

Zurich Motor Insurance

Product Disclosure Statement



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About our Motor 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 insurer that serves its customers in global and local markets. Zurich provides a wide range of general insurance and life insurance products and services in more than 210 countries and territories. Zurich's customers include individuals, small businesses, and mid-sized and large companies, including multinational corporations.

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 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 12 to obtain the full meaning of such terms.

How to apply for this insurance

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

If you are interested in buying this product or have any enquiries 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 Insurance

The Zurich Motor Insurance is designed for small to medium enterprises operating one or more vehicles. This policy can include sedans, light commercial vehicles, heavy vehicles, plant and equipment. The policy cover can be customised to meet your business requirements. 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 Only Cover

This provides:

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

Third Party Property Damage Only Cover

This provides:

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

Fire, Theft and Third Party Property Damage Cover

This provides both:

- cover for certain loss or *damage* to your *vehicle* by fire or theft only (Optional Limitation of Cover – Section 1 refer to page 34); and
- liability cover for certain loss or *damage* you or certain other people cause to third party vehicles and property (Section 2).

Fire and Theft Only Cover

This provides:

- cover for certain loss or *damage* to your *vehicle* by fire or theft only (Optional Limitation of Cover – Section 1 refer to page 34).

For a summary of benefits available to you, see 'Benefits of cover available' on pages 10 and 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 12 of this document. It tells you what is covered, sets out the claims procedure, exclusions and other terms and conditions of cover;
- 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 changes otherwise advised by us in writing (such as an *endorsement* or a supplementary PDS). These 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 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 policy.

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, there are three Basis of Settlement options: *agreed value*, *market value* or the *sum insured value*. *Agreed value* is available if your *vehicle* is a sedan, station wagon, 4WD, utility or Other Goods Carrying Vehicle, with no greater than two tonnes *payload* carrying capacity. *Market value* is available if your *vehicle* has a *payload* carrying capacity no greater than five tonnes.

If your *vehicle* has a *payload* carrying capacity of five tonnes or more, only *sum insured value* may be stated in the *schedule* as the Basis of Settlement and we will insure by reference to the amount specified by you; however, if an *event* occurs to your *vehicle*, we will calculate benefits of cover by reference to the lesser of the *market value* or the *sum insured value*.

We refer you to the Definitions applying to Section 1 from page 12, which explains how we apply these categories of cover. The correct Basis of Settlement selection is vital, as an incorrect selection may possibly leave you underinsured.

Basis of Settlement – Section 2

When Section 2 – Liability is selected, we have automatically included the Limits of Liability within the policy. We recommend you refer to page 37 and you review these limits to ascertain if they are adequate for your requirements.

Dangerous Goods

When Section 2 – Liability is selected, we provide cover where 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 37 and review the limit of *dangerous goods* cover provided, to ascertain if it is adequate for your requirements.

Extensions of Cover

The policy Extensions of Cover are automatically included. Some of these cover certain additional costs and expenses you may incur when you have loss or *damage*, such as for removal of debris / load and retrieval costs. Some Extensions of Cover have limits that apply either per *event, vehicle, period of insurance*, accident, loss or day. These limits are in addition to the amount we pay for *damage* to your *vehicle*, unless the Extension of Cover states that the amount payable is included in the maximum amount we will pay you for *damage* to your *vehicle*. We suggest you review these limits to see if they are adequate for your requirements.

Please refer to Extensions of Cover – Section 1 and 2 on page 24, Extensions of Cover – Section 1 from page 28 and Extensions of Cover – Section 2 from page 39 for full particulars. Some of these major benefits are listed in ‘Benefits of cover available’ from page 10.

Optional Extensions of Cover

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

- Hire vehicle following an accident (refer to page 35);
- Hire vehicles (refer to page 25);
- No claim bonus (NCB) protection (refer to page 36);
- Contents of caravan / trailer (refer to page 34);
- Increased non-owned trailer liability (refer to page 40).

Excesses can apply

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

Details of the basic and additional *excesses* and the circumstances in which they will be applied are set out in the Definition of Excess from page 14. The basic *excess* amount will appear on your policy *schedule*. The additional *excess* amounts are set out in the Definition of Excess from page 14.

Upon acceptance of your claim, you must pay the total amount of the applicable *excess*, either to us or to the repairer. We will advise you to whom the *excess* 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 exclusions, some of which are common in insurance policies and some may be less common, and as such may be unexpected. For example, your policy may exclude or limit cover for loss or *damage* to the *vehicle* or caused by the use or operation of the *vehicle* in the following circumstances:

- unlawful acts or omissions on the part of the owner, driver or operator of the *vehicle*
- acts or omissions of unlicensed drivers
- use of or damage to *vehicles* that are unroadworthy or unsafe
- *vehicle* deterioration (rust, corrosion, and general wear and tear)
- an *act of terrorism*.

An example of a less common exclusion is found at page 19, at Exclusions of Cover – Sections 1 and 2 under Section 3.13 ‘Underground mining’ which excludes cover when your *vehicle* is used for drilling or tunnelling whilst underground or used or driven in an underground mine or mining shaft.

The above are some circumstances 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 requirements, however, you should make yourself aware of all the exclusions. You should refer to Exclusions of Cover – Section 1 and 2 on pages 18 to 21, Exclusions of Cover – Section 1 from page 27 and Exclusions of Cover – Section 2 from page 37 to ascertain if the cover is adequate for your requirements.

Terms and conditions

Terms and conditions applicable to your policy set out your obligations with which you need to comply. Please refer to page 21 to page 23.

You should make yourself aware of all the terms and conditions that apply. If you do not meet them we may 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 notify your intermediary as soon as possible when your circumstances change and where you need to add to or vary the insurance cover you need. For instance, if you purchase a new *vehicle*, or add new accessories to your *vehicle*. If you do not tell your intermediary of these changes and you suffer loss or *damage*, your *sum insured value* may not be adequate to cover your loss, or you may not even have any cover under your policy. If you are unable to contact your intermediary, you can contact us directly to inform us of your change in circumstances.

Duty of Disclosure

Before you enter into an insurance contract, you have a duty of disclosure under the Insurance Contracts Act 1984 (Cth).

If we ask you questions that are relevant to our decision to insure you and on what terms, you must tell us anything that you know and that a reasonable person in the circumstances would include in answering the questions.

You have this duty until we agree to insure you.

If you do not tell us something

If you do not tell us anything you are required to tell us, we may cancel your contract or reduce the amount we will pay you if you make a claim, or both.

If your failure to tell us is fraudulent, we may refuse to pay a claim and treat the contract as if it never existed.

How we calculate your premium

The amount of your *premium* is determined by taking a number of different matters into account.

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 premiums are:

- the location of your *business*;
- the nature of your *business*;
- type of *vehicles* (make, age, model);

- use of *vehicles* (private, business);
- the value of the *vehicles*;
- type of cover requested;
- location and operating radius of the *vehicles*;
- age of the regular drivers of the *vehicles*;
- your No Claim Bonus (NCB) and your previous claims history; and
- any additional *excess* you nominate to pay above our basic *excess*. This means that when you purchase a policy, you may elect to take a higher *excess* in the event of a claim, which will reduce the cost of your *premium*. If you are interested in this, you should ask your intermediary to supply you with quotes based on differing amounts of *excesses*.

