

Zurich Motor Fleet Insurance

Product Disclosure Statement



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About our Motor Fleet Insurance

About Zurich

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

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

ZFSA is part of the worldwide Zurich Insurance Group Ltd. It is one of the world's largest insurance companies, with a global network of subsidiaries and offices in Asia Pacific as well as North America, Europe, Latin America and other markets. Founded in 1872, the Group is headquartered in Zurich, Switzerland. It employs approximately 60,000 people serving customers in more than 170 countries.

This Product Disclosure Statement (PDS) is an important document about this product and includes the policy wording which starts on page 13. 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 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 Motor Fleet Insurance

The Zurich Motor Fleet Insurance is principally designed for medium to large enterprises. Sedans and commercial vehicles can be included in this policy.

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

Comprehensive Cover

This provides both:

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

Own Damage Cover only

This provides:

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

Third Party Property Damage Cover only

This provides:

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

For a summary of the benefits available to you, see 'Benefits of cover available' from page 11.

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 of this document. 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 and policy limits and sub-limits that you should be aware of when deciding to purchase our product. These things may affect the amount of the payment that we will make to you if you have a claim.

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

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

Basis of Settlement – Section 1

When Section 1 – Own Damage is selected, you may choose the Basis of Settlement option you require. The standard options are either *market value* or *sum insured value*. We refer you to the Definitions on page 13, which explain how we apply these categories of cover. The correct Basis of Settlement selection is vital, as an incorrect selection may possibly leave you underinsured.

Basis of Settlement – Section 2

When Section 2 – Cover for Third Party Liability is selected, we have automatically included the Limits of Liability within the policy. We recommend you refer to page 30 and you review these limits to ascertain if they are adequate for your business requirements.

Dangerous Goods

When Section 2 – Cover for Third Party Liability is selected, we provide cover in the event that your *vehicle* is being used for, attached to, or towing a *vehicle* used for the transport of *dangerous goods*. We recommend you refer to page 30 and you review the limit of *dangerous goods* cover provided, to ascertain if it is adequate for your business requirements.

Extensions of Cover

When you have a loss, additional expenses may be incurred. For example, Removal of Debris / Load, Retrieval Costs etc. We automatically provide for these extensions under Additional Covers within the policy.

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

For full particulars, please refer to Additional Covers – Section 1 from page 22, Additional Covers – Section 2 from page 29 and Additional Covers Applicable to All Sections, being Section 3 from page 33. Some of these major benefits are listed in 'Benefits of cover available' from page 11.

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, i.e. the amount that you must contribute towards each claim.

Details of the *excess* amounts and circumstances in which they will be applied are set out in the Definitions section of this document from page 13. The basic *excess* will appear on your *schedule*.

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

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*;
- *vehicle* deterioration (rust, corrosion, and general wear and tear);
- an *act of terrorism*.

Some of the exclusions may be less common, and as such may be unexpected. For example, this policy excludes cover for 'Underground mining' which excludes your *vehicle* when used for drilling or tunnelling whilst underground or used or driven in an underground mine or mining shaft. Please refer to page 17 for the details of this exclusion.

The above are some of the events that are not covered by this policy. Before making a decision about whether to purchase this policy, you should read the full details of all relevant exclusions, which are contained in the policy wording.

Some may not be relevant to your business however you should make yourself aware of all the exclusions. Please refer to Exclusions applicable to All Sections from page 16, Exclusions – Section 1 on page 28 and Exclusions – Section 2 from page 31.

Terms and Conditions

Terms and Conditions applicable to All Sections set out your obligations with which you need to comply. Please refer from page 19. Special Terms and Conditions apply, with respect to Section 1. Please read Special Terms and Conditions – Section 1 on page 27. You should 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.

Change of circumstances

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

Duty of Disclosure

Before you enter into 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 you 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;
- 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 your 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; and
- we may also cancel your policy; or
- we may treat your policy as if it never existed if the misrepresentation or your 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.

The base premium for this product will vary depending on other terms and conditions offered, particularly the excess level chosen. Some other 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;
- type of Additional Cover, terms and conditions;
- 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 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 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 20.

