

Rural Choice Insurance

Product Disclosure Statement and Policy



Rural Choice Insurance

Introduction

The insurer of this product is:

Wesfarmers General Insurance Limited ABN 24 000 036 279
AFS Licence No. 241461, trading as Lumley Insurance.

Preparation Date: 30 September 2012

NEW SOUTH WALES

Lumley House
Level 9, 309 Kent Street
Sydney NSW 2000
Phone: (02) 9248 1111
Fax: (02) 9248 1122

50 Glebe Road
The Junction
Newcastle NSW 2291
Phone: (02) 4925 7500
Fax: (02) 4940 0295

CANBERRA

Level 4, 10 Rudd Street
Canberra City ACT 2600
Phone: (02) 6279 0333
Fax: (02) 6279 0330

VICTORIA

Level 3, 99 King Street
Melbourne VIC 3000
Phone: (03) 8627 4333
Fax: (03) 8627 4312

TASMANIA

Level 1, 27 Paterson Street
Launceston TAS 7250
Phone: (03) 6345 4700
Fax: (03) 6345 4711

SOUTH AUSTRALIA

465 Pulteney Street
Adelaide SA 5000
Phone: (08) 8228 1700
Fax: (08) 8228 1777

WESTERN AUSTRALIA

Level 9, 50 St George's Terrace
Perth WA 6000
Phone: (08) 9220 8222
Fax: (08) 9220 8251

QUEENSLAND

Level 2, 99 Melbourne Street
South Brisbane QLD 4101
Phone: (07) 3307 4800
Fax: (07) 3307 4899

NORTHERN TERRITORY

Level 2, Beagle House
38 Mitchell Street
Darwin NT 0800
Phone: (08) 8946 4600
Fax: (08) 8946 4666

3

Rural Choice Insurance

Product Disclosure Statement and Policy

PRODUCT DISCLOSURE STATEMENT	5	FARMHOUSE BUILDINGS, FARMHOUSE CONTENTS AND PERSONAL VALUABLES	27
PDS PART A	5	Definitions	27
Introduction	5	Farmhouse Buildings Cover	30
Structure of Document	5	Farmhouse Contents Cover	33
PDS PART B	6	Personal Valuables Cover	37
Duty of Disclosure	8	Legal Liability Cover	38
Privacy	8	Limitations	38
Complaints Procedure	9	Exclusions	38
General Insurance Code of Practice	9	Additional Exclusions – Applicable to Farmhouse Building, Farmhouse Contents and Personal Valuables	39
Cooling-Off Period	9	LANDLORDS INSURANCE	41
Confirming Transactions	10	Definitions – Applying to all sections of Landlords Insurance	41
Financial Claims Scheme	10	Exclusions – Applying to all sections of Landlords Insurance	41
Keeping Documents	10	LANDLORDS BUILDING COVER	43
PDS PART C	11	Definitions	43
Significant Benefits	11	What is covered	43
Farmhouse Buildings, Farmhouse Contents and Personal Valuables	11	Exclusions	43
Landlord's Insurance	11	Additional Benefits	44
Farm Vehicles	11	LANDLORDS CONTENTS COVER	45
Personal Accident and Sickness	12	Definitions	45
Pleasurecraft	12	What is covered	45
Significant Risks	12	Exclusions	45
The Cost of this Farm Insurance	13	Additional Benefits	46
Farmhouse Buildings, Farmhouse Contents and Personal Valuables	13	TENANTS RENT DEFAULT COVER	47
Landlord's Insurance	13	Definitions	47
Farm Vehicles	13	Rent Default Cover	47
Personal Accident and Sickness	13	Exclusions	47
Pleasurecraft	13	Additional Benefits	48
How Claims are Calculated	13	LOSS OF RENT COVER	49
Farmhouse Buildings, Farmhouse Contents and Personal Valuables	13	LANDLORDS LIABILITY	50
Landlord's Insurance	14	Cover	50
Farm Vehicles	14	Exclusions	50
Personal Accident and Sickness	14	FARM PROPERTY DAMAGE	52
Pleasurecraft	14	Definitions	52
POLICY WORDING	15	Cover	53
IMPORTANT INFORMATION	15	Basis of Settlement	55
GENERAL DEFINITIONS	18		
GENERAL EXCLUSIONS	20		
GENERAL CONDITIONS	22		

Rural Choice Insurance

Product Disclosure Statement and Policy

FARM INTERRUPTION	61	FARM VEHICLES – COMMERCIAL MOTOR	91
Definitions	61	Definitions	91
Cover	61	Cover	92
Conditions	63	Additional Benefits	92
		Liability to Third Parties Cover	94
FARM THEFT	65	Additional Benefits	94
Definitions	65	General Extensions	95
Cover	65	General Exclusions – Applicable to Commercial Motor	95
Exclusions – Applicable to Farm Theft cover	66	General Conditions – Applicable to Commercial Motor	97
FARM BROADFORM LIABILITY	67	FARM VEHICLES – HEAVY MOTOR	99
Definitions	67	Definitions	99
Cover	70	Cover	100
Extra Covers	71	Additional Benefits	100
Exclusions – Applicable to Farm Broadform Liability Cover	72	Specific Exclusions – Applicable to Heavy Motor Cover	102
Optional Extensions	76	Liability to Third Parties Cover	102
Conditions	76	Additional Benefits	102
		General Extensions	104
FARM GENERAL PROPERTY	78	General Exclusions – Applicable to Heavy Motor	104
Cover	78		
Option A – Accidental Loss or Damage	78	FARM VEHICLES, AGRICULTURAL EQUIPMENT	
Option B – Fire, Theft, Collision and other Defined Perils	78	AND MOBILE PLANT	108
Exclusions – Applicable to Farm General Property Cover	78	Definitions	108
		Cover for Your Agricultural Equipment and	
FARM MACHINERY AND ELECTRONIC		Mobile Plant	109
EQUIPMENT BREAKDOWN	80	Additional Benefits	110
Definitions	80	Liability to Third Parties	114
Farm Machinery Cover	81	General Extensions	115
Additional Benefits	81	General Exclusions	118
Optional Extension	82	PERSONAL ACCIDENT AND SICKNESS	121
Exclusion	83	Definitions	121
Electronic Equipment Breakdown Cover	83	Injury Cover	122
Additional Benefits	83	Sickness Cover	123
Exclusions	84	Table of Benefits	123
Conditions – Applicable to Electronic		Additional Benefits	125
Equipment Breakdown Cover	84	Extra Cover	125
Optional Extensions Cover	84	Exclusions	127
Exclusions – Applicable to Farm Machinery and			
Electronic Equipment Breakdown	86	PLEASURECRAFT	128
Additional Benefits	86	Definitions	128
		Cover for your Boat	129
FARM TRANSIT	88	Additional Benefits	130
Definitions	88	Legal Liability Cover	130
Additional Benefits	88	Exclusions – Applicable to Pleasurecraft Cover	131
Exclusions – Applicable to Farm Transit Cover	89		
Conditions	89		

PDS

Part A

5

INTRODUCTION

The issuer of this Rural Choice Insurance Product Disclosure Statement and Policy is: Wesfarmers General Insurance Limited ABN 24 000 036 279, AFS Licence No 241461, trading as Lumley Insurance.

Lumley Insurance has designed this insurance product specifically to meet the insurance requirements of Australian farms.

Before you decide whether to purchase this product please carefully consider if it meets Your requirements. You should discuss Your insurance requirements with Your insurance intermediary who can help customise the cover to meet the needs of Your own individual circumstances. We will use the information supplied to Us by Your insurance intermediary to decide the terms of the cover We may offer to provide.

If You require further information about this Rural Choice Insurance Product, please contact Your insurance broker.

Alternatively, You can contact Lumley Insurance by writing to Us at Level 9, 309 Kent Street Sydney NSW 2000.

At least 14 days before the policy expires, We will send You a notice which tells you when the policy will expire, whether We will renew and on what terms.

STRUCTURE OF DOCUMENT

This Rural Choice Insurance Product Disclosure Statement (PDS) consists of the PDS (Parts A, B and C) and the Policy Wording. You should carefully read the PDS Parts A and B together with the Policy Wording, as well as PDS Part C if it applies to You.

We are required by law to provide You with a PDS if We offer any of the following insurance and You are an individual or if You employ fewer than 20 people in Your Farm Business:

- Farmhouse Building, Farmhouse Contents and Personal Valuables;
- Landlord's Insurance;
 - Landlords Building
 - Landlords Contents
 - Tenants Rent Default Cover
 - Landlords Liability
- Farm Vehicles (in respect of vehicles with a carrying capacity of less than two tonnes designed to carry passengers and items of mobile plant);
- Personal Accident and Sickness;
- Pleasurecraft.

Other covers are:

- Farm Property Damage;
- Farm Interruption;
- Farm Theft;
- Farm Broadform Liability;
- Farm General Property;
- Farm Machinery and Electronic Equipment Breakdown;
- Farm Transit;
- Farm Vehicles
 - Commercial Motor vehicles
 - Heavy Motor Vehicles
 - Agricultural Equipment and Mobile Plant.

PDS Parts A and B contains important general information that does not form part of the insurance contract.

PDS Part C contains important information for certain persons insuring Farmhouse Building, Farmhouse Contents and Personal Valuables, Landlord's Insurance, Farm Vehicles (in respect of vehicles with a carrying capacity of less than two tonnes designed to carry passengers and Agricultural Equipment and Mobile Plant), Personal Accident Sickness and Pleasurecraft. This information applies to You if You are an individual or a small business.

The Policy details the terms, conditions and exclusions of cover. The Policy together with the Policy Schedule forms Your legal contract with Us. The Policy Schedule sets out the specific terms applicable to Your cover and shows details such as the Period of Insurance, Your Premium, details of Your property, the Excess(es) that will apply and whether any standard terms have been varied by way of endorsement as well as which Policy sections You have selected.

Other documents may form part of the PDS. Any such documents will be dated and will include a statement identifying them. If any major omissions, updates or corrections need to be made to the PDS a Supplementary PDS may be provided.

The PDS and any other relevant documents will be provided to You at no cost to You.

PDS

Part B

The Lumley Rural Choice Insurance Policy has been specifically designed to provide a flexible insurance solution for farming businesses in Australia. We recognise that a farm can often be both a home and a business and so We have designed this product to cater for these needs.

The table below gives a summary of each of the sections and You are encouraged to work with Your insurance adviser to tailor the insurance specifically for Your needs. Please note that this is only a very brief and selective summary of the covers and You will need to read the Policy Wording to fully understand the scope of the wording. This table provides general advice only and does not take account of Your particular circumstances.

SECTION	BENEFITS
FARMHOUSE BUILDING, FARMHOUSE CONTENTS AND PERSONAL VALUABLES	This section provides insurance to compensate You for loss or damage to Your Farmhouse Buildings and/or the Farmhouse Contents up to the Sum Insured, as well as a number of Additional Benefits. The Personal Valuables cover provides insurance to compensate You for loss or damage to Personal Valuables such as jewellery, watches and cameras. Cover for loss or damage caused by Flood is limited to \$10,000 for Farmhouse Buildings and Farmhouse Contents and is inclusive of all Additional Benefits, Extra Covers and Extensions to this section provided without the payment of additional Premium. If You wish to increase this amount You must ask Your advisor. We may agree to provide such additional cover and if We do it must be shown in Your Policy Schedule for You to be afforded such cover.
LANDLORDS INSURANCE	This section provides insurance to compensate You for loss or damage to the Buildings or Contents of Your tenanted Properties as well as a number of Additional Benefits. It can also insure You if Your tenant defaults on the rent that they owe You. Cover for loss or damage caused by Flood is limited to \$10,000 for Landlords Buildings and Landlords Contents and is inclusive of all Additional Benefits, Extra Covers and Extensions to this section provided without the payment of additional premium. If You wish to increase this amount You must ask Your advisor. We may agree to provide such additional cover and if We do it must be shown in Your Policy Schedule for You to be afforded such cover.
FARM PROPERTY DAMAGE	This section provides insurance to compensate You for loss or damage to Your Farm Property, Farm Contents, grain Silos, solar panels, windmills, fencing, and Livestock from certain sudden, unexpected or unforeseen occurrences, as well as a number of Additional Benefits.
FARM INTERRUPTION	This section provides insurance to compensate You for the loss of income, or the expenses that Your farm may suffer as a result of a claim that we pay under the Farm Property or Farm Theft sections.
FARM THEFT	This section provides insurance to compensate You for loss of Your Farm Buildings, Farm Contents, Fencing, Hay or Grain, Wool or Farm Machinery due to Theft.
FARM BROADFORM LIABILITY	This section provides insurance to pay for the compensation You legally have to pay for causing the death of or personal injury to another person (other than employees), or damage to property owned or controlled by someone else.
FARM GENERAL PROPERTY SECTION	This section provides compensation for loss or damage to portable property such as laptop computers, tools, mobile phones, Beehives. You have the option to limit the cover to fire, theft, collision and other defined perils.
FARM MACHINERY AND ELECTRONIC EQUIPMENT BREAKDOWN SECTION	This section provides compensation to pay for the repairs or replacement of Your Farm's mechanical equipment such as pumps, grain conveyors etc and its electronic equipment such as computers, and associated control equipment.

PDS

Part B

7

SECTION	BENEFITS
FARM TRANSIT	This section provides compensation for loss or damage to Farm Property and Livestock whilst in transit.
FARM VEHICLES	<p>This section provides compensation for loss or damage and Liability to Third Parties for Your Farm Vehicles and includes:</p> <ul style="list-style-type: none"> • Commercial Motor vehicles such as four wheel drive vehicles, utilities, sedans, Vans, etc. • Heavy Motor vehicles such as rigid trucks & Prime Movers. • Agricultural Equipment and Mobile Plant such as tractors and harvesters.
PERSONAL ACCIDENT AND SICKNESS	This section provides compensation for accidental injury or death to people insured. There is also an option to cover Sickness.
PLEASURECRAFT	This section provides compensation for accidental damage to or theft of Your Boat's hull, motors, equipment and accessories, sails, masts, spars, standing and running rigging, trailer and Your/passengers Personal Effects on it.

PDS

Part B

DUTY OF DISCLOSURE

Your duty of disclosure for a new policy

The Insurance Contracts Act 1984 (ICA) requires that any information that We seek must be collected by a specific question.

When answering Our questions, You must be honest and You have a duty under the ICA to tell Us anything known to You, and which a reasonable person in the circumstances, would include in answer to the question. We will use the answers in deciding whether to insure You and anyone else to be insured under the Policy, and on what terms. It is important that You understand You are answering Our questions in this way for yourself and anyone else that You want to be covered by the Policy.

Your duty of disclosure before You renew, extend, vary or reinstate Your Policy

You have a duty, under the ICA, to disclose to Us every matter that You know, or could reasonably be expected to know, is relevant to Our decision whether to accept the risk of the insurance and, if so, on what terms.

Your duty however does not require disclosure of a matter:

- that diminishes the risk to be undertaken by Us;
- that is of common knowledge;
- that We know or, in the ordinary course of Our Business, ought to know;
- where compliance with Your duty is waived by Us.

When answering any questions, You must be honest.

We will use the information You disclose in deciding whether to insure You and anyone else to be insured under the Policy, and on what terms.

Consequence of non-disclosure

If You fail to comply with Your duty of disclosure for a new Policy, or before You renew, extend, vary or reinstate Your Policy We may be entitled to reduce Our liability under the Policy in respect of a claim or may cancel it. If Your non-disclosure is fraudulent, We may also have the option of avoiding the Policy from its commencement.

PRIVACY

We are bound by the National Privacy Principles (NPP) or any successor rules to the NPP and comply with the Privacy Act 1988 (Cth). We are committed to ensuring that all Our Business dealings comply with the NPPs and acknowledge the importance of keeping personal details for individuals confidential and secure.

COLLECTION

We collect personal information for the purpose of providing insurance, including arranging insurance, Policy administration and claims handling.

DISCLOSURE

When necessary, We may disclose Your personal information to and/or collect Your personal information from:

- other companies within the same Group;
- other insurers, financial institutions, insurance and claims reference agencies, credit agencies, loss assessors, financial or investigative service providers;
- service providers and Our agents including: mail delivery, information technology, research and development, customer research, imaging and document management, legal and other professional service providers;
- government, law enforcement or statutory bodies, where required by law;
- dispute resolution service providers, such as the Financial Ombudsman Service; and
- hospitals, medical and health professionals.

Where You are an insured person and not the policyholder, We may disclose Your personal information to the policyholder.

DISCLOSURE OVERSEAS

There are also instances where We may have to send Your personal information overseas or collect personal information from overseas. These instances include:

- sending Your personal information to companies in the same Group;
- when You have asked Us to do so;
- when We are authorised or required by law to do so;
- when We have outsourced a business activity or function to an overseas service provider or agent with whom We have a contractual arrangement.

We will only send Your personal information overseas or collect personal information about You from overseas for the purposes in this statement and in compliance with the privacy regime.

PDS

Part B

9

USE

We use and disclose Your personal information for the purposes providing insurance, including arranging insurance, policy administration, claims handling and dispute resolution.

We may also use and disclose Your personal information for a secondary purpose related to the purpose for which We collected it, where You would reasonably expect Us to use or disclose Your personal information for that secondary purpose. In the case of sensitive information, any secondary purpose, use or disclosure will be directly related to the purpose of collection.

When We disclose personal information to third parties We limit their use and disclosure to the specific purpose for which we supplied it. By providing personal information to Us or Our agent, You consent to Us making these disclosures.

Without Your personal information, We may not be able to provide You with the services You require.

When You give Us personal information about other individuals, We rely on You to have made or make them aware that You will or may provide their information to Us and the types of third parties We may provide it to, the relevant purposes We and the third parties will use it for, and how they can access it. If You have not done or will not do either of these things, You must tell Us before You provide the relevant information.

If You require a copy of Our Privacy Statement, the full Privacy Policy, or further information, please contact Your nearest Lumley office and ask for the Compliance Manager or visit Our website at www.lumley.com.au.

ACCESS

You can request access to, and if applicable the correction of, the personal information We hold about You by contacting Us. A fee may be charged to cover the cost associated with providing access.

In some circumstances, We are permitted to deny Your request for access to personal information. If We deny Your request for access, We will tell You why.

COMPLAINTS PROCEDURE

If You have a complaint You may contact Us and request that We review the matter. You should first contact the person who made the decision requesting a resolution within 24 hours and a referral to his or her manager if such resolution is not possible. The manager has a further five business days to resolve the matter.

If the manager cannot resolve the matter You may ask him or her to refer it to the Internal Dispute Resolution (IDR) Committee which then has 15 business days to make a decision.

If You are dissatisfied with Our IDR Committee's decision You may refer Your dispute to the Financial Ombudsman Service (FOS). The FOS provides a free and independent dispute resolution service approved by ASIC for consumers who have general insurance disputes that are covered by its Terms of Reference. You are not bound by the FOS decisions, but We are. If You wish your dispute to be heard by the FOS, You must refer your dispute to the FOS within two years from the date of receiving Our IDR Committee's decision. You may refer the matter to the FOS by contacting them at:

Financial Ombudsman Service

GPO Box 3

Melbourne Victoria 3001

Tel: 1300 78 08 08

Email: info@fos.org.au

Website: www.fos.org.au

GENERAL INSURANCE CODE OF PRACTICE

The Insurance Council of Australia Limited has developed the General Insurance Code of Practice, which is a self regulatory code for use by insurers. The Code aims to raise the standards of practice and service in the insurance industry. We are a signatory to the Code of Practice. If You require further details please contact Your nearest Lumley office and ask for the State Compliance Officer or visit Our website at www.lumley.com.au.

MOTOR VEHICLE INSURANCE REPAIR INDUSTRY CODE OF CONDUCT

Lumley is a signatory to and complies with the Motor Vehicle Insurance Repair Industry Code of Conduct. If You require further details about this Code or would like a copy of the Code, please visit this website: www.abrcode.com.au.

COOLING OFF

If You are not completely satisfied with this Policy You may cancel it within 30 days of the date it was issued to You ("cooling off period"), unless You make a claim under the Policy within the cooling off period. If it is cancelled within this time We will return the amount You have paid.

PDS

Part B

In addition, if You varied Your Policy and added a section, You have the right to cancel that section within 30 days of the date it was added ("additional cooling off period") unless You make a claim under that section within the additional cooling off period. If it is cancelled in this time, We will return the amount You have paid for that section.

To cancel at other times, please see 'Cancelling the Policy' on page 23.

CONFIRMING TRANSACTIONS

You may contact Us in writing or by telephone to confirm any transaction under Your insurance if You or Your insurance intermediary does not already have the required Policy confirmation, unless this Policy specifies to the contrary.

FINANCIAL CLAIMS SCHEME

This Policy may be a 'protected policy' under the Federal Government's Financial Claims Scheme (FCS) and only applies in the event of an insurer becoming insolvent and the Federal Treasurer declaring that the FCS will apply to that insurer.

Payment of a claim under the FCS is subject to the Scheme's eligibility criteria being met.

Information about the FCS can be obtained from the Australian Prudential Regulation Authority at www.apra.gov.au or by calling 1300 55 88 49.

KEEPING DOCUMENTS

Please keep Your Policy and Schedule together in a safe place. You should also retain receipts and other evidence of ownership and value of items You insure.

SIGNIFICANT BENEFITS

You should note that the benefits in all sections of this Policy are subject to exclusions and conditions.

PDS

Part C

11

FARMHOUSE BUILDINGS, FARMHOUSE CONTENTS AND PERSONAL VALUABLES

The most significant benefits of the Farmhouse Buildings and Farmhouse Contents sections are that they:

- a) protect Your financial investment in Your Farmhouse Buildings and Farmhouse Contents (whether You are the owner, or owner/occupier) if they are lost or damaged due to an insured event; and
- b) cover You for Your legal liability to third parties for compensation or expenses which You become legally liable to pay that does not arise from Your Farm Business (liability arising from Your Farm business is an option included later in the Policy Wording).

This section covers Your Farmhouse Buildings and Farmhouse Contents up to their Sums Insured, during the Period of Insurance, against events such as:

- i) storm, fire, earthquake, malicious damage and Theft,
- ii) Accidental loss or damage. An optional extension is available which provides cover for accidental loss or damage to Personal Valuables:
 - i) anywhere in Australia or New Zealand; and
 - ii) for up to 60 days, anywhere in the world.

The section also covers:

- i) fusion of an electric motor;
- ii) spoilage of food in domestic refrigerators or freezers if Your Farmhouse Contents are insured; and
- iii) legal liability for \$20,000,000 which includes:
 - liability for You or any member of Your Family in respect of ownership of Your Farmhouse Building &/or Farmhouse Contents (where Your Farmhouse Building &/or Farmhouse Contents is insured under this Policy or where Your Farmhouse Building is a strata title residence and Your contents are insured under this Policy); and
 - personal legal liability anywhere in Australia for You, or any member of Your Family (where Your Farmhouse Contents are insured).

This section also provides the following Additional Benefits:

- i) temporary removal of Personal Valuables;
- ii) architects and other fees incurred directly in relation to repair or replacement of the Farmhouse Building;
- iii) removal of debris;
- iv) extra costs of reinstatement necessary to meet the requirements of any statutory authority in connection

with rebuilding or repairing damaged parts of the Farmhouse Building;

- v) loss of rent or temporary accommodation, if the Farmhouse Building is so damaged by an insured event that it cannot be lived in, or let to tenants; and
- vi) Flood cover is limited to \$10,000 in total anyone period of insurance in respect to Farmhouse Building and Farmhouse Contents.

LANDLORDS INSURANCE

We believe the most significant benefits of the Landlords Insurance section are:

- a) cover for accidental loss of or damage to Your insured Building occurring during the Period of Insurance (Building Cover);
- b) cover for accidental loss of or damage to Your insured Contents occurring during the Period of Insurance (Contents Cover);
- c) cover for loss of rent as a result of a Tenant default in rent occurring during the Period of Insurance. This cover is only available if Rent Default cover is specified in the Schedule (Tenants Rent Default Cover);
- d) cover for loss of rent as a result of loss or damage to Your Building during the Period of Insurance (Loss of Rent for Tenanted Properties); and
- e) cover for legal liability You and certain other persons incur for accidental death or bodily injury to certain other persons or accidental damage to certain other person's property.

This legal liability cover is only available if You have taken Building and/or Contents cover (Legal Liability Cover).

This section also provides the following Additional Benefit:

- Flood cover is limited to \$10,000 in total in any one period of insurance in respect to Landlords Building and Landlords Contents.

FARM VEHICLES

The Farm Vehicles section contains three parts – Commercial Motor, Heavy Motor Vehicles and Agricultural Equipment and Mobile Plant. Which part applies to You will depend on the type of vehicles You want to insure. The vehicles that are insured and the part of the Farm Vehicles section that applies to You will be shown on Your Policy Schedule.

PDS

Part C

Each part allows You to choose cover for:

- a) loss or damage to Your vehicle; and/or
- b) Your legal liability for damage to property belonging to a third party.

The circumstances for which You will be covered for damage to Your vehicle or Your legal liability to a third party vary between the three parts of the Farm Vehicles section and will also depend on the level of cover You have chosen.

Each part of the Farm Vehicles section offers Additional Benefits which include:

- a) for Commercial Motor:
 - i) emergency repairs up to \$2,000 per event;
 - ii) hire car following theft up to \$50 per day to a maximum of \$700 per event.
- b) for Heavy Motor Vehicles:
 - i) removal of debris up to \$25,000 per event;
 - ii) keys and locks up to \$1,000 any one period of insurance.
- c) for Agricultural Equipment and Mobile Plant:
 - i) expediting expenses up to 50% of the amount We pay for loss or damage to Agricultural Equipment and Mobile Plant or \$10,000 per event.

PERSONAL ACCIDENT AND SICKNESS

We believe the most significant benefit of this section of the insurance Policy is that it offers 24 hour cover for losses resulting from an accident or illness.

This section provides the following choice of cover:

- a) Injury Cover – provides Capital Benefits and Weekly Benefits if an Insured Person suffers an Injury;
- b) Sickness Cover – can be chosen if You have chosen Injury Cover. Sickness Cover provides Weekly Benefits if an Insured Person suffers an Illness

The Policy:

- a) lump sum payments (if You have chosen Injury Cover) for accidental death and other listed conditions; and
- b) periodic payments (if You have chosen Injury and Sickness Cover) to replace income that is lost following an Accident or a Sickness.

PLEASURECRAFT

We believe the most significant benefits of this section of the Farm Insurance Policy are that it protects:

- a) Your financial investment in Your Boat up to a Market Value if it is lost or damaged due to an Accident;
- b) You for Your legal liability to third parties in the event of an Accident.

Automatic cover for a replacement boat.

If You replace Your Boat with a similar boat during the Period of Insurance, this Policy will insure the replacement boat for 14 days from the date of purchase if:

- You buy the replacement boat within 30 days of selling or disposing of Your Boat; and
- the replacement boat costs no more than double the Market Value of Your Boat at the time You sold or disposed of it (excluding registration costs and insurance).

This benefit is otherwise subject to the terms of this Policy.

The Policy provides:

- a) Market Value cover for Boat equipment and accessories;
- b) Legal Liability cover for the amount shown in Your Policy Schedule.

Significant Risks

This Policy contains various exclusions and limitations which may exclude or limit cover under certain circumstances or for certain property. Please ensure that You read all the General Exclusions (pages 21 – 22) and the further exclusions and limitations on cover contained in each section of the Policy.

PDS

Part C

13

The Cost of This Farm Insurance

The total premium is the amount we charge You for this insurance Policy. It includes the amount which We have calculated will cover the risk, and any taxes and government charges.

The premium and any taxes and government charges will be shown on Your Policy Schedule. When deciding whether to insure You and in calculating Your premium We take a range of rating factors into account. These factors, and the degree to which they affect Your premium, will depend upon the information You provide to Us.

The following factors have a significant impact on the calculation of Your Premium:

FARMHOUSE BUILDINGS, FARMHOUSE CONTENTS AND PERSONAL VALUABLES

We take account of the following together with all other relevant factors:

- Sums Insured;
- the Situation and construction of the Farmhouse;
- whether the Farmhouse is occupied by You as a principal residence or in some other manner; and
- previous insurance and claims history.

LANDLORDS INSURANCE

We take account of the following together with all other relevant factors:

- Sums Insured;
- the Situation and construction of the Building; and
- previous insurance and claims history.

FARM VEHICLES

We take account of the following together with all other relevant factors:

- type of cover selected;
- the make, model and type of the insured motor vehicle;
- the age of the drivers;
- the place where the Farm Vehicle is usually parked; and
- previous insurance and claims history of You and any other drivers.

PERSONAL ACCIDENT AND SICKNESS

We take account of the following together with all other relevant factors:

- the type of cover selected;
- Sum Insured;
- age of the Insured Person;
- health and previous claims history of the Insured Person.

PLEASURECRAFT

We take account of the following together with all other relevant factors:

- make, model and type of Boat;
- construction;
- maximum speed (powered craft);
- Sum Insured and
- where and how You use Your Boat.

How Claims Are Calculated

The following examples are illustrative only and cannot cover all circumstances.

FARMHOUSE BUILDINGS, FARMHOUSE CONTENTS AND PERSONAL VALUABLES

Farmhouse Buildings

The following example illustrates how We will calculate the amount payable for a claim for Your Farmhouse Building.

Your Farmhouse Building has been adequately insured for \$750,000 with an excess of \$500. A chip pan fire destroys the Farmhouse Building and You incur the following costs:

- \$50,000 to remove the debris and clear the site;
- \$35,000 in architects fees to draw up plans for a replacement building; and
- \$500,000 to rebuild the Farmhouse Building.

We would pay:

- the \$50,000 incurred to remove the debris and clear the site as it is within 10% of Your Farmhouse Building Sum Insured (Additional Benefit 1 on page 32);
- the \$35,000 incurred in architects' fees as it is within 10% of Your Sum Insured (Additional Benefit 3 on page 32);
- the \$500,000 incurred to rebuild the Farmhouse Building (see Farm Buildings Cover on page 31)

You would pay the basic Excess that applies of \$500 to Us.

Farmhouse Contents

The following example illustrates how We will calculate the amount payable for a claim for Your Farmhouse Contents.

Your Farmhouse Contents has been adequately insured for \$50,000 with an excess of \$500. You have a theft of

PDS

Part C

\$10,000 of sporting and fishing equipment from Your locked shed in Your backyard.

We would pay:

- i) Up to \$7,500 total for the claim as there is a limitation within the Policy definition of Farmhouse Contents whereby sporting & fishing equipment when not being used is limited to an amount of \$7,500 for any one claim; and
- ii) You would pay the basic Excess that applies of \$500 to Us or it would be offset from any payment made by Us.

Personal Valuables

You have insured a diamond engagement ring for \$8,000 under the Personal Valuables section of this Policy and have provided a current valuation of the ring when You insured it earlier in the year. Whilst gardening, You notice that the ring is missing.

We would:

- i) at Our option either replace the ring or compensate You for the amount We would have paid for replacement up to a Sum Insured of \$8,000; and
- ii) You would pay the basic Excess that applies of \$500 to Us or it would be offset from any payment made.

Landlords Insurance

The following example illustrates how We will calculate the amount payable for a claim for Landlords Insurance.

Buildings have been adequately insured for \$900,000 with an excess of \$500. An electrical fault causes a fire which destroys the Building and You incur the following costs:

- i) \$20,000 to remove the debris and clear the site;
- ii) \$45,000 in architects' fees to draw up plans for a replacement Building; and
- iii) \$800,000 to rebuild the Building.

We would pay:

- i) The \$20,000 incurred to remove the debris and clear the site as it is within 10% of Your Building Sum Insured (Additional Benefit 1 on page 45)
- ii) The \$45,000 incurred in architects' fees as it is within 10% of Your Sum Insured (Additional Benefit 2 on page 45)
- iii) The \$800,000 incurred to rebuild the Building.

You would pay the basic Excess that applies of \$500 to Us or the repairer.

Farm Vehicles

The following example illustrates how We will calculate the amount payable for a claim. Your four wheel drive vehicle has been adequately insured for \$56,000 with a \$500 Excess, and is in a good roadworthy condition.

Following a collision with another vehicle Your four wheel

drive is damaged and needs repairs. In addition it needs towing to a licensed repairer and You require one night's emergency accommodation. The following costs are incurred:

- a) \$14,000 to replace and repair damaged body panels;
- b) \$1,750 to tow the vehicle to a repairer; and
- c) \$200 for one night's accommodation.

We would pay:

- i) \$14,000 to the panel beater to replace and repair damaged body panels;
- ii) \$1,000 to the towing company; and
- iii) \$200 to You for one night accommodation.

You would pay the basic Excess that applies of \$500 to Us or the repairer and \$750 to the towing company.

Personal Accident and Sickness

The following example illustrates how We will calculate the amount payable for a claim.

You have insured Yourself for \$50,000 following an Accident.

Whilst working with a threshing machine Your clothing becomes entangled in the machinery and Your leg is drawn into the machine and is mangled, resulting in its amputation.

We would pay to You: \$50,000 for the loss of use of Your limb (see benefit 4 on page 125).

Pleasurecraft

The following example illustrates how We will calculate the amount payable for a claim.

Your Boat has been adequately insured for Sum Insured of \$125,000 with a \$500 Excess, and is in a seaworthy condition.

Following a collision with a pontoon, Your Boat sinks. The following costs are incurred:

- a) \$100,000 to replace it with a similar hull and motor;
- b) \$2,000 to replace Personal Effects (eg: clothes, portable radios); and
- c) \$10,000 to recover the wreck due to a legal requirement regarding safe navigation.

We would pay:

- i) \$100,000 to a boatyard to replace with a similar hull and motor;
- ii) \$2,000 to You to replace Personal Effects;
- iii) \$10,000 to a salvage company to recover the wreck due to a legal requirement regarding safe navigation.

You would pay the basic Excess that applies of \$500 which We would deduct from the Personal Effects component of the claim or You would pay to the boatyard for the replacement boat.

Policy Wording

15

IMPORTANT INFORMATION

1. Entering into the Policy with Us

Where We have agreed to insure You, We confirm this by issuing You with a Policy Schedule which provides details relevant to Your insurance such as Sums Insured, Limits of Liability, Premium and Excesses.

The Policy, which is Your contract with Us, is entered into on the basis of the information provided by You in the application process. Please ensure You have complied with Your Duty of Disclosure as this can affect Your ability to claim and the validity of the Policy.

In order to calculate Your Premium, We take various factors into consideration, including, but not limited to, the level of cover requested and the property to be insured.

The Policy is made up of:

- this document;
- the Policy Schedule; and
- any endorsements to the Policy issued by Us.

You need to:

- read the above mentioned documents comprising the Policy together, as they set out all of the terms and conditions of Your cover;
- check the Policy to make sure that the cover given is what You want; and
- keep the documents comprising the Policy together and in a safe place for future reference along with receipts and other evidence of ownership and value of items You have specified on the proposal form or any other application for insurance and for any other items of significant value.

If You do not meet Your obligations under the Policy, We may cancel it and/or reduce Our liability in respect of a claim to the extent permitted by law.

2. Other party's interests

We only cover persons specified in the Policy as entitled to cover for the relevant interest specified. If You want to cover a person's interest that is not specified You need to apply to Us for this person's interest to be noted on the Policy.

3. Premium

Your Premium also includes amounts that take into account Our obligation (actual or in some cases estimated) to pay any relevant compulsory government charges, taxes or levies (for example, Stamp Duty, GST and any Fire Services and/or Fire and Emergency Services Levy where applicable) in relation to Your Policy.

Where We are required to pay an estimated amount (e.g. for Fire Services Levies) based on criteria set by the Government, We allocate to the Policy Our estimate of the amount We will be required to pay. We may under or over recover in any particular year but We will not adjust Your Premium because of this. You can ask Us for more details if You wish.

When You apply for this insurance, You will be advised of the total amount payable, when it needs to be paid and how it can be paid. This amount will be clearly set out in Your Schedule, which will be sent to You within five days of the issue of this product.

4. Payment of Premium

The contract between You and Us will only come into force if and when You pay the Premium to Us or Your insurance broker.

To accept any offer We make to renew your Policy You must first pay the Premium to Us or Your insurance broker. The new Policy will not come into existence until You have made such payment.

Your insurance only comes into existence when you pay the amount payable. If You have not paid the amount payable, then You are not insured.

5. Goods and Services Tax (GST)

The amount of premium payable by You for this Policy includes an amount on account of the GST on the Premium.

All amounts insured by the Policy are in accordance with the advice you have given to Us regarding your GST status and the GST status of items to be insured.

We will not be liable to pay any GST, or any fine, penalty or charge that You are liable for arising out of Your misrepresentation of, or failure to disclose, Your proper input tax credit entitlement on the Premium relating to the Policy.

In respect of Your Policy with Us where You are registered for GST purposes, You should calculate Your proposed Sums Insured with reference to the GST status of each item of property to be insured. Depending on the GST status of each item of property to be insured, the Sums Insured may or may not include a GST component. An amount for GST should only be included in the Sum Insured if the item of property to be insured is not used 100% for business use. All items of property used 100% for business use should be insured on a GST exclusive basis.

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

Policy Wording

HOW GOODS AND SERVICES TAX (GST) EFFECTS CLAIM PAYMENT

When We pay a claim, Your GST status and the GST status of the property which is the subject of the claim, will determine the amount We pay.

When You are:

- a) not registered for GST, the amount We pay is the Sum Insured/limit of indemnity or the other limits of insurance cover including GST;
- b) registered for GST and the property which is the subject of the claim is used 100% for business use, We will pay the Sum Insured/ limit of indemnity or the other limits of insurance less any relevant GST component, including but not limited to, any input tax credit to which You are entitled for any acquisition which is relevant to Your claim, or which You would have been entitled were You to have made a relevant acquisition;
- c) registered for GST and the property which is the subject of the claim is used 100% for personal use, the amount We pay is the Sum Insured/limit of indemnity or the other limits of insurance cover including GST;
- d) registered for GST and the property which is the subject of the claim is used for business and personal use, We will pay the Sum Insured/limit of indemnity inclusive and exclusive of any relevant GST component with reference to the percentage of personal use and the percentage of business use of the item that is the subject of the claim;

You must advise Us of Your correct entitlement to an input tax credit on your Premium and the correct entitlement to an input tax credit on each item of property to be insured. Should the item of property which is the subject of the claim be used for both personal and business use, any amounts We pay will be in accordance with the percentage of personal and business use.

Any GST liability arising from Your incorrect advice is payable by You.

6. Terrorism Insurance Act 2003 (Cth)

This policy excludes cover for losses as a result of terrorism.

In the event that damage to property occurs and the cause is declared to be a terrorist incident by the responsible Minister, then You may be afforded protection within the limits of indemnity of Your policy by virtue of the Terrorism Insurance Act 2003 (TIA). The operation of this Act may also serve to reduce the settlement of Your loss to a percentage of the otherwise recoverable loss. In the event that the settlement will be reduced this will be at the direction of the Minister.

A more detailed explanation of the operation of the TIA can be obtained at www.arpc.gov.au.

7. Underinsurance

It is Your responsibility to ensure that the Sums Insured and Limits of Liability for all the property and circumstances to be insured by the Policy are adequate to cover You in the event of a Total Loss or Your incurring liability. If Sums Insured are not adequate, claims may not be paid in full. To set the appropriate sum insured You may need to seek specialist advice and We are not able to provide You with that advice and will not do so.

You should review the adequacy of Sums Insured and Limits of Liability periodically during the Period of Insurance and prior to renewal each year. Inadequacy of Sums Insured can present significant issues of financial hardship. If You are unable to establish the adequacy of Sums Insured, You should seek assistance from Your insurance adviser.

8. Other important things

This Section applies to the whole of Your Policy. Please read it carefully.

a) Utmost good faith

The law requires You and Us to act towards the other with the utmost good faith in the performance of the Policy and in the making and handling of claims under the Policy.

b) Change in circumstances

You must tell us as soon as possible about any change in circumstances which alters the information You have provided to us earlier and which may affect the risks insured or the occurrence of any events which are excluded.

If any change is made to any of the property which We insure or to a circumstance disclosed which might affect the nature of the risk covered by this Policy, You must notify Us as soon as possible.

A change only forms part of the risk insured when We inform You in writing We have agreed to it or We will provide You with a new Schedule or endorsement detailing the change if We agree to provide cover following the change.

c) Leaving Your Farmhouse Building Unoccupied

It is important that You tell Us if You are going to leave Your Farmhouse Building Unoccupied for more than 60 days as this increases the risk of loss or damage. We may not pay a claim if You do not tell Us beforehand of such a period of unoccupancy.

Please read the definition of Unoccupied and 'Exclusions' in the Farmhouse Buildings, Contents and Personal Valuables section of the Policy for full details.

Policy Wording

17

d) Things You must do

You must not give anyone else an interest in the Policy without Our written consent. We only cover Your interest, unless the Policy specifies that the interest of another person is covered.

You must obey all laws and safety regulations and take reasonable precautions to prevent any injury, loss or damage which could result in a claim under the Policy.

If You fail to comply with the terms and conditions of the Policy and this prejudices our interests, then subject to the Insurance Contracts Act 1984 (ICA), We may refuse to pay part or all of a claim.

e) Notices

We will give You any notice in writing in accordance with the ICA. It will be effective from the earlier of the time of delivery to You personally or postage to Your address last known to Us.

It is important You tell Us of any change of address as soon as possible.

f) Proof of ownership

It is very important to note when making a claim that You must provide us with proof that is acceptable to Us that You actually owned the item at the time of loss and that the item is worth the value You are claiming for it before We will consider paying for the claim. Your Premium and this cover have been set on the basis this requirement will be complied with. The following is considered by Us to be reasonable proof of ownership:

- i) a receipt for original purchase;
- ii) a credit card statement; or
- iii) a valuation certificate.

The required items of proof above may be supported, without in any way reducing or replacing the requirement for You to provide one of the above items of proof, by any of the following:

- i) an instruction manual;
- ii) a completed warranty certificate;
- iii) a spare part;
- iv) the original packing information or material;
- v) a photograph; or
- vi) a receipt for previous repairs.