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 Emergency Services Levy) in relation to your policy. These amounts will be set out separately on your *schedule* as part of the total *premium* payable.

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

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

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

No claim bonus

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

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

Goods and Services Tax

The sum insured that you choose should exclude Goods and Services Tax (GST). In the event of a claim, if you are not registered for GST, we will reimburse you the GST component in addition to the amount we pay you. If you are registered for GST, you will need to claim the GST component from the Australian Taxation Office.

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

How to make a claim

If you need to make a claim against this policy, please refer to 'Claims procedures' under Terms and Conditions – Sections 1 and 2 from page 21. 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). We collect, disclose and handle information, and in some cases personal or sensitive (eg health) information, about you ('your details') to assess applications, administer policies, contact you, enhance our products and services and manage claims ('Purposes'). If you do not provide your information, we may not be able to do those things. By providing us, our representatives or your intermediary with information, you consent to us using, disclosing to third parties and collecting from third parties your details for the Purposes.

We may disclose your details, including your sensitive information, to relevant third parties including your intermediary, affiliates of Zurich Insurance Group Ltd, insurers, reinsurers, our banking gateway providers and credit card transactions processors, our service providers, our business partners, health practitioners, your employer, parties affected by claims, government bodies, regulators, law enforcement bodies and as required by law, within Australia and overseas.

We may obtain your details from relevant third parties, including those listed above. Before giving us information about another person, please give them a copy of this document. Laws authorising or requiring us to collect information include the Insurance Contracts Act 1984 (Cth), Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth), Corporations Act 2001 (Cth), Autonomous Sanctions Act 2011 (Cth), A New Tax System (Goods and Services Tax) Act 1999 (Cth) and other financial services, crime prevention, trade sanctions and tax laws.

Zurich's Privacy Policy, available at www.zurich.com.au or by telephoning us on 132 687, provides further information and lists service providers, business partners and countries in which recipients of your details are likely to be located. It also sets out how we handle complaints and how you can access or correct your details or make a complaint.

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
- exercised any right or power you have in respect of your policy or the policy has ended.

Your request will need to be 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 from page 21.

General Insurance Code of Practice

We are signatories to the General Insurance Code of Practice (the Code) and support the Code.

The objectives of the Code are:

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

Further information about the Code and your rights under it is available at www.codeofpractice.com.au or by contacting us.

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 your complaint with us. If you are unable to contact your intermediary, you can contact us directly on 132 687. We will acknowledge receipt of your complaint within 24 hours or as soon as practicable.

If you are not satisfied with our initial response, you may access our internal dispute resolution process. Please refer to the general insurance fact sheet available on our website for details of our internal dispute resolution process.

We expect that our internal dispute resolution process will deal fairly and promptly with your complaint, however, you may take your complaint to the Australian Financial Complaints Authority (AFCA) at any time.

AFCA is an independent external dispute resolution scheme. We are a member of this scheme and we agree to be bound by its determinations about a dispute. AFCA provides fair and independent financial services complaint resolution that is free to you.

Their contact details are:

Website: www.afca.org.au

Email: info@afca.org.au

Freecall: 1800 931 678

In writing to: The Australian Financial Complaints Authority, GPO Box 3, Melbourne, Victoria 3001.

If your complaint or dispute falls outside the AFCA Rules, you can seek independent legal advice or access any other external dispute resolution options that may be available to you.

Financial Claims Scheme

Zurich is an insurance company authorised under the Insurance Act 1973 (Cth) 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 at www.fcs.gov.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*.

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 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.

Types of covers available	Benefits of cover available	Page no.
Comprehensive	Own Damage – Section 1	26
	Liability – Section 2	37
Own Damage only	Own Damage – Section 1	26
Third Party Property Damage only	Liability – Section 2	37
Fire, Theft and Third Party Property Damage	Optional Limitation of Cover – Section 1	34
	Liability – Section 2	37
Fire and Theft only	Optional Limitation of Cover – Section 1	34
Extensions of Cover – Motor Vehicle Sections 1 and 2		
Disability modifications	Up to \$10,000 per <i>event</i>	24
Third party at fault	If the total <i>excess</i> applicable to your claim is \$5,000 or less and the other driver in the accident was at fault, you may not need to pay any <i>excess</i>	24
Police, Fire Brigade and other regularity authorities	Covering costs levied in respect of Police Force, Fire Brigade or other <i>regularity authorities</i> as a result of loss or <i>damage</i> to your <i>vehicle</i> , to a maximum of \$50,000 per <i>event</i>	24
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 per <i>event</i>	24
Vehicle additions	Automatically covering a new <i>vehicle</i> within 60 days maximum \$300,000 per <i>vehicle</i>	25
Extensions of Cover – Motor Vehicle Section 1		
Driver's personal property	Up to \$2,000 any one <i>period of insurance</i>	28
Emergency mitigation costs	Replacement of windscreen/windows Towing your <i>vehicle</i> to the nearest repairer	28
Employees' vehicles	Coverage for <i>employees' vehicles</i> being used in connection with your <i>business</i> , to a maximum of \$75,000 for any one loss, any one <i>event</i>	28
Expediting expenses	Immediate repair costs, provided such costs do not exceed 50% of normal repair costs or \$10,000 per <i>event</i> , whichever is the lesser	28
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 \$5,000 per <i>event</i> , and \$15,000 any <i>period of insurance</i>	29
Funeral expenses	Up to a maximum of \$10,000 for funeral expenses following fatal injury to your driver	29
Gates, chains and tarpaulins	Up to a maximum of \$5,000 per <i>event</i>	29
Hire vehicle following theft or fire	Up to a maximum of \$5,000 per <i>vehicle</i>	30
Journey disruption	Following loss or <i>damage</i> to your <i>vehicle</i> , if more than 100 km from usual place of garaging, the reasonable costs of transporting the driver and passengers, obtaining overnight accommodation or hiring another vehicle, up to a maximum \$5,000 per <i>event</i>	30
Locks / keys	Up to a maximum of \$10,000 per <i>event</i> with no <i>excess</i> if no other loss or <i>damage</i> has occurred	30