How to make a claim

If you need to make a claim against this policy, please refer to 'Claims procedures' on page 19. 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 National Privacy Principles and the Privacy Act 1988 (Cth).

We may need to collect personal information ('Information') from you for the primary purpose of providing you with insurance products, services, administering the policy and processing and assessing claims.

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

By providing us with your Information, you consent to us disclosing your Information to other insurers, our service providers, our business partners or as required by law.

For further information about Zurich's Privacy Policy, a list of service providers and business partners that we may disclose your Information to, or details of how you can access the Information we hold about you, 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 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.

Repair Industry Code of Conduct

Zurich complies with the Repair Industry Code of Conduct.

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

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

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

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

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

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

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. 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

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 is a summary only of the major benefits available under the policy. Please refer to each Section for full details of coverage and applicable terms and conditions.

Summary of covers available	Benefits of cover available	Page no.
Comprehensive	Own Damage: Cover for Loss or Damage to your Vehicle – Section 1	22
	Liability: Cover for Third Party Liability – Section 2	29
Own damage only	Own Damage: Cover for Loss or Damage to your Vehicle – Section 1	22
Third Party Property Damage only	Liability: Cover for Third Party Liability – Section 2	29
Extensions of Cover – Section 1		
Disability modifications	Up to a maximum \$10,000 if your driver suffers a permanent disability that necessitates modifications to your <i>vehicle</i>	22
Employee's 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	23
Employee's vehicles	Coverage for employee's <i>vehicles</i> being used in connection with your business, with you consent, for the <i>market value</i> up to a maximum of \$50,000 any one loss, any one event	23
Expediting expenses	Immediate repair costs, provided such costs do not exceed 50% of normal repair costs or \$5,000, whichever is the lesser	23
Family expenses when your driver is hospitalised	Reasonable costs 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 <i>period of insurance</i>	23
First aid	Up to a maximum of \$2,500 per event to replace or restock any first aid kits or equipment in your <i>vehicle</i> damaged or used as a result of that accident	24
Funeral expenses	Up to a maximum \$10,000 for funeral expenses following fatal injury to your driver	24
Hire of vehicle following theft	Up to a maximum \$5,000 per <i>vehicle</i> / \$5,000 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
Locks / keys	Up to a maximum \$10,000 per <i>vehicle</i> / \$50,000 per event	24
New vehicle replacement (if <i>vehicle</i> is stolen or declared by us as a total loss)	A new replacement <i>vehicle</i> 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	25
	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	25
Re-delivery following theft	Reasonable costs of returning your <i>vehicle</i> following theft, up to a maximum \$50,000 per event	25
Removal and delivery expenses	Reasonable costs of removing and delivering your <i>vehicle</i> , if your <i>vehicle</i> suffers loss or damage, up to a maximum \$50,000 per event	25
Removal of debris / load	Reasonable costs incurred for clean-up and removal of debris up to a maximum \$50,000 per event	26
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>	26
Rewards	Up to a maximum \$5,000 for all rewards offered to recover your stolen <i>vehicle</i>	26

Summary of covers available	Benefits of cover available	Page no.
Signwriting	Reasonable replacement costs in respect of signwriting or artwork	26
Substitute vehicle	Coverage for substitute <i>vehicle</i> whilst your <i>vehicle</i> is out of operation	26
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 20% 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	26
Two wheel trailers or box trailers	Coverage for 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 <i>vehicle</i> , limited to the <i>market value</i> or \$2,500, whichever is the lesser	27
Windscreen	Costs in respect of loss or damage to windscreen or windows of your <i>vehicle</i>	27
Extensions of Cover – Section 2		
Employer or principal	Covering employer's or principal's liability for an accident involving your <i>vehicle</i>	29
Legal costs and authorised expenses	Legal costs and expenses incurred with our written consent, in addition to the Limit of Liability	29
Non-owned or supplied vehicles	Coverage for non-owned or supplied <i>vehicles</i> being used in connection with your business	30
Non-owned trailers liability	Coverage for non-owned or supplied <i>vehicles</i> being used in connection with your business	30
Vehicles under tow	Covering disabled <i>vehicle</i> being towed by your <i>vehicle</i>	30
Additional cover available to All Sections – Section 3		
Acquired companies / firms	Coverage for <i>vehicle</i> of acquired companies and firms	33
Automatic additions	Automatically covering additions to your fleet to a maximum \$500,000 per <i>vehicle</i>	33
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>	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	34
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	34
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	34
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	35
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	35
Registration of vehicles	Coverage is maintained in the event of vehicle registration being cancelled or suspended due to traffic or parking fines	35