If the replacement value for the item claimed is \$1,000 or less We may, based on the materials You provide and at Our option, accept a properly executed Statutory Declaration by You as reasonable proof of ownership.

When We admit a claim under your Policy:

- i) We will reduce by the Excess the amount we pay to You for a loss covered by the Policy;
- ii) We will not pay You more than the Sum Insured or any relevant limit applicable to the item, unless otherwise stated in Your Policy; and
- iii) We have the right to exercise Your legal rights to conduct, defend or settle any legal or recovery action that We consider necessary and to do so in Your name. You must cooperate with our exercise of these rights by signing any necessary documents or providing Us with any other assistance We deem necessary.

g) Other insurance

To the extent permitted by law, when another insurance policy provides cover for a loss covered by this Policy, We will pay only the amount not covered by the other insurance, up to the Sum Insured or limit provided under Your Policy, unless that other insurance was specifically written to only provide cover beyond the indemnity provided by Your Policy.

Should You make a claim under your Policy You must advise Us in writing of the details of any other insurance which may cover the loss.

General Definitions

The following words have the meaning set out below and have been capitalised wherever they appear in the Policy. Where these words are used without capitalisation, they will have their ordinary & natural dictionary meaning.

In this Policy the singular includes the plural and vice versa unless the context otherwise requires. Any reference to gender includes the other gender.

“Act of Terrorism” means an act or preparation in respect of an 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 section of the public of any nation by any person or group(s) or persons whether acting alone or on behalf of or in connection with any organisation(s) or government(s) de jure or de facto, and which;

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

“Aircraft” means any craft or object designed to travel through air or space, other than model Aircraft.

“Airport” means any site used for the landing, takeoff, fuelling, servicing, parking or storage of Aircraft.

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

“Excess” means the amount of money which You must pay if You have a claim, or a time period that must expire before either a claim will be paid or a time period during which losses will not be claimable. The Excess You must pay or the time period You must wait will be shown in the Policy Schedule and may also be shown in the Policy.

Should more than one Excess appear in the Policy Schedule or Policy then only the highest Excess shall apply. This General Definition will not apply to the Farm Vehicles section of the Policy, please refer to the Farm Vehicles section for the definition of **Excess** that applies to Farm Vehicles.

For earthquake claims, only one Excess applies to all loss or damage occurring within 72 hours of the earthquake.

“Family” means:

- You, Your spouse & unmarried children who live with You permanently;
- You, Your defacto & their unmarried children who have lived with You permanently for a minimum period of 12 months; and
- You, Your spouse/defacto’s unmarried student children who are boarding at school, college or university

“Farm Business” or **“Business”** means the Business/business as shown on the Policy Schedule

“Farm Premises” the buildings, outbuildings, yards and land used by You for Your Farm Business at the Situation.

“Farm Produce” means food and other products grown or made on the farm for commercial sale, but it does not include:

- a) Hay;
- b) oil or its derivatives; or
- c) semen, embryos or their containers.

“Flood” means the covering of normally dry land by water that has escaped or been released from the normal confines of any of the following:

- a) a lake (whether or not it has been altered or modified);
- b) a river (whether or not it has been altered or modified);
- c) a creek (whether or not it has been altered or modified);
- d) another natural watercourse (whether or not it has been altered or modified);
- e) a reservoir;
- g) a canal;
- h) a dam.

“Farm Property” means Farm Buildings, Farm Contents, Stock and items listed on the current Policy Schedule and used in Your Farm Business.

Goods and Services Tax Definitions

GST, Input Tax Credit (ITC), Business Activity Statement (BAS), and Acquisition have the same meaning given to those expressions in A New Tax System (Goods and Services Tax) Act 1999 and related legislation as amended from time to time.

“Hovercraft” means any vessel, craft or device made or intended to float on or in or travel on or through the atmosphere, over land or water on a cushion of air provided by a downward blast.

“Growing Crops” means any plant cultivated for food or any other use whilst still attached to the soil or any hydroponic solution.

General Definitions

“Land” means any area where Livestock is agisted or where plants, crops or forestry are grown, in connection with Your Business.

“Limit of Liability” means the Limit of Liability stated in the Policy Schedule.

“Livestock” means all animals and birds which are used for Your Farm Business and which are specified in the Policy Schedule other than domestic pets or working dogs.

“Money” means cash or negotiable instruments.

“Period of Insurance” means the time cover commenced to the time cover expires. The dates are shown on the current Policy Schedule. Unless stated otherwise, cover shall commence and expire at 4.00pm local time at the place where You arranged the cover.

“Policy” means this document, the Policy Schedule and any attachment or memoranda affixed and any future documents issued to You which amends the Policy Wording or Policy Schedule.

“Product” means anything manufactured, grown, raised, constructed, assembled, erected, installed, extracted, produced, processed, treated, modified, repaired, serviced, bottled, packaged, supplied, imported or exported by You or Your predecessors of Your Farm Business after that thing has ceased to be in Your possession or control, including but not limited to, Farm Produce, stockfeed, herbicides, pesticides, pharmaceutical products and any packaging or containers used for such Product including the design, formula, specification, directions, markings, instructions, advice or warning given on such containers or packaging.

“Policy Schedule” means the most current Schedule of Insurance or any future renewal Schedule, including any endorsements issued by Us in connection with this Policy.

“Pollutants” means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapour, soot, fumes, acids, alkalis, chemicals and waste material. ‘Waste material’ includes materials that are intended to be recycled, reconditioned or reclaimed.

“Premium” means the amount that You must pay as invoiced by Us and set out in the Policy Schedule, for this insurance including amounts that take into account Our obligation (actual or in some cases estimated) to pay any relevant compulsory government charges, taxes or levies (for example, Stamp Duty, GST and any Fire Services and/or Fire and Emergency Services Levy where applicable) in relation to Your Policy.

“Rewriting of Records” means the cost of restoration of computer records, documents, manuscripts, securities, deeds, specifications, plans, drawings, designs, business books and other records of every description.

“Safe” means a burglar-resistant container which has been designed to resist fire and attack by hand-held or power operated tools and has been specifically designed for the storage of Money and valuables.

“Small Business” means a commercial enterprise having a turnover of less than \$1 million or less than five employees.

“Situation” means the Situation(s) or Locations(s) stated in the current Policy Schedule.

“Strongroom” means a burglar-resistant structure constructed of masonry and steel which has been designed to resist fire and attack by hand-held or power-operated tools and has been specifically designed for the storage of Money and valuables.

“Storm Surge” means an abnormal rise in the level of the sea along a coast caused by winds of a severe cyclone which is at least 30 kilometres across and raises the sea level by 2 – 5 metres above the average sea level.

“Subsidiary Company” means any company in which You have a controlling interest. For the purpose of this definition the term ‘controlling interest’ shall mean the beneficial ownership of shares carrying more than 50% of votes capable of being cast at a general meeting of all shareholders of the company.

“Sum Insured” means the Sum Insured stated in the Policy Schedule.

“Terrorism” means an act including but not limited to the use or threat of force or violence 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) which from its nature or context is committed for or in connection with any political, religious, ideological, ethnic or similar purposes or reasons, including the intention to influence any government and/or to put the public or any section of the public in fear.

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

“You”, “Your” means the person(s), companies or firms named on the current Policy Schedule as the “Insured”.

“Your Farm Business” means the business as described in the Policy Schedule.

“Waste” includes, but is not limited to, any material to be recycled, reconditioned or reclaimed.

“We”, “Us”, “Our” means the insurer of the Policy, Wesfarmers General Insurance Limited ABN 24 000 036 279, ASFL 241461 trading as Lumley Insurance.

General Exclusions

The following General Exclusions apply to all sections of this Policy.

1. WAR, TERRORISM OR RADIOACTIVE CONTAMINATION

a) War

We will not pay for any loss or damage occasioned by or in consequence of or arising directly or indirectly from any of the following occurrence or as a result of:

- i) war, invasion, act of foreign enemy, hostilities or warlike operations (whether declared or not) and/ or civil war; or
- ii) mutiny, civil commotion assuming the proportions of or amounting to a popular rising, military rising, insurrection, rebellion, revolution, military and/or usurped power.

b) Terrorism

We will not insure loss, damage, death, injury, illness, cost or expense of any nature directly or indirectly caused by, resulting from or in connection with:

- i) any act of Terrorism regardless of any other contributing cause or event; or
- ii) any action taken in controlling, preventing, suppressing or in any way relating to the matters set out in paragraph (a) of this Exclusion.

c) Radioactive Contamination

We will not pay for any:

- a) loss or damage to property eligible for insurance by the relevant Nuclear Insurance Pool and/or Association; or
- b) loss, cost, damage, liability or expense directly or indirectly caused by or contributed to by or arising from:
 - i) ionising radiation from or contamination by radioactivity from any nuclear fuel or from any nuclear Waste or from the combustion of nuclear fuel;
 - ii) the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof;
 - iii) any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter; or
 - iv) the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter.

This Policy also excludes any loss, destruction, damage, death, injury, illness, liability, cost or expense of any nature directly or indirectly caused by, contributed to by, resulting from or arising out of or in connection with any action taken in

controlling, preventing, suppressing, retaliating against, or responding to or in any way relating to the above.

2. ASBESTOS

We will not pay for any liability for Personal Injury, Property Damage (including loss of use of property) or Advertising Injury directly or indirectly caused by, arising from or in any way connected to asbestos.

3. CONFISCATION AND NATIONALISATION

We will not pay for loss or damage caused by any lawful confiscation, destruction, detention, nationalisation, requisition, or seizure except when caused by any government, public authority, or other authority when in connection with any riot or civil commotion.

4. CONSEQUENTIAL LOSS

We will not pay for consequential loss of any kind or loss of profit other than:

- a) Loss of rent for tenanted properties in the Farmhouse Buildings, Contents and Personal Valuables section of the Policy; or
- b) Loss of profits or income under the Farm Interruption section of the Policy.

5. ELECTRONIC DATA EXCLUSION

In respect of any claim for loss or damage of whatsoever kind arising directly or indirectly out of:

- a) the corruption, destruction or alteration of or damage to data, coding, programme or software; or
- b) the unavailability of data or reduction in the functionality, availability or operation of hardware, software and embedded chips; or
- c) Any business interruption losses resulting there from.

This exclusion will not apply where such loss or damage occurs as a direct result of physical damage which is otherwise covered by this Policy.

For the purposes of this exclusion electronic data means any facts, concepts and/or information converted to a form usable for communications and/or displays and/or distribution and/or processing by electronic and/or electromechanical data processing and/or electronically controlled equipment which includes but is not limited to programs and/or software and/or other coded instructions for such equipment.

General Exclusions

6. PENALTIES, FINES, OR AWARDS OF EXEMPLARY, AGGRAVATED, PUNITIVE OR MULTIPLE DAMAGES

We will not pay for any loss or damage occasioned by or in consequence of or arising directly or indirectly from:

- a) any civil or criminal penalties, fines; or
- b) awards of exemplary, aggravated, punitive or multiple damages made against You.

7. GOODS AND SERVICES TAX

We will not pay for any GST, fine, penalty or charge for which You are liable arising out of Your misrepresentation to Us of, or failure to disclose to Us, Your actual Input Tax Credit entitlement in relation to the GST forming part of the Premium payable for the Policy.

8. TOXIC WASTE AND LANDFILL

We will not pay for Your liability caused by or arising in any way out of or in any way connected to Your use of any property including land for the purposes of conducting a business of disposing of toxic Waste or providing a landfill site.

9. UNOCCUPANCY

Unless We otherwise agree in writing, We will not pay for any loss or damage to Your FarmHouse Buildings or FarmHouse Contents or Farm Property if at the time the loss or damage occurs to Your Farm Building or Farm Property is unoccupied and it has been so unoccupied for at least 60 consecutive days before the loss.

10. WILFUL, CRIMINAL, FRAUDULENT, MALICIOUS OR DISHONEST ACTS

Subject to the provisions of the Insurance Contracts Act 1984, We will not pay for any loss, damage or liability caused by, arising from or in any way connected with any actual or alleged or criminal, fraudulent, malicious, wilful or dishonest act or omission committed by, You or Your agent regardless of any lack of knowledge on Your part of the agent's actions or by another party with Your knowledge and consent and which You were capable of preventing.

11. WORKERS COMPENSATION

We will not provide any cover for liability which is or could be insured under any workers' compensation or an employers' liability scheme instituted under any State or Territory statute or regulations.

12. COMPULSORY THIRD-PARTY MOTOR INSURANCE

We will not provide any cover for claims for bodily injury or death to any person caused by or arising out of the ownership, operation, possession or use of any vehicle:

- a) which is registered for use on a public road and is legally required to be so registered; or
- b) in respect of which compulsory liability insurance or a statutory indemnity or a statutory compensation scheme is required by legislation or regulations of the Commonwealth, State or Territories of Australia.

General Conditions

The following general conditions apply to all sections of this Policy.

1. ACCOUNTANCY RECORDS

You must provide to Us all books of account, business books and other documents as may be required to investigate or verify claims. If You do not provide Us with such records, We may refuse to pay or may reduce the amount of a claim.

2. INSOLVENCY

Cover under this Policy will cease when any of the following circumstances occur:

- a) You are unable to pay Your debts when they fall due and so become insolvent; or
- b) You are made bankrupt; or
- c) You are placed into liquidation, administration or have a receiver appointed to your business; or
- d) Your business is permanently wound up; or
- e) You suffer execution against any of Your property; or
- f) Your interest in Your business is transferred by law or voluntarily.

We shall not be relieved of liability for any claim made before any of the circumstances (a) to (f) set out above occur.

3. CANCELLING YOUR POLICY

How You may cancel this Policy:

- a) You may cancel this Policy at any time by telling Us in writing that You want to cancel it. You can do this by giving the notice to Your broker.
- b) Where 'You' involves more than one person, We will only cancel the Policy when a written agreement to cancel the Policy is received from all persons named as the insured.

How We may cancel this Policy:

- a) We may cancel this Policy in any of the circumstances permitted by the Insurance Contracts Act 1984 by informing You in writing;
- b) We will give You this notice in person or send it to Your address last known to Us;
- c) where Your Premium is paid by instalments and one instalment has remained unpaid for at least one month then We may cancel Your Policy without informing You of this cancellation;

- d) If We cancel Your Policy, You will be refunded the unused portion of the Premium less any non-refundable government taxes and duties;
- e) There is no refund if a payment has been made to You for a Total Loss.

4. CLAIMS

After any loss, damage or accident You must:

- a) Protect Yourself from any danger present;
- b) Assist other people within Your capabilities if required::
- c) Take reasonable steps to prevent further loss, damage or liability;
- d) Notify the police immediately if any of Your property is lost, stolen, or maliciously damaged and provide the police with all assistance to apprehend the offending party;
- e) Advise Us of the claim as soon as practicable and then supply Us with full written details by completing Our claim form. You or someone acting on Your behalf must complete a claim form within a reasonable time of an occurrence. If You do not, We may reduce the amount We pay if the delay causes increased costs or prevents Us investigating the claim; and
- f) Any invoices, bills, demands letters or notices You receive from other people involved in the loss, damage or accident must be sent to Us as soon as possible.

What You must not do after a loss or accident:

- i) You must not admit fault or agree to pay for damage without Our written consent. You must not make an offer, settle, or attempt to settle any claim against You. If You do We may not pay all or part of the claim; and
- ii) You must not incur any costs or expenses or authorise repairs (other than necessary temporary repairs) without Our written agreement.

5. DESIGNATION OF PROPERTY

For the purpose of determining under which item any property is insured, We agree to accept the designation under which such property appears in Your books of account prior to any claim.

General Conditions

23

6. EXCESS

If more than one Excess can be applied to one occurrence, then only the highest Excess will apply. If all Excesses are equal in amount only one Excess will apply. Sums Insured, Limits and sub-Limits of Liability shall apply in addition to, and shall not be reduced by, the amount of any applicable Excess.

7. GOODS AND SERVICES TAX (GST)

The amount of Premium payable by You for this Policy includes an amount on account of the GST on the premium.

All amounts insured by the Policy are in accordance with the advice You have given to us regarding your GST status and the GST status of items to be insured.

We will not be liable to pay any GST, or any fine, penalty or charge that You are liable for arising out of Your misrepresentation of, or failure to disclose, Your proper Input Tax Credit entitlement on the Premium relating to the Policy.

In respect of Your Policy with Us where You are registered for GST purposes, You should calculate Your proposed Sums Insured with reference to the GST status of each item of property to be insured. Depending on the GST status of each item of property to be insured, the Sums Insured may or may not include a GST component. An amount for GST should only be included in the Sum Insured if the item of property to be insured is not used 100% for business use. All items of property used 100% for business use should be insured on a GST exclusive basis.

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

How Goods and Services Tax (GST) Affects Claim Payments

When We pay a claim, Your GST status and the GST status of the property which is the subject of the claim, will determine the amount We pay.

When You are:

- a) not registered for GST, the amount We pay is the Sum Insured/limit of indemnity or the other limits of insurance cover including GST;

- b) registered for GST and the property which is the subject of the claim is used 100% for business use, We will pay the Sum Insured/ limit of indemnity or the other limits of insurance less any relevant GST component, including but not limited to, any Input Tax Credit to which You are entitled for any acquisition which is relevant to Your claim, or which You would have been entitled were You to have made a relevant acquisition;
- c) registered for GST and the property which is the subject of the claim is used 100% for personal use, the amount We pay is the Sum Insured/limit of indemnity or the other limits of insurance cover including GST;
- d) registered for GST and the property which is the subject of the claim is used for business and personal use, We will pay the Sum Insured/limit of indemnity inclusive and exclusive of any relevant GST component with reference to the percentage of personal use and the percentage of business use of the item that is the subject of the claim.

You must advise Us of Your correct entitlement to an Input Tax Credit on your Premium and the correct entitlement to an input tax credit on each item of property to be insured.

Should the item of property which is the subject of the claim be used for both personal and business use, any amounts we pay will be in accordance with the percentage of personal and business use.

Any GST liability arising from Your incorrect advice is payable by You.

8. INSPECTIONS

We (or agents appointed by Us) have the right to inspect and examine, by mutual appointment, any Farm Property insured and to any details or information that We or Our agents may request. No representations or warranties as to the condition or safety of Farm Property are given as a result of it being the subject of such inspections or examinations.

9. GOVERNING LAW

All disputes arising in relation to this Policy shall be determined by Australian courts, and in accordance with the laws of the State or Territory of Australia in which this Policy was issued.

General Conditions

10. NON-IMPUTATION

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

- a) each insured shall be covered as if each insured made its own proposal for this insurance;
- b) any declaration, statement or representation made in any proposal shall be construed as a separate declaration, statement or representation by each insured;
- c) any knowledge possessed by any insured shall not be imputed to any other insured.

11. OTHER PERSONS OR ORGANISATIONS

If any person or entity shall have any interest in the Business Property, We shall cover that interest in the event of a claim, provided that interest is disclosed in Your Business records and You shall have disclosed the nature and extent of that interest to Us at the time of notification of the claim and We have noted that interest on the Policy.

Where the separate interests of more than one party in the Business Property are insured under this Policy, any act or neglect of one party will not prejudice the rights of the remaining party or parties provided that the remaining party or parties shall, within a reasonable time after becoming aware of any act or neglect whereby the risk of loss, damage or destruction has increased, give notice in writing to Us and shall on demand pay such reasonable additional Premium as We may require.

You cannot transfer the Policy into someone else's name without Our written consent.

All persons entitled to claim under the Policy are bound by the terms and conditions of the Policy. You agree to take reasonable steps to bring the terms of this Policy to all persons covered by it.

When a claim is paid under the policy and is also recoverable under another Policy or policies, You agree to permit Us to seek contribution from the other insurer or insurers.

12. OUR MAXIMUM LIABILITY

Except as otherwise stated elsewhere in this Policy, the maximum amount We will pay will not exceed the amount stated in the Policy Schedule as the Sum Insured, Additional Benefit or Limitations for those sections under which a claim is submitted.

The Sum Insured, Additional Benefit or Limitation shall apply in addition to, and shall not be reduced by, the amount of any applicable Excess.

13. PREMIUM FUNDERS

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 Period of Insurance if validly requested in accordance with the notice of assignment and power of attorney. You agree that such action on Our part is duly authorised by You.

14. PROGRESS PAYMENTS

We will not unreasonably withhold progress payments. We will make progress payments on claims at intervals to be agreed by Us following receipt of an appropriate and complete interim report from Our loss adjuster or representative.

15. YOUR OBLIGATIONS

You must take reasonable precautions to prevent personal injury or property damage as if You were not covered by this Policy, including but not restricted to the following circumstances:

- a) if You discover Your Products may be defective and the defect may cause a claim under the Farm Broadform Liability section, then at Your expense You must take reasonable steps to restrict, trace, recall, modify, replace or repair the Products;
- b) maintain and look after other person's or organisation's property and buildings used or occupied by You, in accordance with Your agreement with them;
- c) if Your occupation includes digging below ground at sites away from Your Farm Premises You must obtain the location of underground services from the owners of the services and act on that information to ensure You do not damage those services;
- d) use and store all hazardous materials as required by law.

If You do not take reasonable precautions We may refuse to pay part or all of Your claim.

General Conditions

25

16. REINSTATEMENT OF SUM INSURED

In the event of damage insured under one or more of the Farm Property Damage, Farm Interruption, Farm Theft or Farm General Property sections of this Policy, the amount by which the Sum Insured or Limit of Liability is reduced as a consequence of the loss or damage will be automatically reinstated as from the date of loss or damage provided that:

- a) there is no written request from You or written notice by Us to the contrary;
- b) the section is an operative section of the Policy; and
- c) You pay the Premium which We require for the reinstatement.

We will not reinstate the Sum Insured for the Farm Interruption section or Farm Theft section if We have paid a Total Loss under either of these sections.

17. SALE OF SALVAGE

We will not sell or dispose of any salvage without giving You the opportunity to buy it at its salvage value, provided that this condition does not allow You to abandon the property to Us. This is subject to any legislative requirements which may prohibit or restrict the sale or use of the salvage.

18. SINGLE OCCURRENCE

We will not pay for loss or damage to property covered by the Policy under more than one section of the Policy in respect of the same item and occurrence unless a relevant Sum Insured has been paid out in full under the most relevant section of the Policy and You have not been fully covered for the loss or damage.

19. SUBROGATION

Subject to the *Insurance Contracts Act 1984*, We have the right to recover any amount paid by Us from any person You may be able to hold liable (this is termed a subrogation right) and:

- a) We will have full discretion in the conduct, defence or settlement of any claim and the right to take any action in Your name; and
- b) You will provide Us with all documents and information We require to conduct any action in Your name; and
- c) You and any other party entitled to cover under the Policy must provide Us all information and co-operation We may require in a timely fashion when requested by Us.

20. WAIVER OF SUBROGATION RIGHTS

We are not liable to pay any benefits under this Policy for loss, damage or liability if You agree or have agreed to limit or exclude any right of recovery against any third party who would be liable to compensate You with respect to that loss, damage or liability, however not withstanding this exclusion:

- a) We shall waive any rights and remedies or relief to which We are or may become entitled by subrogation against:
 - i) any co-insured (including directors, officers and employees); or
 - ii) any corporation or entity (including directors, officers and employees) owned or controlled by any insured or against any co-owner of the property insured.

You may without prejudicing Your position under this Policy release any statutory governmental, semi-governmental or municipal authority from any liability if required at law to do so.

21. OTHER INSURANCE

You must provide Us with full particulars of any other insurance which provides indemnity, in full or in part, for any of the liabilities, loss or damage covered under this Policy within the earlier of 21 days of entering into any such other insurance, or at the time this Policy is entered into if the other insurance is in force at that time. In the event of a claim and subject always to the provisions of the Insurance Contracts Act 1984, We reserve the right to seek contribution from such other insurance.

22. SINGULAR AND PLURAL AND GENDER

In this Policy, a reference to the singular includes the plural and vice versa, unless the context otherwise requires. Any reference to gender includes the other gender.

23. DEFINITIONS

Throughout this Policy, words that have been given a special meaning will be capitalised. The meanings of these words will be shown in the General Definitions and at the beginning of each section of the Policy. Should any conflict arise between the meaning of a word which is defined in the General Definitions and also within the definitions contained within a specific section of the Policy, then the definition of the word in the specific section of the Policy will prevail.

General Conditions

24. CLAIMS MADE NOTICE

This notice relates to taxation audit expenses cover in the Additional Benefits of the Farmhouse Contents Cover on page 36.

The taxation audit expenses cover does not provide any cover for events which occurred before the contract was entered into, unless the Policy Schedule specifies otherwise.

The taxation audit expenses cover does not provide any cover for claims made after the expiry of Your Policy. However, under s40(3) of the *Insurance Contracts Act 1984 (Cth)* (ICA) We are not relieved of liability by reason only that the claim was made after the expiration of the insurance if:

- a) before the Policy expires You give notice to Us of facts which may give rise to a claim against You; and
- b) that notice is given to Us as soon as reasonably practicable after You became aware of those facts.

The above explanation of the operation of s40(3) of the ICA does not form part of this Policy Wording.

25. REASONABLE CARE

You and Your employees and agents, must at Your or their own expense use due diligence to:

- a) take all reasonable precautions to prevent or minimise loss or damage; and
- b) comply with all reasonable recommendations made by Us to prevent or minimise loss or damage; and
- c) comply with all statutory requirements and recommendations of manufacturers and suppliers; and
- d) prevent the occurrence of Property Damage insured against hereunder.

26. ASSIGNMENT

No interest in this insurance can be transferred to anyone other than an existing Insured party under this Policy without Our prior written consent.

27. MISREPRESENTATION AND NON-DISCLOSURE

In accordance with the *Insurance Contracts Act 1984 (Cth)* if You have:

- a) failed to disclose any matter which You were under a duty to disclose to Us; or
- b) made a misrepresentation to Us before the Policy of insurance was entered into;

and if We would not have entered into the Policy for the same Premium and on the same terms and Conditions expressed in the Policy but for the failure to disclose or the misrepresentation, then:

- i) Our liability in respect of any claim shall be reduced to an amount which places Us in the same position in which We would have been if the failure to disclose had not occurred or the misrepresentation had not been made; or
- ii) if the non-disclosure or misrepresentation was fraudulent, We may avoid the Policy.

Where more than one party is insured under the Policy, any misrepresentation or non-disclosure will only affect the party responsible for the misrepresentation or non-disclosure and no other party.

If You engage an agent or employee to act for You, then You will be responsible for any fraud, negligence or misconduct of Your agent.

Farmhouse Buildings, Farmhouse Contents and Personal Valuables

27

This section forms part of the Policy only if shown in the Policy Schedule as having been taken by You. It contains sub-sections as follows:

- Farmhouse Buildings Cover
- Farmhouse Contents Cover
- Personal Valuables Cover
- Legal Liability Cover

Only those sub-sections shown in the Policy Schedule as having been taken are insured.

DEFINITIONS

Some words have special meaning wherever they appear in this section. These words and their meanings are listed below.

The definitions below apply only to this section of the Policy and override all other definitions, including the General Definitions applying to all sections of the Policy.

“Accident” or “Accidental” means a sudden, external, violent, visible, unusual and specific event which occurs fortuitously and is unforeseen or unintended by you and which occurs at an identifiable time and place.

“Business” means any business, trade, profession, or occupation, including any farming activities. But it does not mean tenancy of the farmhouse.

“Farmhouse Buildings” means the residential building at the Situation(s) and includes:

- a) all domestic outbuildings and any home offices and their fixtures and fittings, including boat sheds, domestic jetties, garages, lifts and inclinator;
 - b) all domestic structural improvements including fixed swimming pools and spas, saunas, tennis courts, paving, paths, sealed driveways, walls, retaining walls, gates, fences, masts, aerials, clothes lines, exterior blinds and awnings;
 - c) an artificial lawn which is damaged as a result of fire or theft.
- Limitation:** We will not pay more than \$5,000 for any one claim for item falling within the description in (c) above.
- d) fixed coverings to walls, floors and ceilings but does not include carpets, internal blinds and curtains;
 - e) pergolas, patios, verandas, decking and gazebos;
 - f) services (whether underground or not) including communication installations, electricity and water;
 - g) unfixed building materials;

Limitation: We will not pay more than \$1,000 for any one claim for items falling within the description in (g) above;

“Farmhouse Buildings” does not mean:

- i) loose or compacted surfaces including but not restricted to earth, gravel, pebbles, rocks, sand, soil, bark, mulch, and unsealed driveways;
- j) dams, reservoirs or open earthen water catchment basins;
- k) new buildings under construction;
- l) structures used solely for business;
- m) property of tenants, roomers, boarders or paying guests;
- n) inflatable or portable swimming pools or spas, their accessories and chemicals associated with them;
- o) water in swimming pools, spas, tanks or any other container;
- p) carpets, internal blinds and curtains;
- q) a boarding house, hotel, motel or strata title unit;
- r) houseboats, caravans, motorised vehicles and portable buildings whether fixed or unfixed;
- s) pontoons;
- t) trees, lawns, hedges, plants, shrubs and garden beds and rockeries and other plant life, except when grown non-commercially in pots; or
- any of Your Farmhouse Contents.

“Farmhouse Contents” means:

- a) carpets, internal blinds and curtains. We will pay for loss or damage to carpets, internal blinds and curtains, but only in the room, hall or passage where the loss or damage occurred;
- b) clothing and personal effects not otherwise excluded;
- c) coins, firearms and bullion;

Limitation: We will not pay for items falling within the description in (c) above more than \$2,500 for any one article, set or collection or a maximum of \$5,000 for any one claim for all articles, sets or collections;

- d) collections of any kind including, but not limited to medals or stamps;

Limitation: We will not pay more than \$5,000 for any one set or collection and up to a maximum of 20% of the Sum Insured for any one claim in respect of items falling within the description in (d) above;

- e) computer systems and their accessories and photographic equipment and their accessories;

Limitation: When these items falling within the description in (e) above are temporarily removed from the Situation We will not pay more than \$5,000 for any one claim;

Farmhouse Buildings, Farmhouse Contents and Personal Valuables

- f) credit cards or financial transaction cards owned by You;

Limitation: We will not pay more than \$5,000 for any one claim in respect of items falling within the description in (f) above for fraudulent use by others provided You have complied with the terms on which the credit cards were issued and have not been reimbursed by the card issuer;

- g) fine art, paintings, antiques and curios and other bona fide works of art;

Limitation: We will not pay more than \$5,000, for any one item and up to a maximum of 20% of the Contents Sum Insured for any one claim in respect of items falling within the description in (g) above, unless the article is separately listed as Specified Contents in the Policy Schedule, in which case we will pay the amount specified in the Policy Schedule for that article;

- h) fixtures and domestic structural improvements inside a strata title unit that are not insured by the body corporate, provided the Sum Insured is not otherwise exhausted;

- i) furniture and household goods;

- j) hearing aids;

Limitation: We will not pay with regard to hearing aids more than \$3,000 any one item;

- k) jewellery, watches and items that contain gold or silver;

Limitation: We will not pay with regard to items falling within the description in (k) above, more than \$2,500, for any one article, set or collection and up to a maximum of 20% of the Farmhouse Contents Sum Insured for any one claim, unless the article is separately listed as "Personal Valuables" in the Policy Schedule, in which case We will pay the amount specified in the Policy Schedule for that article.

- l) mobile telephones and portable electronic equipment (including PDA's, notebook computers, iPads and similar items) belonging to You or Your Business;

Limitation: We will not pay more than \$1,000 for any one claim in respect of items falling within the description of l) above;

- m) Personal Money and negotiable instruments;

Limitation: We will not pay more than \$1,500 for any one claim;

- n) motorised golf buggies and wheelchairs, ride on mowers under 18hp, mini bikes under 75cc, provided the same are not licensed for use on public roads or may be so licenced to be used on public roads and do not require compulsory third-party insurance;

Limitation: We will not pay more than \$5,000 for any one claim for items falling within the description of (n) above;

- o) office equipment while not in use belonging to your Business, including Business data stored in computers, but only whilst at the Situation;

Limitation: We will not pay more than \$5,000 for any one item of office equipment, \$10,000 in total for all office equipment, and \$2,500 for the reinstatement of lost Business data;

- p) pedal cycles when not being used for racing or pace making;

Limitation: We will not pay more than \$2,500 per pedal cycle;

- q) spare parts or accessories for motor vehicles, motorcycles, mini bikes, Watercraft, jet skis or Aircraft, but only whilst not attached to the motor vehicles, motorcycles, mini bikes, Watercraft, jet skis or Aircraft and only whilst at the Situation and not in the open air;

Limitation: We will not pay more than \$2,500 for any one claim for items falling within the description in q) above;

- r) Specified Contents listed on Your Schedule;

- s) sporting and fishing equipment when not being used;

Limitation: We will not pay more than \$5,000 for any one claim for items falling within the description in s) above;

- t) surfboards, sailboards, surf skis, canoes or kayaks when not being used;

Limitation: We will not pay more than \$3,000 for any one claim for items falling within the description in t) above;

- u) swimming pools and spas not permanently fixed;

- v) tools of trade while not in use belonging to your Business, but only whilst at the Situation;

Limitation: We will not pay more than \$2,500 for any one item and \$5,000 in total for any one claim for items falling within the description in v) above;

- w) Personal Valuables;

Limitation: We will not pay for items falling within the description in w) above, more than \$5,000 for any one article, set or collection and up to a maximum of 25% of the Sum Insured for any one claim for all articles, sets or collections.

Personal Valuables can be insured separately under the Personal Valuables Cover;

Farmhouse Buildings, Farmhouse Contents and Personal Valuables

29

- x) Watercraft less than four metres in length which are not powered by a motor, or are powered by a motor less than 10hp;

Limitation: We will not pay more than \$5,000 for any one claim for items falling within the description in x) above.

Note that whether an item could be classified under more than one of the above limits, the highest limit applies. For example a gold article may also be considered as an antique, then the antique article maximum limit would be applied as it has a higher limit than jewellery.

“Farmhouse Contents” does not mean:

- y) air conditioners housed in a wall or cavity;
- z) Aircraft or aerial device, excluding non-pilotable model Aircraft or toy kites;
- aa) any conveyance designed to travel on an air-cushion over surface of land or sea;
- bb) any item insured under Personal Valuables
- cc) birds, fish and animals;
- dd) dishwashers that are housed in cupboards or benches;
- ee) firearms which are not registered or not stored in accordance with relevant legislation;
- ff) growing or harvested crops;
- gg) jet skis;
- hh) loose or compacted surfaces including but not restricted to earth, gravel, pebbles, rocks, sand, soil, bark or mulch;
- ii) land vehicles and their attached accessories including motor vehicles, trucks, motorcycles, farm vehicles, caravans and trailers, but this exclusion does not apply to motorised golf buggies and wheelchairs, ride on mowers under 18hp, mini bikes under 75cc, provided these buggies, wheelchairs, mowers or mini bikes are not licensed for use on public roads or may be so licenced to be used on public roads and do not require compulsory third-party insurance;
- jj) precious stones (being unset gems);
- kk) property of tenants, roomers, boarders or paying guests;
- ll) farm stock, farm Money, farm property and stamps belonging to Your Family’s Business;
- mm) travel or other tickets, coupons, gift vouchers, licences or passports;
- nn) trees, lawns, hedges, plants, shrubs and garden beds and rockeries and other plant life, except when growing in pots; or

- oo) Watercraft exceeding four metres in length or any Watercraft powered by a motor exceeding 10hp.

“Money” means: cash or negotiable instruments.

“Personal Valuables” means:

- furs;
- jewellery & Watches;
- mobile phones & portable electronic equipment (incl PDA’s and iPads);
- musical instruments;
- photographic equipment and accessories;
- bicycles when not being used for racing or pace making;
- clothing and personal effects; or
- sporting equipment, Surfboards, sailboards, surf skis, canoes or kayaks (whilst not in use).

“Personal Valuables” does not mean:

- any item not listed above;
- collections of any kind (incl collections of valuables unless Specified);
- credit cards or financial transaction cards;
- items (incl valuables) that are being cleaned , restored or exhibited away from the building;
- Money or negotiable instruments of any kind;
- property connected with a profession, trade or business; or
- unset precious or semi-precious stones.

“Replacement Cost” means the cost of replacing, rebuilding or repairing the Farmhouse Building and/or Farmhouse Contents to a condition substantially the same as their condition when new.

If the Farmhouse Building and/or Farmhouse Contents is heritage listed (or equivalent) or the architectural features and/or structural materials of the Farmhouse Building and/or Farmhouse Contents have an ornamental, antiquarian or historical character, or the original materials are not available when lost or damaged, Replacement Cost shall mean the rebuilding or replacement or repairing or restoring to a reasonably equivalent appearance and capacity using original design of the features or structural materials and suitable equivalent features or materials.

“Specified Contents” means contents that are fine art, paintings, antiques and curios and other bona fide works of art that We have agreed with You to insure for higher than the standard limits and which are separately specified in the Policy Schedule as Specified Contents.

Farmhouse Buildings, Farmhouse Contents and Personal Valuables

“Sum Insured” means the relevant sum insured for each of the following as specified in the Policy Schedule or your Policy:

- a) Your Farmhouse Building;
- b) Your Farmhouse Contents;
- c) Your Specified Contents;
- d) Your Personal Valuables;
- e) Your Legal Liability.

“Unoccupied” means:

- a) You, Your Family or someone with Your consent has not stayed in the Farmhouse for more than 60 consecutive days; or
- b) the Farmhouse Building is not furnished with at least one usable bed or mattress, table and chair and an operating refrigerator; or
- c) the Farmhouse Building is not connected to the electricity and running water supplies.

FARMHOUSE BUILDINGS COVER

This cover is optional and only applies if shown to be applicable in Your Policy Schedule.

We cover you for Accidental physical loss of or Accidental physical damage to Your Farmhouse Building, provided such loss or damage occurs during the Period of Insurance.

At our option we will choose to do one of the following:

- a) repair the damaged portion of Your Farmhouse Building to its Replacement Cost;
- b) replace Your Farmhouse Building; or
- c) compensate You for the amount we are liable to pay for repair or replacement, up to but not more than the amount of the applicable Sum Insured,

less any applicable Excess.

IMPORTANT

When We repair your Farmhouse Building We will always try to return it to the same condition as when new or last renovated by matching materials as far as reasonably possible.

If We cannot achieve an exact match We will provide a match as close as reasonably possible.

We will not pay for any costs to rebuild or repair your Farmhouse Building arising from any planning permission or building regulation requirements, requirements relating to

the use of a building or property or any other form of regulation regarding construction of a building or use of property, that You or a predecessor in title had to comply with when Your Farmhouse Building was constructed or altered.

Any event or series of events arising from the same Accident is treated as one claim.

LIMITATIONS

- a) For loss of or damage to fixed coverings to walls, floors and ceilings, we will only pay for the damaged part of such coverings in the room, hall or passage where the loss or damage occurred.
- b) If You decide not to repair or replace Your Farmhouse Building or do not commence repair or replacement within six months of the date of the loss or damage, We will only compensate You for what it would have cost to repair or replace your Farmhouse Building at the date of the loss or damage.

EXCLUSIONS

1. Electric motors and compressors

We will not pay for loss of or damage to:

- a) electric motors or sealed compressors that are manufactured more than 15 years ago;
- b) electric motors or sealed compressors that are Farmhouse Contents;
- c) any part that is not the electric motor or sealed compressor unit itself;
- d) any normal service costs or exchangeable items;
- e) any submersible or bore hole type pumps over 3hp, nor the cost of extracting or reinstalling any submersible or bore hole type pump;
- f) rectifiers or transformers; or
- g) electric motors or sealed compressors under any warranty or manufacturers' guarantee.

2. Flood

We will not pay for physical loss or damage arising directly or indirectly from or in any way connected with Flood, except in accordance with Farmhouse Building Cover Additional Benefit 18 and Farmhouse Contents Cover Additional Benefit 23.

Farmhouse Buildings, Farmhouse Contents and Personal Valuables

31

ADDITIONAL BENEFITS

If We agree to pay a claim under this section, We will also pay for:

1. Removal of debris

The cost of removing Farmhouse Building debris which are incurred following loss of or damage to your Farmhouse Building that is covered under Farmhouse Buildings Cover.

Limitation: We will not pay more than 10% of the Farmhouse Building Sum Insured for any one claim under this Additional Benefit 1.

2. Fire brigade attendance fees

Any charges imposed by law if a fire brigade is called to protect Your Farmhouse Building or its grounds.

Limitation: We will not pay more than \$500 in respect of this Additional Benefit.

3. Architects and other fees

Any architects', surveyors', consulting engineers' fees and legal fees which relate to and arise from loss of or damage to Your Farmhouse Building that is covered under Farmhouse Buildings Cover.

Limitation: We will not pay more than 10% of the Farmhouse Buildings Sum Insured for any one claim under this Additional Benefit.

4. Additional Farmhouse Building costs

The additional costs of complying with any government or local authority by-laws that regulate the repair, rebuilding or demolition of Your Farmhouse Building made necessary by loss of or damage to Your Farmhouse Building covered under Farmhouse Buildings Cover, provided You repair or rebuild Your farmhouse at the same Situation.

Limitation: We will not pay more than 10% of the Farmhouse Building Sum Insured for any one claim under this Additional Benefit

We will not pay for:

- a) Costs which relate to the undamaged parts of the Farmhouse Building; or
- b) Costs arising from any building regulation requirements you or a predecessor in title had to comply with before the date when the loss or damage occurred.

5. Mortgagee legal costs

The legal costs associated with the discharge of a mortgage or mortgages on Your farmhouse following the settlement of a claim under Farmhouse Buildings Cover for a Total Loss of your Farmhouse Building.

Limitation: We will not pay more than \$1,000 for any one claim under this Additional Benefit.

6. Alternative accommodation

The additional cost of temporary accommodation for You and Your household pets, if Your Farmhouse Building is owned and occupied by You as Your principal place of residence and it becomes uninhabitable, provided the work of repair or reinstatement is commenced with reasonable dispatch following Our indication that it may commence.

Limitation: We will not pay under this Additional Benefit for temporary accommodation for more than 12 months or the period it takes to make the Farmhouse Building habitable, whichever is lesser. We will not pay more than 20% of the Sum Insured for any one claim under this Additional Benefit.

