental anguish or mental injury or loss of consortium;
- (b) false arrest, false detention, wrongful imprisonment, malicious prosecution or humiliation;
- (c) wrongful entry or wrongful eviction or other invasion of privacy;
- (d) defamation, libel and slander; and
- (e) assault and/or battery committed by an *insured person* whilst engaged in your *business* activities and for the purpose of preventing or eliminating danger to persons or property.

Pollutants

pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including but not limited to smoke, vapour, soot, fumes, acid, alkalis, chemicals or waste. Waste includes but is not limited to material to be recycled, reconditioned or reclaimed.

Products

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

Property damage

property damage means:

- (a) physical damage to, or loss of or destruction of tangible property including subsequent loss of use of that property; and/or
- (b) loss of use of tangible property which has not been physically damaged or destroyed provided such loss of use is caused by physical damage to or destruction of other tangible property.

Public Relations Expenses

public relations expenses means the reasonable fees and related expenses of a public relations firm or consultant, crisis management firm or law firm which an *insured* in the reasonable exercise of their discretion may engage with our written consent to prevent or limit adverse effects or negative publicity in respect of a claim.

Schedule

schedule means the Schedule which we issue to you that forms part of this policy. At any point of time, this will be the most current *schedule* we have issued.

Sum insured

sum insured means the amount specified as the Sum Insured stated in the *schedule*.

Sum insured value

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

Territorial limits

territorial limits means anywhere in the Commonwealth of Australia and/or New Zealand.

Tool of trade

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

Vehicle

vehicle or *vehicles* means a mechanically propelled vehicle and/or trailer designed for use on land only (not being for use upon rails, tram tracks or cables).

Watercraft

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

General Exclusions applicable to all Cover Sections

We will not be liable to pay any claim:

1. **Aggravated, punitive or exemplary damages, fines or penalties**
for any fines, penalties, exemplary, punitive, liquidated or aggravated damages.
2. **Asbestos**
any liability of whatsoever nature in connection with, directly or indirectly caused by or contributed to by or arising from asbestos or asbestos *products* or asbestos contained in any *products*.
3. **Intentional conduct**
from any alleged or actual fraudulent, dishonest, malicious, intentional or criminal act or omission by you or your subcontractors.
4. **Pollution**
 - (a) Loss or damage, *personal injury* or *property damage* directly or indirectly arising out of the discharge, seepage, migration, dispersal, release or escape of *pollutants* or contaminated substances into or upon any property, land, the atmosphere or any watercourse or body of water (including ground water);
 - (b) Loss or damage, *personal injury* or *property damage* directly or indirectly arising out of the discharge, seepage, migration, dispersal, release or escape of *pollutants* or contaminated substances caused by any *product* that has been discarded, dumped, abandoned or thrown away by others;
 - (c) the cost of removing, nullifying or cleaning up *pollutants* or contaminated substances; or
 - (d) the cost of preventing the escape of *pollutants* or contaminated substances.

However Exclusion 4. above shall not apply where the claim or loss or damage arises from a sudden identifiable, unintended and unexpected event from your standpoint which takes place in its entirety at a specific time and place during the *period of insurance* and occurs outside of *North America*, however the total aggregate *limit of liability* or *sum insured* during any one *period of insurance* shall not exceed the *limit of liability* or *sum insured*.

5. Unlawful acts (including unlicensed drivers)

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

- (a) you or any person driving your *vehicle* was doing so:
 - (i) for any unlawful purpose; or
 - (ii) as a result of, or occasioned by, you stealing, converting, absconding with, or otherwise misappropriating your *vehicle*, or deliberately inflicting loss or damage with, or to your *vehicle*.
- (b) you or any person driving your *vehicle*:
 - (i) had faculties impaired by any drug and/or intoxicating liquor;
 - (ii) had a percentage of alcohol or drugs in their breath, saliva, blood or urine in excess of the percentage permitted by the law of the applicable State or Territory where the incident occurred;
 - (iii) refused to provide or allow the taking of a sample of breath, saliva, blood or urine for testing or analysis; or
 - (iv) left the place where the accident arose, before being legally allowed to do so.
- (c) you or any person driving with your consent and knowledge was not licensed to drive your *vehicle*, or was disqualified from holding or obtaining such a licence.
- (d) your *vehicle* was being driven by a person who was not legally licensed to drive that *vehicle* in Australia or New Zealand (as applicable), other than while your *vehicle* is being driven by a person aged 12 years or over on rural land owned or occupied by you.

However Exclusion 5 (c) shall not apply if your *vehicle* is being driven by a person who is involved with the servicing of your *vehicle* on premises you occupy.

Further, Exclusions 5 (a) to (d) inclusive shall not apply if you can prove:

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

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

6. War, act of terrorism, radioactivity

if loss, damage, destruction, death, *personal injury*, *property damage*, illness, liability, cost or expense of any nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any of the following, regardless of any other cause or event contributing concurrently or in any other sequence to the loss resulting from:

- (a) war, invasion, acts of foreign enemies, hostilities or warlike operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power;
- (b) any *act of terrorism*,

However this shall not apply to loss of or damage to *goods* or death of livestock or any related expense caused by any *act of terrorism*;

- (c) any order of any Government, Public or Local Authority involving the confiscation, nationalisation, requisition, damage or destruction of any property unless such destruction was undertaken to reduce the spread of fire;
- (d) any chemical, biological, bio-chemical or electromagnetic weapon; or

- (e) radioactivity or the use, existence or escape of any nuclear fuel, nuclear material, or nuclear waste or action of nuclear fission or fusion.

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

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

General Terms and Conditions applicable to all Cover Sections

1. Claims procedures

You and any person entitled to cover under this policy for loss or circumstance giving rise or which may give rise to a claim must:

- (a) notify us in writing with full details as soon as possible and within 30 days after any event which may become the subject of a claim under this policy;
- (b) take reasonable steps to prevent further loss which may give rise to or increase the amount of the claim;
- (c) immediately send us any communication received from other parties in relation to any event which may become the subject of a claim under this policy;
- (d) tell us without delay on becoming aware of any impending prosecution in relation to any event which may become the subject of a claim under this policy;
- (e) provide all information and cooperation which we may require, including signing any statutory declaration or other documents;
- (f) not admit or negotiate any claim without our written consent;
- (g) allow us full discretion in the conduct, defence and settlement of any claim;
- (h) subject to the Insurance Contracts Act 1984, help us to recover any money paid by us from any person whom you may be able to hold liable. We will have the right to take any action in your name;
- (i) not authorise repairs to the *goods* or your *vehicle* (other than emergency mitigation costs or expediting expenses) without our written consent;
- (j) notify the Police as soon as possible after you have become aware of the theft or attempted theft of, or malicious damage to your *vehicle* or loss and damage to *goods*;
- (k) furnish to us details of any other insurance covering or which may cover the same loss;
- (l) at all reasonable times permit us or its agents to inquire into, investigate and examine the circumstances of any loss; or
- (m) pay as soon as possible any excess, unless we state that an excess does not apply. We will not pay and you will be liable for any additional costs incurred or resulting from your non-payment of any excess, if payment is not received with 30 days after we have requested payment of same

2. Change of risk

You must notify us in writing of all changes materially affecting the facts or circumstances, including but not limited any changes to the consignment note or other documents of carriage or the method of using these documents to what was existing at the commencement of this policy, or at any subsequent renewal date, as soon as such change comes to your notice. Any additional premium as a result of the change must be paid by you.

3. Notice

Every notice or communication to us shall be in writing and sent to our office where the policy was issued.

4. Cross liability

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

5. Joint insured

Where you are comprised of more than one legal entity, information supplied to us shall be deemed to have been furnished by and on behalf of all such entities, and any information supplied to us or any omission or non-disclosure in relation to any renewal or extension hereof, shall likewise be deemed to have been furnished, omitted or withheld on behalf of all such entities.

6. Fraud

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

7. Reasonable care

You must exercise all reasonable care, precautions and use all due diligence to prevent loss or damage to the *goods* or insured *vehicles* and prevent any liability, and comply with all statutory obligations and by-laws or regulations imposed by any Public Authority for the safety of the *vehicles* and for the carriage of passengers, *goods* or merchandise.