Zurich Motor Fleet Insurance Policy Wording

Subject to the terms and conditions contained in this policy, and after you have paid or agreed to pay us the premium, we will insure you against loss or damage or any liability incurred as described, occurring within the *territorial limits* during the *period of insurance*.

1. Definitions

The following definitions shall apply to your policy.

1.1 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:

- 1.1.1 involves violence against one or more persons;
- 1.1.2 involves damage to property;
- 1.1.3 endangers life other than that of the person committing the action;
- 1.1.4 creates a risk to the health or safety of the public or a section of the public; or
- 1.1.5 is designed to interfere with or to disrupt an electronic system.

1.2 Airside activities

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

- 1.2.1 movement within or on airport taxi-ways, parking stations, landing grounds, tarmac or any temporary landing ground;
- 1.2.2 the refuelling or towing of any aircraft;
- 1.2.3 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;
- 1.2.4 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
- 1.2.5 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.

1.3 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.

1.4 Excess

excess means:

1.4.1 Basic excess

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

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

1.4.2 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.

1.4.3 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.

1.4.4 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*.

1.5 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.

1.6 Insured

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

1.7 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.

1.8 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.

1.9 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.

1.10 Period of insurance

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

1.11 Pollutants

pollutants means any irritant or contaminant, including but not limited to smoke, vapour, soot, fumes, chemicals or waste.

However waste shall include but not be limited to all materials to be recycled, reconditioned or reclaimed.

1.12 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.

1.13 Sum insured value

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

1.14 Territorial limits

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

1.15 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, vacuuming or suction activities, pumping, spraying or similar activities.

1.16 Vehicle or vehicles

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), including:

1.16.1 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*);

1.16.2 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

1.16.3 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 1.16.2 and 1.16.3, unless otherwise specified in the *schedule*.

2. Exclusions applicable to All Sections

We will not be liable to pay any claim:

2.1 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*.

2.2 Caravans / trailers

in respect of caravans and trailers where:

2.2.1 any loss or damage to annexes, camping equipment and the like, is caused by wind or storm;

2.2.2 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

2.2.3 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.

2.3 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.

2.4 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 policy.

2.5 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.

2.6 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.

2.7 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.

2.8 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.

2.9 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*.

2.10 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.

2.11 Underground mining

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

- 2.11.1 used for drilling or tunnelling whilst underground; or
- 2.11.2 used or driven in an underground mine or mining shaft.

2.12 Unlawful acts (including unlicensed drivers)

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

2.12.1 you or any person driving your *vehicle* was doing so:

- (a) for any unlawful purpose; or
- (b) 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*.

2.12.2 you or any person driving your *vehicle*:

- (a) had faculties impaired by any drug and/or intoxicating liquor;
- (b) 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;
- (c) refused to provide or allow the taking of a sample of breath, saliva, blood or urine for testing or analysis; or
- (d) left the place where the accident arose, before being legally allowed to do so.

2.12.3 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.

2.12.4 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.

Exclusion 2.12.3 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 2.12.1 to 2.12.2 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*.

2.13 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.

2.14 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.

2.15 Vehicle overloading

2.15.1 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

2.15.2 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 2.15.1 and 2.15.2 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.

2.16 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:

2.16.1 any test or trial, other than for resale purposes on public roads;

2.16.2 any experiment; or

2.16.3 preparation for or involvement in racing, speed testing, speed trial, pace making, reliability trial, stunt, rallying or motor sport activities.