7. Loss of rent

The lost rent for the period it takes to repair or rebuild the Farmhouse Building, if Your Farmhouse Building is a tenanted property and becomes uninhabitable, provided the work of repair or reinstatement is commenced with reasonable dispatch following Our indication that it may commence.

Limitation: We will pay You the lesser of the amount that Your Farmhouse Building could be rented out for each week or the weekly rent You were paid by Your tenant immediately before the loss or damage under this Additional Benefit.

We will not pay more than the lesser of 12 months or an amount not exceeding 10% of the Sum Insured, whichever is lesser.

We will not pay under this Additional Benefit if You decide not to rebuild Your Farmhouse Building.

We will not pay for loss of rent once the lease on the Farmhouse Building has expired or has been cancelled by You, the tenant or a court.

8. Farmhouse Building modifications

The costs to make the necessary modifications to Your Farmhouse Building following an injury to You resulting in permanent paraplegia or permanent quadriplegia caused as a result of an Accident or violent crime at the Situation when the Farmhouse Building is owned and occupied by You as Your principal place of residence during the Period of Insurance.

Limitation: We will not pay more than \$10,000 for any one claim under this Additional Benefit.

Farmhouse Buildings, Farmhouse Contents and Personal Valuables

9. Replacement locks

If the keys to external doors or window locks of Your Farmhouse Building are lost or stolen during the Period of Insurance We will pay for the necessary costs of replacing those external locks, keys or cylinders with similar items.

Limitation: We will not pay more than \$1,000 for any one claim or in total if both Farmhouse Building and Farmhouse Contents are insured under this Policy under this Additional Benefit.

We will not pay under this Additional Benefit:

- a) for replacement locks if Your Farmhouse Building is tenanted;
- b) for any vehicle or motorcycle keys, locks, remote locking or alarm device.

10. Landscaping

We will cover the expenses to restore landscaping and remove or replace trees, shrubs and other plant life (except when growing in pots) which are damaged or lost as a result of fire, theft, malicious damage or impact damage by vehicles, occurring during the Period of Insurance.

Limitations: We will not pay more than \$500 per item up to a maximum of \$2,500 for any one claim, including removal of debris under this Additional Benefit.

We will not pay for any plants, trees or crops used for commercial purposes under this Additional Benefit.

11. Exploratory costs

If We pay for damage caused by liquid escaping from any fixed basin, shower base or other fixed apparatus, fixed tanks, or fixed pipes used to hold or carry liquid, We will also pay the costs of locating the cause of the damage and the repair of the property damaged in the course of the exploratory work.

Limitation: We will not pay more than \$2,500 for any one claim under this Additional Benefit.

12. Purchaser's interest

If you have entered into a contract to sell your Farmhouse Building during the Period of Insurance, We will cover during the Period of Insurance the purchaser's legal interest in the Farmhouse Building from when they become liable for any damage to the Farmhouse Building until the first to occur of the purchase contract being settled or terminated, or the purchaser insuring the Farmhouse Building.

13. Reinstatement following a loss

If We have paid a claim under Farmhouse Buildings Cover, We will automatically reinstate the relevant Sum Insured without payment of additional Premium.

If We pay your claim for a Total Loss of Your Farmhouse Building then the Farmhouse Building cover will end.

14. Forced evacuation

If You cannot live at the Situation because a government authority denies You access, We will pay for the cost of temporary accommodation

The denial of access must be as a direct result of damage to neighbouring premises that would be classed as insured damage under this Policy.

Limitations: We will not pay more than \$5,000 for the cost of temporary accommodation under this Additional Benefit

We will not pay for more than 60 days of temporary accommodation under this Additional Benefit.

Under this Additional Benefit, We will not cover any loss due to a cancellation of a lease or agreement.

15. Medical emergency

If You or Your partner are hospitalised due to a medical emergency which occurs at the Situation, We will pay the reasonable transportation and accommodation costs within Australia for two (2) nominated Family members to be with the hospitalised person.

Limitation: We will not pay more than \$2,500 in total for transportation and accommodation costs for any one claim under this Additional Benefit.

We will not pay under this Additional Benefit for more than 14 days of accommodation costs commencing from the date of the medical emergency.

16. Domestic emergency

If You or Your partner are outside Australia or away from the Situation within Australia at the time of a domestic emergency or catastrophic event happening at the Situation, We will pay for the transportation costs incurred in returning You or Your partner from any Australian or overseas destination back to the Situation.

Limitation: The most we will pay is \$2,500 for any one claim under this Additional Benefit.

17. Indexation of Sum Insured

In the event of a Total Loss of your Farmhouse Building, the Farmhouse Building Sum Insured is automatically increased to take into account any relevant increases in the Consumer Price Index between the commencement of the Policy cover and the date of the loss.

Farmhouse Buildings, Farmhouse Contents and Personal Valuables

33

18. Flood

Notwithstanding exclusion 2 We will pay up to \$10,000 for loss or damage caused by Flood to each residential Farmhouse Building insured under this Policy in any one Period of Insurance. This limit of \$10,000 also includes any Additional Benefits under the Farmhouse Contents Cover.

Where Farmhouse Building and Farmhouse Contents are insured within the same residential Farmhouse Building, We will not pay more than \$10,000 in total under the Farmhouse Buildings and Farmhouse Contents Covers (including Additional Benefits) for loss or damage caused by Flood under this Policy in any one Period of Insurance.

FARMHOUSE CONTENTS COVER

This cover is optional and only applies if shown to be applicable in Your Policy Schedule.

WHAT IS COVERED

We cover You for Accidental physical loss of or Accidental physical damage to your Farmhouse Contents provided such loss or damage occurs during the Period of Insurance:

- at the Situation; or
- while your Farmhouse Contents are temporarily removed from the Situation to anywhere in the world for no more than a continuous period of 60 days, unless otherwise specified on Your Schedule.

At our option We will choose to do one of the following:

- repair the damaged portion of your Farmhouse Contents to its Replacement Cost; or
- replace Your Farmhouse Contents; or
- compensate you for the amount We should have paid for repair or replacement, up to the value of the relevant Farmhouse Contents Sum Insured, less any applicable Excess.

IMPORTANT

When we repair Your Farmhouse Contents We will always try to return them to their same condition as far as reasonably possible as when new or last repaired.

If We cannot achieve an exact match We will provide a match as close as reasonably possible.

Any event or series of events arising from the same Accident is treated as one claim.

LIMITATIONS

- for loss of or damage to Your carpets or internal window furnishings, We will only pay for the damaged part of such coverings in the room, hall or passage where the loss or damage occurred.
- for loss of or damage to an item, which is part of a pair, set, system, collection or larger unit, We will only pay the value the item itself has as a proportion of the total value of the combined pair, set, system, collection or larger unit. We will not pay any allowance for any special value that the item may have in forming part of a pair, set, system, collection or larger unit or for any reduction in the value of the remaining part or parts.

EXCLUSIONS

We will not pay for loss of or damage to Your Farmhouse Contents:

- while in use if they fall into the category of sporting, recreational or leisure goods and equipment (except pedal cycles);
- in an unlocked motor vehicle or unattended Watercraft;
- while in transit to or stored in any commercial storage facility or furniture repository open plan storage facility or any industrial premises;
- while in transit to or stored in any exhibition, auctioneers room, museum, art gallery or when being consigned or being on consignment or when sent by courier or by post;
- when being maintained, cleaned, repaired or restored;
- caused by a leaking shower floor or base, or shower screen or shower door and such damage has occurred over a period of time;
- if You fail to take reasonable care of Your Farmhouse Building or Farmhouse Contents including but not limited to ensuring someone collects Your mail and maintains the tidiness of Your farmhouse to discourage intruders when Your Farmhouse Building is Unoccupied for any period;
- stolen from common areas or car parking areas of residential boarding houses, flats, units, townhouse, or villas.

We will not pay for the loss of or damage to electric motors or sealed compressors:

- manufactured more than 15 years ago; or
- that are Farmhouse Buildings; or
- which are not part of the electric motor or sealed compressor unit itself; or

Farmhouse Buildings, Farmhouse Contents and Personal Valuables

- d) where the loss involves any normal service or exchangeable item; or
- e) which are any form of submersible or bore hole type pumps over 3hp nor the cost of extracting or reinstalling such pumps; or
- f) where the loss involves any rectifiers or transformers; or
- g) that are motors or sealed compressors worth more than \$50,000; or
- h) electric motors or sealed compressors under any warranty or manufacturers' guarantee; or
- i) arising directly or indirectly from or in any way connected with Flood, except in accordance with Additional Benefit 23 below.

ADDITIONAL BENEFITS

If We agree to pay a claim under Farmhouse Contents Cover, We will also pay for:

1. Removal of debris

the expenses to remove debris of Farmhouse Contents up to a maximum of 10% of the Farmhouse Contents Sum Insured for any one claim;

2. Personal documents

the expenses to reproduce, restore or replace Your personal documents following loss of or damage to your Farmhouse Contents covered under Farmhouse Contents Cover, including personal data stored in a computer, but only whilst at the Situation or in a bank vault or safety deposit box.

Limitation: We will not pay more than \$2,000 for any claim and in total under this Additional Benefit.

3. Alternative accommodation if Your principal residence becomes uninhabitable

the additional cost of temporary accommodation for You and Your household pets if Your Farmhouse Building is Your principal place of residence and it becomes uninhabitable.

Limitation: We will not pay for more than the lesser of 12 months temporary accommodation or the period it takes to make the Situation habitable under this Additional Benefit.

We will not pay more than 10% of the Farmhouse Contents Sum Insured under this Additional Benefit;

4. Visitors and domestic workers effects

We will pay up to \$5,000 for any one claim for Accidental physical loss of or Accidental physical damage to personal effects belonging to visitors or domestic workers which

occurs during the Period of Insurance, but only whilst the property was at the Situation, is not otherwise insured and We would have paid the claim under this Farmhouse Contents Cover had the property been Your own.

We will not pay for loss of or damage to personal effects belonging to tenants, roomers, boarders and paying guests under this Additional Benefit.

5. Personal Valuables temporarily removed

Cover for Personal Valuables is provided while they are temporarily removed from the Situation;

Limitation: We will not pay more than \$5,000 for any one article, set or collection or a maximum of 25% of the Farmhouse Contents Sum Insured, for all articles, sets or collections while temporarily removed from the Situation under this Additional Benefit.

6. Spoilage of refrigerated food

We will pay up to \$1,500 for any one claim for Accidental physical damage to refrigerated and/or frozen food and/or Farm Produce in a domestic freezer or refrigerator as a result of any mechanical, electrical or electronic failure which occurs during the Period of Insurance;

We will not pay under this Additional Benefit for:

- a) any damage to refrigerators or freezers caused by spoiled food; or
- b) if the spoilage of refrigerated food was caused by intentional switching off or disconnection of the electricity supply.

7. Household pets

We will pay the veterinary costs for Your household pet if injured as a result of a motor vehicle Accident during the Period of Insurance;

Limitation: We will not pay more than \$500 for any one claim under this Additional Benefit.

8. Credit cards and transaction cards

We will pay any costs You incur if Your credit cards or financial transaction cards are used fraudulently after they are lost or stolen, or if they are used fraudulently in any transaction made on the internet;

Limitations: We will not pay more than \$5,000 (inclusive of GST) in total for any one claim under this Additional Benefit

We will only provide cover under this Additional Benefit if You have complied with the terms on which the credit cards or financial transaction cards were issued.

Farmhouse Buildings, Farmhouse Contents and Personal Valuables

35

9. Taxation audit expenses

We will pay for any fees which You must pay to an accountant in connection with an audit of Your personal taxation affairs by the Federal Commissioner of Taxation if first notified to You during the Period of Insurance. You must advise Us of any such audit.

We will only pay claims notified to us during the Period of Insurance under this Additional Benefit;

Limitation: We will not pay more than \$5,000 for any one claim and in total under this Additional Benefit.

We will not pay under this Additional Benefit for:

- a) any audit fees that relate to a criminal prosecution; or
- b) fees where the final assessment of Your taxable income for the period being audited is 20% higher than your original declaration; or
- c) fees for work performed outside the time limits allowed for by the Federal Commissioner of Taxation; or
- d) any fines, penalties, interest or adjustments to the amount of tax payable;

10. Replacement locks

If the keys to your Farmhouse Building's external doors or window locks, at the Situation, are lost or stolen during the Period of Insurance, whilst the Situation is owned or tenanted by You as Your principal residence, We will pay the necessary costs of replacing the external locks, keys or cylinders with similar items;

Limitation: We will not pay more than \$1,000 for any one claim or in total if both Farmhouse Buildings and Farmhouse Contents are insured under this Policy under this Additional Benefit.

11. Compensation for fatal injury

We will pay \$10,000 upon Your death if Your death is caused by an Accident at the Situation when owned or tenanted by You as Your principal place of residence, and provided You die within 90 days of such an Accident;

The most We will pay during the Period of Insurance for any one claim and in total for all claims is \$10,000 under this Additional Benefit;

Under this Additional Benefit We will not make any payment where:

- a) Your death occurs while You are engaged in any aerial activity (other than as a passenger in a properly licensed Aircraft), including but not limited to, hang gliding, parachuting, glider flying or flying a micro light Aircraft; or

- b) Your death occurs in the course of your employment; or
- c) Your death results otherwise than from Accidental means; and

12. Personal legal expenses

We will cover Your legal fees, expenses and other disbursements which are reasonably and properly incurred in defending any legal proceedings made or commenced in Australia during the Period of Insurance;

Limitation: under this Additional Benefit the most We will pay during the Period of Insurance for any one claim and in total for all claims is \$5,000.

We do not insure You, under this Additional Benefit, in relation to any proceedings arising directly or indirectly from or in any way connected with:

- a) any dispute involving a Family member including Your spouse, ex-spouse, defacto partner or ex defacto partner or their Family, involving, but not limited to, divorce, child maintenance, custody or property disputes; or
- b) any claims for death, bodily injury or disease of or to any person; or
- c) any matter which could have been or is insured under a separate motor vehicle, motorcycle, home buildings, caravan, boat or aviation insurance policy; or
- d) any matter involving dishonesty, intentional violence or wilful damage or destruction to property by You or Your agent or any criminal charge or prosecution brought against You; or
- e) any road traffic, boating or aviation offence committed by You; or
- f) any matter arising out of any business; or
- g) any award of damages made against You; or
- h) any penalties, fines or award of aggravated, or exemplary or punitive damages made against You; or
- i) any claims arising out of any insurance cover or compensation scheme required by legislation or any matter in respect of which You are required to have separate workers compensation or any form of compulsory third party insurance; or
- j) any claim arising out of a matter You knew of or a reasonable person in the circumstances ought to have known of before the commencement of the Policy.

Farmhouse Buildings, Farmhouse Contents and Personal Valuables

13. Alternative temporary accommodation due to denial of access

If, as a direct result of damage to neighbouring premises by a peril for which this Policy provides cover, a local or police authority prohibits access to the Situation, We will pay for:

- a) the costs of comparable accommodation incurred by You when the Situation is owned and occupied by You as Your principal place of residence; and/or
- b) the additional costs of comparable accommodation incurred by You when the Situation is tenanted by You; and/or
- c) the costs of temporary accommodation for Your household pets.

Limitation: We will under this Additional Benefit pay up to but not exceeding the lesser of two weeks such accommodation, or 10% of the Farmhouse Contents Sum Insured.

14. Security firm attendance

We will pay the fees or charges You need to pay for a security firm to attend the Situation in response to Your monitored alarm system being activated if any of Your Farmhouse Contents have been stolen in a burglary or there is evidence of an attempted burglary.

Limitation: We will not pay more than \$1,000 for any one claim under this Additional Benefit.

15. Students property in boarding school dormitory, university or college residential halls, or student house shares.

We will cover Accidental physical loss of or Accidental physical damage to, your children's Farmhouse Contents, if:

- a) if Your children are boarders of an accredited educational institution, and the Farmhouse Contents are contained in the boarding school dormitory or the residential hall of the university or college; or
- b) if Your children are boarders of an accredited educational institution, and the Farmhouse Contents are contained in a house shared by Your children.

We will not pay under this Additional Benefit for:

- c) loss of any Money; or
- d) loss or damage caused by theft unless there is evidence of forcible and violent entry into the area where the Farmhouse Contents are kept at the time of the loss.

An Excess of the greater of \$500 or the amount shown on the Policy Schedule will apply to each and every claim under this Additional Benefit.

Limitation: We will not pay more than \$5,000 for any one claim under this Additional Benefit

16. Tank water replacement

If You use water from Your water tank to protect Your Farmhouse Building for other Farm buildings, we will pay to replace the water from your water tank so used.

Limitation: The most we will pay is \$1,000 for any one claim under this Additional Benefit.

17. Farmhouse Contents in transit to a new Situation

We will cover Your Farmhouse Contents in transit for fire, Flood, collision and/or overturning of the conveying vehicle during a permanent removal from Your Situation during the Period of Insurance, but only when being moved by road from the Situation to another Situation within Australia.

We will not pay more than \$20,000 for any one claim under this Additional Benefit.

Under this Additional Benefit to the extent permitted by law, We will only pay in excess of any amount payable under any transit insurance covering Your Farmhouse Contents.

18. Medical emergency

If You or Your partner are hospitalised due to a medical emergency which occurs at the Situation, We will pay the reasonable transportation and accommodation costs within Australia for two (2) nominated Family members to be present with the hospitalised person.

Limitation:

- a) We will not pay more than \$2,500 in total for transportation and accommodation costs for any one claim; and
- b) We will not pay for accommodation costs for a period in excess of 14 days.

19. Domestic emergency

If You or Your partner are outside Australia or away from the Situation within Australia at the time of a domestic emergency or catastrophic event happening at the Situation, We will pay for the transportation costs incurred in returning You or Your partner from any Australian or overseas destination back to the Situation.

Limitation: The most we will pay is \$2,500 for any one claim under this Additional Benefit.

20. Indexation of Sum Insured

In the event of a Total Loss to your Farmhouse Contents, the Farmhouse Contents Sum Insured is automatically increased by any relevant increases in the Consumer Price Index.

Farmhouse Buildings, Farmhouse Contents and Personal Valuables

37

21. Reinstatement following partial loss

If We have paid a claim under the Farmhouse Contents Cover, We will automatically reinstate the relevant Sum Insured without payment of additional Premium.

If We pay your claim for a Total Loss of Farmhouse Contents then the Farmhouse Contents Cover will end.

22. Newly acquired principal residence

If You are moving to a new Situation, to be permanently occupied by You as Your principal place of residence within Australia, We will insure Your Farmhouse Contents at the new Situation for a period of 30 days.

The cover on Your Farmhouse Contents at the old Situation will cease 30 days from the date Your Farmhouse Contents were first removed to the new situation under this under this Additional Benefit.

Limitation: We will not pay more than the Farmhouse Contents Sum Insured regardless of the Farmhouse Contents being situated at Your old and new residence under this Additional Benefit.

We will not pay a claim if You do not advise Us in writing of the new Situation within 30 days from the date the Farmhouse Contents were first moved to the new Situation and pay Us any additional Premium and agree to any other terms We may require.

23. Flood

Notwithstanding exclusion i We will not pay more than \$10,000 for loss or damage caused by Flood to each residential Farmhouse Contents insured under this Additional Benefit in any one Period of Insurance. This limit of \$10,000 also includes any Additional Benefits under the Farmhouse Buildings Cover.

Where Farmhouse Building and Farmhouse Contents are insured within the same residential Farmhouse Building, We will not pay more than \$10,000 in total for Farmhouse Building and Farmhouse Contents (including Additional Benefits) for loss or damage by Flood under this Policy in any one Period of Insurance.

OPTIONAL PERSONAL VALUABLES COVER

This cover is optional and only applies if shown to be applicable on the Policy Schedule.

We cover you for Accidental physical loss of or Accidental physical damage to your Personal Valuables which occurs during the Period of Insurance whilst the Personal Valuables are:

- a) located in Australia; or
- b) temporarily removed to elsewhere in the world for no more than a continuous period of 60 days.

Under this Optional Personal Valuables Cover, at Our option We will choose to do one of the following:

- a) repair the damaged portion of Your Personal Valuables up to its Replacement Cost; or
- b) replace Personal Valuables; or
- c) compensate You for the amount We would have paid for repair or replacement;

up to the value of the relevant Personal Valuables Sum Insured, less any applicable Excess.

IMPORTANT

Under this Optional Personal Valuables Cover:

- a) when We pay a claim under your Policy for partial loss or damage to Personal Valuables the Sum Insured for these items will not be automatically reinstated and the Sum Insured will be reduced by the amount paid by Us; and
- b) any event or series of events arising from the same Accident will be treated as one claim.

Limitations:

Under this Optional Personal Valuables Cover:

- a) if loss or damage occurs to a Specified Valuable that is part of a pair, set, system, collection or a larger unit, We will only pay the value the item itself has as a proportion of the value of the combined pair, set, system, collection or larger unit. We will not pay for any special value that the item may have in forming part of a pair, set, system, collection or larger unit or for any reduction in the value of the remaining part or parts; and
- b) if a Specified Valuable is repaired and the restored value is less than the market value immediately before the loss or damage, We will pay the difference, but We will not pay more than the Sum Insured for that Specified Valuable.

Farmhouse Buildings, Farmhouse Contents and Personal Valuables

EXCLUSIONS

Under this Optional Personal Valuables Cover We will not pay for:

- a) any loss or damage to sporting, recreational or leisure goods and equipment while in use; or
- b) the restoration of Your computer records; or
- c) for physical loss or damage arising directly or indirectly from or in any way connected with Flood.

LEGAL LIABILITY COVER

This cover is only available if You have chosen cover for your Farmhouse Building and/or Farmhouse Contents and only applies if shown to be applicable in Your Policy Schedule.

COVER

We cover You under this Legal Liability Cover for Your legal liability to pay compensation for:

- a) death or bodily injury to another person; and
- b) any physical loss of or physical damage to another person's property;

provided the matters in (a) and (b) above take place during the Period of Insurance and as a result of an occurrence or series of occurrences.

The cover under this Legal Liability is limited to:

- a) where the Farmhouse Building is insured under this Policy, Your legal liability as owner or as owner occupier of the Farmhouse;
- b) where You have insured Your Farmhouse Building and You are the owner but not the occupier of Your Farmhouse Building, Your liability as owner;
- c) where You have insured Your Farmhouse Contents and You are the occupier of the Farmhouse Building, whether as an owner or tenant;
 - i) Your liability as occupier of the Farmhouse Building;
 - ii) Your liability as owner of Your Farmhouse Contents;
 - iii) Your liability to Your landlord in respect of any Farmhouse Contents, fixtures and fittings left by the landlord in the Farmhouse for use by You;
 - iv) Your personal liability arising anywhere in Australia.

We will also pay the legal fees and expenses that You or any other person covered by the Policy incur and are liable for by reason of the legal liability for which the above compensation is payable under cover, provided that You have obtained Our prior consent to the legal fees and expenses being incurred.

LIMITATIONS

The most We will pay under this Legal Liability Cover for Your legal liability in respect of any one claim or series of claims arising from the same occurrence, including the cover for legal fees and expenses, is the greater of \$20 million or the Limit of Liability You have chosen as shown on Your Policy Schedule.

To the extent permitted by law, where You have any other insurance covering Your legal liability, this Optional Legal Liability Cover will only cover You for to the extent You are not covered by that other policy for the payment of such compensation.

EXCLUSIONS

We will not pay under this Optional Legal Liability Cover for Your legal liability to pay compensation:

- a) for death or bodily injury to You or any other person who normally resides with You at the Situation; or
- b) for property that belongs to You or any other person who normally resides with You at the Situation; or
- c) for property that is in Your physical and legal control or that of any other person who normally resides with You at the Situation; or
- d) to any person You employ where You are legally obliged to provide cover under any workers compensation legislation or similar laws and any legal liability that arises from their employment with You; or
- e) directly or indirectly arising from or in any way connected with any business carried on by You or any liability that directly or indirectly arises from any person employed by the business; or
- f) directly or indirectly arising from or in any way connected with the ownership, operation, maintenance or use of any:
 - i) motorised land vehicles including motor vehicles; or
 - ii) trucks motorcycles and Agricultural Equipment and Mobile Plant; or
 - iii) caravans and trailers except when not attached to motorised land vehicles; or
 - iv) Watercraft exceeding 4 metres in length or if powered by a motor that exceeds 10hp; or
 - v) jet skis; or
 - vi) Aircraft landing areas or Aircraft or aerial devices excluding non-pilotable model Aircraft or toy kites; or
 - vii) any conveyance designed to travel on an air-cushion over the surface of land or sea; or

Farmhouse Buildings, Farmhouse Contents and Personal Valuables

39

- viii) pontoons; or
- ix) lifts and inclinators;
- g) for claims directly or indirectly arising from or in any way connected with Your Farmhouse Building undergoing any process of construction, demolition, alteration and repair where the value of such work exceeds \$50,000; or
- h) for claims directly or indirectly arising from erosion, landslide or subsidence; or
- i) directly or indirectly arising out of or in any way connected with any disease that is transmitted by You or any other person who normally resides with You at the Situation; or
- j) for claims directly or indirectly arising out of the use of Your Farmhouse Building for any business purpose; or
- k) for penalties or fines, or awards of aggravated, exemplary or punitive damages made against You; or
- l) for Your failure to take all reasonable precautions to comply with statutory obligations and regulations and any orders imposed by any authority; or
- m) directly or indirectly arising from or in any way connected with a Strata Title unit when the cover extends only to the interest of a mortgagee in a Strata Title unit; or
- n) arising from any agreement or contract You enter into unless You would have been liable in the absence of such agreement or contract; or
- o) directly or indirectly connected in any way with Your breach of copyright, libellous statement or assaulting another; or
- p) to any other person who is insured under this Legal Liability Cover. (see definition of "You" and "Your").
- b) mechanical, electrical or electronic breakdown including but not limited to that caused by any power supply irregularity including power surge, except when caused by the actual burning out of an electric motor or any other insured event; or
- c) mildew and atmospheric or climatic conditions other than arising from rain, snow, sleet and hail; or
- d) domestic animals or the domestic animal itself; or
- e) vermin, insects or by the pecking, clawing, chewing, eating or nesting by birds and other wildlife; or
- f) any process of cleaning, repairing, restoring or retouching of any item; or
- g) any process involving the application of heat or the use of chemicals; or
- h) tenants, roomers, boarders or paying guests and their visitors arising from or due to larceny, theft, malicious damage, vandalism or deliberate or intentional acts; or
- i) settlement, shrinkage, vibration or expansion affecting buildings, foundations, walls or pavements; or
- j) faulty workmanship, inherent defect, errors or omissions in design, structural defects and faulty design; or
- k) water seeping or otherwise percolating through a wall, floor or roof; or
- l) water entering a building through an opening made for the purpose of alterations, additions, renovations or repair; or
- m) the removal or weakening of supports or foundations for the purpose of alterations, additions, renovations or repair; or
- n) the roots of trees, shrubs, plants and grass; or
- o) erosion; or
- p) where Your Farmhouse Buildings undergoing any process of construction, demolition, alteration or repair. This exclusion does not apply to:
- Agricultural Equipment and Mobile Plant which is not affected by the construction, demolition, alteration or repair of Your Farmhouse Buildings; or
 - where Your Farmhouse Buildings is completely roofed and walled and fully enclosed, with all outside doors and windows permanently in place.
- q) Your property while left unattended or left in an unlocked vehicle and not at the Situation; or
- r) courier or postal delivery;

ADDITIONAL EXCLUSIONS - APPLICABLE TO FARMHOUSE BUILDING, FARMHOUSE CONTENTS AND PERSONAL VALUABLES

The following Additional Exclusions apply to the Farmhouse Buildings, Farmhouse Contents and Personal Valuables Cover in addition to the General Exclusions.

Your Policy does not cover loss, damage or liability caused by, arising from, contributed to in any way whatsoever or involving, or the final result of any of the following Additional Exclusions:

- a) wear and tear, or rust, or corrosion, mildew, or mould, or gradual deterioration or depreciation; or

Farmhouse Buildings, Farmhouse Contents and Personal Valuables

- s) earth movement caused by landslip, landslide or subsidence, unless such loss or damage occurs within 72 hours of and as a direct result of, one or more of the following listed events:
 - i) storm, rainwater or wind; or
 - ii) earthquake; or
 - iii) explosion; or
 - iv) water escaping from fixed pipes or apparatus; or
- t) Storm Surge, tidal wave or high water (meaning the action or rising of the sea); or
- u) contamination or pollution and the removal of any resultant Pollutants and contaminants; or
- v) any error in a computer programme or instructions to a computer; or
- w) Your failure to use all reasonable means to protect and maintain the Agricultural Equipment and Mobile Plant before, at, or after the time of any loss or damage.

You are not covered under the Policy in respect of the following Additional Exclusions:

- 1) for any increase in the Sums Insured for the first 48 hours after Accidental loss or Accidental damage if such loss or damage is caused by fire; or
- 2) any fine, penalty, charge or GST for which You are liable arising out of Your misrepresentation of, or failure to disclose, Your actual Input Tax Credit entitlement on the Premium relating to the Policy; or
- 3) for loss or damage which is payable under this Policy where Your Farmhouse Building has been Unoccupied for a period of more than 60 continuous days, unless You have obtained Our written consent and paid any additional Premium required by Us.

However, in respect of Additional Exclusion (3) above We will cover Accidental physical loss of or Accidental physical damage to Your Farmhouse Buildings resulting from lightning, thunderbolt, earthquake, riot, civil commotion and public disturbance.

Landlords Insurance

41

This section forms part of the Policy only if shown in the Policy Schedule as insured under the Policy. It contains sub-sections as follows:

- Landlords Buildings Cover
- Landlords Contents Cover
- Legal Liability Cover

Only those sub-sections shown in the Policy Schedule as covered are insured.

DEFINITIONS – APPLYING TO ALL SECTIONS OF LANDLORDS INSURANCE

The definitions below apply only to this Landlords Insurance section of the Policy and override all other definitions, including the General Definitions applying to all sections of the Policy.

“Allowable Reletting Expenses” means reletting expenses as specified in the current Lease for Your property. If no reletting expenses are specified in the current Lease, then no allowance will be made for reletting expenses.

“Bond Money” means Money (being not less than four weeks Rent) paid by the Tenant and held as security against loss of or damage to the Building and/or Contents, outstanding Rent or other costs.

“Building” means the insured Building as defined in the Landlords Building Cover section, unless otherwise stated in Your Policy.

“Business” means any business, trade, profession, occupation, agistment of stock, grazing, farming, commercial or income earning activity, but it does not mean tenancy of the Building.

“Contents” means the insured Contents as defined in the Landlord Contents Cover section of the Policy.

“Deliberate or Intentional act” means larceny, theft, malicious damage or vandalism.

“Lease” means a written, executed and legally enforceable and compliant rental agreement between You and the Tenant for tenancy of Your Building and the term of the agreement is not less than a period of three months. It also includes any extension of the rental agreement by way of periodic tenancy that immediately follows the expiration of the agreement on the terms set out in the Lease.

“Rent” means the amount of Money paid or payable by the Tenant to Lease the Building as set out in the current Lease with You or Your agent.

“Replacement Cost” means the cost of replacing, rebuilding or repairing the Building or Contents to a condition substantially the same as their condition when new.

“Situation” means the residential address shown in the Schedule where the Building or Contents are located.

“Tenant” means the person named in the Lease including any other person who permanently resides with that person at the Situation and their visitors.

EXCLUSIONS – APPLICABLE TO ALL SECTIONS OF LANDLORDS INSURANCE

You are not covered under any section of the Policy for any loss, damage or liability arising directly or indirectly from or in any way connected with any of the following:

- bushfires, grass fires, Flood, Storm, rainwater or named cyclone within 72 hours of the start date of the Policy or amendment of Your Sums Insured, unless:
 - You first took occupation of your Building no more than 24 hours before the start date of the Policy, or
 - the Policy replaced another Policy covering the same Building and there has been no break in cover, in which case our liability is limited to the lowest of the policies Sums Insured; or
- landslide, landslip, subsidence, erosion, settling, expansion or any other earth movement unless such loss or damage occurs within 72 hours of and as the sole and direct result of one or more of the following listed events:
 - storm, rainwater or wind, or
 - earthquake, or
 - explosion, or
 - water escaping from fixed pipes or apparatus; or
- actions of the sea, including Storm Surge, tidal waves, tsunamis and high tides, water seeping through or permeating walls, roofs or floors; or
- water entering Your Building through an opening made for the purpose of alterations, additions, renovations or repairs; or
- mechanical, electrical or electronic breakdown including when caused by any power supply irregularity including power surge, except when caused by the actual burning out of an electric motor or any other insured event; or
- unlawful, malicious, Deliberate or Intentional acts by you or someone;
 - who lives in Your Building; or

Landlords Insurance

- ii) who is a member of Your Family including a defacto spouse; or
- iii) who has entered Your Building or Situation with Your consent, or the consent of a person who lives in Your Building; or
- iv) who is acting with Your permission or implied consent; or
- g) Your Building during the period of its construction; or
- h) the incorrect siting of Buildings; or
- i) any building work including any extensions, decorating, alterations or renovations; or
- j) loss of profit or consequential loss of any kind other than Loss of Rent if specified as covered in the Schedule; or
- k) gradual deterioration including wear and tear, rust, corrosion, depreciation, fading or deterioration from exposure to light; or
- l) algae, mould or mildew, rising damp and wet or dry rot; or
- m) inherent or structural defects, faulty design or workmanship; or
- n) pre-existing damage or any loss or damage which occurred before the start date of Your Policy; or
- o) heat, soot, smoke or ash, unless Your Buildings and/or Contents have caught on fire; or
- p) inadequate maintenance or Your failure to keep Your Building in good repair; or
- q) vermin, rodents, wildlife or insects (including termites); or
- r) pecking, biting, chewing, clawing, tearing, soiling, scratching or nesting by birds, wildlife and any animal kept in Your Building or at the Situation; or
- s) the action of trees, plants and grass or their roots; or
- t) the removal of tree stumps or trees which have fallen but not damaged Your Building; or
- u) settlement, shrinkage, vibration or expansion in Buildings, foundations, walls or pavements; or
- v) the removal or weakening of supports or foundations for the purpose of alterations, additions, renovations or repair; or
- w) any process of cleaning, repairing, restoring or retouching of any item; or
- x) any process involving the application of heat or the use of chemicals; or
- y) Your property while left unattended and not at the Situation; or
- z) Your failure to use all reasonable means to protect and maintain the Agricultural Equipment and Mobile Plant before, at, or after the time of any loss or damage; or
- aa) damage to swimming pools, spas, septic tanks or other in ground structures, including their surrounds, caused by hydrostatic pressure; or
- bb) breach of any statutory obligations, government or local authority regulations or by-laws, or the costs of complying with any notices received prior to You making a claim under this Policy; or
- cc) the lawful seizure, repossession, confiscation, nationalisation or requisition of Your Building or Your Contents; or
- dd) an infectious disease which is defined as Highly Pathogenic Avian Influenza or any diseases declared to be quarantinable under the Australian Quarantine Act 1908 and subsequent legislative amendments or replacements.

Landlords Building Cover

43

This cover is optional and only applies if it is shown to be applicable in Your Policy Schedule.

DEFINITIONS

"Building" means:

- a) all domestic outbuildings, including boat sheds, domestic jetties, and garages;
- b) all domestic fixtures and fittings, structural improvements including fixed swimming pools and spas, saunas, solar panels, fixed water tanks, tennis courts, paving, paths, driveways, walls, retaining walls, gates, fences, masts, aerials, clothes lines, exterior blinds and awnings;
- c) artificial lawn which is damaged as a result of fire or theft;

Limitation: We will not pay more than \$5,000 for any one claim for items falling within the description in c) above;

- d) fixed coverings to walls, floors and ceilings;

Limitation: Carpets, internal blinds and curtains are excluded except where the Situation is tenanted under a Lease on an unfurnished basis for items falling within the description in d) above;

- e) pergolas, patios, verandas, decking and gazebos;
- f) services (whether underground or not) including communication installations, electricity and water; and
- g) unfixed building materials;

Limitation: We will not pay more than \$1,000 for any one claim for items falling within the description in g) above.

"Building" does not mean:

- a) any of Your Landlords Contents; or
- b) a boarding house, hotel, motel strata title unit or any structure used solely for business; or
- c) carpets, internal blinds and curtains, except where the Situation is tenanted under a Lease on an unfurnished basis; or
- d) dams, reservoirs or open earthen water catchment basins; or
- e) houseboats, caravans, motorised vehicles or portable buildings whether fixed or unfixed; or
- f) inflatable or portable swimming pools or spas, their accessories and chemicals for use in association with them; or
- g) keys to doors or window locks and the combinations to Safes; or
- h) loose or compacted surfaces, including but not restricted to, earth, gravel, pebbles, rocks, sand, soil, bark or mulch; or
- i) new Buildings under construction; or

- j) pontoons; or
- k) property of Tenants, roomers, boarders or paying guests; or
- l) trees, lawns, hedges, plants, shrubs and garden beds and rockeries and other plant life, including those growing in pots; or
- m) water in swimming pools, spas, tanks or any other container.

WHAT IS COVERED

We cover you for Accidental physical loss of or Accidental physical damage to Your Building which occurs during the Period of Insurance.

At Our option we will choose to do one of the following:

- a) repair the damaged portion of Your Building to its Replacement Cost; or
- b) replace Your Building; or
- c) compensate You for the amount We are liable to pay for repair or replacement, up to the value of the applicable Sum Insured, less any applicable Excess.

The most We will pay for any one claim arising from any one event or series of events causing loss or damage to the Building is the applicable Sum Insured, or any lesser limit that applies, less any applicable Excess.

EXCLUSIONS

Flood

We will not pay for physical loss or damage arising directly or indirectly from or in any way connected with Flood, save in accordance with Additional Benefit 7.

Important

When We repair Your Building We will always try as far as reasonably possible to return it to the same condition as when new or last renovated by matching materials as far as reasonably possible.

If We cannot achieve an exact match We will provide a match as close as reasonably possible.

We will not pay for any costs to rebuild or repair Your Building arising from any planning permission or building regulation requirements, requirements relating to the use of a building or property or any other form of regulation regarding construction of a building or use of property, that You or Your predecessor in title had to comply with when Your Building was constructed or altered.

Any event or series of events arising from the same Accident is treated as one claim.

Landlords Building Cover

If the Building is heritage or the architectural features and/or structural materials of the Building possess an ornamental, antiquarian or historical character, or the original materials are not available when the Building and/or Contents are lost or damaged, Replacement Cost shall mean the rebuilding or replacement or repairing or restoring to a reasonably equivalent appearance and capacity using original design of the features or structural material and suitable equivalent features or materials.

For loss or damage to fixed coverings to walls, floors and ceilings We will only pay for the damaged part of such coverings in the room, hall or passage where the loss or damage occurred. For open-plan environments We will only pay for the damaged part of such coverings that We consider being the functional area where the loss or damage occurred.

If You decide not to repair or replace Your Building or do not commence repair or replacement within six months of the date of the loss or damage, We will only compensate you for what it would have cost to repair or replace Your Building at the date of the loss or damage.

ADDITIONAL BENEFITS

If We agree to pay a claim under Landlords Buildings Cover, We will also pay for:

1. Removal of debris

Reasonable expenses incurred to remove Building debris;

Limitation: The most We will pay under this Additional Benefit is a maximum of 10% of the Building Sum Insured for any one claim.

2. Architects and other fees

Architects, surveyors, consulting engineers and legal fees;

Limitation: The most We will pay under this Additional Benefit is a maximum of 10% of the Building Sum Insured for any one claim.

3. Additional Building costs

The additional cost of complying with any government or local authority by-laws that regulate the repair, rebuilding or demolition of Your Building, provided You repair or rebuild Your Building at the same Situation;

Limitations: The most we will pay under this Additional Benefit is a maximum of 10% of the Building Sum Insured for any one claim.

We will only pay under this Additional Benefit;

- costs which relate to the damaged parts of the Building; and
- We will not pay any extra costs arising from notice You or Your predecessor in title received of any building regulation requirements You or Your predecessor in title had to comply with before the date when the loss or

damage occurred.

4. Mortgagee legal costs

The reasonable legal costs associated with the discharge of a mortgage or mortgages on the Building following the settlement of a claim for a Total Loss of Your Building;

5. Fusion

We will pay for Accidental loss or damage caused by the actual burning out of an electric motor forming part of the Building. We will, at Our option, pay the reasonable cost to repair or replace the electric motor or any sealed compressor following the loss or damage to the motor;

Limitations: We will not pay under this Additional Benefit more than \$1,000 during any one Period of Insurance for any and all claims, unless otherwise agreed.

We will not pay under this Additional Benefit for:

- the cost of repair or replacement of electric motors or sealed compressor unit manufactured more than 10 years from the date of the loss or damage; or
- the repair or replacement of any part which does not form part of the electric motor or actual sealed compressor unit; or
- the costs of the normal service of electric motor or actual sealed compressor unit or exchangeable items; or
- loss or damage to any submersible and bore hole type pumps over 3hp; or
- the cost of repair or replacement of rectifiers and transformers; or
- motors under any warranty or manufacturers' guarantee.

6. Fumigation costs

We will pay the clean up and fumigation costs incurred by You with Our prior agreement, where following the death of a Tenant at the Situation the Building is unfit for human occupation. Payment under this Additional Benefit is limited to a maximum of \$2,000 for any one claim.

7. Flood

Notwithstanding the exclusion for loss or damage caused by Flood set out above, We will not pay more than \$10,000 for loss or damage to each residential Landlords Building insured under this Additional Benefit in any one Period of Insurance. This limit of \$10,000 also includes any Additional Benefits under the Landlords Contents Cover.

Where Landlords Building and Landlords Contents are insured within the same residential Landlords Building, We will not pay more than \$10,000 in total under the Landlords Building and Landlords Contents Covers (including Additional Benefits) for loss or damage by Flood under this Policy in any one Period of Insurance.