8. Payments in respect of Goods and Services Tax

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

When we make a payment to you, or on your behalf, under this policy as compensation instead of payment for the acquisition of goods, services or other supply, we will reduce the amount of the payment by the amount of any input tax credit that you are, or will be, or would have been entitled to under A New Tax System (Goods and Services Tax) Act 1999 had the payment been applied to acquire such goods, services or supply.

9. Other insurance

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

10. Cancellation

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

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

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

11. Currency and rates of exchange

The currency applicable to this policy shall be Australian dollars. When conversion from or to any other currency is required, the exchange rate applicable shall be:

- (a) in respect of claims, the market rate at the time of settlement; and
- (b) in respect of premiums, the market rate at the time of payment by you; and
- (c) in respect of 'declared values', the market rate at the date on which such declarations are made.

However all payments are subject to the *limits of liability* of this policy.

12. Premium

Unless otherwise stated, the premium is adjustable. You shall, within 30 days after the expiry of each *period of insurance*, provide such information as we may require to adjust the premium. Any difference in premium shall be paid by or allowed to you, provided that the adjusted premium will not be less than any minimum premium specified in the *schedule*. You shall at all times allow us to inspect such records.

In respect to *cover section 1* and depending upon the Basis of Adjustment set out in the policy *schedule*, you must declare to us in writing the total number of *vehicles* or current *market value / sum insured value* of all *vehicles* (as the case may be) at risk, at such expiry date. Upon receipt of this declaration, we shall make a premium adjustment of 50% of the annual premium or rate per *vehicle* (as the case may be), applied to the difference in the number of *vehicles* or their value (as the case may be) at inception of this *period of insurance* and the number or value (as the case may be) at the end of the *period of insurance*, as set out in your declaration.

In respect to *cover section 3* and 4 where the premium is based on estimated gross freight earnings, you must keep accurate records of the equivalent actual gross freight earnings and must be declare to us in writing the actual gross freight earnings. We will adjust the premium proportionally at the end of that period on the basis of the *insured's* actual gross freight earnings. If the adjusted premium is:

- (a) higher than the deposit premium stated in the *schedule* you must pay us the difference unless the deposit premium is less than \$25,000 and the variation between estimated and actual figures for the period is less than 10% in which case no difference in premium is payable; or
- (b) lower than the deposit premium stated in the *schedule* we will pay the difference to you. However, we are entitled to retain a minimum of 75% of the estimated annual premium on which the deposit premium was based.

13. Proper law and Jurisdiction

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

Section 1 – Motor Fleet

Definitions

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

Excess

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

- **Basic excess**

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

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

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

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

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

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

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

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

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

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

- **Tipping excess**

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

Vehicle or vehicles

For the purpose of this *cover section* only, the definition of *vehicle or vehicles* is extended to include:

- (a) standard accessories, standard tools, standard appliances, standard electronic / electrical equipment or standard options including built-in radio receiver, citizen band radio, vehicle entertainment systems, air conditioning unit, fixed car telephone (excluding mobile phones except for those components that are fixed to the *vehicle*);
- (b) chains, chain dogs, tarpaulins, curtains, straps, ropes, binders, pogo sticks, ramps, fences and gates and the like when these items form part of the *vehicle* and are in or on or attached to your *vehicle*; or
- (c) non-standard accessories, but not limited to post hole borer, buckets, chain trencher, blade, hammer, ripper, laser, rock breaker, sweeper, pallet forks and like that form a permanent fitted fixture of the *vehicle*,

to a maximum limit of \$10,000 per *vehicle* in total for the items noted in (b) and (c), unless otherwise specified in the *schedule*.

Part A – Damage to your Vehicle

Introduction

This *cover section* only forms part of your policy when Part A – ‘Damage to your Vehicle’ is shown in the *schedule* and is limited to the *period of insurance* indicated.

Cover

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

Cover For Others

We will provide cover to any party who has an insurable interest in any *vehicle* insured by this *cover section* by way of mortgage, lease, hire purchase or any other encumbrance over an insured *vehicle*.

Basis of Settlement

1. Repair

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

2. Total Loss

When your *vehicle* is stolen and not recovered, lost and not recovered, or damaged, and we do not consider it economical to repair your *vehicle*, then the maximum amount we will pay for your *vehicle* is:

- (a) where you have not specified a *sum insured value*, the *market value*; and
- (b) where you have specified a *sum insured value* the lesser of:
 - (i) that value; or
 - (ii) the *market value*.

Limits of Cover

Following loss or damage, the maximum amount we will pay under this Part for your *vehicle* is:

1. the cost of repairs to your *vehicle*;
2. the *market value* of your *vehicle* at the time of loss; or
3. the *sum insured value* stated in the *schedule*,

whichever is the lesser.

The most we will pay for any one event for loss or damage to all your *vehicles* is \$10,000,000, which is inclusive of the following Additional Covers – Part A.

Additional Covers – Part A

All Additional Covers are subject to the applicable excess at the time of the loss or damage.

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

1. New vehicle replacement

- (a) If your *vehicle* is a Sedan, Station Wagon, 4WD, Utility, Van, Mini Bus, Rigid body truck, Rigid body tipper, Table-top truck, Prime Mover including attaching articulated trailer, suffers loss or damage:
 - (i) is less than two years old from the date of your *vehicle’s* first registration; and
 - (ii) is stolen and not recovered, lost and not recovered, or damaged and we do not consider it economical to repair your *vehicle*,

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

However where:

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

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

- (b) Other Vehicles, but not limited to a Tanker, Refrigerated tanker, Vacuum or Sweeping application vehicle, Garbage compactor, Concrete agitator, Concrete pumping truck or trailer, Plant and Equipment or any other specialised rigid body type vehicle, suffers loss or damage:
 - (i) is a *vehicle* not referred to above in Additional Covers 1 (a); and
 - (ii) is less than one year old from the date of your *vehicle's* first registration; and
 - (iii) is stolen and not recovered, lost and not recovered, or damaged and we do not consider it economical to repair your *vehicle*,

we will assist you in replacing it with a new *vehicle* of the same make, model and series (or if unavailable, a *vehicle* of similar make and model) by paying you:

- (iv) the replacement cost including any registration fees, delivery charges and stamp duty;
- (v) the amount you have specified as the *sum insured value* plus 20%; or
- (vi) the current *market value* plus 20%, where you have not specified a *sum insured value*, whichever is the lesser.

However the maximum amount we will pay under this Additional Cover will not exceed \$1,000,000 for any one *vehicle*.

2. Total loss of encumbered vehicles

If:

- (a) your *vehicle* is stolen and not recovered, lost and not recovered, or damaged and we do not consider it economical to repair your *vehicle*; and
- (b) your *vehicle* is the subject of a lease agreement or other similar agreement; and
- (c) the terms of the lease agreement, or other similar agreement, require you to make a payment (the termination payment) to the other party to the lease agreement, or other similar agreement, in order to terminate that agreement; and
- (d) the amount of the termination payment is greater than the amount we will pay you in respect of your *vehicle*, calculated in accordance with the Basis of Settlement,

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

However for any *vehicle* having a value of \$500,000 or less, the maximum amount we will pay under this Additional Cover is:

- (i) 25% of *market value*; or
- (ii) 25% of *sum insured value*,

whichever is the lesser.

In respect of any *vehicle* having a value in excess of \$500,000, the maximum we will pay under this Additional Cover is:

- (iii) 20% of *market value*; or
- (iv) 20% of *sum insured value*,

whichever is the lesser.

3. Emergency mitigation costs

In the case of an emergency, we give you the authority to arrange on our behalf, and at a reasonable cost, the following:

- (a) repair or replacement of your *vehicle's* windscreen and/or windows; or
- (b) the towing of your *vehicle* to the nearest repairer or place of safety, or to any other place already approved by us.