Types of covers available	Benefits of cover available	Page no.
New vehicle replacement (in event of total loss)	A new replacement <i>vehicle</i> if your <i>vehicle</i> is a sedan, station wagon, 4WD, utility or Other Goods Carrying Vehicle:	30
	(a) that is less than two years old; or	
	(b) that is two or more years old and less than four years old and you are the first registered owner; and the <i>vehicle</i> has a <i>payload</i> carrying capacity no greater than two tonnes (under 100,000 km and subject to prior insurance with us)	31
	Other vehicles less than one year old: We pay replacement cost or additional 20% limit of <i>market value</i> or additional 20% limit of <i>sum insured value</i> , whichever is the lesser	
Removal and delivery expenses	Reasonable costs of removing and delivering your <i>vehicle</i> , if your <i>vehicle</i> suffers loss or <i>damage</i> , up to a maximum of \$50,000 per <i>event</i>	31
Removal of debris/load	Up to a maximum of \$50,000 per <i>event</i>	32
Retrieval costs	Costs of your <i>vehicle</i> becoming unintentionally immobilised, retrieval costs up to a maximum of \$50,000 per <i>period of insurance</i>	32
Signwriting	Reasonable costs of repairing or replacing signwriting or artwork	32
Total loss of encumbered vehicles	Up to an additional 25% limit of <i>market value</i> or 25% limit of <i>sum insured value / agreed value</i> (as applicable), whichever is the lesser	32
Two wheel trailers or box trailers	Coverage for two wheel trailers or box trailers, which are owned by you, and are not included in your <i>schedule</i> , limited to the <i>market value</i> of the trailer, limited to \$2,000 maximum value	33
Unspecified accessories	Up to a maximum \$5,000 per <i>event</i>	33
Windscreen or Glass damage	Costs in respect of loss or <i>damage</i> to windscreen or windows of your <i>vehicle</i>	33
Extensions of Cover – Motor Vehicle Liability Section 2		
Employer or principal	Covering employer's or principal's liability for an accident involving your <i>vehicle</i>	39
First aid costs	In addition to the Liability Limit	39
Legal costs and authorised expenses	Legal costs and expenses incurred with our written consent, in addition to the Limit of Liability	39
Non-owned or supplied vehicles	Coverage for non-owned or supplied vehicles being used in connection with your <i>business</i>	40
Non-owned trailer liability	<i>Damage</i> to non-owned trailer being towed by your <i>vehicle</i> . The maximum amount we will pay is the lesser value of either the <i>market value</i> of the trailer just before the accident, based on the age and condition at that time or \$75,000 being the maximum amount payable	40
Uninsured motorist	If your <i>vehicle</i> is only insured for Section 2, we may pay up to \$10,000 for your <i>vehicle</i> , if you were not at fault and the other driver was not insured	40
Vehicles under tow	Covering disabled <i>vehicle</i> being towed by your <i>vehicle</i>	40
Optional Extensions of Cover – where you elect this cover		
Hire vehicles	Sections 1 and 2 – available if shown in the <i>schedule</i>	35
Contents of caravan / trailer	Section 1 – available if shown in the <i>schedule</i>	35
Driver accident benefit	Section 1 – benefits for death or injury suffered in an accident where driver at fault – available if shown in the <i>schedule</i>	35
Hire vehicle following an accident	Section 1 – up to \$150 per day, up to maximum of 30 business days per <i>vehicle</i> per accident – available if shown in the <i>schedule</i>	35
No claim bonus (NCB) protection	Section 1 – available if shown in the <i>schedule</i>	36
Increased non-owned trailer liability	Section 2 – available if shown in the <i>schedule</i>	40

Zurich Motor Insurance – Policy Wording

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

1. Definitions

The following definitions shall apply to the words used in 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 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 Agreed value

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

1.3 Airside activities

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

- 1.3.1 movement within or on airport taxi-ways, parking stations, landing grounds, tarmac or any temporary landing ground;
- 1.3.2 the refuelling or towing of any aircraft;
- 1.3.3 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;
- 1.3.4 the construction, alteration, 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
- 1.3.5 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.

For the purposes of this definition only, *airport areas* mean the parts of an airport used for the surface movement of aircraft, take-offs, landings, taxiing of aircraft, enabling passengers to board or disembark from aircraft, loading cargo on to or unloading cargo from aircraft, refuelling, parking, storing or carrying out maintenance on aircraft and adjacent land, roadways and buildings and parts thereof which upon which aircraft travel or traverse.

1.4 Australia

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

1.5 Australian Dangerous Goods Code

Australian Dangerous Goods Code means the most current edition of either the Australian Code for the Transport of Dangerous Goods by Road and Rail or the Australian Code for the Transport of Explosives by Road and Rail, as well as any amendments, successor Codes or Standards or similar replacements to the Codes and Standards.

1.6 Business

business means your business, occupation, trade or profession as described in the *schedule*.

1.7 Caravan / trailer

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

1.8 Compensation

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

1.9 Damage and damaged

damage and *damaged* means accidental physical damage, destruction or loss caused by:

- 1.9.1 fire, flood, hail, malicious acts, accident; or
- 1.9.2 someone stealing or attempting to steal your *vehicle*.

1.10 Dangerous goods

dangerous goods mean dangerous goods or explosives as defined by the Australian Dangerous Goods Code.

1.11 Driver's personal property

driver's personal property means your driver's uninsured personal property (other than in any *caravan/ trailer*), including business apparel normally worn with the occupation, but excludes money, fire arms, cash, negotiable instruments, tablets, Ipads, laptop computers, portable music devices, mobile phones, personal digital assistants including smart phones), personal navigation equipment and tools or items used in the *business*, jewellery and furs belonging to your driver.

1.12 Employee

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

- 1.12.1 employed by you;
- 1.12.2 apprenticed to you;
- 1.12.3 deemed to be your employee by any applicable law;
- 1.12.4 hired or seconded from another party by you; or
- 1.12.5 an executive director or officer of your *business*.

1.13 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.

1.14 Event

event means an incident or accident or series of accidents or incidents resulting from the one original cause.

1.15 Excess

excess means:

1.15.1 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 *damaged* in the same *event*, you will pay the applicable basic *excess* in respect of each *vehicle* insured as follows:

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

Where the *vehicle* is not *damaged*, but the trailer is *damaged*, then you will pay the applicable basic *excess* in respect of the trailer only.

1.15.2 Age and inexperienced driver's excess – excluding rigid and/or articulated vehicles

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 claim 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.

1.15.3 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 claim 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.

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

If at the time of loss or *damage*, your rigid and/or articulated *vehicle* with a carrying capacity in excess of 10 tonnes *payload* was being driven by a new driver in respect of whom you failed to comply with the Terms and Conditions – Sections 1 and 2, 4.2 'Change of risk' by supplying a completed driver's questionnaire for the new driver, an additional \$2,500 *excess* per claim shall apply. We may waive the additional *excess*, if you submit a driver's questionnaire in respect of that driver such that the response to the questionnaire demonstrates that the driver has not:

- (a) had any accident or fire happen to a *vehicle* under the driver's control;
- (b) been charged and/or convicted with an offence in connection with the care, control, management or use of a *vehicle* or had a driving license suspended or withdrawn;
- (c) been reported for, or charged with or convicted of alleged drunkenness, or alleged use, or alleged possession of drugs; or
- (d) been convicted of any criminal offence of any kind whatsoever.

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

1.15.5 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*.

1.15.6 Radius Limit excess

If your *vehicle* is *damaged* or liability is incurred as a result of an *event* which occurs outside the *radius limit* shown in the *schedule*, then you will pay an additional *excess* in the amount of 100% of the basic *excess* per *vehicle*.

1.16 Insured

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

1.17 Legislative requirement

legislative requirement means any applicable statute, regulation, by-law, ordinance, policy or subordinate legislation in force from time to time in Australia whether made by a State, Territory, the Commonwealth or a local government, and includes standards, guides, information bulletins or industry codes that apply by reason of statute or regulations.