2.17 War, act of terrorism, confiscation, radioactivity, nuclear perils

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

2.17.1 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;

2.17.2 any *act of terrorism*;

2.17.3 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;

2.17.4 any chemical, biological, bio-chemical or electromagnetic weapon; or

2.17.5 radioactivity or the use, existence or escape of any nuclear fuel, nuclear material, or nuclear waste or action of nuclear fission or fusion.

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

3. Terms and Conditions applicable to All Sections

3.1 Cancellation

3.1.1 You may cancel this policy at any time by notifying us in writing.

3.1.2 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.

3.1.3 (a) 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.

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

3.2 Change of risk

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

3.3 Claims procedures

You and any person entitled to cover under this policy must:

3.3.1 notify us in writing with full details as soon as possible after any event which may become the subject of a claim under this policy;

3.3.2 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;

3.3.3 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;

3.3.4 provide all information and cooperation which we may require, including signing any statutory declaration or other documents;

3.3.5 not admit or negotiate any claim without our written consent;

3.3.6 allow us full discretion in the conduct, defence and settlement of any claim;

3.3.7 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;

3.3.8 not authorise repairs to your *vehicle* (other than emergency mitigation costs or expediting expenses) without our written consent; or

3.3.9 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

3.3.10 pay as soon as possible any excess as defined under Definition 1.4 '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 within 30 days after we have requested payment of same.

3.4 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.

3.5 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.

3.6 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.

3.7 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.

3.8 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.

3.9 Proper law and Jurisdiction

3.9.1 The construction, interpretation and meaning of the provisions of this policy shall be determined in accordance with Australian law.

3.9.2 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.

3.10 Reasonable care

You must exercise all reasonable care, precautions and use all due diligence to prevent loss or damage to the 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.

3.11 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*.

3.12 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 policy will be cancelled with respect to that *vehicle*, unless:

3.12.1 we have previously agreed to such alteration;

3.12.2 you have paid any additional premium we require;

3.12.3 you have authorised such *vehicle* alterations to meet specific operational requirements; and

3.12.4 you have agreed to accept any alteration or addition to the terms and conditions of this policy.

Section 1 – Cover for Loss or Damage to your Vehicle

1. 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.

2. Cover For Others

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

3. Basis of Settlement

3.1 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*.

3.2 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;

3.2.1 where you have not specified a *sum insured value*, the *market value*; and

3.2.2 where you have specified a *sum insured value* the lesser of;

(a) that value; or

(b) the *market value*.

4. Limits of Cover

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

4.1 the cost of repairs to your *vehicle*;

4.2 the *market value* of your *vehicle* at the time of loss; or

4.3 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 – Section 1.

5. Additional Covers – Section 1

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

When Additional Cover 5.12 'New vehicle replacement' and Additional Cover 5.20 '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.

5.1 Disability modifications

Should your driver suffer 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 policy extends to pay up to \$10,000 per event for costs associated with effecting such modifications.

5.2 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:

5.2.1 repair or replacement of your *vehicle's* windscreen and/or windows; or

5.2.2 the towing of your *vehicle* to the nearest repairer or place of safety, or to any other place already approved by us.

5.3 Employee's 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:

5.3.1 damaged in an accident involving your *vehicle*;

5.3.2 if stolen from your *vehicle* if locked;

5.3.3 if stolen at the same time as your *vehicle*,

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

5.3.4 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.

5.4 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:

5.4.1 the maximum we will pay under Section 1 – Cover for Loss or damage 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

5.4.2 as far as allowed by law, this Additional Cover will only provide cover in excess of any amount for which your employee is otherwise insured.

5.5 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.

5.6 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.

5.7 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.

5.8 Funeral expenses

Should your driver suffer a fatal injury as a result of an accident involving your *vehicle* (irrespective of whether or not death occurs at the time of the accident), the policy extends to pay to the deceased driver's next of kin 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.

5.9 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:

- 5.9.1 the payment / reimbursement is limited to costs incurred by you after you have notified us of the loss; and
- 5.9.2 the substitute *vehicle* is of a similar like and kind to that stolen; and
- 5.9.3 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.