4. Removal and delivery expenses

If your *vehicle* suffers loss or damage, we will pay the reasonable costs necessarily incurred by you in removing your *vehicle* (excluding any debris or load) and, where applicable, relocating your *vehicle* to the nearest repairer which we have approved and/or delivering your *vehicle* to you at your usual place of garaging after its repair or recovery, up to a maximum amount of \$50,000 per event.

5. Re-delivery following theft

If your *vehicle* suffers no loss or damage following theft, we will pay you the reasonable cost of returning your *vehicle* to your usual place of garaging when the *vehicle* has been recovered following its theft, up to a maximum amount of \$50,000 per event.

6. Journey disruption

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

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

up to a maximum amount of \$5,000 per event, provided:

- (i) the loss or damage was covered under this *cover section*;
- (ii) the *vehicle* was being used in connection with your *business*; and
- (iii) your *vehicle* was more than 100 km from its usual place of garaging.

7. Substitute vehicles

We will cover any substitute *vehicle*, being used as a result of loss or damage to your *vehicle* covered under Part A – 'Damage to your Vehicle', where you are legally liable to insure the substitute *vehicle*.

However the cover only applies until your *vehicle* is repaired or where we make a final offer of settlement in respect of your *vehicle*.

8. Retrieval costs

In the event of your *vehicle* becoming unintentionally immobilised in any situation, other than as a result of mechanical, electrical, electronic failure, impact or accident related damage, we will pay you for the necessarily incurred costs of recovery and/or retrieval of your *vehicle*.

However:

- (a) our liability in respect of such cost will not exceed \$50,000 during the *period of insurance*; or
- (b) where you provide your own equipment, for the purpose of recovery, settlement shall be at cost, without allowance for profit.

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

9. Removal of debris / load

We will pay you for reasonable costs necessarily incurred for the clean-up and removal of your *vehicle's* debris and your *vehicle's* load arising from an accident or resulting from *goods* falling or leaking from your *vehicle*, but only to a maximum amount of \$50,000 per event.

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

10. Expediting expenses

If loss or damage to your *vehicle* occurs, we will pay you for the reasonable additional costs necessary to effect immediate temporary repairs, or to expedite permanent repairs of the damage to the *vehicle*.

However such cost per event does not exceed 50% of the normal repair costs or \$5,000, whichever is the lesser.

11. Employees' personal property

If your *vehicle* suffers loss or damage, we will pay for any uninsured personal property of your employees as a result of loss or damage to that property:

- (a) damaged in an accident involving your *vehicle*;
- (b) if stolen from your *vehicle* if locked;
- (c) if stolen at the same time as your *vehicle*,

up to the maximum amount of \$2,500 per event; and

- (d) including your employees' trailer whilst attached and damaged in an accident involving your *vehicle*, up to the maximum amount of \$500 per event.

Any payment will be subject to due allowance for depreciation, age and wear and tear. However this Additional Cover will not cover cash, negotiable instruments, jewellery, computers, laptops and personal navigation equipment belonging to your employees.

12. Signwriting

We will pay for the reasonable replacement cost of any signwriting or artwork (including advertising signs), affixed to the *vehicle*, at the time of loss or damage.

13. Hire of vehicle following theft

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

On the basis that:

- (a) the payment / reimbursement is limited to costs incurred by you after you have notified us of the loss; and
- (b) the substitute *vehicle* is of a similar like and kind to that stolen; and
- (c) the payment / reimbursement will cease on the day the stolen *vehicle* is recovered or is found but is not driveable, or the day we offer settlement to you for the stolen *vehicle*, whichever occurs first.

14. Locks / keys

If the keys to your *vehicle* are lost, destroyed or damaged, or if there are reasonable grounds to believe that the keys may have been duplicated, we will reimburse the costs of replacing the key ignition barrel, all locks and keys if required, up to a maximum amount of \$10,000 per *vehicle* and \$50,000 per event.

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

15. Funeral expenses

Should your driver suffer a fatal injury as a result of an accident involving your *vehicle* (irrespective of whether or not death occurs at the time of the accident), the *cover section* extends to pay to the deceased driver's next of kin up to a maximum amount of \$10,000 per event for expenses associated with the funeral, for transportation of the body of the deceased person and for travel by any member of the deceased person's immediate family for the purpose of attending the funeral.

16. Disability modifications

Should your driver suffers injuries as a result of an accident involving your *vehicle* and such injuries render your driver with a permanent disability that necessitates vehicle modifications to your *vehicle* or your driver's private vehicle, the *cover section* extends to pay up to \$10,000 per event for costs associated with effecting such modifications.

17. Rewards

If your *vehicle* is stolen and is covered under Part A – 'Damage to your Vehicle', this Extension covers any reward offered, with our prior approval, to secure the return of the *vehicle*.

Our total liability will not exceed \$5,000 for all rewards offered for any one event.

18. Employee's vehicles

Your policy is extended to cover loss of, or damage to, *vehicles* belonging to your employee, whilst such *vehicles* are being used in connection with your *business*, with your prior consent.

However:

- (a) the maximum we will pay under Part A – 'Damage to your Vehicle' to your employee's vehicle, is the *market value* of the vehicle or up to a maximum value of \$50,000 for any one loss, any one event; and
- (b) as far as allowed by law, this Additional Cover will only provide cover in excess of any amount for which the *insured's* employee is otherwise insured.

19. Windscreen

We will pay you for loss or damage to the windscreen or windows of your *vehicle* (including incidental scratching to bodywork).

Nil excess will apply if no other loss or damage has occurred and only if your *vehicle* is a sedan, station wagon, 4WD, utility or other Goods Carrying *vehicle* up to 3.5 tonnes *payload* carrying capacity.

20. First aid

If your *vehicle* suffers loss or damage, we will pay up to a maximum of \$2,500 per event to replace or restock any first aid kits or equipment in your *vehicle* damaged or used as a result of that accident.

21. Family expenses when your driver is hospitalised

Should your driver sustains *personal injury* requiring hospitalisation as a result of an accident involving your *vehicle*, we will pay you the reasonable costs for transport, accommodation, meals and related expenses (within Australia only) incurred by you or your injured driver's immediate family to attend the hospital, up to a maximum amount of \$2,500 per event, and \$10,000 any *period of insurance*.

However this Additional Cover will only provide cover when:

- (i) the loss or damage was covered under this policy;
- (ii) the *vehicle* was being used in connection with your *business*; and
- (iii) your driver is hospitalised more than 100 km from his or her primary place of residence.

22. Two wheel trailers or box trailers

We will cover two wheel trailers or box trailers with a carrying capacity less than 1 tonne, which are owned by you, and are not included in your Declaration of Vehicles, only whilst attached to and damaged in an accident involving your *vehicle*.

The maximum amount we will pay per event under this Additional Cover is:

- (i) the *market value* of the two wheel trailer or box trailer just before the actual physical damage, based on its age and condition at that time; or
- (ii) \$2,500,

whichever is the lesser.

However this Additional Cover will not provide cover for loss of or damage to any property in or on the trailer.

Special Term and Condition – Part A

1. Maritime contribution

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

- (a) such conditions under maritime law apply; and
- (b) the ship is sailing between places within the *territorial limits* of this *cover section*.

Exclusions – Part A

We will not pay:

1. Vehicle deterioration

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

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

2. Tyres

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

3. Lawful seizure

for loss or damage to your *vehicle* caused by lawful seizure, confiscation or acquisition.

4. Theft by hirer

for theft or attempted theft of your *vehicle* by any hirer.

5. Repossession

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

6. Testing for purpose of sale

for loss or damage whilst the *vehicle* is being test-driven for the purpose of sale by a potential buyer, and you, or an employee of yours, did not accompany the prospective purchaser.

This Exclusion will not apply, where your *business* is not involved in selling of motor vehicles.

7. Safeguarding your vehicle

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

8. Loss of use

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

9. Obsolete parts

any amount greater than the manufacturer's latest list price for the supply of any part that is not available locally.

In addition to these Exclusions, please refer to the Exclusions applicable to Section 1 – Parts A and B and the General Exclusions applicable to all Cover Sections which are applicable to your policy.