1.18 Market value

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

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

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

1.19 Payload

payload means the maximum load that your *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.

1.20 Period of insurance

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

1.21 Pollutants

pollutants mean 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.

1.22 Premium

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

1.23 Regulatory authority

regulatory authority means the State Territory and Commonwealth departments, agencies or corporations charged with the development, regulation or supervision of *legislative requirements*.

1.24 Radius limit

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

1.25 Schedule

schedule means the Schedule document that we give you that attaches to and forms part of your policy. At any point of time, this will be the most current *schedule* we have issued.

1.26 Sum insured value

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

This amount includes standard accessories, tools and spare parts that the manufacturer supplies as standard equipment with your *vehicle*. Any Vehicle Accessories specified in the *schedule* are included in the Sum Insured Value.

1.27 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.

1.28 Vehicle

vehicle means Vehicle described in the *schedule* being a mechanically propelled *vehicle* and/or attached trailer designed for use on land only (not being for use upon rails, tram tracks or cables), owned by you or for which you have assumed liability, as specified in the *schedule*, and includes:

1.28.1 any standard accessories, standard tools, standard appliances, standard electronic / electrical equipment, standard air conditioning unit or standard options when these items form part of the *vehicle* and are in or on or attached to your *vehicle*;

1.28.2 any non-standard Vehicle Accessories specified in the *schedule*.

2. Limitations of Cover – Sections 1 and 2

The cover provided by your policy is limited by the Limitations of Cover and the Exclusions applicable to all sections.

2.1 Bobcats/skid-steer loaders

New South Wales & Victoria:

We will not pay any amount if the *vehicle* is a Bobcat or skid-steer loader and is stolen within the:

2.1.1 Sydney metropolitan area (which is defined as a 60km *radius limit* from the central GPO);

2.1.2 Wollongong metropolitan area (which is defined as a 25km *radius limit* from the central GPO);

2.1.3 Melbourne metropolitan area (which is defined as a 60km *radius limit* from the central GPO),

and is not fitted with either an engine immobiliser or vehicle tracking/GPS system at the time of the theft.

Should the *vehicle* be fitted with either an engine immobiliser or a vehicle tracking/GPS system at the time of the theft, then an additional *excess* of \$2,500 will apply in respect of each claim.

However, should the *vehicle* be fitted with both an engine immobiliser and a vehicle tracking/GPS system at the time of the theft, then no *excess* will apply.

Queensland:

If the *vehicle* is a Bobcat or skid-steer loader and is stolen within a 50km *radius limit* of either Brisbane Central GPO, or Caloundra PO or a 25km *radius limit* of the Surfers Paradise PO, an additional *excess* of \$2,500 will apply.

However, if the *vehicle* is fitted with an engine immobiliser and/or a vehicle tracking/GPS system at the time of the theft, then no *excess* will apply.

2.2 Geographical limits

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

2.3 Motor trade

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

2.3.1 The Vehicle Description shown in the *schedule* means:

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

2.3.2 The following additional Exclusions will apply:

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

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

- 2.3.4 The following Extensions of Cover – Section 1 will not apply:
 - 5.9 'Hire vehicle following theft or fire';
 - 5.13 'New vehicle replacement';
 - 5.18 'Total loss of encumbered vehicles'.
- 2.3.5 The following Extensions of Cover – Section 2 will not apply:
 - 4.5 'Non-owned or supplied vehicle'; and
 - 4.6 'Non-owned trailer liability'.
- 2.3.6 The following Exclusions of Cover – Sections 1 and 2 will not apply:
 - 3.12 'Stock in trade'.
- 2.3.7 The following Extensions of Cover – Sections 1 and 2 will not apply:
 - 5.7 'Vehicle additions'.

2.4 Vehicle alterations

If the suspension, wheels or engine of your *vehicle* are altered to increase performance, then all cover under this policy will be cancelled with respect to that *vehicle*, unless:

- 2.4.1 we have previously agreed to such alteration;
- 2.4.2 you have paid any additional *premium* we require;
- 2.4.3 you have authorised such *vehicle* alterations to meet specific operational requirements; and
- 2.4.4 you have agreed to accept any amendments or addition to the terms and conditions of this policy, which we will inform you of.

3. Exclusions of Cover – Sections 1 and 2

This policy does not provide cover:

3.1 Acquisition of companies

- 3.1.1 to any company or other legal entity acquired during the *period of insurance*; or
- 3.1.2 to any property or liability associated with such company or any other legal entity or business undertaking or operation.

3.2 Act of terrorism

for any liability arising out of, or howsoever contributed to, whether directly or indirectly, or in any way involving any *act of terrorism* or any action taken in controlling, preventing, suppressing or in any way relating to any *act of terrorism*.

3.3 Contractual liability

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

3.4 Dangerous goods

for *damage* that occurs or liability which is incurred while your *vehicle* is carrying any substance that is shown in the *Australian Dangerous Goods Code* as Goods Too Dangerous to Transport or while any such substance is being moved to or from your *vehicle* or while any such substance is being loaded or unloaded from your *vehicle*.

3.5 Dual lifts / multi lifts

if *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.

3.6 Hire, fare or reward

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

This Exclusion will not apply where the only benefit received or paid is an allowance for travelling paid by you to an *employee*.

3.7 Motor sports, vehicle racing, testing

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

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

3.7.2 any experiments; or

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

3.8 Multiple trailers

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

3.9 Non-approved fuel systems

if the *damage* or any liability incurred was a result of the use of a fuel system in your *vehicle* that does not comply with the relevant *legislative requirements* in *Australia*.

3.10 Repossession

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

3.11 Setting of concrete/bitumen

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

3.12 Stock in trade

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

3.13 Underground mining

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

3.13.1 used for drilling or tunnelling whilst underground; or

3.13.2 used or driven in an underground mine or mining shaft.

3.14 Unlawful acts (including unlicensed drivers)

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

3.14.1 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*.

3.14.2 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 relevant *legislative requirement* where the *event* 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 *event* arose, before being legally allowed to do so.

3.14.3 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.

However, this 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.

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

Further, Exclusions 3.14.1 to 3.14.4 inclusive shall not apply if you can prove:

- (a) that you had no reason to suspect that your *vehicle* was being used in that manner;
- (b) that you did not allow such use of your *vehicle*; or
- (c) 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*.

3.15 Unroadworthy or unsafe vehicles

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

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

3.16 Vehicles on rails / cables

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

3.17 Vehicle overloading

3.17.1 if at the time of the *damage* or when any liability was incurred, your *vehicle* was being used to carry a number of passengers in excess of that for which it was constructed, registered or licensed, or contrary to the manufacturer's recommendations; or

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

Exclusions 3.17.1 and 3.17.2 shall not apply if:

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

3.18 War, confiscation, radioactivity, nuclear perils

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

- 3.18.1 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;
- 3.18.2 any order of any Government, Public or Local Authority involving the confiscation, nationalisation, requisition, damage or destruction of any property unless such destruction was undertaken to reduce the spread of fire; or
- 3.18.3 radioactivity or the use, existence or escape of any nuclear fuel, nuclear material, or nuclear waste or action of nuclear fission or fusion.