Landlords Contents Cover

45

DEFINITIONS

“Landlord Contents” means:

- a) carpets, internal blinds and curtains;
- b) fixtures and domestic structural improvements inside a Strata Title unit that are not insured by the Body Corporate, when the Landlord Contents Sum Insured is not otherwise exhausted;
- c) fine art, paintings, antiques and curios and other bona fide works of art;
- d) furniture and household goods that are not built in;
- e) Specified Contents as listed in the Policy Schedule; and
- f) swimming pools and spas not permanently fixed.

“Landlord Contents” does not mean:

- a) air conditioners housed in a cavity or on a wall; or
- b) Aircraft or aerial device, excluding non-pilotable model Aircraft or toy kites; or
- c) any conveyance designed to travel on an air-cushion over surface of land or sea and their accessories and spare parts; or
- d) birds, fish and animals; or
- e) caravans and trailers; or
- f) clothing and personal effects; or
- g) coin collections, stamp collections, firearms, precious stones (being unset gems) and bullion; or
- h) computer systems including portable computers and their accessories; or
- i) dishwashers that are housed in cupboards or benches; or
- j) electronic diaries, iPads or similar devices and mobile telephones; or
- k) jet skis and Watercraft; or
- l) jewellery, watches, furs, gold or silver articles; or
- m) keys to doors or window locks or the combinations to Safes; or
- n) loose or compacted surfaces including but not restricted to earth, gravel, pebbles, rocks, sand, soil, bark or mulch; or
- o) Money and negotiable documents of any kind and credit cards or financial transaction cards; or
- p) motorised land vehicles and their attached accessories and spare parts including motor vehicles, motorcycles, mini bikes and farm vehicles, motorised golf buggies, and motorised wheelchairs; or
- q) office and surgery equipment or tools belonging to You and Your Business; or

- r) photographic equipment and their accessories; or
- s) property of Tenants, roomers, boarders or paying guests; or
- t) stock, Money and stamps belonging to You, Your Family or Business; or
- u) sporting and fishing equipment including bicycles; or
- v) travel or other tickets, coupons, gift vouchers, licences or passports; or
- w) trees, lawns, hedges, plants, shrubs and garden beds and rockeries and other plant life, except when growing in pots.

Specified Contents

If We agree You may insure Your Landlord Contents for specific amounts. You are able to list them as “Specified Contents”. Additional conditions may be imposed, for example, You may be required to pay an additional Excess or keep the item in a safe place whilst not being used. We will pay up to the specified amount for each item for any one claim.

This cover is optional and only applies if shown to be applicable in Your Policy Schedule.

WHAT IS COVERED

We cover Accidental physical loss or damage to Your Landlord Contents that occurs during the Period of Insurance.

If Your Landlord Contents occasion loss or damage during the Period of Insurance and We accept your claim, then We will decide at Our discretion to:

- a) repair the damaged portion of Your Landlord Contents to its replacement cost; or
- b) replace Your Landlord Contents; or
- c) pay You the cost for the amount We should have paid for repair or replacement.

We cover You up to the value of the applicable Sum Insured, or any lesser limit that applies, less any applicable Excess.

EXCLUSIONS – APPLICABLE TO LANDLORD CONTENTS

We will not cover legal liability of whatsoever nature under this Landlord Contents cover.

We will not pay for loss or damage to Landlords Contents whilst they are away from the Situation or in transit.

Flood

We will not pay for physical loss or damage arising directly or indirectly from or in any way connected with Flood, save in accordance with Additional Benefit 3 below.

Landlords Contents Cover

Important

If We choose to pay to replace an item that has been specified, We will pay no more than the amount that it would cost Us to replace the item with an item substantially the same as, but not better than when new, even if You have specified the item for a higher amount, whether or not You have supplied a valuation. We negotiate special arrangements with various suppliers to purchase items for less than retail cost. Your Premium is therefore based upon Us replacing items at these retail costs.

For loss or damage to an item, which is part of a pair, set, system, collection or larger unit, We will only pay the value the item itself has as a proportion of the combined pair, set, system, collection or larger unit. We will not pay any additional amount or allowance for any special value that the item may have in forming part of a pair, set, system, collection or larger unit or for any reduction in the value of the remaining part or parts of the pair, set, system, collection or larger unit.

Repairing or replacing

If We decide to repair or replace Your Landlord Contents:

- a) We will always try as far as reasonably possible, to return them to their same condition as when new or last repaired; and
- b) We will make reasonable endeavours to match materials and Contents; and
- c) if We cannot achieve an exact match We will endeavour to obtain as close a match as possible, except as provided for under "carpets, internal blinds and curtains" detailed below; and
- d) We can nominate the repairer or supplier.

Paying You the cost

If We decide to pay You the cost of the repair or replacement:

- a) Our payment will not exceed the limits detailed in the Policy and will not exceed the Landlord Contents Sum Insured; and
- b) Our payment will be the lower of the current retail price or the discounted price We may obtain.

Carpets, internal blinds and curtains

For loss or damage to carpets, internal blinds and curtains We will only pay for the damaged part of such coverings in the room, hall or passage where the loss or damage occurred. For open-plan environments We will only pay for the damaged part of such items that We consider being the functional area where the loss or damage occurred.

ADDITIONAL BENEFITS

If We agree to pay a claim under Landlords Contents Cover, We will also pay for:

1. Removal of debris

The reasonable expenses incurred to remove Building debris;

Limitation: The most We will pay under this Additional Benefit is a maximum of 10% of the Building Sum Insured.

2. Fusion

We will pay for Accidental loss or damage caused by the actual burning out of an electric motor forming part of the Contents. We will, at Our option, pay the reasonable cost to repair or replace the electric motor or any sealed compressor. Payment is limited to a maximum of \$1,000 during any one Period of Insurance for any and all claims, unless otherwise agreed.

We will not pay under this Additional Benefit for:

- a) the cost of the repair or replacement of any electric motor or sealed compressor unit that was manufactured more than 10 years ago; or
- b) the cost of the repair or replacement of any part which does not form part of the electric motor or actual sealed compressor unit; or
- c) cost of the normal service of any electric motor or sealed compressor unit or exchangeable items; or
- d) loss or damage to any submersible and bore hole type pumps over 3hp; or
- e) the cost of repair or replacement of rectifiers and transformers; or
- f) motors under any warranty or manufacturers' guarantee.

3. Flood

Notwithstanding exclusion for Landlords Contents Cover for loss or damage caused by Flood, We will not pay more than \$10,000 for loss or damage to each residential Landlords Contents insured under this Policy in any one Period of Insurance. This limit of \$10,000 also includes any Additional Benefits under the Landlords Building Cover.

Where Landlords Building and Landlords Contents are insured within the same residential Landlords Building, We will not pay more than \$10,000 in total under the Landlords Buildings and Landlords Covers (including Additional Benefits) for loss or damage by Flood under this Policy in any one Period of Insurance.

Tenants

Rent Default Cover

47

This cover is optional and only applies if shown to be applicable on Your Policy Schedule.

RENT DEFAULT COVER

We will cover You for loss of Rent if:

- a) Your Tenant vacates the Situation leaving the premises unfit for occupation for at least seven days and the reason the premises are unfit for occupation is as a direct result of a Deliberate or Intentional act which causes loss or damage to the Building or Contents; or
- b) Your Tenant vacates the Situation without notice before the expiration date of the Lease; or
- c) Your Tenant defaults in paying Rent owed at the Situation under the terms of the Lease to you or your rental agents; or
- d) Your Tenant is legally evicted from the Situation for non-payment of Rent or any other breach of the Lease committed by the Tenant; or
- e) Your tenanted property becomes uninhabitable following physical loss or damage caused to the Building or to the Building of which it forms part, which occurs during the Period of Insurance.

The following conditions must be satisfied for there to be Rent Default Cover:

- a) there must be a Lease between You and the Tenant which states the term of the rental period, the amount of Rent payable to You and the amount of Bond Money that the Tenant is required to pay; and
- b) a breach notice for non-payment of Rent or breach of the Lease or a notice of termination for non-payment of Rent or breach of the Lease is issued as soon as practical to the Tenant by You or Your rental agent when the Rent is in arrears or when You or Your agent become aware of the breach of the Lease; and
- c) the regulations and procedures outlined in the relevant State legislation relating to ending a tenancy, are strictly adhered to by You and Your rental agent; and
- d) both You and Your rental agent take all reasonable steps to ensure that any loss or damage to Buildings or Contents which renders the Building unfit for occupation is repaired as soon as possible after it is discovered; and
- e) both You and Your agent take all reasonable steps to ensure that the Building is re-let as soon as possible following the Building being vacated by a Tenant.

Cover under this Rent Default Cover will cease on the first to occur of the following:

- a) the date when the Situation is re-tenanted; or
- b) when We have paid the lesser of 15 weeks Rent or the amount shown in the Schedule for this Rent Default Cover; or
- c) the expiration date of the Lease; or
- d) the date of any order made by any court, tribunal or other body resulting from any proceedings commenced by the Tenant for the termination of the Lease; or
- e) the date specified in a Notice of Remedy breach, issued by the Tenant to You or Your agent where You do not comply by that Notice of Remedy by the date specified in the Notice of Remedy; or
- f) the termination of the Lease by the Tenant, where We determine that such termination is justified by a breach of the Lease by You, including but not limited to, a breach of the covenant of quiet enjoyment of the Situation; or
- g) the termination of a Lease on the grounds that it is invalid due to non-compliance with any legal or statutory requirement; or
- h) an agreement of any nature (whether express or implied) between You and the Tenant to terminate the Lease; or
- i) the date on which You could legally cancel the Lease; or
- j) two weeks following the Tenant vacating the Building in accordance with a Notice to Leave which was served on the Tenant.

EXCLUSIONS – APPLICABLE TO RENT DEFAULT COVER

We will not pay You for any Rent default if the Rent is in arrears on or before the commencement of the Period of Insurance or when cover for this Rent Default option commenced.

How we settle any valid claim

The most We will pay during any one Period of Insurance is the lesser of 15 weeks Rent or the amount shown in the Policy Schedule for this cover.

Any payment We make for a claim under this section will be reduced by:

- a) the amount of the Tenant's Bond Money that is remaining after deducting Allowable Reletting Expenses that You are legally entitled to receive from the Tenants Bond Money; and
- b) the Excess specified for this Cover in the Schedule; and

Tenants

Rent Default Cover

- c) if You do not take reasonable steps to repair any loss or damage to Building or Contents, the amount We determine is the result of Your failure to reasonably attend to repairs; and
- d) if You do not take reasonable steps to re-let the Building the amount We determine is the result of Your failure to take reasonable steps to re-let the Building.

ADDITIONAL BENEFITS

The Additional Benefits provided below cover the following loss or damage which occurs during the Period of Insurance:

1. Legal expenses

We will cover legal expenses incurred by You to commence or defend proceedings for:

- a) the legal eviction of Your Tenant; or
- b) recovery of any amount payable by Your Tenant for damage caused by the Tenant; or
- c) the recovery of any Rent owed to You under the terms of the Lease by the Tenant.

The maximum amount We will pay under this Additional Benefit for any one claim is \$5,000. You will be required to pay the Excess specified for this Additional Benefit set out in the Schedule.

We will cover legal expenses incurred by You under this Additional Benefit provided that:

- a) there is a Lease between You and the Tenant which states the term of the rental period, the amount of Rent payable to You and the amount of Bond Money that the Tenant is required to pay; and
- b) We agree to cover the legal expenses before they are incurred; and
- c) there are, in Our opinion, reasonable prospects of determination of the proceedings in Your favour; and
- d) You appoint and instruct Your lawyer, but You agree to allow Your lawyer to provide Us with any information or documents that We request; and
- e) You and Your lawyer take all necessary and reasonable steps to minimise any delays and the amount of any costs incurred or likely to be incurred in connection with any proceedings; and
- f) You and Your rental agent have utilised all reasonable means to avoid loss including but not limited to serving any Tenant a breach notice for non-payment of Rent or breach of the terms of the Lease or a notice of termination for non-payment of Rent.

We are entitled to stop paying legal fees if:

- a) You unreasonably refuse to comply with a request of any court, tribunal or body determining the proceedings, for information or the production of a document, or
- b) We consider any further expenditure of fees is inappropriate because there are no reasonable prospects of:
 - i) the proceedings being determined in Your favour; or
 - ii) You achieving a more favourable outcome by final determination of the proceedings than any offer made to You in the course of the proceedings.

2. Death of the Tenant

Where there is only one Tenant named on the Lease, and that Tenant dies during the term of the Lease We will also pay You the weekly Rent payable under the Lease from the date that You received the last Rent payment from the Tenant or from the Tenant's estate.

Limitations: The most we will pay under this Additional Benefit during any one Period of Insurance is the lesser of 15 weeks Rent or the amount shown in the Policy Schedule for this cover.

Cover under this Extra Cover 2 will cease at the earliest to occur of the date when the Situation is re-tenanted, or the date the Lease expires, or when We have paid the lesser of 15 weeks Rent of the amount shown in the Policy Schedule for this Cover.

Any amount We pay under this Additional Benefit will be reduced by:

- a) the amount of the Tenant's Bond Money that is remaining after deducting any Allowable Reletting Expenses You are legally entitled to receive from the Tenant's Bond Money; and
- b) The Excess specified for this Cover in the Schedule.

We will only provide cover under this Additional Benefit if the following conditions are met:

- a) there is a Lease between You and the Tenant which states the term of the rental period, the amount of Rent payable to You and the amount of Bond Money that the Tenant is required to pay; and
- b) You or Your agent take all reasonable steps to ensure that the Building is re-let as soon as possible following the death of the Tenant. If You do not take reasonable steps to re-let the Building then We will reduce the amount payable for any claim under this Additional Benefit by the amount We determine is the result of Your failure to take reasonable steps to re-let the Building.

Loss of Rent Cover

49

LOSS OF RENT COVER

This cover is optional and only applies if shown to be applicable in Your Policy Schedule

(A) Physical Loss or Damage

When the Building, as defined below, becomes uninhabitable following physical loss or damage to the Building or to the Building of which it forms part, which occurs during the Period of Insurance and that loss or damage is not excluded by the 'Exclusions to all sections of Landlords Insurance', We will cover any loss of Rent You sustain for the period during which the Building remains uninhabitable because of that loss or damage. The maximum amount We will pay is:

- a) if Your property is vacant at the time of the loss or damage which makes the property uninhabitable, the amount that in our opinion, Your Building could reasonably be rented out for each week but for the loss or damage to the Building. We will not pay for more than the lesser of a period of 12 months, or 10% of the Building Sum Insured, or the amount shown in Your Schedule for this Loss of Rent Cover; or
- b) if Your property is tenanted at the time of the loss or damage which makes the property uninhabitable, the weekly Rent You were paid by Your Tenant immediately before the loss or damage, We will not pay more than the lesser of 12 month's Rent, or 10% of the Building Sum Insured, or the amount shown in your Schedule for this Loss of Rent Cover.

(B) Denial of Access

When Your Tenant or any prospective Tenant is unable to access the Building, as defined below due to Accidental loss or damage to a nearby property or Accidental loss or damage to the Building itself, which occurs during the period of insurance and the loss or damage preventing access is not excluded by the "General Exclusions", We will cover any loss of Rent You sustain for the period which access to the Building is prevented. The maximum amount We pay You will be:

- a) if Your property is vacant at the time of the loss or damage preventing access, the amount, in Our opinion, that Your Building could reasonably be rented out for each week but for the prevention of access. We will not pay for more than the lesser of a period of 12 months, or 10% of the Building Sum Insured, or the amount shown in your Schedule for this Cover; or
- b) if Your property is tenanted at the time of the loss or damage preventing access, the weekly Rent You were paid by Your Tenant immediately before the loss or damage, We will not pay more than the lesser of an amount equivalent to 12 month's Rent, or 10% of the Building Sum Insured, or the amount shown in Your Schedule for this Loss of Rent Cover.

DEFINITION OF BUILDING FOR LOSS OF RENT COVER

In clauses (b) of the '(A) Physical Loss or Damage' and '(B) Denial of Access' relating to the "Loss of Rent for tenanted properties", the term 'Building' means the insured Building described in the Schedule at the Situation being a residential dwelling house, flat or home unit including: fixed coverings to walls, floors and ceilings, (carpets, internal blinds and curtains are excluded, except where the flat or unit is tenanted under a Lease on an unfurnished basis) and services (whether underground or not) including communication installations, electricity and water.

EXCLUSIONS AND LIMITATIONS FOR OPTIONAL LOSS OF RENT COVER

In addition to the 'Exclusions to all sections of Landlords Insurance' set out earlier, the following additional exclusions will apply to Optional Loss of Rent Cover:

- a) We will not provide cover under this section for any period after the Building becomes habitable or access to the Building is restored regardless of whether or not Your Tenants resume occupation of the Building or You re-let the Building;
- b) if Your property is vacant at the time access to the Building is prevented or the Building becomes uninhabitable, We will not provide cover under this section unless You can satisfy Us that there were reasonable prospects that the Building would have been tenanted but for the loss or damage preventing access or making the Building uninhabitable;
- c) You or Your agent must take all reasonable steps to ensure that any loss or damage to the Building which renders the Building unfit for occupation or prevents access is repaired as soon as possible after it is discovered. If You do not take reasonable steps to repair any loss or damage to the Building, then We will reduce the amount payable for any claim under this section by the amount We determine is the result of Your failure to reasonably attend to repairs.

Landlords Liability Cover

COVER

This Landlords Liability Cover is only provided if You have chosen such cover under Building section and/or Contents section and this is Landlords Liability Cover is shown as covered on Your Policy Schedule.

WHAT IS COVERED

If Your Schedule shows You have Buildings cover We will cover You for Your legal liability to pay compensation for:

- a) death or bodily injury to another person; and/or
 - b) loss or damage to another person's property;
- provided the matters in (a) and (b) above take place during the Period of Insurance and as a result of an occurrence:

- a) at the insured address; and
- b) in connection with Your ownership of the Building.

If Your Schedule shows that You have Contents cover We cover You for Your legal liability to pay compensation for :

- a) death or bodily injury to another person; and/or
 - b) loss or damage to another person's property;
- provided the matters in (a) and (b) above take place during the Period of insurance and as a results of an occurrence:

- a) at the insured address; and
- b) in connection with Your ownership of the Contents.

The most We will pay for Your legal liability under this section in respect of any one claim or series of claims arising from the same occurrence is the limit of indemnity for this section shown in the Schedule. This amount includes all legal and defence costs which We have agreed to pay.

EXCLUSIONS

We will not pay for You, Your Family or any person ordinarily residing with you and their legal liability arising from, or in connection with:

- a) any incident which did not occur during the Period of Insurance; or
- b) the ownership, operation, maintenance or use of:
 - i) any vehicle other than ride-on mowers, motorised golf carts and motorised scooters which do not require registration for use on a public road or compulsory third-party insurance for death or personal injury to any person under any Commonwealth, State or Territory legislation; or

- ii) caravans and trailers except when not attached to a vehicle; or
- iii) any Aircraft, Aircraft landing areas or aerial devices other than non-pilotable model Aircraft or toy kites; or
- iv) any Watercraft more than four metres in length or if powered by a motor more than 10hp; or
- v) jet skis or pontoons; or
- vi) any conveyance designed to travel on an air-cushion over surface of land or sea
- vii) lifts or inclinators; or
- c) any business, trade, occupation, employment or activity for reward carried out by You, Your Family or anyone living at Your Building; or
- d) the use of Your Building or the Situation for any business; or
- e) any person You employ where You are legally obliged to provide cover under any workers compensation legislation or similar laws; or
- f) claims in respect of circumstances where insurance is required by law to provide cover for legal liability; or
- g) any professional, recreational or amateur sporting activity; or
- h) claims made by You, Your Family, any person ordinarily residing with You or with whom You normally reside; or
- i) liability which arises because You or any person acting on Your behalf, agree to assume such liability; or
- j) any illegal or unlawful activity; or
- k) any intentional act or omission; or
- l) any admission of liability made without Our consent; or
- m) loss or damage to any property in Your care, custody or control other than property You live in as a residential Tenant; or
- n) the transmission of any disease, or any contaminated body fluid or body product; or
- o) pregnancy; or
- p) any building work, repairs or redecoration being carried out at Your Building or at the Situation where the value of the building work exceeds \$50,000; or
- q) vibration, removal, weakening or interference with any land, Buildings or other property; or
- r) any civil or criminal penalties, fines, or awards of exemplary, aggravated, punitive or multiple damages made against You; or

Landlords Liability Cover

51

- s) any event which You have organised or are legally responsible for, unless the event occurs in Your Building or at the Situation; or
- t) the supply of any alcohol or drugs; or
- u) the consumption of any alcohol or drugs, if the consumption of them caused or contributed in any degree to the incident; or
- v) the common property, where Your Building is a company share, stratum or strata title property;
- w) any agreement or contract entered into unless liability would have existed in the absence of such agreement or contract; or
- x) any breach of copyright, act of libel or assault;
- y) any actions brought against You in a court outside Australia or before a court in Australia applying a foreign law; or
- z) the discharge, dispersal, release or escape of pollutants defined as smoke, vapours, soot, fumes, acid, alkalis, toxic chemicals, liquids, gases, Waste materials or other irritants, contaminants or pollutants on or into land, the atmosphere or any watercourse or body of water.

Farm Property Damage

This section forms part of the Policy only if shown in the Policy Schedule as having been taken by You.

DEFINITIONS

Some words have special meaning wherever they appear in this section. These words are capitalised and have the meaning listed below.

The definitions below apply only to this section of the Policy and override all other definitions, including the General Definitions applying to all sections of the Policy.

“Agricultural Equipment and Mobile Plant” means a self-propelled vehicle or machine which is not normally registered for on road use and is used for excavating, digging, grading, scraping, drilling, lifting, pumping, spraying, loading and unloading, vacuuming, towing, harvesting, ploughing, harrowing, irrigating, threshing, planting, pollarding, hedging or similar activities or any other activity pertaining to agricultural use in connection with Your Farm Business.

“Farm Buildings” means:

- a) buildings used for the purposes of the Farm Business;
- b) any landlords fixtures and fittings owned by the owner of the building for which You are legally liable under the terms of Your lease, licence or similar agreement;
- c) any items that are permanently built, permanently constructed or permanently installed in or on the Farm Buildings for the purpose of the Farm Business;
- d) silos including any fixed elevators;
- e) water tanks, fuel tanks, stands, and crushers;
- f) windmills, power poles and any of their accessories and solar panels;
- g) fencing forming part of Farm Buildings, stockyards and pens that are permanently fixed.

Farm Buildings does not include:

- a) buildings insured under the Farmhouse Buildings Cover or the Landlords Insurance Cover;
- b) Unspecified Farm Structures;
- c) Farm Contents and Contents insured under the Farmhouse Contents Cover of Landlords Insurance Cover;
- d) caravans unless specified on the Policy Schedule;
- e) Livestock and beehives;
- f) boundary fencing, internal fencing, gates owned by You or for which You are legally liable;

- g) property undergoing erection, construction, alteration or addition (including the partial dismantlement of existing structures), where the total contract value of all work to be carried out at any one Farm Premises exceeds the lesser of \$100,000 or 10% of the total Sum Insured Farm Buildings and Farm Contents, provided that this limit shall apply only to the portion of the Farm Premises or Business Property which is the subject of any such work and not to any other portion of the Business Property;
- h) Land, unsealed driveways and paths, dams, bridges, canals, tunnels, railway tracks and roadways, wharves, docks and piers serving and within the boundaries of the land farmed.

If insured we will show these as “Buildings” on the Policy Schedule.

“Farm Contents” means all items that belong to You and are normally contained in the Farm Buildings for use in the Farm Business including but not limited to:

- a) miscellaneous farm tools and equipment not otherwise insured;
- b) fertilisers;
- c) Farm chemicals;
- d) fuel and oil supplies;
- e) shorn wool; and
- f) Farm Produce up to \$5,000 or the amount shown in the Policy Schedule.

Farm Contents does not include:

- a) Livestock and beehives; or
- b) Hay or Grain; or
- c) Growing Crops, Trees, or plants other than pot plants; or
- d) motor vehicles or trailers, caravans or motorcycles which are registered or licensed to travel on a public road or which require compulsory third-party insurance for death or bodily injury under any law, provided that this exclusion will not apply to trailers or caravans specified on the schedule and not otherwise insured; or
- e) Aircraft, Watercraft and their accessories or spare parts, unless specified on the Policy Schedule; or
- f) semen or embryos.

If insured we will show these as “Contents” on the Policy Schedule.

Farm Property Damage

53

“Farm Produce” means food and other products grown or made on the farm for commercial sale.

It does not include:

- a) hay, growing plants, animal, birds or fish;
- b) oil or its derivatives; or
- c) semen, embryos or their containers.

“Farm Property” means Farm Buildings, Unspecified Farm Structures, Farm Contents, Fencing, Hay or Grain, and Livestock as defined in this section and shown on Your Schedule.

“Fencing” means boundary fencing, internal fencing and attached gates owned by You or for which You are legally liable.

If insured we will show these as “Fencing” on the Policy Schedule.

“Hay or Grain” means all crop types (but not whilst growing) baled, rolled, stacked or stored in any soundly constructed Farm Building, shed, Silo or other storage system included in this insurance.

If insured we will show these as “Hay or Grain” on the Policy Schedule.

“Livestock” means all animals and birds which are used for Your Farm Business and which are specified in the Schedule, other than domestic pets or working dogs.

If insured we will show these as “Livestock” on the Policy Schedule.

“Market Value” means the estimated amount for which the Farm Property should exchange for immediately before the damage, between a willing buyer and a willing seller in an arms-length transaction, after proper marketing, where the parties act knowledgeably, prudently and without compulsion.

“Pasture” means growing grasses, legumes, and herbage that are used for the purpose of grazing Livestock.

“Silo” means a substantial building comprising a fixed tower with walls and roof constructed of metal, brick or concrete, which is weather and vermin proof and used for the storage of grain, silage or other agricultural produce.

“Specified Items” means those items shown on the Policy Schedule as Specified Items.

“Trees” means any perennial plants with a woody self supporting main trunk at the Situation that are grown for the purposes of producing a commercial crop, or to produce timber or woodchips.

If insured we will show these as “Trees” on the Policy Schedule.

“Unspecified Farm Structures” means any Farm Building or structure at the Situation that are not specified on the Schedule including any Farm Contents contained within.

If insured, we will show these as “Unspecified Farm Structures” on the Policy Schedule.

“Vines” means any climbing or trailing woody stemmed plant bearing grapes at the Situation that are grown for the purpose of producing a commercial crop.

If insured, we will show these as “Vines” on the Policy Schedule.

COVER

Farm Property

We cover You for loss or damage to Your Farm Property at the Situation during the Period of Insurance caused by any of the following events:

1. fire or explosion; or
2. lightning or thunderbolt; or
3. earthquake, volcanic eruption, subterranean fire or tsunami subject to the following conditions:
 - a) We will not pay the lesser of the first \$20,000, or 1% of the Sum Insured at the damaged Farm Premises of each claim caused by earthquake, volcanic eruption, subterranean fire or tsunami; and
 - b) You only have to pay one Excess if further damage occurs involving earthquake, volcanic eruption, subterranean fire or tsunami within 48 hours of an occurrence; or
4. malicious damage, including damage by vandals, burglars or thieves, other than damage caused by You or anyone who permanently or temporarily lives with You; or
5. bursting, leaking, discharging or overflowing of fixed apparatus, fixed tanks, fixed appliances, fixed pipes or other systems used to hold or carry liquid subject to the following conditions:
 - a) We will also pay the reasonable cost of identifying and locating the cause of damage; and
 - b) We will not pay for the repair or replacement of such apparatus, appliances, tanks, pipes or other systems which give rise to the damage; or
6. impact by any of the following:
 - a) a Vehicle designed primarily for use on land; or
 - b) an animal, including Livestock, except while undergoing droving; or

Farm Property Damage

- c) falling trees or falling branches of trees and We will also pay the reasonable costs associated with the removal and disposal of the trees or branches, which caused the damage; or
 - d) communication masts, towers, antennae or satellite dishes; or
 - e) Aircraft or Watercraft; or
 - f) meteorites or debris from an Aircraft, rocket or satellite; or
 - g) a falling building, structure or part thereof.
7. storm, tempest, rainwater, snow, sleet, wind, hail, but not:
- a) by water from any action of the sea, tidal wave, Storm Surge, high water; or
 - b) caused by water entering the Farm Buildings or Unspecified Farm Structure through an opening made for any building, renovation or repair work; or
 - c) to Farm Property in the open air unless such property is a permanent structure designed to function without the protection of walls or roof; or
 - d) caused by water entering the Farm Building, Specified Item, or Unspecified Farm Structure due to a structural defect, faulty design, or faulty workmanship when the Farm Buildings, Specified Item, Unspecified Farm Structure were constructed, renovated, extended or repaired; or
 - e) erosion, subsidence, landslide, collapse or any other movement of earth; or
 - f) loss or damage to gates, fences, retaining walls, textile awnings, blinds and signs, growing crops, shade houses, glass houses, trees and Livestock.
8. Livestock from another farm which You do not own, but only if you supply Us with the name and address of the owner and the occupier of the property from which the Livestock strayed.

ACCIDENTAL DAMAGE

We cover You for Accidental loss or damage to Your Farm Buildings, Farm Contents, Fencing, Specified Items, Unspecified Farm Structures at the Situation during the Period of Insurance other than as provided in the Exclusions detailed in this section.

We do not cover You for Accidental Damage to Agricultural Equipment and Mobile Plant under this section.

We will not pay under Accidental Damage more than \$10,000 unless a higher amount is specified in the Policy Schedule as the Accidental Damage Sum Insured.

EXCLUSIONS APPLYING TO FARM PROPERTY DAMAGE OR ACCIDENTAL DAMAGE

We will not pay for:

- a) damage which occurs as a result of Your failure to repair or prevent bursting, leaking, discharging or overflowing of fixed apparatus, fixed tanks or fixed pipes used to hold or carry liquid within a reasonable time of discovering such an occurrence; or
- b) unexplained disappearance or unexplained inventory shortage, whether resulting from clerical or accounting errors or shortages in supply or delivery of materials to or by You; or
- c) loss or damage caused by demolition, ordered by a public authority; or
- d) pollution or contamination of Farm Property theft; or
- e) loss or damage from the roots of trees, vines, plants, shrubs or grass; or
- f) any process of cleaning involving the use of chemicals other than domestic household chemicals; or
- g) vandalism by a tenant; or
- h) deliberate or intentional acts carried out by a tenant or by You or by people under Your direction or control; or
- i) loss or damage from data processing or media failure, breakdown or malfunction of the processing system, including operator error or omission; or
- j) fraudulent or dishonest acts by You or anyone acting on Your behalf or any of Your employees; or
- k) loss or damage arising from the incorrect siting of Farm Property; or
- l) loss or damage arising from testing, intentional overloading or experiments of any kind; or
- m) loss or damage arising from faults, defects or circumstances that You or Your employees were, or ought to have been, aware of before this insurance was arranged, extended, varied or renewed; or
- n) loss or damage from the failure of supply of any water, gas, electric or fuel supply; or
- o) the stopping of work, in total or in part or interruption or retarding of any process or operation as a result of strikes, labour disturbances or locked out visitors or any loss or damage arising from these events; or
- p) loss or damage from heating, any process of heat treatment or direct application of heat, or the use of tools on the Farm Property; or

Farm Property Damage

55

- q) loss or damage from rust, corrosion, gradual deterioration, wear or tear, fading, scratching or marring, developing flaws, normal maintenance or repair; or
- r) loss or damage resulting from or in any way connected with insects, termites, vermin, oxidation, mildew, mould, contamination or pollution, wet or dry rot, change of colour, dampness, variations in temperature, evaporation, disease, change in flavour texture or finish, smut, soot, or smoke from industrial operations, failure to monitor coolant or liquid nitrogen levels; or
- s) defects in an item, faulty workmanship, structural defect, faulty design, faulty packing or faulty storing; or
- t) mechanical, electrical, hydraulic or electronic breakdown; or
- u) physical loss or damage arising directly or indirectly from or in any way connected with Flood.
- v) Loss of or damage to Money

Exclusions r) to t) shall only apply to Farm Property immediately affected and shall not extend to exclude loss of or damage to any other property that would otherwise be covered under this section.

BASIS OF SETTLEMENT

How We pay a claim for Farm Buildings, Unspecified Farm Structures and Farm Contents

There are two methods of calculating the amount payable for Your claims. They are 'Replacement value' and 'Indemnity value'. The method of claim payment calculation that You are covered for is shown on the Policy Schedule.

1. Replacement value

Replacement value involves the following calculation of the amount payable for Your claim:

- a) when loss or damage occurs to the Farm Buildings, Unspecified Farm Structures and Farm Contents, We will pay the cost of rebuilding, replacing or repairing any damaged part of Your Farm Buildings, Unspecified Farm Structures and Farm Contents to the same condition as when they were new;
- b) Farm Building or Farm Unspecified Structures may be rebuilt or erected at another location and in a manner suitable to You provided You pay any additional costs including building or erecting such items elsewhere;
- c) if the Farm Buildings, Unspecified Farm Structures and Farm Contents are lost or damaged You must start rebuilding, replacing or repairing without unreasonable

delay. If You do not, We will pay no more than the cost that would have been incurred if the work of rebuilding, replacement or reinstatement had commenced and carried out with reasonable speed;

- d) We will not pay for any costs to rebuild or repair Your Farm Building or Farm Unspecified Structures arising from any planning permission or building regulation requirements, requirements relating to the use of a building or property or any other form of regulation regarding construction of a building or use of property, that You or Your predecessor in title had to comply with when Your Farm Buildings or Unspecified Farm Structures were constructed or altered; and
- e) the 'Extra cost of reinstatement' set out below.

EXTRA COST OF REINSTATEMENT

Replacement value includes the Extra Cost of Reinstatement. We will also pay any further costs required for Your Farm Building or Unspecified Farm Structure to comply with the requirements of any Act of Parliament or Regulation made under an Act or By-law or the Regulation of any Municipal or Statutory Authority, subject to the following provisions and subject also to the terms, conditions and Sums Insured of this section.

Provided that in relation to the Extra Cost of Reinstatement:

- a) the work of reinstatement may be carried out wholly or partially upon any other site, if the requirements of an Act, Regulation or By-law necessitate it, subject to Our liability not being thereby increased; and
- b) Our total liability under this clause 'Extra Cost of Reinstatement' will be limited to:
 - i) the Sum Insured shown in the current Policy Schedule for 'Extra Cost of Reinstatement' which shall be in addition to the Sum Insured; or
 - ii) if no such Sum Insured is stated, and the damage is less than fifty percent (50%) of the Replacement Cost of the Farm Building, Farm Contents or Fencing, Our liability shall be limited to the extra cost necessarily incurred in reinstating the damaged Farm Property only; and
- c) We shall not pay for the additional costs if You were required to comply with, Regulation or By-law or requirement with which You or Your predecessor in title have been required to comply with or received notice that You or Your predecessor in title are required to comply with prior to the happening of the damage; and

Farm Property Damage

- d) if foundations are not destroyed following an occurrence and any Government or Statutory Authority requires reinstatement of the Farm Property to be carried out on another site, the abandoned foundations will be considered as destroyed. However, should the abandoned foundations increase the value of the original building site, this value will be deducted from the settlement of any claim. The amount of such an increase in value of the abandoned foundations will be determined by an estimation of the value or potential utility of the abandoned foundations to any future purchasers; and
- e) the underinsurance condition of this section of the Policy will not be applied to the amount payable under this clause.

2. Indemnity Value

If the basis of settlement shown in the Policy Schedule is Indemnity Value, We will pay the cost to:

- a) repair or replace the Farm Buildings, Unspecified Farm Structures and Farm Contents less a reasonable deduction in our opinion for age, wear, tear, depreciation and the general condition and remaining useful life of the individual item or components that are damaged. Any amount paid to You for the repair or replacement of Farm Buildings, Unspecified Farm Structures and Farm Contents will not include any allowance for Your profit or mark up; and
- b) We will also pay, in accordance with the Extra Cost of Reinstatement clause, the additional costs of complying with requirements of any statutory authority or by-laws, provided You were not required or received notice of such requirement to comply with any of the by-laws prior to the loss or damage occurring.

For Farm Buildings, Unspecified Farm Structures and Farm Contents

The most We will pay is the Sum Insured specified in the Policy Schedule for Farm Buildings, Unspecified Farm Structures and Farm Contents for any one claim and for all claims during the Period of Insurance.

For Fencing

If Fencing is damaged or is destroyed and:

- a) if 'Replacement' and a Sum Insured for 'Replacement' are shown on the Policy Schedule, We pay up to that Sum Insured towards the reasonable cost to purchase the materials and engage the labour required to replace, reinstate or repair the part of the Fencing damaged or destroyed as far as possible to its original condition, using materials that are readily available in Australia; or
- b) if 'Indemnity' and a Sum Insured for 'Indemnity' are shown on the Policy Schedule, We pay up to that Sum Insured towards the cost of materials to replace, reinstate or repair the part of the Fencing damaged or destroyed as far as possible to the condition it was in immediately before it was damaged or destroyed, using materials that are readily available in Australia or, at Our option, We will pay You the reasonable cost to do so. We will deduct an amount for wear, tear and depreciation.

For Hay or Grain

We will at Our option:

- a) pay the amount calculated by multiplying the quantity of Hay or Grain by the Market Value at the time of the loss or damage; or
- b) pay You the Sum Insured specified on the Policy Schedule for Hay or Grain.

For Livestock

We will at Our option pay the lesser of:

- a) the amount calculated by multiplying the quantity of Livestock by the Market Value of each animal at the time of the loss or damage occurs; or
- b) the Sum Insured specified for Livestock.

Limitation: The most We will pay for Livestock is \$1,000 per animal, unless a higher amount is shown in the Policy Schedule.

For Trees or Vines

We will pay the agreed value per hectare specified in the Policy Schedule, multiplied by the number of hectares (or part hectares) of Trees or Vines destroyed.

The most we will pay is the Sum Insured specified for Trees and Vines in the Policy Schedule.

Farm Property Damage

57

ADDITIONAL BENEFITS

If We agree to pay a claim under this section, We will also pay for:

1. Professional fees

Reasonable professional fees incurred to rebuild or repair Your Farm Buildings and Farm Contents, in addition to the Sums Insured. You must obtain Our agreement in writing before incurring such costs.

Limitation: The most We will pay under this Additional Benefit is:

- a) the greater of 10% of the total Sum Insured on Farm Building shown on the Policy Schedule for the damaged premises, or \$15,000; or
- b) any higher amount shown in the current Policy Schedule for "Professional Fees".

2. Removal of debris

The reasonable costs incurred for the demolition, dismantling, necessary temporary repairs, cleaning up and/or removal, storage and disposal of Farm Property. We will also pay for Your legal liability for the cost of removal of debris from adjoining premises, property, services, roadways and waterways as well as on the Situation.

Limitation: The most We will pay under this Additional Benefit is:

- a) the greater of 10% of the total Sum Insured on Farm Building and Farm Contents shown on the Policy Schedule for the damaged premises, or \$15,000; or
- b) any higher amount shown in the current Policy Schedule for "Removal of Debris".

3. Increased costs of working

The reasonable costs You incur to maintain Your usual farming activity at the Situation as a consequence of loss or physical damage to Farm Property or vehicle, but only if:

- a) We have paid a claim under this section for the damage; or
- b) the property damaged is a vehicle We insure under Our Farming Vehicle section; or
- c) the property damaged is a harvester We insure under Our motor vehicle policy for 'Farm Use' with 'Comprehensive' cover.

Limitation: The most We will pay under this Additional Benefit is the lesser of \$10,000 or the amount shown on the Policy Schedule.

We will not pay under this Additional Benefit for:

- a) a cost insured under another part of this Policy; or
- b) a loss, expense or cost arising from under insurance of Farm Property under this section; or
- c) a loss, expense or cost arising from under insurance under any other section or insurance policy; or
- d) an Excess imposed under this section, another section or any other insurance policy; or
- e) wear, tear, depreciation or betterment; or
- f) a cost recoverable under the Additional Benefit below 'Agistment costs and Loss of Agistment Income'; or
- g) any costs You incur more than 12 months after the date of the damage.

4. Working dog

the fees You reasonably incur to:

- a) restore to health; or
- b) destroy for humane reasons and remove and dispose of the carcass of Your working farm dog.

We will only pay this benefit if the fees and costs have been incurred as a consequence of death or injury as a result of one of the Events 1 to 8 set out under the heading 'Cover' above, provided that:

- a) the dog is in sound health and free from injury or physical disability at the commencement of this insurance or any subsequent renewal; and
- b) where required by Us, You will obtain evidence of the cause of death from a veterinary surgeon.

Limitation: The most We will pay under this Additional Benefit is \$1,000 or the amount shown in the Policy Schedule for "Working Dog Limit" for any one claim.

5. Livestock

The fees You reasonably and necessarily incur to:

- a) destroy the Livestock for humane reasons and dispose of any carcasses of Livestock; or
- b) for the provision of necessary veterinary care or supplies.

Limitation: The most We will pay under this Additional Benefit is the greater of 10% of the total Sum Insured for Livestock shown on the Policy Schedule, or \$10,000.

Farm Property Damage

6. Government fees

Any fee, contribution or other impost payable to any other Government, Local Government or other Statutory Authority where payment of the fee, contribution or impost is necessary to the obtaining of consent to reinstate any property insured provided that We will not be liable for payment of any fines and/or penalties imposed upon You by any such authorities.

Limitation: The most We will pay under this Additional Benefit is the greater of 10% of the total Sum Insured for Farm Building shown on the Policy Schedule for the damaged Farm Buildings, or \$15,000.

7. Temporary protection

The cost of temporary protection to safeguard the property insured.

Limitation: The most We will pay under this Additional Benefit is \$2,000.

If an occurrence results in a claim being covered under this cover section and another cover section of the Policy, the highest single limit under the relevant cover section applies to any claim made, and limits under the cover sections will not be cumulative.

8. Discharge of mortgages

The reasonable legal costs to discharge a mortgage or mortgages on Farm Buildings following settlement of a claim on the basis of a Total Loss.

Limitation: The most We will pay under this Additional Benefit is 10% of the total Sum Insured for Farm Buildings which has suffered loss or damage.

The cover provided by this section is extended to cover the following loss or damage during the period of insurance.