Part B – Cover for Third Party Liability

Introduction

This *cover section* only forms part of your policy when Part B – 'Cover for Third Party Liability' is shown in the *schedule* and is limited to the *period of insurance* indicated.

Cover

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

1. you;
2. any person legally licensed to drive, or be in charge of your *vehicle*, with your permission;
3. any person in or on, or getting in or on, or getting out of, or off your *vehicle* with your permission; or
4. following the death of any person entitled to indemnity in 1 to 3 above, the legal representatives of that person, may be held legally liable to pay as compensation, resulting from an accident occurring during the *period of insurance* and caused by or arising out of the use of your *vehicle*, for:
 - (a) damage to property;
 - (b) the costs incurred as a result of fire, explosion, *goods* falling, leaking or spilling, in or on, or from your *vehicle*;
 - (c) the operation of loading and unloading your *vehicle*, but we will not pay if you are entitled to indemnity for such losses under this *cover section* information specifically detailed in the Special Condition to Part B *endorsement* wording attaching to the policy *schedule*; and/or
 - (d) death or bodily injury.

Additional Covers – Part B

The following Additional Covers are subject to the *limits of liability* for Part B, unless otherwise stated.

1. Legal costs and authorised expenses

When an accident is covered under this Part, we will pay, in addition to the *limits of liability*, all legal costs and expenses incurred by you, with our written consent, in settlement or defence of claims for compensation arising out of that accident. Furthermore, we will pay reasonable legal expenses incurred with our written consent for representation at any formal legal enquiry or at any Coroners inquest.

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

2. First aid costs

In addition to the *limits of liability*, we will pay for expenses incurred by you for first aid to others, who suffered bodily injury as a result of an accident involving your *vehicle*.

3. **Non-owned or supplied vehicles**

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

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

4. **Employer or principal**

We will pay the amount which:

- (a) your employer, principal or partner; or
- (b) the Commonwealth, State or Local Government,

becomes legally liable to pay as compensation caused by, or arising out of the temporary use of your *vehicle*.

5. **Vehicles under tow**

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

6. **Non-owned trailers liability**

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

However:

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

When cover is provided by this Additional Cover, Exclusion 1 to Part B of this *cover section* 'Property in custody or control' does not apply.

The maximum amount we will pay per event under this Additional Cover is:

- (i) the *market value* of the trailer just before the actual physical damage, based on its age and condition at that time; or
- (ii) \$100,000,

whichever is the lesser.

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

7. **Movement of other vehicles**

We will provide cover under this Section for loss or damage to property resulting from you moving any vehicle parked in a position which prevents or impedes the loading, unloading or legitimate passage of your *vehicle*.

Limits of Liability – Part B

Our total liability under this Part is \$30,000,000 or the amount shown in the *schedule*, for all claims arising from the one accident or series of accidents resulting from the one original cause, unless your *vehicle* is being used for transportation of *dangerous goods* in which case our total liability under this Part is limited to \$1,000,000.

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

Exclusions – Part B

We will not pay for:

1. Property in custody or control

- (a) damage to property that is owned by you;
- (b) damage to property which is your physical or legal control;
- (c) any liability for loss of use arising out of or from the loss or damage to any property in your physical or legal control.

For the purpose of this Exclusion only:

- (i) employees' or visitors' vehicles whilst contained within your car park or premises;
- (ii) premises leased or rented to you; or
- (iii) *vehicles* referred to in Additional Covers – Part B, 6. 'Non-owned trailers liability' and 7. 'Movement of other vehicles',

are not deemed to be in your custody or control.

2. Employer's liability

death or bodily injury to any person:

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

3. Death / bodily injury

death or bodily injury:

- (a) if you or any other person entitled to cover under this Part B – 'Cover for Third Party Liability', has been, or is entitled to be, partially or wholly indemnified by any statutory compulsory insurance or accident compensation scheme, including any compulsory motor vehicle scheme;
- (b) for any claim for which you or any other person entitled to cover under this Part B – Cover for Third Party Liability, would have been partially or wholly indemnified, but for your failure to insure or register your *vehicle* in accordance with a requirement of any statutory compulsory insurance or accident compensation scheme, including any compulsory motor vehicle scheme;
- (c) to you or any person in charge of your *vehicle*;
- (d)
 - (i) to any person related to you; or
 - (ii) any person related to the person in charge of your *vehicle*,
by way of birth, marriage or defacto relationship.
- (e) to any person with whom you ordinarily reside or who ordinarily resides with you;
- (f) to any employee, agent, contractor, or sub-contractor employed or engaged by any person entitled to indemnity under this *cover section*;
- (g) to any person in or on, getting in or on, or getting out of, or off any bus, coach or caravan, whether registered or deemed to be registered;
- (h) arising out of, or in any way connected with a defect in your *vehicle*, or in a motor *vehicle* causing loss of control of the *vehicle* whilst it is being driven;
- (i) to any person injured by a Queensland or New South Wales registered trailer only, either whilst in tow and/or unattached;

- (j) to any person injured by a Northern Territory registered *vehicle*; or
- (k) where at the time of the accident, you did not have in force a current general liability or public liability policy pertaining to 'The Business' operations as declared in the Motor Fleet *schedule*.

4. Vibration / vehicle weight

any damage to property caused by:

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

5. Tool of trade

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

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

6. Unregistered vehicles

any liability arising out of the use of any unregistered *vehicle*. We will, however, cover your liability in respect of the unregistered *vehicle* in a place that requires registration, provided you have complied with the appropriate statutory requirements and obtained necessary permits to move the unregistered *vehicle*.

7. Airside activities

any liability of whatsoever nature in connection with, directly or indirectly caused by or contributed to, by or arising from loss or damage from *airside activities*.

In addition to these Exclusions, please refer to the Exclusions applicable to Section 1 – Parts A and B and the General Exclusions applicable to all Cover Sections which are applicable to your policy.

Additional cover applicable to Parts A and B

1. Automatic additions to your fleet of vehicles

We will pay for loss or damage or any liability incurred by you that relates to newly acquired *vehicles*, purchased, leased or hired by you (and for which you are legally liable) during the *period of insurance*, provided that:

- (a) the *vehicle* is of a like and similar kind to those currently insured by this *cover section*;
- (b) the basic excess payable on the newly acquired or hired *vehicles* shall be the same as the basic excess payable for other like and similar kind of *vehicles* currently insured by the *cover section*;
- (c) the Limit of Cover (which applies under Part A) does not exceed \$500,000 for each newly acquired or hired *vehicle* (unless we have otherwise agreed in writing); and
- (d) the premium for the newly acquired or hired *vehicles*, which shall be calculated in accordance with the General Terms and Conditions applicable to All Cover Sections clause 12. 'Premium', has been paid.

However any *vehicle* acquired by virtue of the purchase or other acquisition of, or the formation of any company or firm or business (including the purchase or acquisition of the business of any sole trader or sub-contractor) or any *vehicles* acquired or hired by you from any of your sub-contractors, will not be treated as newly acquired *vehicles* purchased or hired by you, as required by this Additional Cover – Automatic additions to your fleet of vehicles.

2. Acquired companies / firms

This *cover section* will provide cover, in respect of the *vehicles* of any subsidiary company or firm or business purchased, formed or acquired by, or in your name, during the *period of insurance*, if you hold a controlling interest in the subsidiary company, firm or business so purchased, formed or acquired, as follows:

- (a) if you advise us of your interest in the subsidiary company, firm or business within 14 days of the purchase, formation or acquisition, we will hold you covered in respect of those *vehicles* for a period of 30 days from the date of such purchase, formation or acquisition; and

- (b) if, within 30 days of such purchase, formation or acquisition, you also provide us with a *schedule* of the additional *vehicles* to be insured and details of their prior claims history, we will extend the hold covered period until 45 days from the date of such purchase, formation or acquisition; and
- (c) if you pay the premium we assess as applicable for the hold-covered period.

No cover is provided for such *vehicles* beyond the hold covered period(s), unless you agree to any special terms required by us, and pay any additional premium applicable beyond the hold-covered period(s).

3. **Breach of conditions**

We agree that a breach or an act of non-compliance by one party insured by this *cover section*, shall not prejudice the rights of any other party insured by the *cover section*.