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

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

3.19 Wilful damage

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

4. Terms and Conditions – Sections 1 and 2

The following terms and conditions apply to your policy:

4.1 Cancellation

- 4.1.1 You may cancel this policy at any time by notifying us.
- 4.1.2 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.
Our notice of cancellation takes effect at the earlier of the following times:
 - (a) the time when another policy of insurance has been entered into by you, being a policy that is intended to replace this policy; or
 - (b) at 4.00pm, local standard time, on the 30th business day after the day on which notice was given to you.
- 4.1.3
 - (a) After cancellation by you, we will be entitled to retain:
 - (i) the pro rata *premium* for the period during which the policy has been in force; and
 - (ii) 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*.

If the *premium* has been funded by a premium funding company which holds a legal right over the policy by virtue of a notice of assignment and irrevocable power of attorney, a refund will be made to the premium funding company of the proportionate part of the *premium* applicable to the unexpired portion of the *period of insurance*.

4.2 Change of risk

You must notify us 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.

When a new driver commences driving your rigid and/or articulated *vehicle* with a carrying capacity in excess of 10 tonnes *payload*, that driver must complete a driver's questionnaire and you must provide us with that questionnaire within 14 days of the new driver first driving or being in charge of the *vehicle*.

4.3 Claims procedures

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

- 4.3.1 notify us with full details as soon as possible after any *event* which may become the subject of a claim under this policy;
- 4.3.2 promptly send us any communication received from other parties in relation to any *event* which may become the subject of a claim under this policy;
- 4.3.3 tell us promptly on becoming aware of any impending prosecution in relation to any *event* which may become the subject of a claim under this policy;
- 4.3.4 provide all information and cooperation which we may require, including signing any statutory declaration or other documents;
- 4.3.5 not admit to, or negotiate any claim without our consent;
- 4.3.6 allow us full discretion in the conduct, defence and settlement of any claim. Where settlement of a claim will have reputational impact on you, we will consult you before we settle any claim;
- 4.3.7 subject to the Insurance Contracts Act 1984 (Cth), 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;
- 4.3.8 not authorise repairs on your *vehicle* (other than emergency mitigation costs or expediting expenses) without our written consent; and
- 4.3.9 notify the Police as soon as possible after you first become aware of the theft or attempted theft of, or malicious *damage* to your *vehicle*.

4.4 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.

4.5 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.

4.6 Notifications

All notices and communications must be made or confirmed in by you or your intermediary.

4.7 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.

4.8 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 (Cth), 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 (Cth) had the payment been applied to acquire such goods, services or supply.

4.9 Payment of excess

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

4.10 Progress payments

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

4.11 Proper law and jurisdiction

The construction, interpretation and meaning of the provisions of this policy will be determined in accordance with the laws of the State or Territory of *Australia* in which the policy was issued.

In the event of any dispute arising under this policy, including but not limited to its construction, interpretation, validity or performance, the parties to the policy submit to the exclusive jurisdiction of the courts of *Australia*.

4.12 Reference to any statute

A reference to any statute, regulation or subordinate legislation includes any amendment, replacement, successor or equivalent to or of that statute, regulation or subordinate legislation.

4.13 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 *regulatory authority* for the safety of the *vehicles* and for the carriage of passengers, goods or merchandise.

We may decline cover where you or the driver recognises a danger and deliberately courts the danger by taking measures which you or the driver know, or should know, acting reasonably, are inadequate to avert the danger; similarly, where you or your driver recognise or are aware that a danger exists, and use or operate the *vehicle* with disregard to whether or not the danger is averted.

4.14 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 *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*.

4.15 Sanctions regulation

Notwithstanding any other terms or conditions under this policy, we shall not be deemed to provide coverage and will not make any payments nor provide any service or benefit to you or any other party to the extent that such cover, payment, service, benefit and/or any business or activity of yours which would violate any applicable trade or economic sanctions, law or regulation.

5. Extensions of Cover – Sections 1 and 2

5.1 Disability Modifications

We will pay up to \$10,000 per *event* should you or your driver who suffers an injury as a result of an *event* involving your *vehicle* and such injuries renders you or your driver with a permanent disability that necessitates vehicle modifications to your *vehicle* or your driver's private vehicle. The policy extends to pay costs associated with effecting such modifications.

5.2 Third party at fault

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

- 5.2.1 the claim involves a collision with another vehicle and the driver of the other vehicle was 100% at fault; or
- 5.2.2 the claim involves a third party and the third party was 100% at fault; and
- 5.2.3 you provided us with the full name and address of the third party and/or the full name and address of the other driver including the registration number of the other vehicle, including the driver's licence number or in the case of another third party their name and address; and
- 5.2.4 the amount of your claim exceeds the applicable *excess* under the policy.

Where the driver of the other vehicle or the third party 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 or third party was 100% at fault. Similarly, we reserve the right to collect the *excess* should it ultimately be determined that the driver or third party was not 100% at fault.

5.3 Novated leases

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

5.4 Police, Fire Brigade and other regulatory 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:

- 5.4.1 any Police Force at the *event* site;
- 5.4.2 any Fire Brigade; or
- 5.4.3 any other *regulatory authority*.

5.5 Psychological counselling

This policy extends to cover you, up to a limit of \$10,000 per *event*, 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. Where 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 Extension of Cover.

However, this Extension of Cover does not cover any costs incurred that are covered by Medicare, any compensatory scheme or private health insurance, which we are not permitted by law to provide.

5.6 Registration of vehicles

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

5.7 Vehicle additions

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

- 5.7.1 within 60 days of the date you acquired, purchased, borrowed, hired or leased the additional vehicle, you provide to us full details of that additional vehicle as set out in the *schedule* in respect of your *vehicle*;
- 5.7.2 the additional vehicle must be of a similar type, make, and model to your *vehicle*;
- 5.7.3 you pay any additional *premium* we ask for in respect of that additional vehicle; and
- 5.7.4 the maximum amount we will pay under this policy in respect of each additional vehicle is \$300,000.

6. Optional Extension of Cover – Sections 1 and 2

6.1 Hire vehicles

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

- 6.1.1 notify us prior to doing so; and
- 6.1.2 pay any additional premium,

then, Exclusion 3.6 'Hire, fare or reward' under Exclusions of Cover Sections 1 and 2 is hereby deleted and replaced with the following Exclusion 3.6:

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

Section 1 – Own Damage

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

1. Cover

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

2. Basis of Settlement – Section 1

The following Basis of Settlement will apply:

2.1 Repair

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

2.2 Total loss

2.2.1 Market value / Sum insured value

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

- (a) the *market value*; or
- (b) the *sum insured value*.

2.2.2 Agreed value

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

3. Limitations of Cover – Section 1

3.1 Limit per event

The maximum amount we will pay for *damage* arising out of one *event* is \$12,500,000.