9. Shelter belts & windbreaks

We will pay the reasonable costs You incur to remove burnt out stumps and to replace stumps with seedlings and an appropriate protective guard if trees used at the Situation for a windbreak or erosion control are accidentally destroyed by fire during the Period of Insurance.

Limitation: The most We will pay under this Additional Benefits is the greater of \$3,000, or the amount shown in the Policy Schedule.

10. Farm Produce Deterioration

We will pay for deterioration of Your Farm Produce at the Farm Premises occurring during the Period of Insurance, but only if the deterioration is directly caused by You not being able to transport Your Farm Produce from the Farm Premises due to a road or railway in the vicinity of the Farm Premises becoming impassable due to fire, lightning, explosion, earthquake, storm, landslide, road collapse or washout.

We will pay what You would have received from the sale of Your Farm Produce at the time of the event that caused the deterioration, less the residual Market Value of Your Farm Produce immediately following the deterioration.

Limitations: We will only pay this Additional Benefit if 'Farm Contents' is shown on the Policy Schedule.

The most We will pay for this Additional Benefit is \$5,000 for all claims during the Period of Insurance.

This Additional Benefit will not cover You for any liability to others caused directly or indirectly as a consequence of the contamination of Your Farm Produce.

11. Contamination of milk

Where You have chosen cover for Your dairy plant and this is shown in the Policy Schedule, We will pay for the accidental contamination of Your milk due to:

- a) contact with cleaning agents or refrigerants used in the dairy; or
- b) the introduction of foreign matter into the milk; or
- c) the rise and fall in temperature due to the failure of the dairy plant insured by this Policy; or
- d) the failure of electricity supply at the terminal point of the suppliers feed to the Situation, provided this failure is caused by a breakdown of the suppliers system and not a deliberate act of the supplier, unless the supplier's deliberate act was carried out for the sole purpose of safeguarding life or protecting a part of the supplier's system.

The amount We will pay under this Additional Benefit:

- a) will be calculated on the average value per litre that You were paid over the last five milking days prior to the claim, multiplied by the litres of milk contaminated; and
- b) the most We will pay is \$10,000 for all claims during the period of insurance.

This Additional Benefit does not cover any liability You may have to others as result of the contamination of Your milk.

Farm Property Damage

59

12. Agistment costs

We will pay the agistment costs You reasonably incur as a consequence of damage to Pasture, a Farm Building, or Farm Fencing directly caused by a fire at your premises during the Period of Insurance, including:

- a) any removal and transport costs of Your Livestock to and from another property;
- b) the purchase of hand feed and/or fodder; or
- c) agistment income You do not receive.

Limitation: The most We will pay under this Additional Benefit is the greater of \$5,000 for any one claim and for all claims during the Period of Insurance.

We will not under this Additional Benefit pay costs or agistment income incurred for more than a period of:

- i) 12 months after the date on which the damage happened; or
- ii) seven days after the damage could reasonably have been repaired.

13. Neighbours fire fighting equipment

We will pay the costs that You reasonably incur to:

- a) replenish fire fighting equipment belonging to Your neighbour after use in any of these events; and
- b) replace any fire fighting equipment which is damaged whilst fighting a fire at the Situation.

Limitation: The most We will pay under this Additional Benefit is \$2,000

14. Prevention of damage

We will pay the costs that You reasonably incur to:

- a) to extinguish a fire at or in the vicinity of the Farm Property insured at the Situation; and
- b) to prevent or reduce damage to the Farm Property insured at the Situation; and
- c) replenish Your fire fighting equipment after use in any of these events.

Limitation: The most We will pay under this Additional Benefit is \$5,000.

15. Capital additions

We will cover additions to Your Farm Buildings, obtained or built during the Period of Insurance.

Limitation: We will not pay under this Additional Benefit more than the lesser of 10% of the total Sum Insured on Farm Buildings or \$100,000, in respect of Farm Property insured at any one Situation.

16. Directors and employees personal property

Cover is extended to include personal property not otherwise insured belonging to Your directors and employees whilst at the Situation.

Limitation: The most We will pay under this Additional Benefit during the Period of Insurance is \$5,000.

17. New premises – temporary cover

We will temporarily extend cover provided by this section to property at any new Situation first occupied by You during the Period of Insurance provided that:

- a) this temporary cover period is limited to the lesser of the following:
 - i) 60 days from the date You acquire or commence using the premises; or
 - ii) the expiry date of the current Period of Insurance; or
 - iii) the date on which the property ceases to belong to You;
- b) the property is used for the Farm Business is described on the Policy Schedule;
- c) the property is of a similar type to that already insured under this cover section;
- d) the new premises comprise Farm Buildings of similar construction, fire and security protection as featured in any Farm Premises currently described in the Policy Schedule; and
- e) You provide to Us full details of the new premises within 60 days of the commencement of this temporary cover. If We agree to continue the cover You must pay any additional Premium that We may require.

Limitation: The most We will pay under this Additional Benefit is 20% of the highest Sum Insured shown on the Policy Schedule for each item of property.

18. Rewriting of records

We will pay You for the clerical and professional costs incurred by You to re-write Your necessary business records if they are lost, destroyed or damaged, whilst located at Your Farm Premises or offsite anywhere in the Commonwealth of Australia, by an occurrence which You are covered for in the this Section. We will not pay You for any financial loss caused by the loss of Your records under this Additional Benefit.

Limitation: The most We will pay under this Additional Benefit is \$5,000.

Farm Property Damage

19. Temporary removal

We also cover Your insured Farm Contents while temporarily removed to any other premises within the Commonwealth of Australia provided that:

Limitations: The most We will pay under this Additional Benefit will be 20% of the Sum Insured for Farm Contents.

This Additional Benefit will not apply to any property insured, which has been removed for a period greater than 60 days without Our prior written consent.

20. Taxation and superannuation audit

We will pay up to \$5,000 towards professional fees You reasonably and necessarily incur in connection with a tax audit by the Australian Taxation Office (ATO) of Your Farm Business if the tax audit begins within the Period of Insurance but not within the first three months of the first time You take out this Policy with Us. There is no exclusion of cover for such audits in the first three months of the Policy when You renew Your Policy in a second or later year.

We will not pay for professional fees You incur in connection with:

- a) work carried out more than six months after the date on which the tax audit began; or
- b) returns not prepared by a lawyer, an accountant or a registered tax agent; or
- c) Your unreasonable refusal to comply with a request by the ATO for information or the production of documents; or
- d) a dispute over a tax, penalty, levy, cost, interest or fine imposed on You; or
- e) a dispute with a professional adviser You have engaged; or
- f) Your personal taxation affairs; or
- g) a fraudulent or criminal act or omission committed by You or Your agent or Your lawyer, accountant or tax agent or by another with Your knowledge and consent.

We only make a payment under this Additional Benefit if You:

- a) notify Us immediately upon becoming aware that a tax audit is to be carried out; and
- b) instruct Your lawyer, accountant or registered tax agent to provide Us any information, document or advice We ask for; and

- c) expressly authorise the ATO to tell Us directly about all or any matter We ask about that is the subject of the tax audit; and
- d) following Our request You provide Us with a statement from Your lawyer, accountant or tax agent indicating whether or not further work has reasonable prospects of reducing the amount of tax payable by You.

We are entitled to stop paying professional fees under this Additional Benefit if:

- i) You unreasonably refuse to comply with a request by the ATO for information or the production of a document; or
- ii) We consider further expenditure of fees has no reasonable prospects of reducing the amount sought by the ATO.

Limitations: The most We will pay under this Additional Benefit is \$5,000 in any one Period of Insurance.

Farm Interruption

61

This section forms part of the Policy only if shown in the Policy Schedule as having been taken by You.

DEFINITIONS

The definitions below apply only to this section of the Policy and override all other definitions, including the General Definitions applying to all sections of the Policy.

“Annual Rent Receivable” means the Rent Receivable by You during the 12 months immediately before the date of the Damage.

“Annual Revenue” means the Revenue earned by You during the 12 months immediately before the date of the Damage.

“Annual Turnover” means Your Turnover during the 12 months immediately before the date of the Damage.

“Damage” means physical loss, destruction or damage (occurring during the Period of Insurance) from the operation of a peril or event insured against under Farm Property Damage, Farm Theft, or Farm General Property sections of Your Policy.

“Gross Profit” means the amount by which the sum of the Turnover and the amount of the closing Farm Produce and closing work in progress exceeds the sum of the opening Farm Produce and opening work in progress and the amount of the Uninsured Working Expenses.

The amount of the opening and closing Farm Produce and work in progress will be arrived at in accordance with Your normal accounting methods, due provision being made for depreciation.

“Indemnity Period” means the period beginning with the occurrence of the Damage during which the results of Your Farm Business are affected by the Damage and ending at the expiration of the maximum period specified in the current Policy Schedule or, in the case of Weekly Revenue, ending at the earliest of either the expiration of the maximum period specified in the Policy Schedule or when Weekly Revenue during that period equals or exceeds 95% of Standard Weekly Revenue.

“Pasture” means growing grasses, legumes, and herbage that are used for the purpose of grazing Livestock.

“Rate of Gross Profit” means the Rate of Gross Profit, expressed as a percentage, earned on the Turnover during the financial year immediately before the date of the Damage.

“Rent Receivable” means the amount of the rent received or receivable (including base rental, Turnover rental and contributions to outgoings) from the letting of property at the Farm Premises.

“Revenue” means the Money paid or payable to Your Farm Business for:

- a) Farm Produce sold and delivered (after adjustments for opening and closing work in progress and Farm Produce);
- b) agisting Livestock that You do not own at the Situation; and
- c) services rendered in connection with Your Farm Business.

“Shortage in Turnover” means the amount by which the Turnover during a period will, in consequence of the Damage, fall short of the part of the Standard Turnover which related to that period.

“Standard Rent Receivable” means the Rent Receivable during that period in the 12 months immediately before the date of the Damage which corresponds with the Indemnity Period.

“Standard Revenue” means the Revenue earned within that period during the 12 months immediately before the date of the Damage which corresponds with the Indemnity Period.

“Standard Turnover” means the Turnover during that period in the 12 months immediately before the date of the Damage which corresponds with the Indemnity Period.

“Turnover” means the amount (less discounts allowed) paid or payable to You for goods sold and delivered and for services rendered in the course of Your Farm Business at the Farm Premises.

“Uninsured Working Expenses” means the working expenses of Your Farm Business which You have elected not to insure under this section, and which are specified in the current Policy Schedule.

COVER

There are three parts available in this section:

Part A - Loss of Farm Income

Part B – Farm Continuation Expenses

Part C – Loss of Rent Receivable

Your Policy Schedule indicates which Part or Parts are covered by Your Policy.

In the event of interruption of or interference with Your Farm Business in consequence of Damage during the Period of Insurance to any:

- a) Farm Building or Farm Contents for which We have paid a claim for under Farm Property Damage section; or

Farm Interruption

- b) any motor vehicle You insure under the Farm Vehicles – Agricultural Equipment and Mobile Plant section with Comprehensive Cover, or Fire and Theft Cover only, which We would have paid for had the vehicle been specifically insured under the Farm Property Damage Section, or Farm Theft section; or
- c) any Livestock agisted at the Situation when it died and for which We would have paid if You owned the Livestock and had insured it under the Farm Property Damage section, or
- d) damage to Pasture caused by fire or lightning;

We will pay You the amount of the loss resulting from such interruption or interference set out in a) to d) above.

Provided in relation to the above cover that:

- a) the payment is calculated in accordance with the relevant 'Basis of Settlement' set out below; and
- b) that Our payment will in no case exceed the Sum Insured shown in the current Policy Schedule.

BASIS OF SETTLEMENT

In calculating the settlement under parts A ,B and/or C, adjustments will be made to Annual Rent Receivable, Annual Revenue, Annual Turnover, Rate of Gross Profit, Standard Rent Receivable, Standard Revenue and Standard Turnover as may be necessary to provide for the trend of Your Farm Business and for variations in or other circumstances affecting Your Farm Business either before or after the Damage or which would have affected Your Farm Business had the Damage not occurred, so that the adjusted figures will represent as nearly as may be reasonably practicable the results which, but for the Damage, would have been obtained during the relative period after the Damage.

Where cover under any other section of the Policy results in a payment which could be covered under this Farm Interruption section, account will be taken of that payment in assessing the loss.

PART A - LOSS OF FARM INCOME

This item is limited to loss of Revenue and increase in cost of working.

The amount payable as indemnity under Part A will be:

- a) in respect of loss of Revenue, the amount by which the Revenue earned during the Indemnity Period falls short of the Standard Revenue in consequence of the Damage; and

- b) in respect of the increase in cost of working, the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the loss of Revenue which, but for the additional expenditure, would have taken place during the Indemnity Period in consequence of the Damage. However, Our payment in respect of the increase in Your cost of working will not exceed the amount of reduction in Revenue thereby avoided, less any sum saved during the Indemnity Period in respect of such charges and expenses of Your Farm Business payable out of Revenue as may cease or be reduced in consequence of the Damage.

PART B - FARMING CONTINUATION EXPENSES

We will pay You the additional expenses necessarily and reasonably incurred by You for the sole purpose of maintaining Your Farm Business at the Situation on the same basis as the 12 months immediately before the Damage giving rise to the claim.

This Part B includes any costs that You reasonably and necessarily incur to feed or agist Livestock belonging to You which were kept at the Situation including any required transport costs.

We will not pay more than the amount of Farm Income in the 12 months immediately before the claim.

PART C – LOSS OF RENT RECEIVABLE

This item is limited to loss of Rent Receivable and additional expenditure.

The amount payable will be:

- a) in respect of loss of Rent Receivable, the amount by which the Rent Receivable during the Indemnity Period falls short of the Standard Rent Receivable in consequence of the Damage; and
- b) in respect of additional expenditure, the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the loss of Rent Receivable which, but for that expenditure, would have taken place during the Indemnity Period in consequence of the Damage. However, such additional expenditure shall not exceed the amount of the reduction in Rent Receivable thereby avoided.

Farm Interruption

63

We will deduct from Our payment any sum saved during the Indemnity Period in respect of such of the expenses and charges payable out of the Rent Receivable as may cease or be reduced in consequence of the Damage.

Where cover under any other section of the Policy results in a payment which could be covered under this section, account will be taken of that payment in assessing the loss.

CONDITIONS

1. Sum Insured

Our liability to You for each item insured will in no case exceed the Sum Insured expressed against that item in the current Policy Schedule. 'Additional Benefits' in this Farm Interruption (FI) section provided as part of and within the total Sum Insured for this FI section and are not additional to the total FI section Sum Insured.

2. Accumulated stocks

In adjusting any loss, We will take account of and make equitable allowance for any reduction in Turnover or loss of Revenue or Weekly Revenue in consequence of the Damage is postponed by reason of the Turnover or Revenue or Weekly Revenue (as the case may be) being temporarily maintained from accumulated stocks of Farm Produce.

3. Alternative trading

If during the Indemnity Period, goods are sold, work is performed or services are rendered elsewhere than at the Situation for the benefit of Your Farm Business either by You or by others acting on Your behalf, the Money paid or payable in respect of such sales, work or services will be brought into account in arriving at the Annual Revenue, Weekly Revenue or Turnover (as the case may be) during the Indemnity Period.

4. Amended definitions for new businesses

If Damage occurs at the Farm Premises before the completion of the first year's trading of Your Farm Business, the defined terms "Standard Revenue", "Annual Revenue", "Standard Weekly Revenue", "Standard Turnover" and "Annual Turnover" shall instead have the following meanings wherever they appear in this section:

"Standard Revenue" means the Revenue achieved between the date of commencement of Your Farm Business and the date of the Damage, converted to the selected Indemnity Period.

"Annual Revenue" means the actual Revenue achieved during Your first year of operations, from the commencement of Your Farm Business to the date of the Damage, converted to a 12-month equivalent figure.

"Standard Weekly Revenue" means the amount calculated by averaging the Weekly Revenues obtained during the period from the date of the commencement of Your Farm Business to the date of the Damage.

"Annual Turnover" means the actual Turnover achieved, from the commencement of Your Farm Business to the date of the Damage, converted to a 12-month equivalent figure.

"Standard Turnover" means the Turnover achieved between the date of commencement of Your Farm Business and the date of the Damage, converted to the selected Indemnity Period.

The above definitions may be used as necessary to calculate the trend of Your Farm Business and for variations in or other circumstances affecting Your Business either before or after the Damage or which would have affected Your Farm Business had the Damage not occurred, so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the result which but for the Damage would have been obtained during the relative period after the Damage.

Farm Interruption

5. Books of account

Any particulars or details contained in Your books of account or other business books or documents that may be required by Us for investigating or verifying any claim made under this section must be produced and if required by Us certified by Your auditors. The auditor's certificate will be prima facie evidence of the particulars and details to which the certificate relates. You will provide authority for Your auditors to discuss any matter with Us that We require.

EXCLUSIONS

Flood

We will not pay for interruption of or interference with Your Farm Business occurring during the Period of Insurance arising directly or indirectly from or in any way connected with Flood.

ADDITIONAL BENEFITS

This section is extended to include the Additional Benefits set out below. These Additional Benefits are only payable provided that the Sum Insured expressed against the relevant item(s) in the Policy Schedule are not otherwise exhausted.

We will pay You (depending on the Part of this section which is applicable to You) for:

- a) loss of Revenue; or
- b) loss of Weekly Revenue.

resulting from interruption of or interference with Your Farm Business as a result of Damage occurring during the Period of Insurance to any of the following:

1. Customers and suppliers

any goods or materials or services (other than those services provided by any public utilities) within Australia which are:

- a) at the premises of Your suppliers or customers; or
- b) at storage premises neither owned nor operated by You where You store goods or materials.

However Our liability for this Additional Benefit will not exceed the greater of 20% or the percentage shown in the Policy Schedule of the Sum Insured applicable to this section.

2. Claim preparation expenses

We will pay for the costs of reasonable professional fees as may be payable by You and other such reasonable expenses necessarily incurred by You and not otherwise recoverable, for preparation and negotiation of claims under this section we will pay You the greater of:

- a) \$5,000; or
- b) up to the amount shown in the current Policy Schedule.

Farm Theft

65

This section forms part of the Policy only if shown in the Policy Schedule as having been taken by You.

DEFINITIONS

The definitions below apply only to this section of the Policy and override all other definitions, including the General Definitions applying to all sections of the Policy.

“Money” means cash or negotiable instruments used in the Farm Business.

“Theft” means the dishonest appropriation of property and/or Money.

Farm Buildings, Farm Contents, Fencing, Hay or Grain, Livestock has the same definition as in Farm Property Damage Section.

COVER

We cover You for loss of or damage which occurs during the Period of Insurance caused by Theft or attempted Theft at the Situation to the Farm Buildings, Farm Contents, Fencing, Hay or Grain, or Livestock, if these items are specified in Your Policy Schedule under the Farm Property Damage section.

BASIS OF SETTLEMENT

1. Farm Buildings, Farm Contents, Fencing, Hay or Grain

We will either:

- a) repair, replace or reinstate the Farm Buildings, Farm Contents, Fencing, Hay or Grain, to the condition it was in just before the loss or damage occurred; or
- b) pay You the reasonable costs to repair, replace or reinstate the Farm Buildings, Farm Contents, Fencing, Hay or Grain, to the condition it was in just before the loss or damage occurred; or
- c) pay You the value of the item of Farm Buildings, Farm Contents, Fencing, Hay or Grain, just before the loss or damage occurred; or
- d) pay You the Sum Insured stated under the Farm Theft section.

2. Livestock

We will pay You the market value of the animal at the time it was stolen or died as a result of attempted Theft, less the residual value of the animal.

ADDITIONAL BENEFITS

If We agree to pay a claim under this section, We will also pay for:

1. Temporary protection

The cost of necessary temporary protection and repairs and the employment of guards/watchmen to required to protect Agricultural Equipment and Mobile Plant;

Limitation: The most We will pay under this Additional Benefit for any one claim is \$2,000.

2. Locks, keys and combinations

The cost of:

- a) replacing locks, keys or combinations used in Your Farm Business if
 - i) the keys, locks or combinations are stolen; or
 - ii) there are reasonable grounds to suspect that Your keys or combinations have been stolen or copied without Your authority; and
- b) opening Safes if locks, keys or combinations are stolen;

Limitation: The most we will pay under this Additional Benefit for any one claim is \$2,000.

3. Theft from an auctioneers store or premises or exhibition

Loss or damage to Farm Contents or Farm Buildings which are stolen from an auctioneers' store or premises or exhibition as a result of forcible and violent entry into that store or premises or exhibition during the Period of Insurance.

Limitation: The most We will pay under this Additional Benefit for any one claim is \$5,000.

4. Property of directors and employees

The loss or damage of personal property of directors and employees whilst at the Farm Premises provided it is not otherwise insured.

Limitation: The most We will pay under this Additional Benefit for any one claim is \$2,000.

Farm Theft

5. Temporary removal

Farm Contents while temporarily removed from the Situation and suffer loss or damage to any other premises within the Australia, provided that:

- a) the most We will pay under this Additional Benefit for any one claim is \$5,000 in any one Period of Insurance; and
- b) this Additional Benefit will not apply to any Farm Contents which have been removed for a period greater than 60 days from the Situation without Our prior written consent;

6. Damage to Farm Buildings

The cost of repairing damage to Farm Buildings as a result of Theft or attempted Theft; but We will not pay under this Additional Benefit more than \$5,000 for any one claim;

7. Farm Money

Theft of Farm Money.

Limitation: The most We will pay under this Additional Benefit for any one claim is \$2,000.

EXCLUSIONS – APPLICABLE TO FARM THEFT COVER

We will not pay under the Farm Theft cover section for Theft or attempted Theft:

- a) from unlocked unattended vehicles; or
- b) by You, Your Family or any of Your employees including contractors, sub-contractors and labour hire or any person whilst lawfully at the Situation; or
- c) without tangible proof of loss; or
- d) unexplained disappearance, or unexplained inventory shortage, whether resulting from a clerical or accounting errors or shortages in supply or delivery of materials to or from You; or
- e) if the Situation has been left unattended for 60 days or more; or
- f) not discovered within a reasonable period; or
- g) of personal effects of any kind; or
- h) of growing or standing crops, Trees, Vines or other growing plants or vegetation; or
- i) of any item of contents insured by the Farmhouse Buildings, Farmhouse Contents and Personal Valuables section; or
- j) of any caravans, pleasurecraft, trailers, Aircraft or their accessories, spare parts and equipment; or

k) Loss of Money:

- i) that is covered under the Farmhouse Buildings, Farmhouse Contents and Personal Valuables section; or
- ii) the loss of which is due to shortages resulting from clerical or accounting errors, or due to errors in receiving or paying out; or
- iii) not discovered within seven days of the loss occurring;
- iv) from an unattended vehicle; or
- v) whilst it is the responsibility of, or in possession of, professional money carriers; or
- vi) obtained from a Safe or Strongroom opened by a key or combination which has been left on the premises.

Farm Broadform Liability

67

This section forms part of the Policy only if shown in the Schedule as having been taken by You.

DEFINITIONS

The definitions below apply only to this section of the Policy and override all other definitions, including the General Definitions applying to all sections of the Policy.

“Advertising Injury” means injury arising out of:

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

arising from any advertisement, publicity article, broadcast or telecast and caused by or arising out of Your advertising activities.

“Approval” means a written approval issued to You by the Queensland Department of Main Roads for the driving of tracked cane harvesting equipment across an Approved Single Crossing Point or within a Permitted Zone.

“Approved Single Crossing Point” means a single crossing point or points approved by the Queensland Department of Main Roads in the Approval.

“Compensation” means monies paid or agreed to be paid as a result of judgment, award or settlement for Personal Injury and/or Property Damage and/or Advertising Injury which arises as a result of an Occurrence to which this insurance section of the Policy applies.

“Contract Farming” means any form of farming activity that you carry on for someone else for your own financial reward, but does not include:

- a) farming activities where the annual income from such activities contributes more than 15% or \$50,000 of the annual income for Your Farm Business; or
- b) the use of any explosives; or
- c) the application or distribution of hormones; or
- d) crop spraying or weed control.

“Employee” means any person who is employed by You and/or in respect of whom You are required to have cover for workers compensation or similar cover by any workers compensation legislation.

“Employment Practices” means any wrongful or unfair dismissal, denial of natural justice, defamation, misleading representation or advertising, harassment or discrimination in respect of Your Employees.

“Excess” means the first amount of each claim or series of claims arising out of any one Occurrence for which You are responsible. The Excess applicable to this insurance appears in the Policy Schedule. The Excess applies to all amounts for which We are liable, under this section including the indemnity provided by Defence Costs and Supplementary Payments.

“Genetically Engineered or Genetically Modified Substance or Organism” means a living plant, animal or microbe that has been altered by the addition or modification of a gene through the process of genetic engineering and contains genes or portions of genes from unrelated organisms.

“General Liability” means Your legal liability for Personal Injury, Property Damage or Advertising Injury caused by or arising out of an Occurrence happening in connection with Your Business other than Products Liability.

“Geographical Limit” means

- a) anywhere within the Commonwealth of Australia and its external territories; and
- b) elsewhere in the world, but only with respect to:
 - i) overseas business visits by any of Your directors, partners, officers, executives or Employees, who normally reside in Australia but not where they perform manual work or supervise manual work in North America; or
 - ii) Products supplied from the Commonwealth of Australia, but the indemnity granted in relation to such Products shall not apply to claims in respect of Personal Injury and/or Property Damage happening in North America where such Products have been exported to North America with Your knowledge.

“Incidental Contracts” means:

- a) any written rental agreement for the lease of real or personal property not requiring an obligation to insure such property, or for You to be strictly liable regardless of fault;
- b) any written contract with any authority or entity responsible for the supply of electricity, fuel, gas, natural gas, air, steam, water, sewerage reticulation control systems, Waste disposal facilities, telephone and communication services or other essential services, except those contracts in connection with work done by You for such authorities or entities;
- c) any written contract with any railway authority for the loading, unloading and/or transport of Your Products, including contracts relating to the operation of railway sidings; and

Farm Broadform Liability

d) those contracts designated in the Policy Schedule.

“Internet Operations” means:

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

“Land” means any area where Livestock is agisted or where plants, crops or forestry are grown, in connection with Your Business.

“Medical Persons” means qualified medical persons, including but not limited to, medical practitioners, medical nurses, dentists and first aid attendants.

“Named Insured” means:

- a) the person(s), corporations and/or other organisations specified in the Policy Schedule;
- b) all existing subsidiary and/or controlled corporations (including subsidiaries thereof) of the Named Insured incorporated in the Commonwealth of Australia and/or any other organisations under the control of the Named Insured;
- c) all subsidiary and/or controlled corporations (including subsidiaries thereof) of the Named Insured and/or any other organisations under the control of the Named Insured incorporated in the Commonwealth of Australia and which are constituted or acquired by the Insured after the commencement of the Period of Insurance; and
- d) every subsidiary and/or controlled corporation and/or other organisation of the Named Insured which is divested during the Period of Insurance, but only in respect of claims made against such divested subsidiary, related or controlled corporation or organisation caused by or arising out of Occurrences insured against by this Policy, which occurred prior to the divestment.

“North America” means:

- a) the United States of America and the Dominion of Canada;
- b) any state, territory or protectorate incorporated in, or administered by, the United States of America or the Dominion of Canada; and
- c) any country or territory subject to the laws of the United States of America or the Dominion of Canada.

“Occurrence” means an event, including continuous or repeated exposure to substantially the same general conditions, which results in Personal Injury and/or Property Damage and/or Advertising Injury that is neither expected nor intended (except for the matters set out in item (e) of the definition of ‘Personal Injury’) from Your standpoint.

With respect to Personal Injury or Property Damage, all events of a series consequent upon or attributable to one source or original cause shall be deemed to be one Occurrence.

All Advertising Injury arising out of the same injurious material or act (regardless of the frequency or repetition thereof, the number and kind of media used, or the number of claimants) shall be deemed to be one Occurrence.

“Permitted Zone” means a zone approved by the Queensland Department of Main Roads in the Approval.

“Personal Injury” means:

- a) bodily injury, death, sickness, disease, illness, disability, shock, fright, mental anguish and mental injury, including loss of consortium or services resulting therefrom;
- b) false arrest, false imprisonment, wrongful detention, malicious prosecution or humiliation;
- c) wrongful entry or wrongful eviction or other invasion of privacy;
- d) libel, slander or defamation of character, unless arising out of Advertising Injury; and
- e) assault and battery which was not committed by You or at Your direction, unless committed for the purpose of preventing or eliminating danger to persons or property.

“Pollutants” means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapour, soot, fumes, acids, alkalis, chemicals and Waste material. ‘Waste material’ includes materials that are intended to be recycled, reconditioned or reclaimed.

“Products” means anything, after it has ceased to be in Your physical legal control, manufactured, constructed, erected, assembled, installed, grown, reared, extracted, produced or processed, treated, altered, modified, repaired, serviced, bottled, labelled, handled, sold, supplied, re-supplied or distributed, imported or exported, by You or on Your behalf

Farm Broadform Liability

69

(including Your predecessors in Your Business), including any packaging or containers thereof, including the design, formula or specification, directions, markings, instructions, advice or warnings given or omitted to be given in connection with such Products and anything which, by law or otherwise, You are deemed to have manufactured in the course of Your Business including discontinued Products.

However, Products does not include:

- a) food and beverages supplied by You or on Your behalf primarily to Your Employees as a staff benefit; or
- b) any vending machine or any other property rented to or located for use of others but not sold by You.

Any claims made against You in respect of Personal Injury and/or Property Damage arising out of any Occurrence in connection with items specified in paragraphs a) and b) shall be regarded as General Liability claims hereunder.

“Products Liability” means Your legal liability for Personal Injury and/or Property Damage caused by or arising out of any Products or the reliance upon a representation or warranty made at any time with respect to such Products; but only where such Personal Injury and/or Property Damage occurs away from premises owned or leased by or rented to You and after physical possession of such Products has been relinquished to others.

“Property Damage” means:

- a) physical loss, destruction of or damage to tangible property, including the loss of use of tangible property resulting from its physical loss, or destruction and/or damage to it; and/or
- b) loss of use of tangible property which has not been physically lost, destroyed or damaged, provided that such loss of use is caused by or arises out of an Occurrence.

“Tool of Trade” means a Vehicle whilst it has tools, implements, machinery or plant attached to it or is towing such items and it is being used by You at Your Farm Premises or on any Work Site. Tool of Trade does not include any Vehicle whilst travelling to or from a Work Site or Vehicles that are used to carry goods to or from any Land.

“Tracked Cane Harvesting Equipment” means a machine which:

- a) is independently powered by an internal combustion or electrical engine; and
- b) cuts sugar cane, separates the cane from the leaves and collects fallen or cut cane; and
- c) uses metal tracks not wheels for its locomotion.

“Work Site” means any Land or site where any work is performed for and/or in connection with Your Farm Business together with all areas surrounding such Land or site and/or

all areas in between such Land or site that You use in connection with such work.

“You”, “Your” and “Insured” means the person(s), companies or firms named on the current Policy Schedule as the ‘Insured’.

Each of the following is an Insured to the extent specified below:

- a) the Named Insured;
- b) every past, present or future director, stockholder or shareholder, partner, proprietor, officer, executive or Employee of the Named Insured (including the spouse of any such person while accompanying such person on any commercial trip or function in connection with Your Business), or work experience persons or volunteers while such persons are acting for or on behalf of the Named Insured and/or within the scope of their duties in such capacities;
- c) any employee superannuation fund or pension scheme managed by or on behalf of the Named Insured, and the trustees and the directors of the trustee of any such Employee superannuation fund or pension scheme which is not administered by corporate fund managers;
- d) every principal in respect of the principal’s liability arising out of:
 - i) the performance by or on behalf of the Named Insured of any contract or agreement for the performance of work for such principal, but only to the extent required by such contract or agreement and in any event only for such coverage and Limits of Liability as are provided by this Policy;
 - ii) any Products sold or supplied by the Named Insured, but only in respect of the Named Insured’s own acts or omissions in connection with such Products and in to whom or to which the Named Insured is obligated by reason of law, (whether written or implied) to provide insurance such as is afforded by this Policy, but only to the extent required by such law, and in any event only for such coverage and Limits of Liability as are provided by this Policy;
- f) every officer, member, Employee or voluntary helper of the Named Insured’s canteen, social, sporting clubs, or fire fighting services, charities, welfare and/or child care facilities, while acting in their respective capacities as such;

Farm Broadform Liability

- g) any director, partner, proprietor, officer or executive of the Named Insured in respect of private work undertaken by the Named Insured's Employees for such person and any Employee whilst actually undertaking such work; and
- h) the estates, legal representatives, heirs or assigns of:
 - i) any deceased or insolvent persons; or
 - ii) persons who are unable to manage their own affairs by reason of mental disorder or incapacity; who would otherwise be indemnified by this Policy, but only in respect of liability incurred by such persons as described in clauses h(i) and h(ii) above,
 - iii) every party including joint venture companies and partnerships to whom the Named Insured is obligated by virtue of any contract or agreement to provide insurance such as is afforded by this Policy; but only to the extent required by such contract or agreement and in any event only for such coverage and Limits of Liability as are provided by this Policy.

"Your Business" means the business as described in the Policy Schedule and shall include:

- a) Contract Farming;
- b) the ownership of premises or the tenancy of premises by You;
- c) the provision of any sponsorships, charities, galas, or fire fighting service by You or on Your behalf;
- d) private work undertaken by Your Employees for any of Your directors, partners, proprietors, officers or executives;
- e) the provision of any canteen, social and/or sporting clubs or welfare and/or child care facilities by You or on Your behalf, which are primarily for the benefit of Your Employees.

COVER

We agree (subject to the terms, and conditions, exclusions and endorsements of this cover section and the Policy) to pay to You or on Your behalf all amounts which You shall become legally liable to pay as Compensation in respect of:

1. Personal Injury; and/or
2. Property Damage; and/or
3. Advertising Injury,

happening during the Period of Insurance within the Geographical Limits and caused by or arising out of an Occurrence in connection with Your Business.

DEFENCE COSTS AND SUPPLEMENTARY PAYMENTS AND EXPENSES

With respect to the indemnity provided by this section of the Policy, We will:

1. defend, in Your name and on Your behalf, any claim or suit against You alleging Personal Injury, Property Damage or Advertising Injury and seeking damages on account thereof even if any of the allegations made in any such claim or suit are groundless, false or fraudulent;
2. pay all charges, expenses and legal costs incurred by Us and/or by You with Our prior written consent:
 - a) in the investigation, defence or settlement of any such claim or suit, including loss of salaries or wages because of Your attendance at hearings or trials at Our request; or
 - b) in bringing or defending appeals in connection with such claim or suit;
3. pay all charges, expenses and legal costs recoverable from or awarded against You in any such claim or suit and all interest accruing on Our portion of any judgment until We have paid, tendered or deposited in court that part of such judgment which does not exceed the Limit of Our Liability;
4. pay expenses incurred by You for:
 - a) temporary protection of damaged or undamaged property of any person or party, including temporary repairs, shoring up and/or unpinning thereof;
 - b) purchasing and/or hiring and/or erection and dismantling of hoarding, barriers, fences and any other form of temporary protection, including any such protection which You are required to provide by any Government, Local Government or other Statutory Authority;
5. pay all legal costs incurred by You with Our consent for representation of You at any:
 - a) Coronial inquest or Inquiry;
 - b) proceedings in any court or tribunal relating to liability insured against by this section of the Policy.

Any amounts paid by us as defence costs or expenses and/or supplementary payments incurred, will be in addition to the applicable Limit of Liability.

However, in respect of any claims or suits originating in any court in North America, the applicable Limit of Liability will include all amounts paid by Us as Defence costs and/or supplementary payments and expenses.

Where We are prevented by law or otherwise from making payments on Your behalf, We will indemnify You for legal

Farm Broadform Liability

71

liability incurred to the extent that such liability is covered by this Policy.

In jurisdictions where We may not legally be permitted to, or cannot for any other reason, defend any claim or suit against You, We will reimburse You for the costs of defending that claim or suit incurred with Our prior written consent.

LIMIT OF LIABILITY AND EXCESS

Subject to:

- the 'Defence costs and supplementary payments and Expenses' clause and;
- item 5 of Extra Cover 'Property in Your physical and legal control',

the Limit of Liability specified in the Policy Schedule represents the maximum amount which We shall be liable to pay in respect of any one claim or series of claims arising out of any one Occurrence.

However, for Products Liability the Limit of Liability specified in the Policy Schedule represents the maximum amount which We shall be liable to pay:

- in respect of any one claim or series of claims; and
- in the aggregate during any one Period of Insurance.

Any excess payable to You will not reduce the applicable Limit of Liability.

EXTRA COVERS

1. Property in Your physical and legal control

Exclusion 16 will not apply to the following property:

- premises or part(s) of premises (including their contents) leased or rented to, or temporarily occupied by You for the purpose of Your Business, but no cover is provided by this Policy if You have assumed the responsibility to insure such premises;
- premises (and/or their contents) temporarily occupied by You for the purpose of carrying out work in connection with Your Business but We will not indemnify You for damage to that part of any property upon which You are or have been working if the damage arises solely out of such work; or
- any other property temporarily in Your possession for the purpose of being worked upon, but We will not indemnify You for damage to that part of any property upon which You are or have been working if the damage arises solely out of such work;
- any Vehicle (including its contents, spare parts and accessories while they are in or on such Vehicle) not

belonging to or used by You, whilst any such Vehicle is in a car park owned or operated by You provided that You do not operate the car park for reward, as a principal part of Your Business;

- any property (except property that You own) not mentioned in clauses 1, 2, 3, 4 and 6 of this Extra Cover whilst in Your physical or legal care, custody or control where You have accepted or assumed legal liability for such property.

However, We will only pay \$250,000 or the amount stated in the Schedule (whichever is greater), in respect of any one claim or series of claims in respect of Property in Your physical or legal care, custody or control arising out of any one Occurrence;

- the personal property, tools and effects of any of Your directors, partners, proprietors, officers, executives or Employees, or the clothing and personal effects of any of Your visitors;
- Any birds or animals whilst in Your physical or legal care, custody or control where You have accepted or assumed legal liability for such birds or animals.

However, We will only pay:

- \$100,000 for any one bird or animal; and
- \$250,000 for all birds and animals in the aggregate during the period of insurance.

2. Queensland Tracked Cane Harvesting Equipment

This Policy section while not providing compulsory third-party insurance required by the Motor Accident Insurance Act 1994(Qld) (hereinafter 'CTP Insurance') is extended to insure You, the State of Queensland, the Chief Executive of the Queensland Department of Main Roads and his or her servants and agents against You and their legal liability to pay Compensation to the extent possible without providing CTP Insurance:

- Personal Injury; or
- Property Damage;

directly caused by the driving of Tracked Cane Harvesting Equipment across an Approved Single Crossing Point or within a Permitted Zone in the State of Queensland.

This benefit also insures You against Your legal liability to indemnify the State of Queensland, the Chief Executive of the Queensland Department of Main Roads and his or her servants and agents imposed on You by the terms of the Approval, to the extent this Policy can do so without providing CTP Insurance or contravening the Motor Insurance Act 1994(Qld).

You are only entitled to this benefit if the Tracked Cane Harvesting Equipment was driven across an 'Approved Single

Farm Broadform Liability

Crossing Point' or within a 'Permitted Zone' in the State of Queensland:

- a) pursuant to an Approval which is in force at that time; and
- b) during the Period of Insurance.

We pay up to the lesser of the sum insured or \$10,000,000 for all claims arising out of any one Occurrence.

In the event of any other section of this Policy affording cover in addition to this Extra Cover, nothing shall be payable under that other section.

This Extra Cover does not insure any liability for road damage directly caused by the Tracked Cane Harvesting Equipment.

This Extra Cover is subject to all Policy Exclusions.

3. Milk Tanker Contamination

This Policy section is extended to insure You, for Your legal liability to pay Compensation arising out of contamination of milk contained in a milk tanker due to the introduction of Your contaminated milk.

This cover only extends to you for accidental or malicious contamination or pollution arising from:

- a) cleaning fluids, cleaning materials, antibiotics or pharmaceuticals used in the milking shed or dairy; or
- b) the introduction of any foreign matter (other than bacteria).

Our liability under this Extra Cover is limited to \$15,000 for any one Occurrence and in the aggregate in respect of any one Period of Insurance.

EXCLUSIONS – APPLICABLE TO FARM BROADFORM LIABILITY COVER

The following exclusions apply to Farm Broadform Liability in addition to the General Exclusions.

We do not cover any liability under this cover section:

1. Property owned by You

for Property Damage to property owned by You; or

2. Vehicles

for Personal Injury or Property Damage arising out of the ownership, possession or use by You of:

- a) any Vehicle which is registered or which is required under any legislation to be registered; or

- b) any Vehicle in respect of which compulsory liability insurance or statutory indemnity is required by any legislation (whether or not that insurance is effected); or
- c) Tracked Cane Harvesting Equipment.