Provided that such other party was not aware of, and did not participate in such breach or non-compliance.

4. **Errors and omissions**

This insurance shall not be prejudiced by an unintentional or inadvertent omission, error or incorrect description in respect of any *vehicle* given by you, provided notice is given to us as soon as practicable upon discovery of such error, omission or incorrect description, and you shall pay any additional premium required.

However, the cover provided by this Additional Cover will not exceed \$500,000 in total, during the *period of insurance*.

5. **Police, Fire Brigade and other Authorities**

This *cover section* extends to cover you up to a limit of \$50,000 per event for all costs levied by the following authorities, as a result of loss or damage involving an insured *vehicle*, requiring or resulting in the attendance of any members of:

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

6. **Cover for other owners**

This *cover section* extends to provide cover to any owner, hirer or lessee of any *vehicle*, of which you are not the owner, hirer or lessee, but also for any other *vehicles* for which you are responsible or have assumed responsibility or in which you have an insurable interest, or which you have received instructions to insure. You need to have these *vehicles* declared to us in your Declaration of vehicles clause under Terms and Conditions applicable to All Cover Sections.

7. **Novated leases**

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

8. **No fault excess**

If the total excess applicable to your claim is:

- (a) \$5,000 or less; and
- (b) your basis of cover does not involve either an aggregate limit or under excess or self-insured claims handling agreement,

then you will not have to pay any excess towards a claim if:

- (i) we determine that the claim involves a collision with another vehicle and the driver of the other vehicle was 100% at fault; or
- (ii) we determine that the claim involves a third party and the third party was 100% at fault; and

- (iii) you tell us the registration number of the other vehicle and the full name and address of the other driver including their driver's licence number; and
- (iv) the amount of your claim exceeds the applicable excess under the *cover section*.

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

9. Difference in excess / hired-in or rental vehicles

Where you hire in or rent a *vehicle* in connection with your *business* and the hire agreement deems the owner of the *vehicle* responsible for insurance, your policy extends to cover any difference in the basic excess level between your policy and the excess level under the insurance coverage provided by the owner of the *vehicle*.

10. Registration of vehicles

The cover granted by this *cover section* shall not be prejudiced in the event of the registration of the *vehicle* insured being cancelled or suspended, as a consequence of a traffic or parking default.

11. Psychological counselling

This *cover section* extends to cover you, up to a limit of \$10,000, for reasonable costs incurred in your driver obtaining professional counselling, as a result of an *accident* involving your *vehicle* where you are liable for compensation. In the event that no loss or damage has occurred to your *vehicle* and there is no third party *property damage* claim involved, then nil excess will apply to this Additional Cover.

However, this benefit does not cover any costs incurred which are covered by Medicare or private health insurance for which we are not permitted by law to provide.

12. Crisis coverage

This *cover section* extends to cover you, up to a limit of \$50,000 to pay *public relations expenses*, with our written consent, in respect of any claim made during the *period of insurance*.

Exclusions applicable to Parts A and B

We will not be liable to pay any claim:

1. Vehicle overloading

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

Exclusion 1 (a) and 1 (b) shall not apply if you can prove that:

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

2. Vehicle racing, testing, experimentation

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

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

3. Unroadworthy or unsafe vehicles

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

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

4. Alteration of your business

if at the time of the loss or damage or when any liability was incurred, your *vehicle* was being used, other than in accordance with your *business*, as outlined in the *schedule*.

5. Hire, fare or reward

if at the time of the loss or damage or when any liability was incurred, your *vehicle* was being used for the conveyance of passengers for hire, fare, or reward, other than under a private pooling arrangement.

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

6. Dry hire

if at the time of the loss or damage or when any liability was incurred, your *vehicle* is let out on hire, unless operated by you or one of your employees.

This Exclusion does not apply to trailers covered under this *cover section*.

7. Stock in trade

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

8. Non-approved fuel systems

if the loss or damage or liability incurred, resulted from the use of a fuel system in your *vehicle* that does not comply with the appropriate Local Standard Code in the country in which the *vehicle* is operating.

9. Contractual liability

if loss or damage or any liability arises from an undertaking or indemnity given or contracted by you without our written consent, unless such liability would have attached notwithstanding such undertaking or indemnity.

10. Underground mining

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

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

11. Dual / multi lifts

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

12. Caravans / trailers

in respect of caravans and trailers where:

- (a) any loss or damage to annexes, camping equipment and the like, is caused by wind or storm;
- (b) any liability in respect of death or bodily injury, or loss or damage to property of any person occurs as a result of entering or alighting from the caravan; or
- (c) any loss or damage occurs as a result of theft or burglary of equipment and/or contents from the caravan or trailer, unless the theft or burglary is due to visible violent and forcible entry to the locked caravan or trailer, including windows thereto.

13. Setting of concrete / bitumen

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

14. Vehicles on rails / cables

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

15. Non-compliance of dangerous goods codes

if loss or damage or when any liability incurred, resulted from carrying *dangerous goods* that does not comply with the appropriate Local Standard Code in the country in which the *vehicle* is operating.

In addition to these Exclusions, please refer to the General Exclusions applicable to all Cover Sections which are applicable to your policy.

Special Terms and Conditions applicable to Parts A and B

1. Vehicle alterations

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

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

2. Declaration of vehicles

At the end of each *period of insurance*, depending upon the Basis of Adjustment set out in the policy *schedule*, you must declare to us in writing the total number of *vehicles* or current *market value / sum insured value* of all *vehicles* (as the case may be) at risk, at such expiry date. Upon receipt of this declaration, we shall make a premium adjustment of 50% of the annual premium or rate per *vehicle* (as the case may be), applied to the difference in the number of *vehicles* or their value (as the case may be) at inception of this *period of insurance* and the number or value (as the case may be) at the end of the *period of insurance*, as set out in your declaration.

3. Salvage

If we declare your *vehicle* to be a total loss and pay you according to the cover provided by this policy, your cover for that *vehicle* comes to an end and the salvage of the *vehicle* will become our property.

You must transfer the title and interests of your *vehicle* to us and we shall be entitled to dispose of the remains. We will retain the proceeds of the disposal of the salvage. In States or Territories where we are entitled to do so, we will also retain any proceeds from any registration and compulsory third party insurance.

If we do not take possession of your damaged *vehicle*, you cannot abandon your responsibilities for the *vehicle*. After a declared total loss there will be no refund of the premium for that *vehicle*.

In addition to these Special Terms and Conditions, please refer to the General Terms and Conditions applicable to all Cover Sections which are applicable to your policy.

Section 2 – Business Resilience Cover

Introduction

This *cover section* only forms part of your policy when Section 2 – 'Business Resilience Cover' is shown in the *schedule*.

Definitions

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

Additional uninsured working expenses

additional uninsured working expenses means those expenses that are shown as Additional Uninsured Working Expenses in the *schedule* under this *cover section*.

Income

income means:

- (a) income received from the renting or leasing of the damaged *vehicle*; and
- (b) freight earnings, less:
 - (i) working expenses for running expenses and maintenance; and
 - (ii) any other *additional uninsured working expenses* shown in the *schedule*.

Indemnity period

indemnity period means the period that starts on the date of the *total loss* and ends not later than the number of weeks or months stated in the *schedule* after the date of the *total loss* during which results your *vehicle* is affected as a consequence of the damage.

Interruption

interruption means interruption or interference.

Loss of income

loss of income means loss or reduction of your *income* that occurs during the *indemnity period*.

Total Loss

total loss means that we have determined it uneconomical to repair your *vehicle*.

Cover

We will pay in accordance with the Basis of Settlement, for *loss of income* and additional expenditure that results from an *interruption* of your *business* caused by a *vehicle* insured under Section 1 – Motor Fleet being deemed a *total loss* during the *period of insurance*.

Basis of Settlement

1. Loss of income

Loss of income will be calculated by subtracting the *income* earned by the damaged *vehicle*, or a *vehicle* that the damaged *vehicle* replaced, during the *indemnity period* from the *income* you would have earned during the *indemnity period* had the *total loss* not occurred.