3.2 Mobile cranes, mobile drilling rigs and mobile piling rigs

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

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

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

- 3.2.4 operation of the *vehicle* while its load-measuring instruments or limiters are known or suspected to be defective, inoperative or turned off by:
- (a) you;
 - (b) a director or partner of yours or an *employee*; or
 - (c) a person engaged in the operation of the *vehicle*;
- 3.2.5 acts or omissions of:
- (a) you;
 - (b) a director or partner of yours or an *employee*; or
 - (c) a person engaged in the operation of the *vehicle*,
with the intention of causing, or with reckless disregard of the risk of causing, injury, or loss or *damage* to person or property;
- 3.2.6 tests or experiments imposing abnormal operating conditions on the *vehicle*;
- 3.2.7 scratching or chipping of painted or polished surfaces;
- 3.2.8 corrosion, rusting, erosion, gradual deterioration, wear and tear, defect of any type, fatigue, lack of lubricant, lack of coolant, incorrect lubricant, incorrect coolant or electrical failure, unless prior to the loss or *damage*:
- (a) neither you nor any *employee* nor any person engaged in the operation of the *vehicle* was aware of the conditions in 3.2.8 above; and
 - (b) a casual inspection of the *vehicle* would not have revealed the conditions in 3.2.8 above;
- 3.2.9 drill pipes, collars, rock bits, reamers, stabilisers, core barrels, lugging equipment, casing and tools of all kinds occurring while below the rotary table, whilst performing horizontal and/or vertical drilling/boring activities; or
- 3.2.10 your *vehicle* while being used for oil, gas or geothermal drilling or in connection with existing oil, gas or geothermal wells.

3.3 Spare parts

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

4. Exclusions of Cover – Section 1

We will not pay:

4.1 Lawful seizure

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

4.2 Loss of use

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

4.3 Safeguarding your vehicle

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

4.4 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.

4.5 Vehicle breakdown

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

- 4.5.1 due to failure or breakdown of a structural, electrical, mechanical or electronic nature; or
- 4.5.2. to any part of your *vehicle*, due to faulty design or workmanship.

However we will cover loss or *damage* to your *vehicle*, if an *event* occurs resulting from a failure under 4.5.1 or 4.5.2.

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

5. Extensions of Cover – Section 1

When Extension of Cover 5.13 'New vehicle replacement' and Extension of Cover 5.18 'Total loss of encumbered vehicles' both become operative in a claim, the maximum amount we will pay will be the greater benefit of either Extension of Cover, and shall not be deemed cumulative.

5.1 Driver's personal property

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

- 5.1.1 *damaged* in an accident involving your *vehicle*;
 - 5.1.2 if stolen from your *vehicle* if locked;
 - 5.1.3 if stolen at the same time as your *vehicle*,
- up to the maximum amount of \$2,000 in total during any *period of insurance*.

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 and necessary cost, the following:

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

5.3 Employees' vehicles

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

However:

- 5.3.1 the maximum we will pay under Section 1 – Own Damage for your *employee's vehicle*, is the *market value* of the vehicle or up to a maximum value of \$75,000 for any one loss, any one *event*; and
- 5.3.2 as far as allowed by law, this cover will only be in excess of any amount for which your *employee* is otherwise insured.

5.4 Expediting expenses

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

However, such cost per *event* does not exceed 50% of the normal repair costs or \$10,000, whichever is the lesser.

5.5 Family expenses when your driver is hospitalised

Should your driver sustain personal injury requiring hospitalisation as a result of an *event* involving your *vehicle*, we will pay you the reasonable costs for transport, accommodation, meals and related expenses (within *Australia* only):

5.5.1 incurred by you; or

5.5.2 your injured driver's immediate family,

to attend the hospital, up to a maximum amount of \$5,000 per *event*, and \$15,000 any *period of insurance*, provided that:

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

5.6 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 *event*.

5.7 Funeral expenses

Should your driver suffer a fatal injury as a result of an *event* involving your *vehicle* (irrespective of whether or not death occurs at the time of the *event*), 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.

5.8 Gates, chains and tarpaulins

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

5.8.1 if Gates, Chains and Tarpaulins (including cables, chain dogs, curtains, straps, ropes, pogo sticks, ramps, binders or fences) are shown in the *schedule* as Vehicle Accessories then the maximum amount we will pay for *damage* to those items is the amount shown in the *schedule*.

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

5.8.2 if Gates, Chains and Tarpaulins (including cables, chain dogs, curtains, straps, ropes, pogo sticks, ramps, binders or fences) are not shown in the *schedule* as Vehicle Accessories, then the maximum amount we will pay for *damage* to those items, per *event*, is:

- (a) \$5,000; or
- (b) the maximum amount we have agreed to pay you for *damage* to your *vehicle* in accordance with the Basis of Settlement,

whichever is the lesser.

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

5.9 Hire vehicle following theft or fire

Where your *vehicle* has been stolen or suffered *damage* by fire, we will, arrange hire of, pay the cost of, or reimburse you the reasonable cost of the hire of a substitute vehicle, to a maximum amount of \$5,000 per *vehicle*.

However, this is 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 or *damaged* by fire; and
 - (a) the payment / reimbursement will cease on the day the *vehicle*, if stolen, is recovered, or is found but is not driveable; or
 - (b) or on the day we offer settlement to you for your *vehicle*, whichever occurs first.

5.10 Journey disruption

Following loss or *damage* to your *vehicle*, we will pay you the reasonable and necessary 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 that:

- (a) the loss or *damage* was covered under this policy;
- (b) the *vehicle* was being used in connection with your *business*; and
- (c) your *vehicle* was more than 100km from its usual place of garaging.

5.11 Locks / keys

If after *damage* to your *vehicle*, the keys are lost, stolen, 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 and all locks and keys if required, up to a maximum amount of \$10,000 per *event*.

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

5.12 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:

- 5.12.1 such conditions under maritime law apply; and
- 5.12.2 the ship is sailing between places within *Australia*.

5.13 New vehicle replacement

5.13.1 Sedans, station wagons, 4WDs, utilities or Other Goods Carrying Vehicles

- (a) Vehicles less than two years old

Where your *vehicle* is stolen and not recovered, lost and not recovered or *damaged* and it is uneconomical to repair your *vehicle*, and where your *vehicle* is a sedan, station wagon, 4WD, utility or Other Goods Carrying Vehicle is less than two years old from the date of its first registration at the time it first suffers loss or *damage*, we will replace it with a new *vehicle* of the same make, model and series (or if unavailable a *vehicle* of similar make and model) and including registration fees, delivery charges and stamp duty, subject to 5.13.1(c) below.

(b) Vehicles from two to less than four years old

Where your *vehicle* is stolen and not recovered, lost and not recovered or *damaged* and it is uneconomical to repair your *vehicle*, and where your *vehicle* is a sedan, station wagon, 4WD, utility or Other Goods Carrying Vehicle is:

- (i) two or more years old and less than four years old, from the date of its first registration and has travelled no more than 100,000 kilometres, at the time it first suffers loss or *damage*; and
- (ii) with a *payload* carrying capacity no greater than two tonnes,

we will replace it with a new *vehicle* of the same make, model and series (or if unavailable an alternative vehicle of similar make and model) including registration fees, delivery charges and stamp duty, subject to 5.13.1(c) below.

To qualify for this Extension of Cover 5.13.1 (b) you must have insured your *vehicle* with us within two years of the date of its first registration and you must have maintained that insurance with us continuously from that time until the time of the loss or *damage*.