5.10 Journey disruption

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

- 5.10.1 returning your driver and their non-paying passengers to the point of departure or, at your option, to the driver's destination;
- 5.10.2 obtaining overnight accommodation if the journey cannot be completed in the same day as the loss or damage occurs; or
- 5.10.3 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 policy;
- (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.

5.11 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*.

5.12 New vehicle replacement

5.12.1 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:

- (a) is less than two years old from the date of your *vehicle's* first registration; and
- (b) 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:

- (c) your *vehicle's* model has been deleted from a manufacturer's range;
- (d) your *vehicle's* model is superseded by a *vehicle* that is in our opinion significantly different to your *vehicle*; or
- (e) 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.

5.12.2 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:

- (a) is a *vehicle* not referred to above in Additional Covers 5.12.1; and
- (b) is less than one year old from the date of your *vehicle's* first registration; and
- (c) is stolen and not recovered, lost and not recovered, or damaged and we do not consider it economical to repair your *vehicle*,

we will 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:

- (d) the replacement cost including any registration fees, delivery charges and stamp duty;
- (e) the amount you have specified as the *sum insured value* plus 20%; or
- (f) 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*.

5.13 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.

5.14 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.

5.15 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.

5.16 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:

5.16.1 our liability in respect of such cost will not exceed \$50,000 during the *period of insurance*; or

5.16.2 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*.

5.17 Rewards

If your *vehicle* is stolen and is covered under Section 1 – Cover for Loss or 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.

5.18 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.

5.19 Substitute vehicles

We will cover any substitute *vehicle*, being used as a result of loss or damage to your *vehicle* covered under Section 1 – Cover for Loss or 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*.

5.20 Total loss of encumbered vehicles

If:

5.20.1 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

5.20.2 your *vehicle* is the subject of a lease agreement or other similar agreement; and

5.20.3 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

5.20.4 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.

5.21 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.

5.22 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.

6. Special Terms and Conditions – Section 1

6.1 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:

- 6.1.1 such conditions under maritime law apply; and
- 6.1.2 the ship is sailing between places within the *territorial limits* of this policy.

7. Exclusions – Section 1

We will not pay:

7.1 Lawful seizure

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

7.2 Loss of use

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

7.3 Obsolete parts

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

7.4 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.

7.5 Safeguarding your vehicle

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

7.6 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.

7.7 Theft by hirer

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

7.8 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 policy.

7.9 Vehicle deterioration

7.9.1 for loss or damage to your *vehicle* due to depreciation, wear and tear, rust or corrosion; or

7.9.2 for loss or damage to your *vehicle* or any resultant mechanical damage:

- (a) due to failure or breakdown of a structural, electrical, mechanical or electronic nature; or
- (b) 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 7.9.2 (a) or 7.9.2 (b).

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

Section 2 – Cover for Third Party Liability

1. 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:

- 1.1 you;
- 1.2 any person legally licensed to drive, or be in charge of your *vehicle*, with your permission;
- 1.3 any person in or on, or getting in or on, or getting out of, or off your *vehicle* with your permission; or
- 1.4 following the death of any person entitled to indemnity in 1.1 to 1.3 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 the policy information specifically detailed in the Special Condition to Section 2 *endorsement* wording attaching to the policy *schedule*; and/or
- (d) death or bodily injury.

2. Additional Covers – Section 2

The following Additional Covers are subject to the Limits of Liability for Section – 2, unless otherwise stated.

2.1 Employer or principal

We will pay the amount which:

- 2.1.1 your employer, principal or partner; or
- 2.1.2 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*.

2.2 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*.

2.3 Legal costs and authorised expenses

When an accident is covered under this Section, 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.

2.4 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*.

2.5 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.

2.6 Non-owned trailers liability

We will pay the amount which you or any other person entitled to cover under this Section 2 – 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:

- 2.6.1 this Additional Cover only applies 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
- 2.6.2 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 4.7 to Section 2 of this policy '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.