However Exclusions 2 a), 2 b) and 2 c) shall not apply where:

1. that compulsory liability insurance or statutory indemnity does not require indemnity for Personal Injury or Property Damage; and
2. the reason or reasons why that compulsory liability or statutory indemnity does not provide indemnity for Personal Injury or Property Damage do not involve any breach by You of any legislation relating to Vehicles or Tracked Cane Harvesting Equipment or the Motor Insurance Act 1994 (Qld); or
3. the Personal Injury or Property Damage arises as a result of the use of any Vehicle or Tracked Cane Harvesting Equipment (including any tool or plant forming part of or attached to or used in connection with such Vehicle or Tracked Cane Harvesting Equipment) whilst being operated or used by You or on Your behalf as a Tool of Trade at Your premises or on any Work Site; or
4. the Personal Injury or Property Damage arises from the delivery or collection of goods or produce to or from any Vehicle or Tracked Cane Harvesting Equipment;
5. the Personal Injury or Property Damage arises from the loading or unloading of any Vehicle or Tracked Cane Harvesting Equipment;
6. the Personal Injury or Property Damage arises as a result of the use of any Vehicle or Tracked Cane Harvesting Equipment temporarily in Your physical or legal control for the purpose of parking, storage or loading;
7. any cover under clauses 1 to 6 above is only provided to the extent it does not involve either the provision of CTP Insurance or the provision of cover in contravention the Motor Insurance Act 1994(Qld); or

3. Aircraft, Hovercraft

for Personal Injury and/or Property Damage and/or Advertising Injury arising from:

- a) the ownership, maintenance, operation or use by You of any Aircraft or Hovercraft; or
- b) any property used for the purpose of an Airport or any Aircraft landing strip;

Farm Broadform Liability

73

4. Aircraft products

for Personal Injury and/or Property Damage arising out of any Products which an insured person knew or has reasonable cause to believe would be or is intended for incorporation into any critical part of, or the structure, machinery or controls of any Aircraft; or

5. Horse riding

for Personal Injury and/or Property Damage arising out of any horse riding activities; or

6. Leisure activities

for Personal Injury and/or Property Damage arising out of farm stay accommodation, tourist, education or hosting activities unless otherwise stated on the Policy Schedule; or

7. Aerial spraying

for Personal Injury and/or Property Damage arising out of or in any way connected with any material or substance being applied by an Aircraft to:

- a) land; or
- b) anything grown or cultivated on the Land; or

8. Damage to Products

for Property Damage to any Product(s) where such damage is directly caused by a fault or defect in the Product(s); However, this Exclusion will apply only to damage to the specific part of the Product to which the damage caused by any fault or defect in the Product(s) is directly attributable; or

9. Faulty workmanship

the cost of performing, completing, correcting or improving any work undertaken by You; or

10. Loss of use

for loss of use of tangible property, which has not been physically lost, destroyed or damaged, directly arising out of:

- c) a delay in or lack of performance by You or on Your behalf of any contract or agreement; or
- d) failure of any Products or work performed by You or on Your behalf to meet the level of performance, quality, fitness or durability expressly or impliedly warranted or represented by You; However this Exclusion shall not apply to Your liability for loss of use of other tangible property resulting from sudden and accidental physical loss, destruction of or damage to any Products or work performed by You or on Your behalf after such Products or work have been put to use by any person or organisation other than You; or

11. Product guarantee

for any Products warranty or guarantee given by You or on Your behalf in relation to any Product insured. However this Exclusion shall not apply to the product safety and information requirements of any Federal or State legislation; or

12. Product recall

for damages, costs or expenses arising out of the withdrawal, recall, inspection, repair, reconditioning, modification, reinstallation, replacement or loss of use of any Products where such Products are withdrawn or recalled from the market or from use by any person or organisation because of any known, alleged or suspected defect or deficiency in such Products; or

13. Pollutants

for:

- a) Personal Injury or Property Damage directly or indirectly arising out of the discharge, dispersal, release or escape of Pollutants into or upon land, the atmosphere or any watercourse or body of water; or
- b) for the cost of testing and monitoring for, removing, nullifying, or cleaning up of Pollutants.

Provided that, with respect to any such liability which may be incurred anywhere other than North America, Exclusions 13(a) and 13(b) shall not apply where such discharge, dispersal, release or escape is caused by a sudden, identifiable, unintended and unexpected event from Your standpoint which takes place in its entirety at a specific time and place during the Period of Insurance and provided the limit of Our liability in such circumstances, whether or not there is more than one Occurrence during the Period of Insurance, is limited in the aggregate to the Limit of Liability; or

14. Advertising Injury

for Advertising Injury:

- a) resulting from any statements made at Your direction with knowledge that they are false; or
- b) resulting from Your failure to perform Your obligations pursuant to any contract. However this Exclusion shall not apply to claims for unauthorised appropriation of advertising ideas contrary to an implied contract; or
- c) resulting from any incorrect description of Products or services; or
- d) resulting from any mistake in advertised price of Products or services; or

Farm Broadform Liability

- e) resulting from any failure of Your Products or services to conform with advertised performance, quality, fitness or durability; or
- f) arising from the activities of any Insured whose principal occupation or business is advertising, broadcasting, publishing or telecasting; or

15. Breach of professional duty

arising out of any breach of duty owed in a professional capacity by You and/or any person(s) for whose breaches You may be held legally liable. However this Exclusion shall not apply to claims for Personal Injury and/or Property Damage:

- a) for the rendering of or failure to render professional medical advice by Medical Persons employed by You to provide first aid and other medical services on Your premises; or
- b) arising out of advice which is given by You without charging any fee; or
- c) arising out of advice given by You in respect of the use or storage of Your Products; or

16. Property in Your physical or legal control

- a) for damage to property owned by, leased or rented to You;
- b) for damage to property not belonging to You but in Your physical and legal control other than the property described in 'Extra Cover- Property in physical and legal control'; or

17. Contractual liability

which has been assumed by You under any contract or agreement that requires You to:

- a) effect insurance over real or personal property; or
- b) assume liability for Personal Injury and/or Property Damage and/or Advertising Injury Compensation regardless of fault; However this Exclusion 17(b) shall not apply to any:
 - i) liability which would have been implied by law in the absence of such contract, warranty or agreement; or
 - ii) liability assumed under Incidental Contracts; or
 - iii) liability pursuant to contractual terms including warranties regarding merchantability, quality, fitness or care of Your product which are implied by law or statute; or
 - iv) liability assumed under any contracts specifically designated in the Policy Schedule or in any endorsement(s) to this Policy; or

18. Watercraft

for Personal Injury and/or Property Damage arising from the ownership, maintenance, operation or use by You of any Watercraft exceeding eight (8) metres in length;

However Exclusion 18 shall not apply with regard to claims arising out of:

- a) Watercraft used in operations carried out by any independent contractors for whose conduct You may be held liable;
- b) Watercraft owned and operated by others and used by You for Business entertainment; or

19. Employers liability

- a) for Personal bodily injury to any worker in respect of which You are or would be entitled to indemnity under any policy of insurance, fund, scheme or self insurance pursuant to or required by any law or legislation relating to workers compensation or accident compensation whether or not such policy, fund, scheme or self insurance has been effected.

However, this Exclusion 19(a) will not apply to the extent that Your liability would not be covered under any such policy, fund, scheme or self insurance arrangement had You complied with its obligations pursuant to any such law or legislation; or

- b) imposed by:
 - i) the provisions of any industrial award or agreement or determination or any contract of employment or workplace agreement where such liability would not have been imposed in the absence of such industrial award or agreement or determination or contract of employment or workplace agreement; or
 - ii) any law relating to Employment Practices.

For the purpose of Exclusions 19 the term 'worker' means any person deemed to be employed by You pursuant to any Workers Compensation law or legislation. Voluntary workers, secondees and work experience students (if any) shall not be deemed to be Your workers; or

20. Fines, penalties, punitive, exemplary or aggravated damages

for any fines, penalties, punitive, exemplary, aggravated damages and any additional damages resulting from the multiplication of compensatory damages; or

Farm Broadform Liability

75

21. Information technology hazards, computer data, program and storage media exclusion

- a) for Personal Injury and/or Property Damage and/or Advertising Injury arising directly or indirectly out of, or in any way involving Your internet operations; or
- b) for Property Damage to computer data or programs and their storage media arising directly or indirectly out of or caused by, through or in connection with:
 - i) the use of any computer hardware or software; or
 - ii) the provision of computer or telecommunication services by You or on Your behalf; or
 - iii) the use of computer hardware or software belonging to any third party, whether authorised or unauthorised including damage caused by any Computer Virus.

However, this Exclusion 21 does not apply to:

- c) Personal Injury and/or Property Damage and/or Advertising Injury arising out of any material which is already in print by the manufacturer in support of any of its products, including by not limited to product use and safety instructions or warnings, and which is also reproduced on its site; or
- d) liability which arises irrespective of the involvement of Your internet operations;

Provided that nothing in this Exclusion 21 shall be construed as extending coverage under this Policy to any liability that would not have been covered in the absence of this Exclusion; or

22. Libel and slander

for libel and slander:

- a) resulting from statements made prior to the commencement of the Period of Insurance; or
- b) resulting from any statements made at Your direction with knowledge that they are false; or
- c) incurred by You if Your Business is advertising, broadcasting, publishing or telecasting; or

23. Liquidated damages

arising out of liquidated damages clauses, penalty clauses or performance warranties except to the extent that the liability would have attached in the absence of such clauses or warranties; or

24. Asbestos

for Personal Injury, Property Damage (including loss of use of property) or Advertising Injury directly or indirectly caused by, arising from or in any way connected to asbestos; or

25. Genetically engineered or Genetically Modified Organisms (GMO)

for Personal Injury and Property Damage or Advertising Injury directly or indirectly caused by or arising out of a Genetically Engineered or Genetically Modified Substance or Organism or from the manufacture or importation of such Genetically Engineered or Genetically Modified Substance or Organism;

This Exclusion 25 does not apply if:

- a) the liability arises out of the substance or organism coming into or on the Farm Premises during the Period of Insurance without Your authority; and
- b) at the time of the Genetically Engineered or Genetically Modified Substance or Organism coming into or on the Farm Premises You, an Employee or Your agent did not expect or intend it to come into or onto the Farm Premises, and a reasonable person in Your, Your Employee's or agent's position with Your and their experience would not have expected it to do so;

This Exclusion 25 also does not apply if the substance or organism is an agricultural seed, plant, tree, vine or shrub You planted, grew, harvested, processed or stored at the Farm Premises, unless it is experimental or being trialled by You and acquired directly from a GMO manufacturer or importer; or

26. Disease

for Personal Injury, Property Damage (including loss of use of property) or Advertising Injury directly or indirectly caused by or arising out of:

- a) Avian Influenza (-bird flu-); Transmissible Spongiform Encephalopathy (TSE) including but not limited to Bovine Spongiform Encephalopathy (BSE) or new Variant Creutzfeldt-Jakob Disease (VCJD); Sudden Acute Respiratory Syndrome (SARS); or any strain or mutant variation of any of these conditions; or
- b) a disease declared by the Governor General, by proclamation, to be a quarantinable disease under the Commonwealth Quarantine Act 1908.

This Exclusion 26 applies regardless of any other contributing or aggravating cause or event.

Farm Broadform Liability

OPTIONAL EXTENSIONS

The following covers are optional and are available if you choose them and pay an additional Premium. The optional covers will only be covered if they are set out in your Policy Schedule.

1. Landing Areas

If "Landing Area Covered" is shown in your Policy Schedule, the indemnity provided by this Policy will extend to insure your legal liability to pay Compensation in connection directly or indirectly with the ownership, occupation or control of a property, building or structure at the Farm Premises normally used as a landing area or in or on which Aircraft are housed, maintained or operated.

We will not insure any liability where a fee is charged for the use of any such area.

We will not insure any liability where an Aircraft landing area does not conform with any legislation, regulations or codes of practice relating to landing areas.

2. Aerial Crop Spraying

If "Aerial Crop Spraying covered" is shown on your Policy Schedule the indemnity provided by this section of the Policy will extend to insure You against Your legal liability as a principal for Personal Injury or Property Damage directly caused by the actual, alleged or threatened discharge, dispersal, release or escape of smoke, vapours, soot, fumes, acids, alkalis, toxic chemicals, liquids or gases, Waste materials or other irritants, contaminants or Pollutants into or upon any property, land, the atmosphere or any watercourse or body of water (including groundwater), but only if the actual discharge, dispersal, release or escape is directly caused by the aerial spraying of a chemical, herbicide or insecticide during the Period of Insurance as part of the management of Your Farm Business.

The maximum We will pay for liability for damage under this Optional Extension 2 to:

- a) a cotton crop, is the amount shown in the Policy Schedule for any one Occurrence;
- b) a crop other than a cotton crop, is the amount shown in the Policy Schedule.

This benefit is otherwise subject to the terms of this section and Policy.

You must under this Optional Extension 2 pay an Excess the greater of the first \$30,000 or the amount shown on the Policy for each claim.

CONDITIONS

1. Notification of occurrence, claim or suit

You must give us:

- a) written notice (including facsimile transmission) via Your broker, as soon as reasonably practicable, of any claim made against You or of any Occurrence that may give rise to a claim being made against You and which is covered by this Policy; and
- b) any and all additional information that We may reasonably require; and
- c) copies of every demand, writ, summons, proceedings, and/or documents relating to any impending prosecution and/or inquest and all documents relating to any claim or Occurrence as soon as practicable after You received them.

2. Your duties in the event of an Occurrence, claim or suit

- a) You shall not, without Our written consent, make any admission, offer, promise or payment in connection with any Occurrence or claim; and
- b) You shall use Your best endeavours to preserve all property, Products, appliances, plant, and all other things which may assist in the investigation or defence of a claim or suit or in the exercise of rights of subrogation and, so far as may be reasonably practicable, no alteration or repair shall be effected without Our consent until We have had an opportunity of inspection; and
- c) You shall, when so requested, provide Us with details of any other insurances current at the time of any Occurrence, and/or Personal Injury and/or Property Damage and/or Advertising Injury and covering any of the liability Insured by this Policy.

3. Our rights regarding claims

- a) We may take over and conduct in Your name the defence or settlement of any claim or issue legal proceedings for damages and/or of any claim or legal proceedings for recovery of any amounts paid by Us under this Policy. We have full discretion in the conduct of any legal proceedings and in the settlement of any claim; and
- b) You must co-operate by giving Us any statements, documents or assistance as We may reasonably require and/or by giving evidence in any legal proceedings; and
- c) We may at any time pay to You, in respect of all claims against You arising directly or indirectly from one source or original cause:

Farm Broadform Liability



- i) the amount of the Limit of Liability or such other amount specified in respect thereof (after deduction of any sum(s) already paid by Us, which sum(s) would reduce the amount of Our unfulfilled liability in respect thereof); or
 - ii) any lesser sum for which the claim(s) can be settled;
- d) Upon making a payment pursuant to clause c) of this Condition 3, We shall relinquish conduct and control of, and be under no further liability under this Policy in connection with such claim(s) except for any defence costs and supplementary payments:
- i) recoverable from You in respect of the period prior to the date of such payment (whether or not pursuant to an order made subsequently); or
 - ii) incurred by Us, or by You with Our written consent, prior to the date of such payment pursuant to clause c) of this Condition 3.

4. Cross liabilities

This insurance extends to indemnify:

- a) each of the parties comprising the Named Insured; and
- b) each of the Insureds hereunder, separately in the same manner and to a like extent as though policies had been issued in their separate names. In particular, but without limiting the foregoing, this insurance shall indemnify each of the parties described in clauses 1 and 2 of 'Cross liabilities' in respect of claims made by any other of such parties.

Provided always that:

- a) each of such parties shall be separately subject to the terms, claims conditions, General Policy conditions, exclusions and definitions of this Policy in the same manner and to a like extent as though separate policies had been issued; and
- b) in no case shall the amount payable by Us in respect of any one claim or series of claims arising out of any one Occurrence or in the aggregate, as the case may be, exceed the applicable Limit of Liability as specified in the Policy Schedule;

5. Inspection and audit

We shall be permitted, but not obliged, to inspect Your premises and operations at any reasonable time.

Neither Our right to make inspections, nor Our failure to make inspections, nor the making of any inspections, nor any report of an inspection shall constitute an undertaking, advice, assurance or representation, on behalf of or for the benefit of You or others, to determine or warrant that such premises or operations are safe or healthful or are in compliance with any law, rule or regulation.

We may examine and audit Your books and records at any time during the period of this Policy and within three (3) years after the final termination of this Policy, but only with regard to matters which in Our opinion are relevant to this Policy.

6. Release

Where You are contractually required to release any Government or Public or Local Authority or other Statutory Authority from liability for loss, destruction or damage or legal liability insured against under this Policy, that release will not prejudice Your rights under this insurance.

Notwithstanding General condition 'Subrogation rights' of this Policy, We agree to waive all Our rights of subrogation against any such Authority in the event of any Occurrence for which a claim for indemnity may be made under this Policy.

Farm General Property

This section forms part of the Policy only if shown in the Schedule as having been taken by You.

DEFINITIONS

“General Property” means the property listed on the current Policy Schedule under the Farm General Property cover section.

“Beehives” means man made receptacle used to house a swarm of bees and their honey.

“Theft” means the dishonest appropriation of property.

COVER

The current Policy Schedule will show which of the cover Options A or B applies to this section of the Policy.

Option A – Accidental loss or damage

We cover You for physical loss of or damage to the General Property, up to the Sum Insured, which occurs during the Period of Insurance subject to the General Exclusions and the Exclusions of this Section.

Option B – Fire, theft, collision and other defined perils

We cover You for loss or damage to the General Property or Beehives, up to the Sum Insured, which occurs during the Period of Insurance subject to the General Exclusions and the Exclusions of this Section where the loss or damage is caused by:

- a) Fire, lighting, explosion, malicious damage or vandalism – General Property; or
- b) Fire, lightning, explosion – Beehives; or
- c) Theft; or
- d) Collision or overturning of the conveying Vehicle.

Basis of settlement – Cover Options A & B

We will at Our option either:

- a) pay You the replacement cost of the General Property at the time of loss or damage; or
- b) repair the General Property to a condition equal to but not better or more extensive than its condition when new; or
- c) replace the General Property with a new item that has the same features or features that are nearly the same as (but not less than) the item being replaced; and

- d) If a Beehive is lost, destroyed or stolen, We pay You:
 - i) the replacement cost of the Beehive at the time of the loss, destruction or Theft; or
 - ii) the market value of any honey lost at the time of the loss, destruction or Theft.

Exclusions – Applicable to Farm General Property and Beehives Cover

The following Exclusions apply to Farm General Property and Beehives in addition to the General Exclusions.

We will not cover:

1. loss of or damage to General Property or Beehives under this section which are:
 - a) covered under any other section of this Policy; or
 - b) being constructed, erected, altered, manufactured, cleaned or repaired; or
2. loss of or damage to General Property which is semen or embryos or their ampoules or straws except when in a purpose built container which is adequately refrigerated or maintained in accordance with the manufacturers instructions; or
3. loss or damage caused by:
 - a) wear and tear, fading, scratching or marring, rust, corrosion, mildew, mould, contamination or pollution, wet or dry rot, change of colour, flavour, texture or finish, dampness of atmosphere, variations in temperature, evaporation, disease, inherent vice, latent defect, loss of weight, depreciation, settlement, gradual deterioration or developing flaws, normal upkeep or making good, smut or smoke from industrial operations (other than sudden or unforeseen damage resulting therefrom); or
 - b) insects or vermin including but not limited to rats, mice, rabbits, possums and birds; or
 - c) faulty materials; or
 - d) faulty workmanship; or
 - e) mechanical, electrical or electronic breakdown; or
 - f) a rise in temperature within a purpose built container directly caused by a failure to maintain the supply of liquid nitrogen to that container; or

Farm General Property

79

- g) fraud or theft by an employee, or employees acting in collusion; or

4. loss or damage caused by:

storm, tempest, rainwater, snow, sleet, wind, hail to any of the following:

- i) General Property unless that General Property is designed to function unaffected without the protection of walls or roof;
- ii) Beehives.

The Exclusions 3 c) to g) above apply to the part which is first and immediately affected and do not extend to subsequent damage to other parts of the property occasioned by a peril which is not otherwise excluded.

5. We do not cover:

- a) General Property not being used by You in accordance with the manufacturer's instructions; or
- b) any legal liability of whatsoever nature; or
- c) consequential loss of any kind.

Farm Machinery and Electronic Equipment Breakdown

This section forms part of the Policy only if shown in the Policy Schedule as having been taken by You.

IMPORTANT INFORMATION

This Machinery and Electronic cover section is divided into two parts, each with Optional Extensions for Your convenience. This insurance and the Policy Schedule are to be read together.

DEFINITIONS

The definitions below apply only to this section of the Policy and override all other definitions, including the General Definitions applying to all sections of the Policy.

“Blanket Machinery” means all the machinery driven by motors with capacity not exceeding 15 kilowatts (20HP) at the Situation other than:

- a) Specified Machinery;
- b) motors pumps, and machinery covered under Section 1 Farmhouse Buildings or Farmhouse Contents;
- c) submersible pumps and/or well casings;
- d) Vehicles or mobile plant;
- e) computers, electronic data processing equipment, office equipment, telecommunication transmitting and receiving equipment, audio visual amplification and surveillance equipment;
- f) research, diagnostic and electro medical equipment;
- g) televisions, videos, video players, DVD or CD players, gambling or amusement machines;
- h) lifts or escalators;
- i) hot water systems up to 500 litres

“Blanket Cover” means We will provide cover under Farm Machinery Cover or Electronic Equipment Breakdown Cover, up to the Limit for any One Loss for Plant and Machinery or Electronic Plant.

“Boilers, Pressure Vessels and Pressure Pipe Systems” means the permanent structure of those Insured Items which are subject to internal steam, gas or fluid pressure (other than atmospheric pressure) including all direct attachments connected to the permanent structure and includes with respect to Boilers the rotating, reciprocating or electrical apparatus attached to or contained within them.

“Dairy Plant” means bulk milk vat/silo including but not limited to motors, pumps, refrigeration compressors and electronic controllers within the dairy also including sludge pump and feed mill plant.

“Dollar Excess” means the amount specified in the Policy Schedule that You shall first contribute towards each claim arising out of the one occurrence.

“Electronic Data” means the information stored on the Electronic Data Media.

“Electronic Data Media” means the discs or tapes, or USB devices used in Electronic Plant to store Electronic Data.

“Electronic Plant” means all computers, word processors including all ancillary equipment attached thereto, Software, other electronic equipment as specified in the Policy Schedule as Insured Items.

“Excess” for the purposes of this Cover section, the Excess may be a Dollar Excess or a Time Excess. We will subtract the applicable Excess from the claim otherwise payable to You.

“Indemnity Period” means the period beginning with the occurrence of the Insured Damage and ending no later than the number of months specified in the Policy Schedule during which the results of Your Farm Business are affected in consequence of the Insured Damage.

“Insured Damage” means sudden and unforeseen physical loss and/or physical damage to an Insured Item necessitating immediate repair or replacement to allow continuation of use.

“Insured Item” means Blanket Machinery or Electronic Plant, where you have selected Blanket Cover and/or Specified Machinery. The cover You have chosen will be shown in Your Policy Schedule.

“Limit Any One Loss” means the maximum amount We will pay for any one claim as specified in the Policy Schedule.

“Plant and Machinery” means any fixed above ground electrical and mechanical items including electronic controls and other integral parts of the Insured Items including Boilers, Pressure Vessels and Pressure Pipe Systems as defined above.

“Software” means a program or collection of programs which cause a computer to perform a desired operation or series of operations.

“Specified Machinery” means machinery shown in Your Policy Schedule as Specified Machinery.

“Specified Items Cover” means We will provide cover for Specified Machinery, Boilers, Pressure Vessels and Electronic Equipment up to the Sums Insured.

“Sum Insured” where You have chosen Specified Items, means the relevant sum stated in Your Policy Schedule opposite each item of Specified Machinery or Electronic Plant. The Sum Insured for the purposes of Optional Extensions Deterioration of Farm Produce and Stock in cold storage and Electronic Data and Electronic Data Media Cover, means the sum insured shown in the Policy Schedule for those optional extensions.

Farm Machinery and Electronic Equipment Breakdown

“Time Excess” means the number of operating days specified in the Policy Schedule during which You must bear the loss before We are liable to make a payment.

FARM MACHINERY COVER

If any Insured Item of Plant and Machinery or any part of a Specified Item in the Policy Schedule suffers Insured Damage We will indemnify You in respect of such loss or damage as provided in the basis of settlement clause.

This insurance applies whilst the Insured Item is:

- a) within the Situation; and
- b) is working or at rest or being dismantled, moved, reassembled or reinstalled for the purpose of cleaning, adjustment, inspection, repair, overhaul or relocation but only after completion of successful initial commissioning at the Situation.

ADDITIONAL BENEFITS

Temporary repairs and hiring of alternative equipment.

If We agree to pay a claim under this section, We will also pay for the:

- a) cost of dismantling, re-erection, cleaning up and removal of debris;
- b) replacement of refrigerant, lubricating or insulating oil lost from an Insured Item as a direct result of Insured Damage;
- c) charges for overtime and work on public holidays where necessarily and reasonably incurred;
- d) freight within the Commonwealth of Australia by any recognised scheduled service;
- e) overseas air freight by any recognised scheduled service and/or overseas labour; and
- f) the cost of temporary repairs and/or hire of a temporary replacement item during the time taken to repair damage to any Insured Item.

Limitation: We will pay under this Additional Benefit up to 50% of the amount otherwise payable for the loss to repair or replace each Insured Item, or \$10,000 whichever is the greater amount.

BASIS OF SETTLEMENT

1. In the event of Insured Damage under Farm Machinery Cover, We will at Our option pay You the lesser of, up to the Limit Any One Loss or the Sum Insured less the applicable Excess for the reasonable cost of repair or replacement necessary to return the Insured Item to its former state of operation.

2. All Insured Damage which can be economically repaired in Our opinion must be repaired. Should the item be uneconomical to repair due solely to the nature of the Insured Damage, We will pay You the lesser of:
 - a) the cost of replacement of the Insured Item by an item of similar function, type, capacity and quality in a condition equal to, but not better than, the condition of the Insured Item when new; or
 - b) the Sum Insured or Limit Any One Loss for the Insured Item.
3. We shall not be required to replace an Insured Item to exactly the same conditions as before it was Damaged, but only to as close to that condition as circumstances permit.
4. The value of any salvage will be subtracted from any amount payable under Farm Machinery Cover.
5. The amount of each claim otherwise payable shall be reduced by the amount of the Excess shown in the Policy Schedule.
6. Where components or manufacturer’s specifications of the components are no longer available due to obsolescence, the basis of settlement will be the cost which would have been incurred if the components or specifications had still been available.
7. Notwithstanding any other clause in this Farm Machinery Cover, Our liability under this part shall not exceed the Sum Insured or Limit any One Loss in respect of the Insured Item which has suffered Insured Damage.

EXCLUSIONS

The following exclusions apply to Farm Machinery Cover in addition to the General Exclusions.

We will not pay for:

1. the cost of:
 - a) replacement of expendable items including but not limited to belts, filters, fuses, electric heating elements, electrical contacts, thermostats, TX valves, cutting blades, crushing surfaces, parts made of glass, porcelain or ceramics, chains, seals, links, dies and moulds, conveyor belting, lubricants, fuel and any transfer media; or
 - b) replacement of unserviceable component parts worn through normal; or
 - c) adjustment, cleaning, purging or recharging of refrigeration or air conditioning equipment, unless as a result of insured damage; or

Farm Machinery and Electronic Equipment Breakdown

- d) replacement of refractory or brickwork forming part of an Insured Item; unless necessary as part of the rectification of Insured Damage not otherwise excluded under this Part; or
- 2. the cost of:
 - a) maintenance work including but not limited to the tightening of loose parts, recalibration or adjustments; or
 - b) alteration, additions, improvements or overhauls whether carried out in the course of repairs You are indemnified for by this Policy, or as a separate operation; or
 - c) modification or alteration of insured Plant and Machinery to enable it to operate with a more ozone-friendly refrigerant gas as required by the United Nations Environmental Protection Montreal Protocol with respect to substances which deplete the ozone layer, unless conversion is necessitated by Insured Damage; or
 - d) replacement or repair, caused by gradual deterioration (including but not limited to rust, corrosion, erosion, oxidation or scale formation); or
 - e) replacement of lighting equipment, reticulated electrical wiring, reticulated liquid and gas piping and ducting; or
 - f) repair of scratches, chipping or discolouration to painted or polished surfaces, unless resulting from Insured Damage; or
 - g) repair of slowly developing deformation, distortion or fatigue of any part; or
 - h) repair of blisters, laminations, flaws or grooving even when accompanied by leakage; or
 - i) repairs to valves, fittings, glands, joints, gaskets, pipes, lines and connections which are defective, worn or leaking; or
 - j) repairs to shaft keys requiring tightening, fitting or renewal; or
 - k) damage caused by the movement of foundations, masonry or brick work; or
 - l) the removal or installation of underground pumps and well casings but if specifically noted on the Policy Schedule and the bore is fully lined this Exclusion does not apply to submersible pumps. The most We pay is \$5,000 to remove and reinstall any pumps; or
- 3. consequential loss of any kind or description whatsoever; or
- 4. Insured Damage to any item being moved, if caused during dual lifting by more than one machine; or

- 5. anything to the extent You are entitled to recover the costs of labour or parts under a maintenance agreement, warranty, guarantee or indemnity in Your favour by the manufacturer of the relevant item or any other person, whether under contract or by statute.

OPTIONAL EXTENSION

The following cover is optional and is available if you choose it and pay an additional premium. The optional cover will only be provided if it is set out on your Policy Schedule.

1. Deterioration of Farm Produce and Stock in cold storage

We will indemnify You up to the Sum Insured for loss of or damage to stock or Farm Produce whilst contained in the cold storage spaces cooled by the Insured Items and caused by deterioration or putrefaction as a result of:

- a) Insured Damage to the refrigeration machinery;
- b) the operation or failure to operate of controls or protective devices within the refrigeration machinery occurring during the Period of Insurance, but this does not include loss caused by the manual operation or manual setting of controls or protective devices;
- c) contamination of the stored stock or Farm Produce by the accidental escape of refrigerant into the cold chamber occurring during the Period of Insurance;
- d) sudden leakage of refrigerant from the refrigeration machinery or pipe systems forming part of the refrigeration machinery occurring during the Period of Insurance at the Situation; or
- e) a sudden and unforeseen failure of the public power supply occurring during the Period of Insurance.

If deterioration occurs or is likely to occur to such stock or Farm Produce by any of the above clauses 1(a), 1(b), 1(c), 1(d) or 1(e), We will pay any reasonable expenses incurred by You to prevent or minimise the loss of stock or Farm Produce.

BASIS OF SETTLEMENT

- a) We will pay the lesser of the cost of replacement of the lost or damaged stock or Farm Produce calculated immediately prior to the loss or damage occurring, or the cost of sourcing the stock or Farm Produce at the most competitive price. In respect of loss of milk We will pay the average value per litre that You were paid over the past five milking days prior to the claim multiplied by the litres of milk lost;
- b) We will not pay more than the Sum Insured stated in the Policy Schedule for the stock or Farm Produce.

Farm Machinery and Electronic Equipment Breakdown

- c) the amount of each claim otherwise payable shall be reduced by the amount of the Excess shown in the Policy Schedule.

EXCLUSION

In addition, to the General Exclusions and the Exclusions applicable to Farm Machinery Cover the following exclusions apply to this Optional Extension 1.

We will not pay for:

- a) any loss or damage due to shrinkage, inherent defects or diseases; or
- b) loss or damage caused by improper storage, collapse of the packing material or storage structure; or
- c) any stock or goods which have passed their used by date; or
- d) any loss or damage to semen, frozen embryos, live fish stocks, pharmaceutical or goods of bacterial nature; or
- e) penalties or delay or detention or consequential loss or damage or liability of any nature whatsoever; or
- f) loss or damage following loss of public power supply due to:
 - i) the deliberate act of any public power supply authority, unless such act is performed for the sole purpose of safeguarding life or protecting a part of the supply system; or
 - ii) the decision by any public power supply authority to restrict or withhold supply, but not a scheme of rationing necessitated by damage to any part of the supply system; or
 - iii) any shortage of power generation fuel, or lubricants, or cooling water.

ELECTRONIC EQUIPMENT BREAKDOWN COVER

If any Insured Item of Electronic Plant or any part of an Insured Item of Electronic Plant specified in the Policy Schedule suffers Insured Damage, We will indemnify You, as provided in the Basis of Settlement clause, in respect of the Insured Damage indicated by the terms of cover You have selected as stated on the Policy Schedule.

Cover under Electronic Equipment Breakdown Cover applies while the Insured Item is:

- a) working or at rest; and/or
- b) being dismantled or moved for the purpose of cleaning, inspection, overhaul, repair or relocation or during such operations themselves or whilst being subsequently re-erected at the Situation; and/or

- c) being moved to or from any service contractor away from the Business Premises but within Australia.

ADDITIONAL BENEFITS

If We agree to pay a claim under this section, We will also pay for the:

1. Temporary repairs and hiring of alternative equipment.

- a) cost of dismantling, re-erection, cleaning up and removal of debris;
- b) charges for overtime and work on public holidays where necessarily and reasonably incurred;
- c) freight within the Commonwealth of Australia by any recognised scheduled service;
- d) overseas air freight by any recognised scheduled service and/or overseas labour; and
- e) the cost of temporary repairs and/or hire of a temporary replacement item during the time taken to repair damage to any Insured Item.

Limitation: We will not pay under this Additional Benefit more than the lesser of 50% of the amount that we pay to repair or replace each Insured Item, or \$10,000.

BASIS OF SETTLEMENT

1. In the event of Insured Damage to an Insured Item of Electronic Plant We will pay the cost of replacement or repairs necessary to return the Insured Item to its former state of operation.
2. No deduction will be made for depreciation of parts replaced except for valves, tubes (including picture and x-ray tubes) and similar light sources. For valves, tubes (including picture and x-ray tubes) and similar light sources, We will deduct a proportion of the replacement cost being the proportion which the period of use up to the time of failure bears to the normal service life expected by the manufacturer or supplier.
3. All Insured Damage which can be economically repaired in Our Opinion, must be repaired. However, should an Insured Item be uneconomical to repair due solely to the nature of the Insured Damage, settlement will be the lesser of the Limit Any One Item for the Insured Item as stated in the Policy Schedule or the cost of replacement of the Insured Item by an item of similar function, type, capacity and quality and in a condition equal to but not better than the condition of the Insured Item when new.
4. We will subtract the value of any salvage from the amount payable under this clause.

Farm Machinery and Electronic Equipment Breakdown

5. If more than one Insured Item is lost or damaged in one occurrence, We will apply only the highest of the Excesses applicable to such Insured Items.
6. The amount of each claim otherwise payable by Us under this Part shall be reduced by the amount of the Excess shown in the Policy Schedule.

EXCLUSIONS

The following exclusions apply to Electronic Equipment Breakdown Cover in addition to the General Exclusions.

We will not pay for:

1. Insured Damage to Electronic Data and Electronic Data Media unless You have taken out the optional extension and this is shown in Your Policy Schedule; or
2. Insured Damage caused by atmospheric conditions, moisture or change in temperature unless directly resulting from damage to or the malfunctioning of air conditioning equipment; or
3. the cost of:
 - a) replacement of expendable items such as batteries, belts, chains, tapes, cards, ribbons, filters, tubes, electric heating elements or electrical contacts; or
 - b) replacement of component parts worn through normal use or operation, unless necessary as part of the rectification of Insured Damage not otherwise excluded under this Part; or
4. the cost of:
 - a) maintenance work; or
 - b) alterations, additions, improvements or overhauls whether carried out in the course of repairs You are indemnified for by this Policy, or as a separate operation; or
 - c) replacement or repair following gradual deterioration (including but not limited to rust, corrosion, erosion, oxidation or scale formation); or
 - d) repairs of scratches to painted or polished surfaces unless resulting from Insured Damage; or
5. anything to the extent You are entitled to recover the costs of labour or parts under a maintenance agreement or warranty, guarantee or indemnity in Your favour by the manufacturer of the relevant Insured Item or any other person whether under contract or statute; or
6. loss or damage caused by Computer viruses or other disruptive programming techniques; or
7. consequential loss of any kind or description whatsoever.

CONDITIONS – APPLICABLE TO ELECTRONIC EQUIPMENT BREAKDOWN COVER

This insurance for Electronic Equipment Breakdown Cover only applies after completion of successful initial commissioning of the electronic equipment.

OPTIONAL EXTENSIONS COVER

The following covers are optional and are available if you choose them and pay an additional premium. The optional covers only apply if shown on Your Policy Schedule.

1. Electronic Data and Electronic Data Media Cover

We will indemnify You for Insured Damage to the Electronic Data and Electronic Data Media insured under this Optional Extension Cover 1 as specified in the Policy Schedule caused solely as a result of Insured Damage covered under Electronic Equipment Breakdown Cover to an Insured Item which is specified in the Policy Schedule.

We will extend cover under Electronic Equipment Breakdown Cover to include restoration of Your lost Electronic Data which results from loss or damage to Electronic Plant Not Owned by You if the loss or damage to that Electronic Plant Not Owned by You occurs in circumstances which would give rise to an indemnity under Farm Machinery Cover if it was insured under that Part.

This Optional Extension 1 only applies whilst the insured Electronic Data Media is:

- i) at the Situation; or
- ii) at a media storage situation; or
- iii) temporarily at an alternative situation for processing purposes; or
- iv) in transit between any of these situations.

BASIS OF SETTLEMENT FOR OPTIONAL EXTENSION 1

We will pay You for claims under Optional Extension 1 up to the Sum Insured less the applicable Excess specified in the Policy Schedule for:

- a) the actual cost of replacement of lost or damaged Software and Electronic Data Media by new unused materials; and
- b) any expenses which can be proved to have been incurred by You only for the purpose of restoring the Electronic Data by reproduction of data or information in a condition equivalent to that existing prior to Insured Damage and necessary to allow operation of the Insured Item to continue in the normal manner. Lost Electronic Data may be reproduced in an updated form if the cost of doing so

Farm Machinery and Electronic Equipment Breakdown

is no greater than that of reinstatement in the original form; and

- c) We shall only be liable for costs and expenses incurred within a period of twelve (12) months following the Insured Damage occurring within the Period of Insurance; and
- d) We will reduce Our payment in respect of each claim under this Optional Extension by the amount of the Excess shown in the Policy Schedule.

EXCLUSIONS – APPLICABLE TO OPTIONAL EXTENSION 1 OF ELECTRONIC EQUIPMENT BREAKDOWN COVER

In addition to the General Exclusions and the exclusions applicable to Electronic Equipment Cover the following exclusions apply to this Optional Extension.

We will not pay under this Optional Extension 1 for:

- a) loss or distortion of Electronic Data contained on the Electronic Data Media while mounted in or on any machine for use or processing unless such loss or distortion occurs:
 - i) at the Situation due to Insured Damage to an Insured Item which is specified in the Policy Schedule; or
 - ii) at another situation temporarily for processing purposes due to Insured Damage to the Insured Item which would have been indemnified if the Insured Item were insured under 'Electronic Equipment Breakdown Cover'; or
- b) loss or distortion caused by a Computer virus; or
- c) Wasting or wearing away or wearing out caused by or naturally resulting from ordinary use or working or gradual deterioration; or
- d) loss or damage caused by atmospheric conditions, moisture or changes in temperature, unless directly resulting from damage to air-conditioning equipment which would have been indemnified if the equipment were insured under 'Electronic Equipment Breakdown Cover'; or
- e) consequential loss of any kind or description whatsoever; or
- f) work undertaken without Our approval other than for minor temporary or provisional repairs. There is no cover under this extension with respect to any Insured Item which has been operated without being satisfactorily repaired following Insured Damage.

CONDITIONS – APPLICABLE TO OPTIONAL EXTENSION 1 OF ELECTRONIC EQUIPMENT BREAKDOWN COVER

You will not be entitled to any payment under this Optional Extension 1 unless You have duplicate copies of updated file media stored off site at premises other than at the Situation and that data is backed up on a daily basis.

2. Increase in cost of working Cover

We will indemnify You as set out in Basis of Settlement below up to the Sum Insured for any additional costs of operating Your Farm Business directly resulting from interruption or interference to Your Farm Business as defined in the Policy Schedule but only if:

- a) the interruption or interference is as a result of Insured Damage to Electronic Plant covered under Electronic Equipment Breakdown Cover; and
- b) the interruption or interference is caused solely as a result of Insured Damage.

We will deduct from the amount payable by Us under this Optional Extension 2 any sum saved during the period of the interruption in respect of charges and expenses of the business which may cease or be reduced as a result of the Insured Damage, including any savings occurring by reason of the interruption of the normal operation of the electronic operation of the data processing system.

BASIS OF SETTLEMENT FOR OPTIONAL EXTENSION 2

The settlement of any claim covered under this Optional Extension 2 will take place as follows:

- a) We will pay You for additional expenditure over and above the normal expenses which would have been incurred by You for the operation of Your Electronic Plant by reason of the use of substitute equipment to maintain normal business operation during the interruption or interference up to the Sum Insured specified in the Policy Schedule, less the applicable Excess including:
 - i) the actual hire charges incurred for the rental of substitute equipment; and
 - ii) any additional personnel and transport expenses incurred with the use of the substitute equipment; and
- b) The Indemnity Period and the Time Excess shall commence upon the commencement of use of a substitute insured computer or word processor; and
- c) We shall be liable for additional expenditure incurred during the actual period of the interruption or interference, but not exceeding the period specified in the Policy Schedule as the Indemnity Period; and

Farm Machinery and Electronic Equipment Breakdown

- d) We will not be liable for loss, damage or costs incurred by You during the Time Excess; and
- e) We will reduce Our payment of each claim payable under this Optional Extension by the amount of the Excess shown in the Policy Schedule.

EXCLUSIONS – APPLICABLE TO OPTIONAL EXTENSION 2 OF ELECTRONIC EQUIPMENT BREAKDOWN COVER

In addition to the General Exclusions and the exclusions applicable to Electronic Equipment Cover the following exclusions apply to this Optional Extension.

We will not pay under this Optional Extension 2 for:

- a) the costs incurred during:
 - i) any interruption or interference resulting from the carrying out of alterations, additions or improvements to the insured Electronic Plant; or
 - ii) any interruption or interference resulting from or due to the carrying out of cleaning, adjustment, inspection or maintenance of the insured Electronic Plant; or
 - iii) the extension of any interruption due to any measure, restriction or regulation imposed by any government, public or local authority; or
- b) additional costs incurred where the period of interruption otherwise applicable is increased beyond four (4) weeks due to delay in the repair or replacement of items manufactured outside Australia where such delay results from:
 - i) measures, restrictions or regulations imposed by any government, public or local authority; or
 - ii) the time required to procure replacement parts or complete items in overseas markets; or
 - iii) the time required to transport or ship component parts or complete items between the Situation and any overseas place of repair or replacement; or
 - iv) the time required to engage and transport overseas specialists or consultants to assist in or supervise local repairs.

CONDITIONS – APPLICABLE TO OPTIONAL EXTENSION 2 OF ELECTRONIC EQUIPMENT BREAKDOWN COVER

For the purpose of this Optional Extension 2 only, Exclusion 5 of Electronic Equipment Breakdown Cover does not apply.