(c) Deleted/superseded/run-out/demonstration models

Where:

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

then under (a) or (b) above we will pay the actual purchase price that you paid for your *vehicle* including any registration fees, delivery charges and stamp duty as through these items were included in the purchase price.

5.13.2 Other Vehicles

If your *vehicle* is:

- (a) a *vehicle* not referred to in 5.13.1 (a) or (b) above, including 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, that, at the time it first suffers loss or *damage*, is less than one year old from the date of first registration or, if not registerable or unregistered, within one year of the date of first purchase after new manufacture; and
- (b) it is stolen and not recovered, lost and not recovered, or *damaged* and it is not 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 the:

- (c) replacement cost including any registration fees, delivery charges and stamp duty;
- (d) amount you have specified as the *sum insured value* plus 20%; or
- (e) 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 Extension of Cover 5.13 'New vehicle replacement' will not exceed \$1,000,000 for any one *vehicle*.

5.14 Removal and delivery expenses

If your *vehicle* suffers loss or *damage* under Section 1 - Own Damage, we will pay for reasonable costs necessarily incurred by you in removing your *vehicle* (excluding any debris or load) and, where applicable, relocating your *vehicle* to the nearest repairer which we have approved and/or delivering your *vehicle* to you at your usual place of garaging after its repair or recovery, up to a maximum amount of \$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 *event* or resulting from goods falling or leaking from your *vehicle*, up to a maximum amount of \$50,000 per *event*.

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

5.16 Retrieval costs

Where your *vehicle* becomes 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 Signwriting

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

Any amount payable will be included in calculating the maximum amount we will pay you for *damage* to your *vehicle* in accordance with the Basis of Settlement.

5.18 Total loss of encumbered vehicles

If:

- 5.18.1 your *vehicle* is stolen and not recovered, lost and not recovered or *damaged* and it is not economical to repair your *vehicle*;
- 5.18.2 your *vehicle* is the subject of a lease agreement or other similar agreement;
- 5.18.3 the terms of the lease agreement or other similar agreement require you to make a 'termination payment' to the other party to the lease agreement, or other similar agreement, in order to terminate that agreement; and
- 5.18.4 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' and the amount we will pay to you in respect of your *vehicle*, calculated in accordance with the Basis of Settlement.

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

- (a) 25% of *market value*; or
- (b) 25% of *sum insured value / agreed value* (as applicable),

whichever is the lesser.

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

5.19 Two wheel trailers or Box trailers

We will pay you for loss or *damage* to any two wheeled or box trailer which is owned by you and which is not listed in *schedule* while it is:

5.19.1 attached to your *vehicle*; or

5.19.2 detached from your *vehicle* but within your *business* premises or the domestic land boundaries of your usual home, provided it was not in a common parking area such as home units and/or flats.

We do not pay for loss of or *damage* to any property in or on the trailer. The maximum amount we will pay is the *market value* of the trailer, limited to \$2,000 maximum value.

5.20 Tyre replacement

We will pay the reasonable cost of replacing a tyre with a new tyre of similar make and specifications to the tyre that is *damaged*, when a tyre is *damaged* and unable to be used again as the direct result of an *event* or a malicious act involving your *vehicle* which is covered under this policy.

However this Extension of Cover only applies when:

5.20.1 the condition of the *damaged* tyre's tread conforms with *legislative requirement* at the time of *damage*; and

5.20.2 in the case of a tyre, it was not a recapped or retread tyre.

5.21 Unspecified accessories

We will pay for *damage* to non-standard accessories attached to or installed in your *vehicle* (excluding mobile phones except for those components that are fixed to the *vehicle*) that are not specified as Vehicle Accessories in the *schedule*.

The maximum amount we will pay for *damage* to those unspecified items, per *event*, is:

5.21.1 \$5,000; or

5.21.2 the maximum amount we have agreed to pay you for *damage* to your *vehicle* in accordance with the Basis of Settlement,

whichever is the lesser.

Any amount payable under this Extension of Cover will be:

(a) included in calculating the maximum amount we will pay you for *damage* to your *vehicle* in accordance with the Basis of Settlement; and

(b) subject to you providing us with details of the attached or installed item and its value and due allowance for depreciation, age and wear and tear.

This Extension of Cover does not apply to items described in 'Extension of Cover 5.8 'Gates, chains and tarpaulins'.

5.22 Windscreen or Glass damage

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

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 no greater than five tonnes *payload* carrying capacity. Following the first broken windscreen or window only claim, in anyone *period of insurance*, we will not reduce your No Claim Bonus.

5.23 Young drivers - rural land

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

6. Optional Limitation of Cover – Section 1

6.1 Fire and theft

When 'Fire and Theft' is shown in the *schedule*, your *vehicle* is only covered for *damage* during the *period of insurance* caused directly by fire or theft.

7. Optional Extensions of Cover – Section 1

7.1 Contents of caravan / trailer

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

7.1.1 *damage* to any property owned by you whilst contained in your *caravan / trailer* as a result of:

- (a) malicious *damage*;
- (b) fire;
- (c) wind, storm, lightning or thunderbolt;
- (d) earthquake;
- (e) theft following visible, violent or forcible entry into the locked *caravan / trailer*; or
- (f) overturning, accidental collision or impact of your *caravan / trailer* or your *vehicle*.

7.1.2 *damage* to your annexe while erected, as a result of:

- (a) malicious *damage*;
- (b) fire;
- (c) lightning or thunderbolt (but not wind or storm);
- (d) earthquake; or
- (e) accidental collision or impact by another vehicle.

7.1.3 *damage* to any property owned by you whilst contained in your annexe while erected, as a result of:

- (a) fire; or
- (b) earthquake.

However, we will not pay for *damage* caused by any person:

- (i) who lives in the *caravan / trailer*;
- (ii) invited into the *caravan / trailer* by you or by any person who lives in the *caravan / trailer*; or
- (iii) who acts with your consent or the consent of a person who lives in the *caravan / trailer*.

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

7.2 Driver accident benefit

If 'Driver Accident Benefit' is shown in the *schedule*, we will pay you or your authorised driver for injury suffered within six months of an accident which was caused solely and directly by you or your authorised driver, in accordance with the following table:

Table of Benefits

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

The above benefits are inclusive of legal costs.

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

However, we will not pay:

- 7.2.1 unless you or your authorised driver's claim has been accepted under this policy;
- 7.2.2 where that injury or death was intentionally caused or resulted from an *event* that was intentionally caused;
- 7.2.3 if you or your authorised driver receive or have received damages or *compensation* under a statutory compensation scheme as a result of injuries in the same *event*;
- 7.2.4 if your *vehicle* is a sedan, station wagon, 4WD, utility or Other Goods Carrying Vehicle with a *payload* carrying capacity greater than five tonnes; or
- 7.2.5 if your *vehicle* is registered in the Northern Territory.

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

You will need to support your claim for this Extension with documentation from a qualified medical practitioner confirming that the injuries were a result of the *event* (and if required, attend a medical examination with our medical practitioner).