The *income* you would have earned during the *indemnity period* had the *total loss* not occurred:

- (a) will be calculated by reference to the *income* for:
 - (i) a period of the same duration as the *indemnity period* that starts a year prior to the date of the *total loss*; or
 - (ii) a period of your normal *business* operations that corresponds most closely to the *indemnity period* if your *business* has operated for less than a year at the start of the *indemnity period*; and

(b) will be adjusted to take into account any:

- (i) trends of the *business* and other influences that would vary the *income*;
- (ii) savings made during the *indemnity period* that reduce the normal cost of running your *business*.

2. Additional expenditure

Provided that we have notified you in writing, we will also pay for additional expenditure necessarily incurred for the sole purpose of reducing *loss of income* that is covered by this *cover section*.

3. Auditors and Accountants

We will accept as proof of the *loss of income* a certified statement from your accountants or auditors that shows the financial details requested by us.

Limitation of Cover

1. Sum insured

During the *period of insurance* for this *cover section*, we will not pay more than the *sum insured* shown in the *schedule* for any one loss.

The total *sum insured* will be reduced by any payment under or due to be made by us following a *total loss*.

Extension of Cover

1. Automatic reinstatement

When the total *sum insured* is reduced by any payments under or due to be made by us following a *total loss* or *total losses*, we will automatically reinstate the total *sum insured* to its value immediately before the *sum insured* is exhausted.

Provided that you pay or agree to pay the additional premium required by us.

Exclusions

We will not be liable to pay any claim:

1. Non replacement

where you have made a decision not to replace the *total loss vehicle*.

2. Liquidation / Receivership

relating to any delay in replacement of the *vehicle* caused by your *business* being placed in liquidation, receivership or administration or otherwise ceasing to operate.

Section 3 – Goods in Transit (Carriers)

Introduction

This *cover section* only forms part of your policy when Section 3 – ‘Goods in Transit (Carriers)’ is shown in the *schedule* and is limited to the *period of insurance* indicated.

Insuring Clause

Subject to the *sum insured* and the terms and conditions of this *cover section*, at your request we will indemnify the owner of the *goods* specified in the *schedule* against loss of or damage to *goods* or death of livestock that:

- (a) arises from an event insured against while in your custody or the custody of your subcontractors; and
- (b) occurs within the radius of transit and during the *period of insurance*, each as specified in the *schedule*, whether or not you are liable.

Cover

1. Comprehensive

When ‘Comprehensive cover’ is shown in the *schedule*, we will cover:

- (a) loss of or damage to *goods* caused by accident or by the deliberate act of a third party; and
- (b) death of livestock caused by accident, natural causes or slaughter for humane reasons.

2. Defined Events

When ‘Defined Events’ cover is shown in the *schedule*, we will cover:

- (a) loss of or damage to *goods*; and
- (b) death (or slaughter for humane reasons following injury) of livestock, caused by any of the following events:
 - (i) fire, explosion, lightning or flood;
 - (ii) collision, overturning, jackknifing or derailment of the conveyance carrying the *goods*; or
 - (iii) impact of *goods* while on the conveyance carrying them with something not on or part of that conveyance (other than water).

Extensions of Cover

1. Legal expenses

We will, in addition to the *sum insured*, pay legal costs incurred with our written consent, in respect of an event covered by the Insuring Clause.

2. Disposal / Salvage of damaged goods

In respect of an event that occurs in the circumstances described in the Insuring Clause we will also pay:

- (a) the cost of removal and disposal of damaged *goods* or dead livestock. This includes the cost of cleaning the accident site but not any expense or liability of any kind incurred as a result of the actual or potential discharge, emission, spillage or leakage of any liquid or gas pollutant of any kind or nature beyond the accident site.
- (b) the reasonable cost of:
 - (i) salvaging and onforwarding *goods* whether or not they are damaged; and
 - (ii) mustering, agistment and onforwarding livestock,up to a limit of \$50,000 in total.

3. Irrecoverable loss of livestock

In respect of an event that occurs in the circumstances described in the Insuring Clause we will include within the Basis of Settlement payment for the irretrievable loss of livestock that have wandered off from the accident site.

4. Insured's equipment

In respect of an event that occurs in the circumstances described in the Insuring Clause we will also pay up to a limit of \$5,000, for loss of or damage to your own equipment, not being part of or permanently attached to the conveying *vehicle* caused by any of the events insured under Cover clause 2 'Defined Events', whichever cover option is taken.

Basis of Settlement

The agreed value of the *goods* is their invoice cost or value, plus any costs incidental to the insured transit that are not covered by the invoice. If there is no invoice value, the cost at the time of the commencement of the insured transit, of replacing the *goods* with similar goods of the same age and condition.

If the owner of insured *goods* is liable to pay Goods and Services Tax (GST) but is, or will be, entitled to an input tax credit under A New Tax System (Goods and Services Tax) Act 1999, the value of the insured *goods* is agreed to exclude GST to the extent of the input tax entitlement.

Limitations of Cover

1. Sum Insured

The *cover section* is limited to the *sum insured* stated in the *schedule* for any one loss or series of losses arising from the same event.

2. Excess

Unless stated otherwise in the *schedule*, an *excess* does not apply to events insured under Cover clause 2 'Defined Events', whichever cover option is taken.

3. Refrigerated goods

In respect to Cover clause 1 'Comprehensive' any loss damage or deterioration of refrigerated *goods* arising from a variation in temperature outside of the required temperature range, only if the variation results from:

- (a) breakdown, malfunction or mismanagement of refrigerating machinery for a period of at least four consecutive hours but excluding deterioration resulting from failure to properly maintain refrigerating machinery. Each claim for mismanagement of refrigerating machinery is subject to deduction of an excess of 10% of the value of the claim;
- (b) fire, explosion, lightning or flood; or
- (c) collision, overturning, jackknifing or derailment of the conveyance.

4. Secured load

In respect to Cover clause 1 'Comprehensive' any loss or damage to *goods* caused by or arising from *goods* either falling from or becoming unsecured within the conveyance is only covered, if all reasonable steps are taken to properly secure the *goods* on or within the conveyance.

Optional Extensions for Defined Events Cover 2

If specified in the *schedule* this *cover section* also covers loss or damage against:

1. TPNP

Theft, pilferage and non-delivery of the *goods*.

2. Loading and unloading

- (a) In relation to *goods*, accidental loss or damage caused during:
 - (i) loading by the *insured* from when each item of *goods* is first moved for the purpose of loading onto the conveyance until it is placed on the conveyance; or
 - (ii) unloading by the *insured* from when each item of *goods* is first moved for the purpose of unloading from the conveyance until it is last moved by the *insured* in being delivered at the destination.

- (b) In relation to livestock, death of livestock caused during:
 - (i) loading, from when each animal enters the conveyance's loading ramp from the ground or loading dock until secured for transit on the conveyance; or
 - (ii) unloading, from when each animal commences movement toward the conveyance's unloading ramp until discharged onto the ground or loading dock.

3. BDM

Loss, damage or deterioration of refrigerated *goods* arising from a variation in temperature outside of the required temperature range resulting from:

- (a) breakdown, malfunction or mismanagement of refrigerating machinery for a period of at least four consecutive hours but excluding deterioration resulting from failure to properly maintain refrigerating machinery. Each claim for mismanagement of refrigerating machinery is subject to deduction of an excess of 10% of the value of the claim;
- (b) fire, explosion, lightning or flood;
- (c) collision, overturning, jackknifing or derailment of the conveyance.

Exclusions

We will not pay for loss of or damage to *goods* or death of livestock or any related expense that:

1. Consequential loss

arises from any delay, loss of market or consequential loss of any description.

2. Mechanical breakdown

arises from any mechanical, electrical or electronic breakdown or malfunction of *goods* where there is no external evidence that an event insured against has occurred.

3. Storage

occurs during storage which is at the election of or on the instruction of the owner of the *goods* or livestock.

4. Wear, tear, ordinary loss

arises from any wear and tear, ordinary leakage, ordinary loss in weight or volume or inherent vice of the *goods*.