EXCLUSIONS – APPLICABLE TO FARM MACHINERY AND ELECTRONIC EQUIPMENT BREAKDOWN COVER INCLUDING OPTIONAL EXTENSIONS

The following exclusions, in addition to the General Exclusions, apply to Farm Machinery and Electronic Equipment Breakdown Cover, in respect of loss or damage caused by or arising from:

- a) fire, smoke or soot; or
- b) extinguishing a fire including subsequent demolition or repair work; or
- c) lightning; or
- d) chemical explosion (other than explosion of flue gas in Boilers); or
- e) impact of land-borne Vehicle, an Aircraft whether land or air-borne, or Watercraft; whether land or water-borne; or
- f) earthquake, or subterranean fire, or volcanic eruption, or tsunami; or
- g) landslip, subsidence, erosion, collapse or any other movement of earth; or
- h) storm, tempest, Flood, windstorm or cyclone; or
- i) water escaping, discharged or leaking from any source which is external to the Plant and Machinery insured; or
- j) theft or burglary; or
- k) intentional or malicious damage; or
- l) the carrying out of tests involving abnormal stresses, including the intentional overloading of any Insured Item; or
- m) cracks, fractures, blisters, lamination, separation, flaws or grooving which have not penetrated the entire thickness of the material; or
- n) below ground turbine or submersible pumps or motors, unless such pump or motor is fitted with an effective pressure or flow cut out switch, which will stop the motor if the normal pumping pressure or flow is interrupted; or
- o) any unattended engine, unless such engine is fitted with an effective automatic safety engine monitoring device to stop the engine in the event of a lubricating or cooling fault or failure.

ADDITIONAL BENEFITS

If We agree to pay a claim under either Farm Machinery Cover or Electronic Equipment Breakdown Cover, We will also pay for:

Farm Machinery and Electronic Equipment Breakdown

1. Engineers fees

the cost of consulting engineers' fees (excluding fees for preparing a claim) necessarily incurred with Our prior written consent, in the reinstatement of Plant and Machinery and Electronic Plant. However where the Sum Insured is exhausted We will only pay up to \$5,000 in respect of this Extra Benefit 1.

2. Additional items

If You hire or purchase and then commission for use at Your Business Premises any items similar to items already insured under this section, We will consider these items to be added to the insurance by this section, giving the same cover as for similar items already insured; but this is subject to:

- a) cover for additional items not exceeding the total Sum Insured for the items already insured under this section; and
- b) Your giving Us written notice within 90 days of the hire or purchase and commissioning for use of the item(s) and pay to Us the reasonable extra Premium on a pro rata basis together with any applicable statutory charges; and
- c) the items are as far as You are aware, suitable for service, free from material defect and in sound working condition; and
- d) the items shall not be insured until successfully commissioned for use and all relevant statutory provisions for inspection and certification have been fulfilled; and
- e) the limits and Excess as shown on the Policy Schedule shall be the same as for similar items already insured.

3. Inflation protection

The Sum Insured on items of Plant and Machinery and Electronic Plant shall be increased by the percentage rise in the consumer price index (CPI) for the period starting from the commencement of the Policy to the date of loss. When this period is for part of a year, the applicable CPI rise shall be calculated on a pro-rata basis.

FARM MACHINERY COVER OR ELECTRONIC EQUIPMENT BREAKDOWN – CONDITIONS

The following conditions shall apply to Farm Machinery Cover or Electronic Equipment Breakdown Cover:

1. Newly installed items

At the end of each Period of Insurance You shall furnish Us with details of any items newly installed or which have been deleted during the Period of Insurance; and additional or return premiums shall be calculated corresponding to the

type and value of the items and the Period of Insurance from the time of completion of the successful commissioning for use of the items; but Our liability for all Additional items will not exceed 50% of the total Sum Insured as stated in the Policy Schedule; and

2. Inspection

You shall at all reasonable times permit Us or Our representative to inspect and examine any items insured by this insurance; and

3. Claims and repair procedure

in regard to any claim:

- a) in the event of any Insured Damage which might give rise to a claim under this insurance You must preserve the parts affected and make them available for inspection by Us or Our representative; and
- b) upon notification of any loss or damage being given to Us, You may carry out temporary repairs or make good any minor damage, but in all other cases You must give Us or Our representative an opportunity to inspect the loss or damage before any repairs or alterations are effected; and
- c) If no inspection is carried out by Us or on Our behalf within a period of time which is reasonable having regard to the Situation of the risk, weather conditions and/or other relevant factors, You may proceed with such repairs or replacement; and
- d) You should also refer to General Policy Condition headed 'Claims' also applies; and

4. Your obligation

With regard to cover:

- a) Nothing contained in this section or in any other condition of this insurance will relieve You of any obligation to take such steps as are necessary to ensure that the operation of the Insured Items is at all times carried out so as to minimise the risk of any claim being made under this insurance; and
- b) insurance cover will cease for any Insured Item which is operated after sustaining damage, unless it has been repaired properly and without delay; and

5. Alteration

You must notify Us in writing of any intended alterations of or departure from normal working conditions which You know (or which a reasonable person in the circumstances could be expected to know) would materially increase the risk of a claim under this insurance.

Farm Transit

This section forms part of the Policy only if shown in the Policy Schedule as being covered.

DEFINITIONS

Some words have special meaning wherever they appear in the Farm Transit section. These words and their meanings are listed below.

The definitions below apply only to this section of the Policy and override all other definitions, including the General Definitions applying to all sections of the Policy.

“Conveying Vehicle” means a registered vehicle or a vehicle that is not required by law to be registered, including any attached trailer.

“Farm Goods” means all goods owned by You or in your care, custody or control and intended for use in Your Farm Business.

“General Average” means any extraordinary sacrifice or expenditure that is voluntarily and reasonably made or incurred for the purpose of preserving property at risk in a sea voyage.

“Loading” means the action of moving the Farm Goods or Livestock onto the loading ramp of the Conveying Vehicle from the ground or adjacent loading dock and is completed when the Farm Goods or Livestock is positioned onto the Conveying Vehicle.

“Unloading” means the action of moving the Farm Goods or Livestock onto the loading ramp of the Conveying Vehicle and is completed once the Farm Goods or Livestock is positioned on the ground or adjacent loading dock.

“Transit” means the time during the Period of Insurance which:

- a) commences when Farm Goods or Livestock begins Loading onto or into the Conveying Vehicle;
- b) continues through the ordinary course of transit; and
- c) ends when the Farm Goods or Livestock is Unloading at the destination.

FARM TRANSIT COVER

We will cover You for loss or damage to:

- a) Farm Goods; or
- b) Livestock;

whilst it is in transit by a Conveying Vehicle on land within the Commonwealth of Australia or its territories caused by:

- a) Fire, hail, explosion;
- b) Lightning;
- c) Earthquake;

- d) Riots, civil commotion, strikes;
- e) Collision and/or overturning of the Conveying Vehicle; or
- f) Theft from a locked vehicle;

up to the sum insured shown in the Policy Schedule.

Where the Farm Property Damage cover has been chosen by You, cover under Additional Benefit 19 – Temporary Removal in the Farm Property section shall be applied first and any excess of the loss shall then be covered by this section.

BASIS OF SETTLEMENT

1. Farm Goods

If Farm Goods are lost, destroyed or stolen we will at our option either:

- a) reinstate or repair the Farm Goods to the condition they were in just before the damage occurred; or
- b) pay you the cost of reinstating or repairing the Farm Goods to the condition they were in just before the damage occurred; or
- c) pay you the value of the Farm Goods just before the damage occurred.

2. Livestock

- a) If Livestock is lost, destroyed (including slaughter for humane reasons) or stolen, We will pay the market value of the Livestock at the time it was lost, destroyed or stolen;
- b) If Livestock is injured, We will pay what We would have paid if the Livestock had died, less the residual value of the Livestock at the time the Livestock was first injured;
- c) If an animal is specified on the Schedule, We will pay up to the Sum Insured that is shown on that Schedule for that animal.

We will not pay more than the Sum Insured shown on the Policy Schedule for Farm Goods and Livestock for all claims arising from one event or series of events resulting from a single original cause.

ADDITIONAL BENEFITS

If we agree to pay a claim under this section, We will also pay for:

1. Removal of debris

the reasonable costs incurred to remove, transport and dispose of Farm Goods or Livestock that is the subject of the claim, but We will not pay more than \$5,000 for any one claim; and

Farm Transit

89

2. Temporary agistment

the reasonable costs You incur to herd and temporarily agist Livestock to prevent them from straying, but We will not pay more than \$5,000 for any one claim; and

3. Humane destruction

the reasonable costs incurred to slaughter for humane reasons Livestock injured, but We will not pay more than \$5,000 for any one claim; and

4. Veterinary costs

the reasonable costs incurred for veterinary services administered to prevent the death of Livestock or for treatment where the injury or death of Livestock has occurred, but We will not pay more than \$1,000 for any one claim; and

5. Cost of hiring alternative equipment

the reasonable costs of hiring alternative replacement Farm Goods but We will only make a payment if the Sum Insured has not been exhausted.

6. On forwarding and transfer

the reasonable costs incurred for transferring, storing and/or forwarding Farm Goods or Livestock to a suitable place, but We will not pay more than \$10,000 for any one claim.

EXCLUSIONS – APPLICABLE TO FARM TRANSIT COVER

The following exclusions apply to Farm Transit in addition to the General Exclusions.

We will not pay for loss or damage:

- a) if the Conveying Vehicle was in an unsafe or unroadworthy condition, unless You can prove that the loss or damage was not contributed to in any way by that unsafe or unroadworthy condition; or
- b) if the Conveying Vehicle was carrying, towing, or lifting a heavier load than it is designed for or is permitted by law, unless You can prove that the loss or damage was not caused by the overloading; or
- c) if the Conveying Vehicle was not registered or did not have compulsory third-party (CTP) insurance when the law requires it to be so registered or insured; or
- d) if the Conveying Vehicle was being driven by a person who was not licensed to drive the Conveying Vehicle unless You can prove that you did not know the person was unlicensed; or

- e) if the Conveying Vehicle was being driven or operated by someone who:
 - i) is under the influence of alcohol or drugs; or
 - ii) has more than the legal limit of alcohol or a drug in their blood; or
 - iii) refuses to undergo a test for alcohol or drugs when requested to do so by the police; or
 - iv) as a result of the accident is convicted of driving under the influence of intoxicating liquor;

unless You can prove that You had no reason to suspect that the driver or operator was affected by alcohol or drugs; or

- f) if the Conveying Vehicle was not securely locked when left unattended; or
- g) caused by theft, unless there is visible evidence of forcible entry into the Conveying Vehicle or the premises in which the vehicle is housed; or
- h) to any household goods or furniture; or
- i) to any goods being carried by You for payment or reward.

CONDITIONS

1. Benefit of insurance

No benefit may be claimed of the cover provided under this section by the carrier, or any other bailee of the Farm Goods or Livestock.

2. Claims procedure

In addition to the 'General Condition 6. Claims', You must also:

- a) ensure that delivered containers and seals are examined immediately on delivery by a responsible official of the receiver; and
- b) if the container is delivered damaged and/or with seals broken or missing and/or with seals other than stated in the shipping documents, then You must:
 - i) note the delivery docket accordingly; and
 - ii) retain all defective or irregular seals for subsequent identification; and
- c) if the extent of the damage was not immediately apparent at the time of delivery, You must apply immediately for surveys to be performed by the carrier or other person who had charge of the Farm Goods or Livestock to be conducted within three (3) days of delivery.

Farm Transit

Any admissible claim under this section will not be prejudiced by the clauses (a) to (c) above where:

- a) packages containing Farm Goods, excluding shipping containers, are not opened and unpacked immediately upon receipt into store; and
- b) the Damage is not apparent and is only discovered by You when the packages are opened or unpacked; but
- c) We will not be liable to make any payment under this section if the damage or injury has been discovered more than ninety (90) days after the receipt of Farm Goods or Livestock by the receiver.

3. General Average and salvage clause

If Your Farm Goods or Livestock is being transported by sea between Australian ports and a General Average is declared, We insure Your proportion of the General Average and/or salvage contribution irrespective of the amount insured being less than the contributory value, subject always to this cover not exceeding the Sum Insured for Farm Goods or Livestock stated in the Policy Schedule.

In the event of a General Average contribution arising under this section, You must obtain Our written consent before You sign any General Average bond and We will only provide Our consent if We are satisfied that this is appropriate.

4. Pairs and sets

Where any Farm Goods which are the subject of a claim payable under this section consists of articles in a pair or set, We will only pay the value of any damaged item(s) and there will be no cover for any:

- a) additional or special value which such item(s) may have as part of the pair or set; or
- b) diminution in the value of the pair or set by reason of the damaged item(s).

Farm Vehicles

Commercial Motor

This section forms part of the Policy only if shown in the Policy Schedule as covered. This section contains 3 Parts – Commercial Motor, Heavy Motor Vehicles and Agricultural Equipment and Mobile Plant. The Parts that apply to You will be shown on your Policy Schedule.

COMMERCIAL MOTOR

Some words have special meaning wherever they appear in this section. These words are capitalised and have the meaning listed below.

The definitions below apply only to this part of the Farm Vehicles section and override all other definitions, including the General Definitions applying to all sections of the Policy.

DEFINITIONS

“Accident or Accidental” means unintended, unforeseen, fortuitous or unanticipated happening or mishap, which is not expected or designed.

“Agreed Value” means the amount nominated by You that We have agreed to insure Your Vehicle for, as shown in the Schedule.

“Agricultural Equipment and Mobile Plant” means a self-propelled Vehicle or machine which is not normally registered for on road use and is used for excavating, digging, grading, scraping, drilling, lifting, pumping, spraying, loading and unloading, vacuuming, towing, harvesting, ploughing, harrowing, irrigating, threshing, planting, pollarding, hedging or similar activities or any other activity pertaining to agricultural use in connection with Your Farm Business.

“Basic Excess” means the amount shown in the Policy Schedule which You must contribute to each and every claim in respect of each and every Vehicle.

“Comprehensive Cover” means if this is shown on Your Policy Schedule, We will provide cover to You under both “Your Vehicle Cover” and “Liability to Third Parties Cover”.

“Damage” means any physical Loss, or destruction as appropriate to describe the type of Loss suffered.

“Dangerous Goods” means freight that consists of goods defined as dangerous in the Dangerous Goods code.

“Dangerous Goods Code” means the current Australian Code for the Transport of Dangerous Goods by Road and Rail.

“Driver” is a person who is suitably qualified, licensed, experienced and competent and who is a reasonable person, employed or hired to drive Your Vehicle.

“Excess” means the Basic Excess and the amounts specified elsewhere in the Policy which You must contribute in respect of each and every Vehicle when you make a claim.

Excesses shall be cumulative across all Parts of Farm Vehicle and within each Part of Farm Vehicle.

“Gross Vehicle Mass (GVM)” means the maximum weight a Vehicle can carry, including its own weight, according to manufacturer’s specification.

“Hire Car Costs” means the amount paid by You to hire any Vehicle, but does not include running costs, Damage to the hire car, any insurance excess or other costs which You may be liable for under the hire car agreement.

“Included Accessories” means accessories fitted or installed to upgrade or improve Your Vehicle’s specifications which are not supplied as standard or as optional by the original Vehicle’s manufacturer on the specific Vehicle model insured by this Policy, but only whilst attached to, on, or within Your Vehicle.

“Loss” means sudden physical loss, Damage or destruction to Your Vehicle caused by an unexpected event not otherwise excluded. The loss must occur at an identifiable time and place.

“Market Value” means Our assessment of the value (including GST) of Your Vehicle immediately prior to any Loss or Damage.

“Own Damage Cover” means if this is shown on Your Policy Schedule, we will provide cover to You under “Your Vehicle Cover” only, and not “Liability to Third Parties Cover”.

“Part” means one of the three covers provided by Farm Vehicles, comprising Commercial Motor, Heavy Motor Vehicles and Agricultural Equipment & Mobile Plant.

“Personal Effects” means personal items owned by You or Your employees, which are designed to be worn on the person or carried about, but not:

- a) Money, cheques, financial transaction cards or negotiable instruments;
- b) tools or items used in connection with a business or occupation; or
- c) electronic devices including Portable global positioning systems (GPS), Laptop, Mobile Phone and items of a similar nature.

“Reasonable Costs” means appropriate and fair expenses which are not excessive, arbitrary or extreme in matters of pricing.

“Standard/Optional Accessories” means accessories fitted or installed by the manufacturer of Your Vehicle as either standard or optional equipment on a specific model, but only whilst attached to, on, or within Your Vehicle.

“Sum Insured” means the Agreed Value or Market Value as shown in the Policy Schedule, excluding Vehicle registration and compulsory third party insurance.

Farm Vehicles Commercial Motor

The Sum Insured will include or exclude GST depending on the GST status of each Vehicle insured and owner insured.

“Third-Party” means a person who is not the Insured, or is not a person to whom cover is provided directly to by this Policy.

“Third Party Property Damage Cover” means if this is shown on Your Policy Schedule, We will provide cover to You under “Liability to Third Parties Cover” only.

“Third Party Property Damage Fire and Theft Cover” means if it is shown on Your Policy Schedule, We will only provide cover to You under “Your Vehicle Cover” if Your Vehicle is stolen or lost or damaged due to fire, explosion or lightning. We will also provide cover to You under “Liability to Third Parties Cover”.

“Tool of Trade” means use of Your Vehicle:

- a) for excavating, digging, grading, scraping, drilling, lifting, pumping, spraying, loading and unloading, vacuuming, towing, harvesting, ploughing, harrowing, irrigating, threshing, planting, pollarding, hedging or similar activities and any other activity pertaining to agriculture;
- b) in the process of setting up for such operations and reverting from such operative format to a travel or transit configuration;
- c) whilst being moved simultaneously with or preliminary to or subsequent to, being used for excavating, digging, grading, scraping, drilling, lifting, pumping, spraying, loading and unloading, vacuuming towing, harvesting, ploughing, harrowing, irrigating, threshing, planting, pollarding, hedging or similar activities and any other activity pertaining to agriculture;
- d) whilst temporarily at rest prior to or subsequent to being used for excavating, digging, grading, scraping, drilling, lifting, pumping, spraying, loading and unloading, vacuuming, towing, harvesting, ploughing, harrowing, irrigating, threshing, planting, pollarding, hedging or similar activities and any other activity pertaining to agriculture.

“Total Loss” means where We decide to pay You the full Sum Insured for the lost or damaged property. This is usually when the cost of repairs to Your Vehicle is more than the Sum Insured less any amount We can obtain for the Vehicle’s salvage. Where a Total Loss settlement has been made the cover on Your Vehicle is fully used and therefore cancelled from the date of Loss, with no refund of Premium.

“Vehicle(s)” means any machine, including attachments, that is designed to travel on wheels or self-laid tracks and to be propelled by a power source other than manual or animal power described in the Policy Schedule which have a Gross Vehicle Mass (GVM) of 4.5 tonnes or less and including Standard/Optional Accessories and other Included

Accessories specified in the Policy Schedule. Vehicles does not mean Agricultural Equipment and Mobile Plant and/or Mobile Plant.

“Vehicle Usage” means the use of Your Vehicle which You have told Us and is shown in the Policy Schedule.

YOUR VEHICLE COVER

Cover

Cover under this Section will not apply where You have chosen Third Party Property Damage Cover.

We will pay for Loss or Damage to Your Vehicle arising as a result of an Accident occurring during the Period of Insurance.

At Our discretion We will:

- a) repair Your Vehicle; or
- b) pay the cost of repairing Your Vehicle; or
- c) pay You the Sum Insured; or
- d) if Your Vehicle at the time of the Accident is within its first 12 months of original registration from new and the odometer reading is 35,000 kilometres or less, replace Your Vehicle with a new Vehicle of similar make, model and series subject to local availability.

ADDITIONAL BENEFITS

If We agree to pay a claim under Own Damage Cover, We will also pay for:

1. Accessories

the Reasonable Costs to repair or replace Standard/Optional Accessories or Included Accessories that are disclosed and are listed in the Policy Schedule under Included Accessories;

2. Automatic trailer cover

Damage to any two wheeled or box trailer owned by You whilst attached to Your insured Vehicle;

Limitation: The most we will pay under this Additional Benefit is \$1000 per event.

3. Emergency repairs

the Reasonable Costs of emergency repairs required by licensed repairer to enable Your Vehicle to be moved to a place of safety;

Limitation: The most We will pay under this Additional Benefit is \$2,000 per event.

4. Hire Car following Theft

the Reasonable Costs of hiring a replacement Vehicle of similar type to the Vehicle which has been stolen;

Farm Vehicles Commercial Motor

93

Limitation: The most we will pay under this Additional Benefit is up to a maximum of \$1,000 per event.

We will only pay for a hire car up to the first to occur of the following:

- a) 14 days of car hire; or
- b) when the Vehicle is returned to You in its pre-theft condition; or
- c) when We pay You for a Total Loss.

5. Personal Effects

the reasonable costs to replace or repair Your, or Your employees Personal Effects which are not included on the Policy Schedule as Included Accessories or Standard/Optional Accessories, as the result of a Loss to a Vehicle.

Limitation: The most we will pay under this Additional Benefit is \$500 in total for any one Period of Insurance.

6. Removal of debris

the Reasonable Costs that are necessarily incurred to clean up and remove debris from Your Vehicle or from goods falling or leaking from Your Vehicle, including the statutory fees of Fire, Police, Ambulance or other authorities involved in emergency services attendance.

Limitation: The most we will pay under this Additional Benefit is \$25,000 per event.

We will only pay under this Additional Benefit for the Reasonable Costs that are not covered by or are in excess of any claim benefit available under any inland marine, Farm Transit or road Freight cargo insurance Policy covering Freight in transit.

7. Repatriation of Driver

the Reasonable Costs of travel and one night accommodation expenses necessary for the repatriation of Your Driver to his or her home provided the Accident occurred more than 100kms from the Farm Premises.

Limitation: The most we will pay under this Additional Benefit is \$1,000 per event.

8. Repatriation/towing of Vehicle

the Reasonable Costs for the return of Your Vehicle to You at Your premises that are closest to the licensed repairer, or location of Your Vehicle as a result of theft where Your Vehicle has been repaired or recovered following theft.

Limitation: The most we will pay under this Additional Benefit is \$1,000 per event.

9. Signwriting

the reasonable Cost of reinstating signwriting or fixed advertising signs, murals, special art work, or materials, forming a permanent part of Your Vehicle following Loss or Damage to Your Vehicle.

Limitation: The most we will pay under this Additional Benefit is \$2,000 per event.

10. Keys and locks

If the keys or locks to Your Vehicle are lost or damaged or a lock barrel of Your Vehicle is damaged due to theft or attempted theft of Your Vehicle. We will pay the Reasonable Costs of replacing Your Vehicle keys or locks.

Limitation: The most we will pay under this Additional Benefit is \$2,000 per event.

11. Uninsured motorist protection

Where Your Vehicle is insured only for Third Party Property Damage Cover or Third Party Property Damage, Fire and Theft Cover, as indicated in the Policy Schedule, We will pay for damage to Your Vehicle caused by or arising from a collision with another Vehicle (other than Vehicles owned by You or under Your control) provided that;

- a) the other driver:
 - i) is identified; and
 - ii) has no insurance cover in respect of damage caused by such Vehicle; and
 - iii) is in our opinion solely responsible for the Loss; and
- b) You agree that We can recover any amount We pay to You from the other driver on Your behalf; and
- c) You agree not to take separate action without Our written consent.

Limitation: The most we will pay under this Additional Benefit is \$3,000 in respect of any one event.

12. Death benefit

funeral expenses and assisting with financial stress to the next of kin where as a result of an Accident You or Your Driver dies.

Payment will be made to the deceased's next of kin, or to a beneficiary nominated in the deceased's will or last testament.

Limitations: The most We will pay is \$10,000 per event. However, if You or Your Driver commits suicide, this benefit will not apply.

Farm Vehicles

Commercial Motor

13 Disability modifications

pay the reasonable costs to carry out modification to Your Vehicle necessitated by Your or Your Driver's injuries and permanent disablement to allow the safe operation of Your Vehicle by You or Your Driver who has been the subject of such injury and permanent disablement.

Limitations: The most We will pay is \$3,000 per event.

14. Leased or financed Vehicle payout

the lessor or financier the actual payout figure net of any discount for early payment, less if, as a result of the Loss, Your Vehicle becomes a Total Loss and the Sum Insured (the Market Value or Agreed Value) is less than the amount owed by You under a lease or other finance agreement, subject to the difference between the outstanding finance and lesser of Market Value or the Sum Insured not exceeding 20% of the Market Value, We will pay any arrears of lease or finance payments and any interest on those arrears as at the date of Loss, and any applicable Excess.

EXCLUSIONS

We will not pay:

- a) the costs to repair pre-existing damage; or
- b) for depreciation, wear and tear, rust, corrosion or mechanical, structural, electrical or electronic breakdown or failure, or non performance; or
- c) damage to Your tyres caused by the application of brakes or by road punctures, cuts or bursts; or
- d) any loss arising because reasonable steps were not taken to protect or safeguard Your Vehicle; or
- e) any GST, fine, penalty or charge for which You are liable arising out of Your misrepresentation of, or failure to disclose, Your actual Input Tax Credit entitlement for the Premium relating to the Policy; or
- f) any consequential loss or financial expenses incurred as a result of You not being able to Use Your Vehicle; or
- g) Loss arising from theft or conversion by a prospective purchaser; or

- h) Loss arising from failure of, or defect or fault in, the design or specification of Your Vehicle; or
- i) where You have chosen Third Party Property Damage, Fire and Theft Cover, for any Loss or Damage to Your Vehicle that does not directly result from fire, lightning, explosion or theft; or
- j) any Damage to the property of a Third Party or the personal injury or death of a Third Party; or
- k) loss or Damage arising from Your Vehicle if it is being used as a Tool of Trade.

LIABILITY TO THIRD PARTIES COVER

Cover under this Section will not apply where You have chosen Own Damage Cover Only.

Cover

We will pay to You or on Your behalf all amounts which:

- a) You; or
- b) any person holding a valid driving licence for that type of Vehicle who is driving, using or in charge of Your Vehicle with Your consent; or
- c) any passenger in, getting in, or getting out of Your Vehicle; or
- d) Your employer or principal if Your Vehicle is being driven on their behalf with their consent.

shall become legally liable to pay as compensation in respect of Damage to Third Party property happening during the Period of Insurance and arising out of the use of Your Vehicle or caused during the Loading or Unloading of Your Vehicle.

The maximum that We will pay in respect of this 'Liability to Third Parties Cover' inclusive of all costs, expenses and the Extra Benefits is \$20,000,000 for any one Accident or series of Accidents resulting from the one original cause.

ADDITIONAL BENEFITS TO LIABILITY TO THIRD PARTIES

If We agree to pay a claim under Liability to Third Parties cover, We will also pay:

1. Goods being carried, loaded and unloaded

for Your legal liability for damage to Third Party property caused by goods falling from Your Vehicle and including whilst goods are being loaded and unloaded;

2. Legal costs

all legal costs and expenses incurred with Our written consent.

Farm Vehicles Commercial Motor

95

3. Towing disabled Vehicles

for Your legal liability for damage to Third Party property occasioned whilst Your Vehicle is towing any disabled Vehicle provided the disabled Vehicle is not being towed for reward or financial gain; and

4. Trailers

for Your legal liability for damage to Third Party property caused by or arising out of the use of any trailer attached to Your Vehicle provided that the number of trailers towed does not exceed the number permitted by law.

EXCLUSIONS TO THE LIABILITY TO THIRD PARTIES

We do not cover, under this Liability to Third Parties section, any of the following:

- a) damage or loss to property belonging to or held in trust or in the custody or control of You or any entity or person entitled to indemnity under this Section; or
- b) any claim caused by or in connection with Your Vehicle, or any item of plant or equipment attached to Your Vehicle, whilst Your Vehicle is being used as a Tool of Trade; or
- c) loss or damage caused by or in connection with Your Vehicle if Your Vehicle is Agricultural Equipment and Mobile Plant and/or Mobile Plant; or
- d) loss or damage caused by the discharge, dispersal, release or escape of any trade Waste material; or
- e) any fines, penalties, or aggravated, exemplary or punitive damages; or
- f) claims in respect of bodily injury if You or any person using Your Vehicle with Your consent:
 - i) is partly or wholly entitled to indemnity under any compulsory statutory insurance scheme or accident compensation scheme; or
 - ii) would have been so entitled to indemnity but for the failure to insure or register Your Vehicle or lodge a claim or comply with a term or condition in accordance with the requirements of any such scheme; or
- g) any claim resulting from death or bodily injury; or
 - i) person driving and/or in charge of Your Vehicle; to any
 - ii) of Your employees; or
 - iii) members of Your Family; or
 - iv) any person if Your Vehicle is registered in the Northern Territory of Australia.
- h) Damage or loss to Third Party property that is in or being carried by Your Vehicle if the Third Party property is in or

being carried by Your Vehicle for hire and reward.

GENERAL EXTENSIONS

1. Automatic additions and deletions

We will cover any replacement or additional registered Vehicle acquired by You during the Period of Insurance provided that:

- a) such Vehicles are of a similar type to Vehicles insured by You at the commencement of the Period of Insurance; and
- b) You notify Us within 14 days of acquiring any Vehicle; and
- c) cover will not exceed \$150,000 for any one Vehicle, \$50,000 or any one Caravan, unless notified to Us in writing; and
- d) You pay any additional Premium that We request from You.

2. Cross liability

The words "You" and "Your" will be considered as applying to each party named in the Policy Schedule in the same manner as if that party were the only party named therein and We waive Our rights of subrogation against each such party. However this extension will not increase any limits specified in the Policy.

3. Other interested parties

The cover provided under the 'Your Vehicle Cover' extends to include the interests of any entity or person who has a financial and insurable interest in Your Vehicle but only to the extent of that interest and noted in Policy Schedule and subject to the Policy's limits.

4. Sea transportation

We will pay general average and salvage charges which are incurred whilst Your Vehicle is being transported by sea between places in Australia provided You obtain Our written consent before You sign any general average bond and We are satisfied this action is appropriate.

GENERAL EXCLUSIONS – APPLICABLE TO COMMERCIAL MOTOR

We will not pay for Loss or liability:

- a) if Your Vehicle is driven by You or by any person with Your consent who is not licensed to drive Your Vehicle under any relevant law; but this exclusion will not apply where a person is driving Your Vehicle with Your consent and You can prove:
 - i) You required that person to produce his or her driving licence; and

Farm Vehicles Commercial Motor

- ii) the driving licence produced to You by that person has been forged or was the subject of unauthorised alteration; and
- iii) the forgery or unauthorised alteration could not have been reasonably discerned from the driving licence produced to You; and
- iv) the driving licence produced would if it had been valid have authorised that person to drive the particular category or type of Vehicle which was to be driven with Your consent;

However, We will not waive Our right of subrogation against that person who is not licensed to drive; but We will not exercise Our subrogation rights, where that person is:

- i) a member of Your Family; or
- ii) in another personal relationship with You: or

Your employee and the loss occurred whilst he or she was acting in the course of his or her employment.

We will exercise Our subrogation rights against that person if he or she is one of the classes set out in (a) to (c) above where there is serious or wilful misconduct on the part of that person; or

- b) if Your Vehicle is driven by any person:
 - i) whose faculties are impaired or could reasonably be assumed to be impaired, by any drug or intoxicating liquor; or
 - ii) who is convicted of driving, at the time of Loss, under the influence of any drug or intoxicating liquid; or
 - iii) with a percentage of alcohol or drugs in their breath, blood or urine in excess of the percentage permitted by law; or
 - iv) who refuses to provide or allow the taking of a sample of breath, blood or urine for testing or analysis as required by law.

However, We will pay if You did not know or could not reasonably have known that the driver of Your Vehicle was so affected at the time of the Loss or the driver had refused to undergo an appropriate test at the time of the Loss provided this driver has not to Your knowledge been so affected on a previous occasion or previously refused to undergo an appropriate test; but regardless of the provision of cover to You, We will not provide any cover to the driver of Your Vehicle against liability for loss or damage; or

- c) if Your Vehicle is used whilst in an unsafe or unroadworthy condition and such condition caused or contributed to the Loss or legal liability; or
- d) if Your Vehicle is used to carry a greater number of passengers or convey, lift, suspend or tow a load in excess of that for which Your Vehicle was designed, constructed

or permitted by law; or

- e) intentionally caused by You or by a person acting with Your consent; or
- f) incurred whilst Your Vehicle is being used:
 - i) in connection with the motor trade for experiments, trials, demonstration or breakdown purposes; or
 - ii) for, or being tested in preparation for, any race, trial, test, contest, stunt, pacemaking, reliability trial, hill climbing, or other motor sport, or any driver training course conducted without Our written consent; or
 - iii) for carrying passengers for hire or reward other than under a private car pooling arrangement; or
 - iv) for any illegal purpose with Your knowledge or consent; or
- g) resulting from lawful seizure or other operation of law; or
- h) occurring whilst Your Vehicle is:
 - i) on rails other than as cargo; or
 - ii) not running solely on terra firma; or
 - iii) in an underground mine, mining shaft, or tunnels which are not public roads; or
 - iv) operating within the confines of any Airport including its aprons; or
- i) for Damage to Your Vehicle including any agitator, barrel, bowl or pump and its fittings caused by the hardening or setting of concrete; or
- j) of any nature, directly or indirectly caused by, resulting from, or in connection with asbestos; or
- k) arising directly or indirectly as a result of Your Vehicle being driven or used whilst either the dimensions of the load (including any load projection limit) or the mass limit of the Vehicle (or its axles) are exceeded. However if an oversize or over mass Vehicle permit has been obtained and the load is being carried in accordance with such a permit, this exclusion will not apply; or
- l) if Your Vehicle is being used for the commercial transportation of Dangerous Goods as defined in the Australian Code for the Transport of Dangerous Goods by Road or Rail. However, if transportation complies with such Code and it is noted in Policy Schedule that cover is extended for such transportation, then the maximum We will pay in respect of all claims arising out of one accident is \$250,000 unless otherwise noted in the Policy Schedule; or
- m) in respect of bodily injury if You or any person using Your Vehicle with Your consent;
 - i) is partly or wholly entitled to indemnity under any compulsory statutory insurance scheme or accident

Farm Vehicles Commercial Motor

97

compensation scheme; or

- ii) would have been so entitled to indemnity but for the failure to insure or register Your Vehicle or lodge a claim or comply with a term or condition in accordance with the requirements of any such scheme; or
- n) in respect of any claim for loss or damage of whatsoever kind arising directly or indirectly out of:
 - i) the corruption, destruction or alteration of or damage to data, coding, programme or software; or
 - ii) the unavailability of data or reduction in the functionality, availability or operation of hardware, software and embedded chips; or
 - iii) any business interruption losses resulting there from; or
- o) any GST, or any fine, penalty or charge for which You are liable arising out of Your misrepresentation of, or failure to disclose, Your actual Input Tax Credit for the Premium relating to the Policy; or
- p) if Your Vehicle is being used whilst unregistered when the law requires it to be registered; or
- q) if Your Vehicle forms part of your stock in trade.

GENERAL CONDITIONS – APPLICABLE TO COMMERCIAL MOTOR

1. Partnered repairer network

We have established a network of preferred repairers. These repairers must meet Our stringent acceptance criteria which requires a high standard of repair and service.

When You use one of Our preferred repairers You do not need to shop around for quotes and We will guarantee the quality of the workmanship and materials used in the repair.

You may choose Your own repairer, but if You do, We may require You to provide two quotes for the repair of Your Vehicle, including one from a repairer of Our choice.

If Your Vehicle is at Your chosen repairer and We want to obtain an alternative quote for repairs, We may arrange to move Your Vehicle to another repairer at Our expense.

Parts used in the repair of Your Vehicle will be new original manufacturer's parts, or if unavailable, new parts not manufactured by the original manufacturer or their supplier, provided that the parts comply with the applicable Australian Design Rules.

Recycled parts (original manufacturer's parts or other parts meeting Australian Design Rules) will only be used where new parts are not available. If recycled parts are used they will be those which in Our opinion are consistent with the age and

condition of Your Vehicle.

If We have paid or agreed to pay a claim under this Policy and any part of Your Vehicle is unavailable in Australia, Our liability for the cost of freighting that part to Australia will be limited to that arising from sea transportation only. We will not pay an international air freight charge or an amount exceeding the manufacturer's list price for any part, unless the charge or amount is incurred with Our prior consent.

If the repairer needs to engage the services of a specific specialist repairer and/or supplier that repairer may subcontract some of the repair work to such specialist repairer or supplier.

If We authorise any repairs to Your Vehicle and the quality of the workmanship and/or materials used, by the repairer is inadequate We will arrange for those repairs to be rectified.

We will handle any complaint about the quality or timeliness of the work or conduct of the repairer under Our complaints handling process. For further information about Our complaints handling process please refer to the PDS to this Policy.

2. Claims procedures

- a) In the event of a loss which may become the subject of a claim under the Policy You must immediately forward to Us;
 - i) full details in writing;
 - ii) any communication or court documents received.
- b) You may choose a preferred repairer from the Partnered Repairer Network or Your own licensed repairer, but before repairs are authorised;
 - i) You must obtain Our written agreement;
 - ii) You must make Your Vehicle available for Our inspection.

You will only be entitled to the Repair Guarantee described below if You choose to use a preferred repairer from the Partnered Repairer Network.

We reserve the right to:

- determine the method of repairs; and
- to make enquiries to ensure that the repairs are carried out satisfactorily and that the parts used for repairs are new or are consistent with the age and condition of Your car; and
- if required, seek an alternative competitive repair estimate.

We will guarantee the workmanship and materials on all repairs authorised by Us and completed by a member of the Partnered Repairer Network, for the duration of the period that You own or lease the Vehicle.

We will arrange for any unsatisfactory repairs to be inspected and if necessary, rectification to be carried out.

Farm Vehicles

Commercial Motor

We will not pay for the rectification of any repairs which are not authorised by Us.

Where Your Vehicle has been repaired by a repairer of Your choice, Our guarantee of workmanship and materials on repairs authorised by Us will be as required by any law or statute and in accordance with the Motor Vehicle Insurance and Repair Industry Code of Conduct.

- c) In respect of each claim or potential claim, You must:
- not make any admission of guilt or offer of payment without Our written consent;
 - allow Us to have the sole conduct of all negotiations and proceedings;
 - give Us all reasonable assistance and co-operation in all aspects including recovery from the responsible person;
 - notify Us of any other insurance that also provided cover, whether in whole or in part;
 - notify the Police as soon as possible in respect of theft of or malicious damage to Your Vehicle;
 - permit Us to initiate legal proceedings in Your name against any person and sign any documents necessary for that purpose.

3. Cancellation

The Policy may be cancelled by:

- a) You at any time by notifying Us in writing. We will refund the Premium for the unexpired Period of Insurance, less Our cancellation fee of one month's Premium;
- b) Us only where allowed by the Insurance Contracts Act 1984. We will refund the Premium for the unexpired Period of Insurance;
- c) a Premium funding company only in accordance with the power of attorney You granted to such company. We will refund the Premium for the unexpired Period of Insurance to the Premium funding company, from the date We receive the request, or the date if later that they specify, less Our cancellation fee.

4. Entitlement

Any person or entity entitled to cover under the Policy is only entitled to such indemnity subject to the terms, conditions and exclusions of the Policy.

5. Excess

You have to contribute the Basic Excess shown in the Policy Schedule and also any of the following additional excesses if the driver of Your Vehicle is:

- a) aged less than 21 years of age at the time of loss, then an additional amount of \$1,500 is payable;

- b) aged 21 and less than 25 at the time of the loss, then an additional amount of \$1,000 is payable;
- c) aged 25 and over and has less than two years licensed driving experience, then an additional amount of \$500 is payable.

However, You will not have to contribute the Excess if, in Our opinion, the Loss was not Your fault and You can provide Us with the name, current address and vehicle registration number of the person responsible for the loss.

6. Transfer of interest

No interest in the Policy can be transferred without Our written consent.

7. Duty of care to mitigate loss

You must exercise reasonable care and take appropriate precautions to mitigate Loss and ensure safety of any Vehicle insured under this Policy. In so doing, You must also maintain Your Vehicles in a safe working and roadworthy condition, conduct safe work practices, and only employ competent and suitably qualified Drivers. You must also discharge Your legal obligations imposed by the relevant authorities and government bodies.

8. Motor Vehicle Insurance and Repair Industry Code of Conduct

We adhere to the Motor Vehicle Insurance and Repair Industry Code of Conduct.

Our policy with regard to choice of repairers in relation to Your Vehicle is that You may choose to use Our authorised repairer or Your own licensed repairer. We may sublet part of the repairs to another repairer.

With regard to the use of new, non-genuine and recycled parts Our policy is that parts suitable for Your Vehicle's age and condition will be used in the repair, as follows:

- new Original Equipment Manufacture (OEM) approved parts will be used if Your Vehicle is still covered under a standard new Vehicle warranty;
- new and/or reconditioned OEM parts will be used if Your Vehicle is outside the manufacturer's standard new Vehicle warranty period;
- for windscreens Australian manufactured parts, which are compliant with the Australian Design Rules.

Farm Vehicles

Heavy Motor

99

HEAVY MOTOR

Some words have special meaning wherever they appear in the Heavy Motor Vehicles section. These words and their meanings are listed below.

The definitions below apply only to this Part of the Farm Vehicles section and override all other definitions, including the General Definitions applying to all sections of the Policy.

DEFINITIONS

“Accident or Accidental” means unintended, unforeseen, fortuitous or unanticipated happening or mishap, which is not expected or designed.

“Agricultural Equipment and Mobile Plant” means a self-propelled Vehicle or machine which is not normally registered for on road use and is used for excavating, digging, grading, scraping, drilling, lifting, pumping, spraying, loading and unloading, vacuuming, towing, harvesting, ploughing, harrowing, irrigating, threshing, planting, pollarding, hedging or similar activities or any other activity pertaining to agricultural use in connection with Your Farm Business.