7.3 Hire vehicle following an accident

If 'Hire Vehicle following an Accident' is shown in the *schedule*, we will either arrange for the hire of a substitute vehicle, or we will reimburse you up to \$150 per day, to a maximum of 30 business days per accident for costs incurred in hiring a substitute or similar vehicle to that which was *damaged*, provided that reimbursement:

- 7.3.1 is limited to costs incurred after you have notified us of the accident; and

7.3.2 will terminate upon:

- (a) the day the repairs are completed and you are notified to collect the *vehicle*, or a replacement vehicle is offered by us;
 - (b) the day we offer settlement of the loss or *damage*; or
 - (c) the claim is declined,
- whichever occurs first.

7.4 No claim bonus (NCB) protection

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

This Optional Extension of Cover is limited to one incident of *damage* to your *vehicle* per *period of insurance*.

Section 2 – Liability

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

1. Cover

If your *vehicle* is registered and/or licensed as required by *legislative requirements* 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 *legislative requirements*) we will pay the amount which:

- 1.1 you;
 - 1.2 any person legally licensed to drive or be in charge of your *vehicle* with your permission provided that person has not been refused motor insurance and is not entitled to cover under any other policy;
 - 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 the legal representatives of any deceased person to whom cover is provided in 1.1 to 1.3 above,
- may be held legally liable to pay as *compensation* resulting from an *event* occurring during the *period of insurance* and caused by or arising out of the use of your *vehicle* for:
- (a) *damage* to property;
 - (b) the costs incurred as a result of fire, explosion, falling, leakage or spillage of transported goods, in or on, or from your *vehicle*; and
 - (c) death or bodily injury, but we will not pay:
 - (i) if you or any other person entitled to cover under this Section 2 – Liability has been, or is entitled to be, partially or wholly indemnified by any statutory compulsory insurance or accident compensation scheme, including any compulsory motor vehicle scheme; or
 - (ii) for any claim for which you or any other person entitled to cover under this Section 2 – Liability would have been partially or wholly indemnified, but for your failure to insure or register your *vehicle* in accordance with a requirement of any statutory compulsory insurance or accident compensation scheme, including any compulsory motor vehicle scheme.

Persons covered under clauses 1.2 to 1.4 above are referred to in this policy as 'other covered persons'.

2. Limitations of Cover – Section 2

Our total liability under this Section is \$35,000,000 unless shown otherwise in the *schedule*, for all claims arising from the one *event* or series of *events* resulting from the one original cause, however if your *vehicle* is being used for transportation of *dangerous goods*, and complies with the *Australian Dangerous Goods Code* our total liability under this Section is limited to \$1,000,000 unless specified in the *schedule*.

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

3. Exclusions of Cover – Section 2

We will not pay for:

3.1 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*.

3.2 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.

3.3 Death / bodily injury

death or bodily injury:

- 3.3.1 if you or any other person entitled to cover under this section, has been, or is entitled to be, partially or wholly indemnified by any statutory compulsory insurance or accident compensation scheme, including any compulsory motor vehicle scheme;
- 3.3.2 for any claim for which you or any other person entitled to cover under this section, would have been partially or wholly indemnified, but for your failure to insure or register your *vehicle* in accordance with a requirement of any statutory compulsory insurance or accident compensation scheme, including any compulsory motor vehicle scheme;
- 3.3.3 to you or any person in charge of your *vehicle*;
- 3.3.4 (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;
- 3.3.5 to any person with whom you ordinarily reside or who ordinarily resides with you;
- 3.3.6 to any *employee*, agent, contractor, or sub-contractor employed or engaged by any person entitled to indemnity under this policy;
- 3.3.7 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;
- 3.3.8 arising out of, or in any way connected with a defect in your *vehicle*, or in a motor *vehicle* which causes loss of control of the *vehicle* whilst it is being driven;
- 3.3.9 to any person injured by a Queensland or New South Wales registered trailer only, either whilst in tow and/or unattached;
- 3.3.10 to any person injured by a Northern Territory registered vehicle; or
- 3.3.11 where at the time of the *event*, you did not have in force a current general liability or public liability policy pertaining to your *business* operations.

3.4 Employer's liability

death or bodily injury to any person:

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

3.5 Fines / penalties

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

3.6 Pollution

- 3.6.1 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);
- 3.6.2 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;
- 3.6.3 the cost of removing, nullifying or cleaning up *pollutants* or contaminated substances; or
- 3.6.4 the cost of preventing the escape of *pollutants* or contaminated substances.

This Exclusion shall not apply where the claim arises from a sudden identifiable, unintended and unexpected *event* which takes place in its entirety at a specific time and place during the *period of insurance*.

3.7 Property in custody or control

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

For the purpose of this Exclusion only:

3.7.1 *employees'* or visitors' vehicles, whilst contained within your car park or premises; and

3.7.2 premises leased or rented to you,

are not deemed to be in your custody or control.

3.8 Statutory liability

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

3.9 Tool of trade

any liability of whatsoever nature whilst your *vehicle* is 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.

3.10 Unregistered vehicles

any liability arising out of the use of any unregistered *vehicle*.

However, we will cover your liability in respect of the unregistered *vehicle* in a place that requires registration, provided you have complied with the appropriate *legislative requirements* and obtained necessary permits to move the unregistered *vehicle*.

3.11 Vibration / vehicle weight

damage to property that is caused by:

3.11.1 vibration; or

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

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

4. Extensions of Cover – Section 2

4.1 Employer or principal

We will pay the amount which:

4.1.1 your employer, principal or partner; or

4.1.2 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*.

4.2 First aid costs

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

4.3 Legal costs and authorised expenses

When an *event* is covered under this section we will pay, in addition to the Liability Limit, all legal costs and expenses incurred by you or any other covered persons, that we have agreed to cover, in settlement or defence of claims for *compensation* arising out of that *event*. Furthermore, we will pay reasonable legal expenses incurred with our consent (which consent will not be unreasonably withheld or delayed) for representation at any formal legal enquiry or at any Coroner's Inquest.

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

4.4 Movement of other vehicles

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

4.5 Non-owned or supplied vehicles

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

However, as far as is allowed by law, this Extension of 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.

4.6 Non-owned trailer liability

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

However:

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

When cover is provided by this Extension of Cover, Exclusion 3.7 'Property in custody or control' does not apply.

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

- (a) the *market value* of the trailer just before the *event*, based on the age and condition at that time; or
- (b) \$75,000,

whichever is the lesser.

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

4.7 Uninsured motorist

If your *vehicle* is only insured for Section 2 – Liability cover, we will pay up to \$10,000 per *event*, less any applicable *excess* for *damage* to your *vehicle* caused in a collision with an uninsured vehicle, if:

- 4.7.1 the other driver was completely at fault in the *event*; and
- 4.7.2 you can provide us with the name and address of the other driver.

A vehicle is uninsured if neither the driver nor the owner of that vehicle had an insurance policy that would cover them for legal liability to pay compensation for property damage.

4.8 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.

5. Optional Extension of Cover – Section 2

5.1 Increased non-owned trailer liability

If 'Increased Non-owned Trailer Liability' is shown in the *schedule*, then the total for all payments provided under Extensions of Cover 4.6 'Non-owned trailer liability' is increased to the limit shown in the *schedule*.

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