In addition to these Exclusions, please refer to the General Exclusions applicable to all Cover Sections which are applicable to your policy.

Section 4 – Carriers Cargo Liability

Introduction

This *cover section* only forms part of your policy when Section 4 – ‘Carriers Cargo Liability’ is shown in the *schedule* and is limited to the *period of insurance* indicated.

Cover

Subject to the *limit of liability* and the terms and conditions of this *cover section*, we will pay all sums which you shall become legally liable to pay for compensation in respect of:

- (a) loss of or damage to *goods* specified in the *schedule*;
- (b) delay, loss of market or consequential loss that is caused solely by the loss of or damage to the *goods*;
- (c) the cost of removal and disposal of damaged *goods* or livestock (this includes the cost of cleaning the accident site but not any expense or liability of any kind incurred as a result of the actual or potential discharge, emission, spillage or leakage of any liquid or gas pollutant of any kind or nature beyond the accident site) up to a limit of \$50,000,

that occurs while the *goods* are in your custody or the custody of your Subcontractors within the radius of transit and during the *period of insurance* each as specified in the *schedule*.

In addition we will pay legal costs incurred with our consent.

Optional Extension of Cover

Subcontractors

If ‘Subcontractors’ is specified in the *schedule* this insurance is extended to cover the liability of your subcontractors carrying *goods* on your behalf, as if the subcontractor were you.

Limit of Liability

Our liability to pay compensation as a result of any loss of or damage to *goods* shall not exceed the *limit of liability* shown in the *schedule*. Our total aggregate liability to pay compensation in respect for any one loss or series of losses arising from the same event shall not exceed the *limit of liability* shown in the *schedule*.

Exclusion

We will not pay for loss, damage or expense that:

1. Storage

occurs during storage which is at the election of or on the instruction of the owner of the *goods*.

In addition to this Exclusion, please refer to the General Exclusions applicable to all Cover Sections which are applicable to your policy.

Special Term and Condition

1. Variation to normal conditions of carriage

If you inadvertently fail to incorporate into a contract of carriage your standard terms and conditions (which contain an exclusion of your liability for loss of or damage to *goods* or livestock) as approved by us, this *cover section* will nevertheless insure your liability.

However, if you intentionally agree to carry *goods* or livestock, either as a principal or as a subcontractor, under any different terms and conditions to those included in your standard consignment note as approved by us, this *cover section* will only insure your liability as if the *goods* or livestock were carried subject to your normal conditions of carriage unless we have agreed to extend the *cover section* to provide insurance subject to such different conditions of carriage.

In addition to this Special Terms and Condition, please refer to the General Terms and Conditions applicable to all Cover Sections which are applicable to your policy.

Section 5 – General and Product Liability

Introduction

This *cover section* only forms part of your policy when Section 5 – ‘General and Product Liability’ is shown in the *schedule* and is limited to the *period of insurance* indicated.

Definitions

When used in this *cover section* the following definitions shall apply:

Computer virus

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

Insured

For the purpose of this *cover section* only, the definition of *insured*, you, your is extended to include any:

- (a) subsidiary companies of the *insured* named in the *schedule* now or subsequently formed or constituted and incorporated in the Commonwealth of Australia; and
- (b) new entity acquired by the *insured* named in the *schedule* during the *period of insurance* through consolidation, merger, purchase of assets or assumption of control and active management or creation, provided that:
 - (i) such acquisition is notified to us in writing within 90 days;
 - (ii) we give notice in writing to you that the new entity shall be covered under this *cover section*; and
 - (iii) the *insured* named in the *schedule* pays any additional premium that may be required by us.

Internet operations

internet operations means:

- (a) transfer of computer data or programmes by use of electronic mail systems by *you* or *your* employees, including for the purpose of this definition only, part-time and temporary staff, contractors and others within *your* organisation whether or not such data or programmes contain any malicious or damaging code, including but not limited to *computer virus*, worm, logic bomb, or trojan horse;
- (b) access through *your* network to the world wide web or a public internet site by *you* or *your* employees, including for the purposes of this definition only, part-time and temporary staff, contractors and others within *your* organisation;
- (c) access to *your* intranet (meaning internal company information and computing resources) which is made available through the world wide web for *your* customers or others outside *your* organisation; and
- (d) the operation and maintenance of *your* web site.

Territorial limits

For the purpose of this *cover section* only, the Definition of *territorial limits* means anywhere in the world (subject to the limitations set out in Exclusions 1, ‘Advertising liability’ and 17. ‘Territorial limits’ of this *cover section* and General Exclusion 4. ‘Pollution’).

Cover

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

- *personal injury*;
- *property damage*; and/or
- *advertising liability*;

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

Extensions of Cover

Additional Payments

In addition to the *limit of liability* we will pay as additional payments all:

- (a) reasonable legal costs and expenses incurred by the *insured person* with our written consent in the defence of any claim;
- (b) expenses incurred by the *insured person* for first aid to others;
- (c) reasonable expenses incurred by you for the temporary repair or shoring up or preservation of property which has been damaged; and
- (d) interest accruing after entry of judgment against the *insured person* until we have paid, tendered or deposited in court such part of the judgment as does not exceed the *limit of liability*,

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

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

In the event the *insured person* is a party to a claim, legal proceedings, inquiry or hearing which is covered only in part by this *cover section*, the *insured person* and Zurich will endeavour to allocate the costs and/or expenses in a fair and proper way. However if agreement cannot be reached, Senior Counsel (to be mutually agreed upon by both parties) shall determine a fair and proper allocation. At our discretion, we may continue to pay such costs and/or expenses as it considers appropriate, until such time as Senior Counsel makes a determination.

Cover for Others

The cover under this *cover section* is extended to the following:

- (a) any of your directors, executive officers or employees but only whilst acting within the scope of their duties in such capacity;
- (b) any office bearer, voluntary unpaid worker or member of the canteen, social, or sports organisations for your employees and internal first aid, fire or ambulance services formed with your consent, but only whilst acting within the scope of their activities in such capacity;
- (c) any of your directors or senior executives in respect of private work undertaken by your employees for such directors or senior executives;
- (d) any other entity incorporated in the Commonwealth of Australia under the control of the *insured* named in the *schedule* and over which it is exercising active management;

- (e) any principal but only for its liability for *personal injury* or *property damage* that is directly caused by your performance of the work for that principal and only to the extent that we would cover you under this *cover section* for your liability to that principal had the principal made a claim against you in respect of the circumstances giving rise to the principal's liability,

Provided that:

- (i) the work was carried out by you in an attempt to comply with a contract to perform work, that was made between you and the principal; and
- (ii) our liability shall not exceed the lesser of the minimum amount of liability insurance cover required by the contract to perform the work and the *limit of liability*.

For the avoidance of doubt it is further provided that where a principal makes a claim under this clause, Exclusion 8. 'Employer's liability' shall apply so that we will not pay for that principal's liability for *personal injury* to any person in the service of either:

- (1) you; or
- (2) that principal.

Limit of Liability

Our liability to pay compensation as a result of an *occurrence* shall not exceed the *limit of liability*.

Our total aggregate liability to pay compensation in respect of or in any way related to *products* shall not exceed the *limit of liability*.

Optional Extension to Cover

Subcontractors

If 'Subcontractors' is specified in the *schedule* this insurance is extended to cover your subcontractors liability as follows:

The cover under this *cover section* is extended to the following under 'Cover for Others':

- (f) any subcontractors for their liability for *personal injury* or *property damage* that is directly caused by their performance of the work performed by the subcontractors is part or all the work you have in a contract to perform for some other party of the work.

Provided that:

- (i) the extent that we would cover you under this *cover section* your liability to that subcontractors had the other party made a claim against you in respect of the circumstances giving rise to their liability; and
- (ii) our liability shall not exceed the lesser of the minimum amount of liability insurance cover required by the contract to perform the work and the *limit of liability*.

For the avoidance of doubt, it is further provided that where a *subcontractors* makes a claim under this clause, Exclusion 8. Employer's Liability shall apply so that we will not pay for that subcontractors liability for *personal injury* to any person in the service of either:

- (1) you; or
- (2) that subcontractor(s).