2.7 Vehicles under tow

We will provide cover under this Section 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.

3. Limits of Liability – Section 2

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

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

4. Exclusions – Section 2

We will not pay for:

4.1 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*.

4.2 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.

4.3 Death / bodily injury

death or bodily injury:

- 4.3.1 if you or any other person entitled to cover under this Section 2 – 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;
- 4.3.2 for any claim for which you or any other person entitled to cover under this Section 2 – 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;
- 4.3.3 to you or any person in charge of your *vehicle*;
- 4.3.4 (a) to any person related to you; or
(b) any person related to the person in charge of your *vehicle*,
by way of birth, marriage or defacto relationship.
- 4.3.5 to any person with whom you ordinarily reside or who ordinarily resides with you;
- 4.3.6 to any employee, agent, contractor, or sub-contractor employed or engaged by any person entitled to indemnity under this policy;
- 4.3.7 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;
- 4.3.8 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;
- 4.3.9 to any person injured by a Queensland or New South Wales registered trailer only, either whilst in tow and/or unattached;
- 4.3.10 to any person injured by a Northern Territory registered *vehicle*; or
- 4.3.11 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*.

4.4 Employer's liability

death or bodily injury to any person:

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

4.5 Fines / penalties

any fines, penalties, or aggravated exemplary, punitive damages or liquidated damages.

4.6 Pollution

4.6.1 death or bodily 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);

4.6.2 death or bodily 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;

4.6.3 the cost of removing, nullifying or cleaning up *pollutants* or contaminated substances; or

4.6.4 the cost of preventing the escape of *pollutants* or contaminated substances.

This Exclusion shall not apply where loss or damage arises from a sudden identifiable event that is unintended and unexpected by you, and this event takes place in its entirety at a specific time and place during the *period of insurance*.

4.7 Property in custody or control

4.7.1 damage to property that is owned by you;

4.7.2 damage to property which is your physical or legal control;

4.7.3 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 – Section 2, 2.4 'Movement of other vehicles' and 2.6 'Non-owned trailers liability',

are not deemed to be in your custody or control.

4.8 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.

4.9 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*.

4.10 Vibration / vehicle weight

any damage to property caused by:

4.10.1 vibration; or

4.10.2 the weight of your *vehicle* exceeding any lawful requirements or advisory signs.

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

Section 3 – Additional cover applicable to All Sections

1. Additional Covers – Section 3

1.1 Acquired companies / firms

This policy 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:

- 1.1.1 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
- 1.1.2 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
- 1.1.3 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).

1.2 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:

- 1.2.1 the *vehicle* is of a like and similar kind to those currently insured by this policy;
- 1.2.2 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 policy;
- 1.2.3 the Limit of Cover (which applies under Section 1) does not exceed \$500,000 for each newly acquired or hired *vehicle* (unless we have otherwise agreed in writing); and
- 1.2.4 the premium for the newly acquired or hired *vehicles*, which shall be calculated in accordance with the Declaration of Vehicles clause in the Conditions applicable to All Sections, 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.

1.3 Breach of conditions

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

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

1.4 Cover for other owners

This policy 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 Sections.

1.5 Crisis coverage

This policy 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*.

When your *vehicle* is stolen and not recovered, this clause will have no application.

1.6 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:

1.6.1 in respect of claims, the market rate at the time of settlement; and

1.6.2 in respect of premiums, the market rate at the time of payment by you; and

1.6.3 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.

1.7 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*.

1.8 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*.

1.9 No fault excess

If the total excess applicable to your claim is:

1.9.1 \$5,000 or less; and

1.9.2 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 full name and address of the third party and/or the full name of the other driver including the registration number of the other vehicle, including the driver's licence number; and

(iv) the amount of your claim exceeds the applicable excess under the policy.

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.

1.10 Novated leases

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

1.11 Police, Fire Brigade and other Authorities

This policy 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:

1.11.1 any Police Force at the accident site;

1.11.2 any Fire Brigade; or

1.11.3 any other Authority.

1.12 Psychological counselling

This policy 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.

1.13 Registration of vehicles

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

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