Exclusions

We will not pay anything in respect of:

1. Advertising liability

advertising liability:

- (a) for statements made at the direction of an *insured person* with the knowledge of the illegality or falsity thereof;
- (b) for breach of contract, other than misappropriation of advertising ideas contrary to an implied contract;
- (c) for infringement or passing off of a trade mark, service mark or trade name on any *products*, goods or services sold, offered for sale or advertised. This does not apply to infringement of titles or slogans;
- (d) arising from the export of the *products* to, or business visits by executives or salespersons to *North America*, notwithstanding the terms of sub paragraphs (i) and (ii) of Exclusion 17 'Territorial limits';
- (e) for any *insured person* whose *business* is advertising, broadcasting, publishing or telecasting;
- (f) for incorrect description of the price of *products*, goods or services;
- (g) for failure of *products*, goods or services to conform with advertised performance, quality, fitness or durability; or
- (h) acts, errors or omissions committed prior to the inception date of this *cover section*.

2. Assault and battery

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

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

3. Contractual liability

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

- (a) the liability or obligation would have been otherwise implied by law;
- (b) the liability or obligation arises from a provision in a contract for lease of real or personal property other than a provision which obliges you to effect insurance or provide indemnity in respect of the subject matter of contract;
- (c) the liability or obligation is assumed by an *insured person* under any warranty under the requirement of Federal or State legislation in respect to product safety;
- (d) the liability or obligation is assumed under those agreements specified in the *schedule*.

4. Damage to products

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

5. Defamation, libel, slander

the publication or utterance of a defamation, libel or slander, prior to the inception date of this *cover section* or made at the direction of an *insured person* with knowledge of the falsity thereof.

6. Design, specification, formula

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

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

7. Information technology hazards

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

However this Exclusion does not apply to:

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

8. Employer's liability

- (a) *personal injury* to any person arising out of, or sustained in the course of, the employment of such person in the service of any *insured person*, or through the breach of any duty owed to that person, where any *insured person*:
 - (i) is indemnified or entitled to be indemnified (either in whole or in part and/or whether such insurance is limited in amount or not) in respect of claims for damages under a policy of insurance (which expression includes arrangements made by any *insured person* to provide accident insurance for any *insured person's* workers under a licence to self insure) arranged (whether by law or not) in accordance with any workers' compensation legislation or accident compensation legislation; or
 - (ii) would have been indemnified or entitled to be indemnified (either in whole or in part and/or whether such insurance is limited in amount or not) had any *insured person* arranged a policy of insurance as required by such legislation.
- (b) *personal injury* to any person arising out of, or sustained in the course of, the employment of such person in any *insured person's* service in Western Australia, other than a person of whom any *insured person* is deemed to be an employer by reason only of Section 175 of the Workers' Compensation and Injury Management Act 1981 (WA).
- (c) mental anguish, shock or fright suffered by any person arising out of, or in the course of, that person's employment by, or service to, any *insured person*.
- (d) *personal injury* arising out of the wrongful or unfair dismissal, denial of natural justice, harassment, libel, slander, defamation, misleading representation, misleading advertising or humiliation of, or discrimination against, any person while in any *insured person's* service, prospective employment or while employed by any *insured person*.
- (e) which indemnity previously would have been provided in whole or in part under a policy of insurance arranged in accordance with any workers' compensation legislation or accident compensation legislation, but in respect of which indemnity has been withdrawn or reduced as a consequence of a change to the scope, terms, provisions, or requirements of such legislation made after the commencement of the current *period of insurance* of this cover section.
- (f) the imposition of any liability by the provisions of any workers' compensation legislation or accident compensation legislation or any industrial award, agreement or determination.

9. Faulty workmanship

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

10. Intentional conduct

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

11. Loss of use

loss of use of tangible property which has not been damaged, lost or destroyed as a result of:

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

However Exclusion 11. (b) above does not apply to loss of use of other tangible property resulting from the sudden and accidental damage to or destruction of the *products* after such *products* have been put to use by any person or organisation other than you.

12. Products guarantee

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

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

13. Professional liability

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

However this Exclusion shall not apply in respect of:

- (i) professional advice or service about any *products*, which is not given for a fee; or
- (ii) first aid treatment rendered by or on behalf of the *insured person*.

14. Property in the physical or legal control

property damage to property owned by or in the physical or legal control of an *insured person*.

However this Exclusion does not apply to *property damage* to:

- (a) premises leased, rented or temporarily occupied by you connection with your *business*;
- (b) your employees' personal effects;
- (c) *vehicles* in a car park unless:
 - (i) the *vehicles* are used by or on behalf of the *insured person*; or
 - (ii) the car park is occupied or operated by the *insured* for reward;
- (d) property not owned by you however in your physical or legal control subject to a maximum of \$250,000 for any one *occurrence* and in the aggregate during any one *period of insurance*. However, this excludes any *vehicle, aircraft, watercraft, hovercraft, goods* in transit, whilst in the physical or legal control of an *insured person*.

15. Property worked upon

property damage to that part of any property upon which an *insured person* is or has been working on where the *property damage* arises from work carried out by the *insured person*.

16. Recall of products

the withdrawal, recall, inspection, repair, adjustment, replacement, removal, disposal or loss of use of the *products* and/or the withdrawal or recall of any property of which such *products* form a part.

17. Territorial limits

any liability:

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

However this Exclusion will not apply to:

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

18. Tobacco and tobacco smoke

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

19. Vehicles

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

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

However this Exclusion does not apply to claims for:

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

20. Watercraft, aircraft, hovercraft

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

- (a) the ownership, use, maintenance, possession, operation, legal control, loading or unloading by an *insured person* or on behalf of an *insured person* of:
 - (i) any *watercraft* or *hovercraft* exceeding 15 metres in length, except where such *watercraft* or *hovercraft* are owned and operated by others and used by an *insured person* for business entertainment;
 - (ii) any *aircraft*; or
 - (iii) any property used for the purpose of an airport or any *aircraft* landing strip; or
- (b) your *products* which an *insured person* knew or had reasonable cause to believe would be, or are installed in any *aircraft* or any other aerial device.

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

Special Terms and Conditions

1. Change of risk

You must notify us in writing of all changes occurring during the *period of insurance*:

- (a) relating to the nature of the *business*;
- (b) materially affecting the facts or circumstances existing at the commencement of this *cover section*, or at any subsequent renewal date, as soon as such change comes to your notice, where the change is known to an *insured person*, or would have been known by a reasonable person in the circumstances, to be likely to increase the risk of *personal injury, property damage or advertising liability* for which indemnity is provided under this *cover section*.

Any additional premium as a result of the change must be paid by you.

Where the *insured person* is a corporate entity, the knowledge of any of director or officer shall be deemed to be the knowledge of the *insured person*.

2. Claims assistance and cooperation

The *insured person* must assist and cooperate with us fully and promptly in relation to a claim, including:

- (a) supplying us with all information and assistance we may reasonably require;
- (b) allowing us to negotiate, defend or settle the claim:
 - (i) in your name and on your behalf; or
 - (ii) in the name of and on behalf of any other party covered by your policy.
- (c) sending to us any claim, writ, summons, or full details of other relevant legal or other proceedings such as an impending prosecution or inquest you receive or become aware of; and
- (d) as far as possible, preserve any *product*, appliance, plant or other items which might prove necessary or useful as evidence until we have had an opportunity of inspection.

3. Liability not to be admitted

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

4. Subrogation

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

5. Inspection and audit

We shall be permitted but not obligated to inspect the *insured person's* property and operations at any reasonable time. Neither our right to make inspections nor the making thereof nor any report thereon shall constitute an undertaking on behalf of or for the benefit of an *insured person* or others to determine or warrant that such property or operations are safe or healthy, or are in compliance with any law, rule or regulation. We may examine and audit your books and records at any time during the policy period and within three years after the final termination of the policy, as far as they relate to the subject matter of this insurance.

In addition to these Special Terms and Conditions, please refer to the General Terms and Conditions applicable to all Cover Sections which are applicable to your policy.

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