“Aviation Works” means any of the following work:

- a) the refuelling of Aircraft;
- b) the construction, alternation, repair, restoration, maintenance, extension, demolition or dismantling of buildings, runways or structures (whether permanent or not) forming, or to form part of the Airport areas;
- c) 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;
- d) any operation on any of the Airport areas involving site clearance, earthmoving, excavation, tunnelling, boring, laying of foundations, erection or dismantling of scaffolding, site restoration, landscaping and the provision of roadways and other access works;

but Aviation Works do not extend to vehicular movements within the Airport perimeter conducted in accordance with the guidelines and regulations established by the relevant regulatory authority.

“Damage” means any physical Loss, or destruction as appropriate to describe the type of Loss suffered.

“Dangerous Goods” means Freight that consists of goods defined as dangerous in the Dangerous Goods Code.

“Dangerous Goods Code” means the current Australian Code for the Transport of Dangerous Goods by Road and Rail.

“Dogs” means a load binder used in conjunction with a chain to secure a load.

“Driver” is a person who is suitably qualified, experienced and competent and who is a Reasonable Person, employed or hired to drive Your Vehicle.

“Excess” means the amounts specified in the Policy Schedule and elsewhere in the Policy which You must contribute to each and every claim in respect of each and every Vehicle.

“Freight” means goods transported by Your Vehicle for hire and reward.

“Gross Vehicle Mass (GVM)” means the maximum weight a Vehicle can carry, including its own weight, according to manufacturer’s specification.

“Included Accessories” means accessories fitted or installed to upgrade or improve Your Vehicle’s specifications which are not supplied as standard or as optional by the original Vehicle’s manufacturer on the specific Vehicle model insured by this Policy, but only whilst attached to, on, or within Your Vehicle.

“Insured” means the person named as such in the Policy Schedule.

“Liability” or **“Liable”** means a legal liability to another.

“Loading/Unloading” means the process of placing goods on, or removing goods from, Your Vehicle whilst it is stationary.

“Loss” means sudden physical Loss, Damage or destruction to Your Vehicle caused by an unexpected event not otherwise excluded by this Policy.

“Market Value” means Our assessment of the value (including GST) of Your Vehicle immediately prior to any Loss.

“Nominated Driver” means a person who has completed a Driver questionnaire, been approved by Us, and has been listed in the Policy Schedule as a Nominated Driver.

“Part” means one of the three covers provided by Farm Vehicles, comprising Commercial Motor, Heavy Motor Vehicles and Agricultural Equipment and Mobile Plant.

“Permanently Attached Plant” means a piece of equipment which cannot be easily removed and is necessary for Your Vehicle to operate in the ordinary course of Your Business. This may include a crane arm, hydraulic lifting equipment, concrete bowls, tilt trays, concrete pumping equipment and similar equipment.

“Pollutants” means any solid, liquid, gaseous or thermal irritant or contaminant, including but not limited to smoke, vapour, soot, fumes, acid, alkalis, chemicals, asbestos and any Waste material regardless of whether or not such material is to be recycled, reconditioned or reclaimed by You or any other person.

Farm Vehicles

Heavy Motor

“Principal” means a person for whom You act as agent or representative and includes the Commonwealth of Australia or a State or Territorial Government.

“Professional Indemnity Policy” means an insurance contract providing cover for Liability for negligent advice or work carried out by an individual with particular skills or knowledge, or qualifications, or experience.

“Reasonable Costs” means appropriate and fair expenses which are not excessive or extreme in matters of pricing.

“Reasonable Person” has the meaning established at common law.

“Standard/Optional Accessories” means accessories fitted or installed by the manufacturer of Your Vehicle as either standard or optional equipment on a specific model, but only whilst attached to, on, or within Your Vehicle.

“Sum Insured” means the amount shown in the Policy Schedule for which Your Vehicle is insured. The Sum Insured will include or exclude GST depending on the GST status of each Vehicle insured and owner insured.

“Third-Party” means a person who is not the Insured, or is not a person to whom cover is provided directly to by this policy.

“Third Party Details” means information identifying a Third-Party and includes, but is not limited to, details of his or her: name, address, driving licence number, telephone number, vehicle registration number and insurance details.

“Total Loss” means the Damage is beyond an amount We consider economical to repair. Where a Total Loss settlement has been made the cover on Your Vehicle is fully used and therefore cancelled from the date of Loss, with no refund of Premium.

“Tool of Trade” means use of Your Vehicle:

- a) for excavating, digging, grading, scraping, drilling, lifting, pumping, spraying, loading and unloading, vacuuming, towing, harvesting, ploughing, harrowing, irrigating, threshing, planting, pollarding, hedging or similar activities and any other activity pertaining to agriculture;
- b) in the process of setting up for such operations and reverting from such operative format to a travel or transit configuration;
- c) whilst being moved simultaneously with or preliminary to or subsequent to, being used for excavating, digging, grading, scraping, drilling, lifting, pumping, spraying, loading and unloading, vacuuming, towing, harvesting, ploughing, harrowing, irrigating, threshing, planting, pollarding, hedging or similar activities and any other activity pertaining to agriculture;

- d) whilst temporarily at rest prior to or subsequent to being used for excavating, digging, grading, scraping, drilling, lifting, pumping, spraying, loading and unloading, vacuuming, towing, harvesting, ploughing, harrowing, irrigating, threshing, planting, pollarding, hedging or similar activities and any other activity pertaining to agriculture.

“Vehicle” means any machine, including attachments, that is designed to travel on wheels or self-laid tracks and to be propelled by a power source other than manual or animal power described in the Policy Schedule which have a Gross Vehicle Mass (GVM) of more than 4.5 tonnes and including Standard/Optional Accessories and other Included Accessories specified in the Policy Schedule. Vehicles will not include Agricultural Equipment and Mobile Plant and/or mobile plant.

YOUR VEHICLE COVER

Cover

We will indemnify You for Loss by paying, at Our option, to:

- a) repair or replace Your Vehicle, or
- b) pay the amount of the Loss, provided payment does not exceed the lesser of the Sum Insured or Market Value.

If the cost of repairs to Your Vehicle is more than the Sum Insured or Market Value, whichever is less (less any amount We can obtain for the salvage), We will treat it as a Total Loss and pay You, after deducting any Excess, the lesser of the Sum Insured or Market Value.

When a Total Loss settlement has been made, the cover on Your Vehicle is cancelled with no refund of Premium. At Our option, any salvage will be retained by Us.

If more than one Vehicle insured under this Policy is lost or damaged as a result of one event the maximum that We will pay under “Your Vehicle Cover” for that event is the lesser of:

- a) \$10,000,000; or
- b) the combined Sum Insured’s or Market Value’s, whichever is less, plus any Included Benefit entitlement amount of Your Vehicles involved in the event.

ADDITIONAL BENEFITS

If We agree to pay a claim, We will also pay for:

1. Accessories

the Reasonable Costs to repair or replace fixed accessories provided that they are disclosed and are listed in the Policy Schedule under either Standard/Optional Accessories or Included Accessories; and

Farm Vehicles

Heavy Motor

101

2. Emergency repairs

the Reasonable Costs of emergency repairs required by licensed repairer to enable Your Vehicle to be moved to a place of safety.

Limitation: The most we will pay under this Additional Benefit is \$2,000 per event.

3. Hire substitute Vehicle following theft

the Reasonable Costs incurred to hire a replacement Vehicle of a similar type which has been stolen;

Limitation: The maximum We will pay under this Additional Benefit is up to a maximum of \$1,000 per event.

We will only pay for a hire car up to the first to occur of the following:

- a) 14 days of car hire; or
- b) when the Vehicle is returned to You in its pre event condition; or
- c) when We pay You for a Total Loss.

This Additional Benefit is subject to a seven day Excess which means that You must pay the first 7 (seven) days of Vehicle hire charges prior to Us paying such charges. A day means each day that a daily hire charge has been incurred. However, We will not pay hire Vehicle charges from the date Your Vehicle has been repaired, or a replacement Vehicle provided by Us, or from the date We pay for the Total Loss of Your Vehicle.

For example: if a Hire Vehicle is used for 15 days at a cost of \$100 per day whilst the insured Vehicle is being repaired, We deduct a seven day Excess and reimburse seven days hire Vehicle charges (as the benefit ends after 14 days of hire), amounting to where You, or Your Driver whilst driving Your Vehicle are injured and hospitalised as a result of an event covered by this Policy, We will pay \$1,000; and

4. Keys and locks

the Reasonable Costs of replacing Your Vehicle's keys and/or locks if the keys or locks to Your Vehicle are lost or damaged;

Limitation: The most We will pay under this Additional Benefit is \$1,000 per event; and

5. Personal effects

the Reasonable Costs to replace or repair Your, or Your Driver's personal effects (excluding Money and negotiable instruments) not included on the Policy Schedule as Included Accessories or Standard/Optional Accessories, as the result of Loss to a Vehicle;

Limitations: The most we will pay under this Additional Benefit is \$500 in total in any one Period of Insurance; and

6. Removal of debris

the Reasonable Costs that are necessarily incurred to clean up and remove debris from Your Vehicle or from goods falling or leaking from Your Vehicle, including the statutory fees of Fire, Police, Ambulance or other authorities involved in emergency services attendance;

Limitations: We will not under this Additional Benefit pay more than \$25,000 in respect of all claims arising from one event.

We will only pay under this Additional Benefit for the Reasonable Costs that are not covered by or are in excess of any claim benefit available under any inland marine, Farm Transit or road Freight cargo insurance Policy covering Freight in transit; and

7. Repatriation of a Driver

the Reasonable Costs of travel and one night's accommodation expenses necessary for the repatriation of Your Driver to his or her home, provided the Accident occurred more than 100kms from the farm;

Limitation: The most We will pay under this Additional Benefit is \$1,000 per event; and

8. Repatriation/towing of Vehicle

the Reasonable Cost for the return of Your Vehicle to You at Your premises that are closest to the licensed repairer, or location of Your Vehicle following theft;

Limitation: The most we will pay under this Additional Benefit is \$1,000 per event, where Your Vehicle has been repaired or recovered following theft; and

9. Signwriting

the Reasonable Costs of signwriting or fixed advertising signs, murals, special art work, or materials, forming a permanent part of Your Vehicle following Loss or Damage to Your Vehicle;

Limitation: The most we will pay under this Additional Benefit is \$2,000 per event; and

10. Tarpaulins, gates, chains, dogs and straps

the Reasonable Costs to repair or replace tarpaulins, gates, chains, Dogs and straps;

Limitation: The most We will pay under this Additional Benefit is \$500 in any one Period of Insurance.

We will not pay for any theft claim under this Additional Benefit, unless Your Vehicle has been stolen at the same time.

Farm Vehicles

Heavy Motor

SPECIFIC EXCLUSIONS – APPLICABLE TO HEAVY MOTOR COVER

We will not pay for:

- a) the costs incurred to repair pre-existing damage; or
- b) depreciation, wear and tear, rust, corrosion or mechanical, structural, electrical or electronic breakdown or failure, or non-performance; or
- c) Damage to Your tyres by the application of brakes or by road punctures, cuts or bursts; or
- d) any Loss arising because reasonable steps were not taken to protect or safeguard Your Vehicle; or
- e) any GST, or any fine, penalty or charge for which You are liable arising out of Your misrepresentation of, or failure to disclose, Your actual Input Tax Credit entitlement on the Premium relating to the Policy; or
- f) any Damage to the property of a Third-Party or the personal injury or death of a Third-Party.

The maximum that We will pay in respect of this Heavy Motor Cover is the lesser of \$10,000,000 for any one Loss or all Losses arising from one event, or the declared Sum Insured.

LIABILITY TO THIRD PARTIES COVER

Cover

We will pay to You or on Your behalf all amounts which:

- a) You; or
- b) any person holding a valid driving licence for that type of Vehicle who is driving, using or in charge of Your Vehicle with Your consent; or
- c) any passenger in, getting in, or getting out of Your Vehicle; or
- d) Your employer or principal if Your Vehicle is being driven on their behalf with their consent

shall become legally Liable to pay as Compensation in respect of Damage to the property of a Third Party happening during the Period of Insurance within the and arising out of the use of Your Vehicle or caused during Loading or Unloading of Your Vehicle.

Provided that We will not pay for Liability for Damage to property, premises and/or Loss of use of property, premises belonging to, or held in trust or in the custody or control of, any of the persons described in clauses a), b), c) or d) to this Liability to Third Parties Cover above.

This Policy does not provide any cover for Your Liability for bodily injury or death of a Third-Party, arising out of the use of your Vehicle.

The maximum that We will pay in respect of Liabilities to Third Parties Cover, inclusive of all costs, expenses and the Extra Benefits of "Liability to Third Parties Cover", is \$20,000,000 for any one Accident or series of Accidents resulting from the one original cause. This limit of \$20,000,000 will not extend to liability where the event creating that Liability arises from Freight which includes any of the following Dangerous Goods:

- Class 1 Explosives
- Class 2.1 Flammable Gases
- Class 2.2 Non Flammable Non-Toxic Gases
- Class 2.3 Toxic Gases
- Class 3 Flammable Liquids
- Class 4.1 Flammable Solids
- Class 4.2 Spontaneously Combustible Substances
- Class 4.3 Dangerous When Wet
- Class 5.1 Oxidising Substances
- Class 5.2 Organic Peroxides
- Class 6.1 Toxic Substances
- Class 8 Corrosives
- Class 9 Miscellaneous Dangerous Goods (excluding asbestos)

The maximum that We will pay for liability arising from the above listed Dangerous Goods including all costs, expenses and the Extra Benefits of "Liability to Third Parties Cover" is \$250,000, or any greater amount shown by endorsement in the Policy Schedule, for any one Accident or series of Accidents resulting from the one original cause.

ADDITIONAL BENEFITS

If We agree to pay a claim, provided Our Liability under "Liability to Third Parties Cover" does not exceed \$20,000,000 or \$250,000 where the liability arises from Dangerous Goods, then, We will also pay:

1. Employer, Principal or business partner

to indemnify Your employer, Principal or business partner and meet his or her legal costs incurred with Our consent for Liability for Damage or Loss to Third-Party property arising from Your Vehicle being used by You or any other licensed person with Your consent on behalf of Your employer, Principal or business partner. This Additional Benefit will only apply to that Liability of your employer, Principal or business partner which is not covered by any other contract of insurance or which is in excess of any benefit available under any other contract of insurance;

Farm Vehicles

Heavy Motor

103

2. Freight falling, leaking or spilling

for Liability to a Third-Party for Damage to Third-Party property not belonging to You caused by Freight falling, leaking or spilling or escaping from Your Vehicle (but excluding Damage to the Freight itself), whilst Your Vehicle is in transit or during the course of Loading or Unloading;

3. Legal costs

Your legal costs and expenses incurred with Our written consent in respect of Your Liability to a Third-Party for Damage to that Third-Party's property as a result of the use of Your Vehicle; and

4. Loading/unloading – permanently attached plant

for Liability to a Third-Party for Damage to that Third-Party's property arising out of the use of Permanently Attached Plant to Your road registered Vehicle and noted in Policy Schedule required for Loading/Unloading which is part of the ordinary course of conducting Your business.

SPECIFIC EXCLUSIONS – APPLICABLE TO LIABILITY TO THIRD PARTIES COVER

We will not pay under this Third Parties Liability Cover for any liability:

- a) caused by or in connection with Your Vehicle if Your Vehicle is Agricultural Equipment and/or Mobile Plant; or
- b) caused by or in connection with Your Vehicle when Your Vehicle is being used as a Tool of Trade; or
- c) arising from Freight in respect of Dangerous Goods where:
 - i) the requirements of the Dangerous Goods Code have not been complied with; or
 - ii) the Dangerous Goods fall within 'Class 6.2 Infective Substances' or 'Class 7 Radioactive Substances' as defined under the Dangerous Goods Code; or
- d) in connection with, or directly or indirectly caused by or directly or indirectly arising from asbestos or asbestos products or asbestos contained in any products; or
- e) for any fines, penalties, punitive, exemplary or aggravated damages; or
- f) arising from an event occurring on a public road if Your Vehicle is not registered for use on a public road; or
- g) arising from the use of any trailer that You do not own while it is in Your custody or control and is connected to Your Vehicle at the time of Loss; or
- h) in respect of death or bodily injury if You or any person using or in control of Your Vehicle with Your consent:
 - i) is partly or wholly entitled to indemnity under any compulsory statutory insurance scheme or accident compensation scheme; or
 - ii) would have been entitled to indemnity under any such scheme but for a failure to:
 - insure or register Your Vehicle; or
 - make a claim in accordance with its requirements; or
 - comply with any of its terms or conditions; or
- i) for death or bodily injury to any:
 - i) person driving and/or in charge of Your Vehicle; or
 - ii) of Your employees; or
 - iii) members of Your Family; or
 - iv) any person if Your Vehicle is registered in the Northern Territory of Australia; or
- j) for death, bodily injury, property damage, financial loss, or loss of use of property or any consequential loss:
 - i) directly or indirectly arising out of the discharge, dispersal, release or escape of Pollutants; or
 - ii) for the cost of removing nullifying or cleaning up of Pollutants; or
 - iii) for fines, penalties, punitive or exemplary damages arising directly or indirectly out of the discharge, dispersal, release or escape of Pollutants.
- k) for:
 - i) the wrongful delivery of Freight, or
 - ii) the delivery of contaminated or spoiled Freight, or
- l) while Your Vehicle is being used:
 - i) in an underground mine, mining shaft, or tunnel which is not a public road; or
 - ii) within the boundaries of any Airport or airfield; or
- m) which could be covered by a Professional Indemnity policy; or
- n) arising in any way from the structural maintenance of dams, reservoirs or weirs; or
- o) arising in any way from Aviation Works; or
- p) arising in any way from the construction, maintenance or repair of oil and gas wells or refineries; or
- q) arising in any way from structural ship building or repair.

Farm Vehicles

Heavy Motor

GENERAL EXTENSIONS

1. Automatic inclusion of Vehicles

We will cover any replacement or additional registered Vehicle acquired by You during the Period of Insurance provided You agree to notify Us within 14 days of acquiring any Vehicle.

However You must tell Us immediately where:

- a) the Vehicle has a Market Value in excess of \$150,000; or
- b) as a result of the acquisition of the Vehicle the total value, of all Your Vehicles exceeds the total Sum Insured declared at the commencement of the Policy by 50%; or
- c) as a result of the acquisition of the Vehicle the total number of all Your Vehicles exceeds by 50% of the total number of Vehicles and Trailers disclosed at the start of the current Period of Insurance; or
- d) You acquire the Vehicle as a result of You being involved in a merger or takeover; or
- e) the acquisition of the Vehicle results in a material change in Farm Business activity from Your normal operations which You have disclosed to Us earlier.

Provided You pay any additional Premium and applicable Excess if requested.

2. Cross liability

The words "You" and "Your" will be considered as applying to each party named in the Policy Schedule in the same manner as if that party were the only party named in the Policy Schedule. We will waive Our rights of subrogation against each such party. This General Extension will not increase any limits specified in the Policy.

3. Other interested parties

In the event of any loss of or damage to Your Vehicle and that Vehicle is subject to a lease or other financing arrangement whereby the financier retains security over the Vehicle, then:

- a) the financier will be an Insured and noted in Policy Schedule; but
- b) is only insured to the extent of the financier's remaining interest in the Vehicle affected at the time of the loss or damage to the Vehicle.

4. Sea transportation

We will pay any General Average and Salvage Charges incurred by You whilst Your Vehicle is being transported by sea between places in Australia.

GENERAL EXCLUSIONS – APPLICABLE TO HEAVY MOTOR VEHICLES COVER

We will not pay for Loss or legal Liability:

1. if Your Vehicle is with Your consent driven by, or is under the control of, any person who is:
 - a) not licensed to drive Your Vehicle under any relevant law; but this exclusion will not apply where a person is driving Your Vehicle with Your consent and You can prove:
 - i) You required that person to produce his or her driving licence; and
 - ii) the driving licence produced to You by that person has been forged or was the subject of unauthorised alteration; and
 - iii) the forgery or unauthorised alteration could not have been reasonably discerned from the driving licence produced to You; and
 - iv) the driving licence produced would if it had been valid have authorised that person to drive the particular category or type of Vehicle which was to be driven with Your consent;

However, We will not waive Our right of subrogation against that person who is not licensed to drive; but We will not exercise Our subrogation rights, where that person is:

- i) a member of Your Family; or
- ii) in another personal relationship with You; or
- iii) Your employee and the loss occurred whilst he or she was acting in the course of his or her employment.

We will exercise Our subrogation rights against that person if he or she is one of the classes set out in i) to iii) above where there is serious or wilful misconduct on the part of that person; or

- b) noted in the current Schedule as a "Declined Driver"; or
2. if Your Vehicle is driven by, or is under the control of, any person:
 - a) who has ingested any drug, substance or alcohol which may impair his or her faculties; or
 - b) who is convicted of driving or being in control of the Vehicle, at the time of Loss, whilst under the influence of any drug, substance or alcohol; or
 - c) who has a percentage of alcohol in his or her breath or blood, at the time of Loss in excess of the percentage permitted by law; or

Farm Vehicles Heavy Motor

105

- d) who refuses to provide or allow the taking of a sample of breath, blood or urine for testing or analysis as required by the law of any the Commonwealth, a State or Territory;

We will indemnify You for Your vicarious Liability to a Third-Party for damage to property, if You prove You did not know, or could not reasonably have known, that the Driver of Your Vehicle was so affected or would refuse to undergo an appropriate test at the time of Loss. However, We will not indemnify Your Driver in respect of any Liability they incur as a result of he or she being in control of Your Vehicle where one or more of the circumstances in a) to d) above apply; or

3. if Your Vehicle is used whilst in an unsafe or un-roadworthy condition and that condition caused or contributed to the Loss or Liability; or
4. if Your Vehicle is used to carry a greater number of passengers or convey, lift, suspend or tow a load in excess of that for which Your Vehicle was designed, constructed or permitted by law; or
5. intentionally caused by You or Your Driver or by a person acting with Your or Your Driver's consent; or
6. incurred whilst Your Vehicle is being used:
 - a) in connection with the motor trade for experiments, trials, demonstration or breakdown purposes; or
 - b) in any formal or informal race, trial, test, contest or other motor sport to be carried out on public or private roads; or
 - c) in preparation for any formal or informal race, trial, test, contest, stunt, pacemaking, reliability trial, hill climbing, or other motor sport; or
 - d) for any driver training; or
7. resulting from the lawful seizure of Your Vehicle or Your Loss of the Vehicle by any other legal process or operation of law; or
8. incurred by You because You cannot use Your Vehicle, or use any trailer whether owned by You or not; or
9. incurred whilst Your Vehicle is on rails other than as cargo; or
10. incurred while Your Vehicle is not running solely on terra firm; or
11. arising directly or indirectly as a result of Your Vehicle being driven or used whilst either the dimensions of the load (including any load projection limit) or the weight limit of the Vehicle (or its axles) are exceeded. This exclusion will not apply if an over size or over weight Vehicle permit has been obtained and the load is being carried in accordance with such a permit, provided this does not render the Vehicle unsafe or unmanageable; or
12. any Loss or Damage of whatever kind arising directly or indirectly out of:
 - a) the corruption, destruction or alteration of or damage to data, coding programme or software; or
 - b) the unavailability of data or reduction in the functionality, availability or operation of hardware, software and embedded chips; or
 - c) any business interruption losses arising therefrom.

GENERAL CONDITIONS

1. Driver declaration

Where the Policy Schedule states that this is a Nominated Driver Policy, You must complete Driver declarations for the Drivers of every Vehicle listed in the current Policy Schedule as well as those covered by General Extension: '1 Automatic Inclusion of Vehicles.' You must submit to Us for each:

- a) existing Driver, a Driver declaration within 14 days of the Policy inception; and
- b) for each additional Driver, provide a Driver declaration within five business days of his or her commencement as Your Driver.

2. Additional Excess

In addition to the Excess shown in the current Policy Schedule, You will have to contribute the following additional Excess or Excesses, if at the time of Loss or incurring legal Liability Your Vehicle is:

- a) a rigid truck greater than 4.5 tonnes GVM and the person driving is under 25 years of age or has less than two years experience of driving this type of Vehicle then You must pay an additional Excess of \$3,000; or
- b) an articulated truck and the person driving is under 25 years of age and has less than two years experience of driving this type of Vehicle then You must pay an additional Excess of \$5,000; or
- c) an articulated truck and the person driving is 25 years of age or older and has less than two years experience driving this type of Vehicle then You must pay an additional Excess of \$3,000; or
- d) a Vehicle being used outside Your radius of operation which has been nominated by You to Us, then You must pay an additional Excess of \$3,000; or
- e) a rigid body tipper or a tipping trailer, the additional Excesses set out in a) to d) above that You must pay will be doubled if Damage is incurred whilst the tipping hoist is partially or fully extended.

Farm Vehicles

Heavy Motor

3. Claim procedure

To make a claim under this Policy:

- a) You, or Your legal representative, must provide Us with full details in writing as soon as possible after an event involving the occurrence of any Loss, or the incurring of Liability, which may become the subject of a claim under the Policy; and
- b) You must comply with any request We make for any evidence which We reasonably require to substantiate Your claim, including but not limited to a Statutory Declaration. Any communication from other parties (including letters of demand and court documents) must be sent to Us immediately; and
- c) where there is a claim or potential claim under "Liability to Third Parties Cover" You must:
 - i) not make any admission of responsibility or any offer of payment without Our written consent; and
 - ii) allow Us to have the sole conduct of all negotiations and proceedings; and
 - iii) provide Us with all reasonable assistance and co-operation which We may request.

4. Subrogation

Subject to the Insurance Contracts Act 1984, We have the right to recover any amount paid by Us from any person who You may be able to hold liable for the loss We have paid for (this is termed a subrogation right) and:

- a) We will have full discretion in the conduct, defence or settlement of any claim and the right to take any action in Your name; and
- b) You will provide Us with all documents and information we require to conduct any action in Your name; and
- c) You and any other party entitled to cover under the Policy must provide Us all information and co-operation We may require in a timely fashion when requested by Us.

5. Cancellation

The Policy may be cancelled by:

- a) You at any time by notifying Us in writing. We will refund the Premium for the unexpired Period of Insurance, less Our cancellation fee of one month's Premium; or
- b) Us but only as permitted by the Insurance Contracts Act 1984. We will refund the Premium for the unexpired Period of Insurance; or
- c) a Premium funding company, but only in accordance with the power of attorney You granted to such company. We will refund the Premium for the unexpired Period of Insurance to the Premium funding company, from the

date We receive the request or, the date they specify if that is a later date, less Our cancellation fee. You agree We are entitled to take this action.

6. Vehicle repairs

You may choose Your own repairer, but if We do not agree with Your choice of repairer You must co-operate with Us to select a repairer that both You and We agree on.

When We authorise repairs to Your Vehicle, We guarantee:

- a) the workmanship involved in the repair for the period Your Vehicle remains owned or leased by You;
- b) that the structural integrity of Your Vehicle has been maintained; and
- c) parts used in the repair will be:
 - generally new original equipment manufacturer's parts; or
 - new non-original equipment manufacturer parts that comply with Australian Design Rules; or
 - where necessary
 - second-hand original equipment manufacturer's parts provided that the parts are consistent with the age and condition of Your Vehicle and comply with Australian Design Rules; or
 - Second-hand non-original equipment manufacturer parts provided that the parts are consistent with the age and condition of Your Vehicle and comply with Australian Design Rules.

Sub-contract repairs may occur when approved by Us.

7. Authorising repairs

Other than as provided Your Vehicle Cover, Included Benefit: '2 Emergency Repairs', You must not, without Our prior consent, authorise repairs to Your Vehicle which are, or may be, the subject of a claim under the Policy.

8. Average

If the Sum Insured on Your Vehicle is less than 80% of the Market Value at the time of Loss giving rise to a claim under Your Vehicle Cover, then We will only pay that proportion of the repair costs that the Sum Insured bears to 80% of the Market Value.

For the purpose of establishing the Market Value for the application of this provision, prime movers and their attached trailers will be regarded as separate and distinct items.

Farm Vehicles Heavy Motor

107

9. Other insurance

You must notify Us in writing if You have already effected, or if You intend in the future to effect, any other insurance which covers Your Vehicle in whole or in part. You must provide Us with the full name and address of Your other insurer or intended insurer, together with the policy number of the insurance contract if known.

10. Replacement parts or accessories

If any replacement part or accessory necessary for the repair of Your Vehicle is not available within Australia at the time of such repair, We will pay up to the current or last available Australian list price of the manufacturer of the part or the Australian distributor for that part or accessory. If there is no Australian list price We will only pay the Reasonable Costs, excluding the cost to import the replacement part or accessory.

11. Salvage

If Your Vehicle is declared by Us to be a Total Loss and We pay Your claim under Your Vehicle Cover, then You must either allow Us to take possession of Your Vehicle or We will reduce what We pay You by the Vehicle's salvage value as assessed by Us.

12. Duty of care to mitigate loss

You must exercise reasonable care and take suitable precaution to mitigate Loss and ensure safety of any Vehicle insured under this Policy. In so doing, You must also maintain Your Vehicles in a safe working and roadworthy condition, conduct safe work practices and employ only competent and suitably qualified Drivers. You must also discharge Your legal obligations imposed by the relevant authorities and government bodies.

Farm Vehicles

Agricultural Equipment and Mobile Plant

DEFINITIONS

Some words have special meaning wherever they appear in this section. These words and their meanings are listed below.

The definitions below apply only to this Part of the Farm Vehicles section and override all other definitions, including the General Definitions applying to all sections of the Policy.

“Aircraft” means any craft or object designed to travel through air, atmosphere or space, other than model Aircraft.

“Accident” or **“Accidental”** means unintended, unforeseen, fortuitous or unanticipated happening or mishap, which is not expected or designed.

“Agricultural Equipment and Mobile Plant” means a self propelled Vehicle or machine which is not normally registered for on road use and is used for excavating, digging, grading, scraping, drilling, lifting, pumping, spraying, loading and unloading, vacuuming, towing, harvesting, ploughing, harrowing, irrigating, threshing, planting, pollarding, hedging or similar activities and any other activity pertaining to agriculture used in connection with your Farm Business.

“Agricultural Use” means Agricultural Equipment and Mobile Plant while:

- a) used for excavating, digging, grading, scraping, drilling, lifting, pumping, spraying, loading and unloading, vacuuming, towing, harvesting, ploughing, harrowing, irrigating, threshing, planting, pollarding, hedging or similar activities and any other activity pertaining to agriculture; or
- b) in the process of setting up for such operations and reverting from such operative format to a travel or transit configuration; or
- c) the Agricultural Equipment and Mobile Plant is being moved within a worksite simultaneously with or preliminary to or subsequent to, being used for excavating, digging, grading, scraping, drilling, lifting, pumping, spraying, loading and unloading, vacuuming, towing, harvesting, ploughing, harrowing, irrigating, threshing, planting, pollarding, hedging or similar activities and any other activity pertaining to agriculture;

However, Agricultural Use does not include transit of the Agricultural Equipment and Mobile Plant to or from any place where it is being used. If Road Risk Cover has been selected, then Agricultural Use includes cover within the terms of the Road Risk Cover.

“Aviation Works” means any of the following work:

- a) the refuelling of Aircraft;
- b) the construction, alternation, repair, restoration, maintenance, extension, demolition or dismantling of buildings, runways or structures (whether permanent or not) forming, or to form part of the Airport areas;

- c) 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; and
- d) any operation on any of the Airport areas involving site clearance, earthmoving, excavation, tunnelling, boring, laying of foundations, erection or dismantling of scaffolding, site restoration, landscaping and the provision of roadways and other access works;

but Aviation Works do not extend to vehicular movements within the Airport perimeter conducted in accordance with the guidelines and regulations established by the relevant regulatory authority.

“Down Hole Items” means drill pipes, drill rods, drill shanks, jointing sleeves, collars, rock bits and reamers.

“Dry Hire” means the hiring out of an item of Agricultural Equipment and Mobile Plant or Mobile Plant without a Driver or Operator.

“Event” means a happening causing sudden and unforeseen physical loss of or damage to Agricultural Equipment and Mobile Plant or Mobile Plant.

“Excess” means the amount shown in the Policy Schedule that You will bear for each and every Accident/Event of loss or damage payable under the Policy.

“Incidental Contract” means:

- a) any written rental agreement or lease of real personal property not requiring an obligation to insure such property or be strictly liable regardless of fault;
- b) any written contract with any authority or entity responsible for the supply of electricity, fuel, gas, natural gas, air, steam, water, sewerage reticulation control systems, Waste disposal facilities, telephone and communication services or other essential services, except those contracts in connection with work done for such authorities or entities;
- c) any written contract with any railway authority for the loading, unloading and/or transport of Products, including contracts relating to the operation of railway sidings; or
- d) those contracts designated in the Policy Schedule.

“Limit of Liability” means the amount shown in the Policy Schedule as the Limit of Liability.

“Market Value” means Our assessment of the value (including GST) of Agricultural Equipment and Mobile Plant immediately prior to any Loss.

“Operator” means an appropriately licensed driver or an appropriately licensed operator of the Agricultural Equipment and Mobile Plant.

Farm Vehicles Agricultural Equipment and Mobile Plant

109

“Personal Effects” means personal property generally carried or worn on the person excluding cash, negotiable instruments, mobile phones, notebook computers, personal computers, electronic organisers, portable music or DVD players, video recorders, cameras, tools or equipment.

“Pollutants” means any solid, liquid, gaseous or thermal irritant or contaminant, including but not limited to smoke, vapour, soot, fumes, chemicals or Waste. ‘Waste’ will include but not be limited to all materials which have been or are intended to be recycled, reconditioned or reclaimed.

“Property Damage” means

- a) physical loss, destruction or damage to tangible property, including the loss of use from such physical loss, destruction or damage; or
- b) the loss of use of tangible property that has not been physically lost, destroyed or damaged;

provided that any such loss of use is caused by or arises out of an Accident.

“Provisional Repairs” means repairs to Agricultural Equipment and Mobile Plant that are carried out to prevent further loss or damage occurring or to move Agricultural Equipment and Mobile Plant to a place of safety.

“Registered Agricultural Equipment and Mobile Plant” means the Agricultural Equipment and Mobile Plant and associated attachments that are:

- a) registered for public road use; or
- b) have a conditional registration or a road permit; or
- c) are required by any Commonwealth, State or Territorial law to hold a conditional registration or road permit.

“Situation” means the Situation stated in the Policy Schedule.

“Sum Insured” means the amount stated in the Policy Schedule as the Sum Insured. The Sum Insured will include or exclude GST depending on the GST status of each Vehicle insured and owner insured.

“Third Party” means a person who is not the Insured, or is not a person to whom cover is provided directly to by this Policy.

“Trade Use” means Agricultural Equipment or Mobile Plant whilst:

- a) used for excavating, digging, grading, scraping, drilling, lifting, pumping, spraying, loading and unloading, vacuuming, towing, harvesting, ploughing, harrowing, irrigating, threshing, planting, pollarding, hedging or similar activities;

- b) in the process of setting up for such operations and reverting from such operative format to a travel or transit configuration; or
- c) being moved within a worksite simultaneously with or preliminary to or subsequent to, being used for excavating, digging, grading, scraping, drilling, lifting, pumping, spraying, loading and unloading, vacuuming, towing, harvesting, ploughing, harrowing, irrigating, threshing, planting, pollarding, hedging or similar activities.

Trade Use does not include transit of the Agricultural Equipment and Mobile Plant to or from any place where it is being used.

“Transit” means any Agricultural Equipment and Mobile Plant which is being transported by Vehicle, vessel or train.

“Vehicle” means any machine, including any attachments to it, which is designed to travel on wheels or self-laid tracks and to be propelled by a power source other than manual or animal power.

“Watercraft” means any vessel, craft or thing made or intended to float on, in, or travel through or under water, other than model boats.

COVER FOR YOUR AGRICULTURAL EQUIPMENT AND MOBILE PLANT

We will indemnify You for sudden and unforeseen physical loss or damage to the Agricultural Equipment and Mobile Plant occurring during the Period of Insurance, within the Commonwealth of Australia, and while it is:

- a) in Your care, custody and control or while:
 - i) engaged for Agricultural Use or at rest; or
 - ii) being dismantled for the purposes of cleaning, inspecting, overhauling or repairing; or
 - iii) being dismantled for the purposes of moving or in the course of subsequent re-erection; or
- b) on Dry Hire, provided that:
 - i) You have legally enforceable conditions of hire in place making the hirer responsible for loss or damage; and
 - ii) the hire agreement is not subject to any damage waiver, or conditions restricting our rights of subrogation; or
- c) in Transit by road, rail or water.

provided that Our liability shall not exceed the Sum Insured noted in the Policy Schedule.

Farm Vehicles

Agricultural Equipment and Mobile Plant

ADDITIONAL BENEFITS

If We agree to pay a claim, We will also pay for:

1. Expediting expenses

additional costs and expenses incurred for the sole purpose of expediting repairs or replacement parts. Such costs are limited, unless otherwise agreed by Us, to costs and expenses for:

- a) express delivery within Australia which will include carriage by air freight within Australia by the use of a licensed airline operating a regular scheduled service, but not Aircraft chartered specifically for such carriage;
- b) Your travel costs, provided such costs are for regular service fares within Australia, but not Aircraft chartered specifically for such travel;
- c) overtime or penalty rates of labour and other related allowances or payments; and
- d) any necessary and reasonable accommodation and boarding costs, including meals and other costs associated with them.

Limitation: The most we will pay under this Additional Benefit is the lesser amount of:

- a) fifty percent (50%) of the amount payable by Us for loss or damage to Agricultural Equipment and Mobile Plant under clause a) of Cover for your Agricultural Equipment and Mobile Plant; or
- b) \$10,000 for any one Event;

2. Accessories, tools and spare parts

loss of or damage to accessories, tools and spare parts that were attached to or within the Agricultural Equipment and Mobile Plant, (but not included in the item's Sum Insured noted in Policy the Schedule) at the time of loss or damage;

Limitation: The most we will pay under this Additional Benefit is the lesser amount of:

- a) \$5,000 in respect of any one such accessory, tool or spare part; or
- b) in the aggregate for any one loss, 5% of the Sum Insured of the Agricultural Equipment and Mobile Plant lost or damaged;

3. Signwriting

restoring any signwriting, advertising signs and the like which formed a permanent part of the Agricultural Equipment and Mobile Plant at the time of loss or damage;

Limitation: The most we will pay under this Additional Benefit is \$2,000 per event;

4. Protection and removal

the cost of:

- a) protecting and removing damaged Agricultural Equipment and Mobile Plant to the nearest licensed repairer or place of safety, or to any other location that We approve; or
- b) protecting and removing Agricultural Equipment and Mobile Plant to a place of safety, following it becoming bogged, immobilised or stranded, without loss or damage having occurred, provided immobilisation, bogging, stranding is not in Our opinion attributable to the careless action of the Operator.

This Additional Benefit does not extend to provide costs for search, location and retrieval of lost or damaged items unless We provide Our prior written consent to the incur such costs.

Limitation: The most we will pay under this Additional Benefit is \$1,000 per event;

5. Lock and keys

the Reasonable Costs of replacing keys and/or locks if the keys or locks to Your Agricultural Equipment and Mobile Plant are lost or damaged.

Limitation: The most We will pay under this Additional Benefit is \$2,000 per event;

6. Loss of Personal Effects

loss of or damage to Personal Effects belonging to You or Your employee driver that were contained in Your lost or damaged Agricultural Equipment and Mobile Plant at the time of loss;

Limitation: The most we will pay under this Additional Benefit is \$500 any one Period of Insurance.

BASIS OF LOSS SETTLEMENT

1. Where repair takes place

where damage is repairable, and the cost of repair is less than Market Value of the damaged item of Agricultural Equipment and Mobile Plant, settlement shall be made on the basis of the costs of restoration to the working order or condition that existed immediately prior to the Event by using normal work practice with:

- a) the value of replacement parts charged at manufacturers list price; and
- b) labour charged at standard rates and transport costs of parts at ordinary rates together with customs duties or dues.

Farm Vehicles

Agricultural Equipment and Mobile Plant

111

Depreciation of Parts

Where repair takes place, no deduction shall be made for depreciation in respect of parts replaced.

Repairs Carried out by You

If You carry out repairs at Your own situation or Your own workshop, We will pay the cost of replacement parts, wages and transport costs at ordinary rates and custom dues or other impost, incurred for the purpose of carrying out the repairs, plus a reasonable mark-up for Your overheads, provided that the person carrying out the repairs is qualified and competent to do so.

Unavailable or Obsolete Parts

If repair takes place and it is necessary to replace parts which are unavailable or obsolete, We will not pay more than the cost of similar parts for similar type of plant currently available. If similar parts are found to be unprocurable, We shall not pay more than the manufacturer's or supplier's last or latest list price.

Decrease in Market Value as a Result of Repair

If repair takes place We will not indemnify You for any decrease in the Market Value of the Agricultural Equipment and Mobile Plant as a result of any repair carried out.

ADDITIONAL BENEFITS

If repair takes place We will also pay the necessary and reasonable costs covered by Additional Benefits previously specified, but Our liability for Additional Benefit items under the Policy will be limited to the Sum Insured for such costs nominated in the policy wording or on the Policy Schedule.

Repair costs by licensed repairer will also include any additional cover provided by Optional Endorsements issued by Us and acknowledged in the Schedule.

Provisional Repair

If repair takes place the cost of Provisional Repair will be borne by Us if such repair constitutes part of the final repair and does not increase the total repair cost.

Residual Value of Damaged Parts

If repair takes place We will deduct the residual value of any damaged part from the amount otherwise indemnified.

2. Where repair does not take place

Property not repaired within two Years

If any lost or damaged Agricultural Equipment and Mobile Plant is not repaired within a period of two (2) years from the date of loss or damage we will only pay the lesser of:

- a) the estimated cost of carrying out repairs at or shortly after the date of loss or damage; or

- b) the difference in the Market Value of the Agricultural Equipment and Mobile Plant immediately prior to and immediately after the Event.

Residual Value of damaged parts

If repair does not take place We will deduct the residual value of any damaged part from the amount otherwise indemnified.

3. Total Loss

If the cost of repair is greater than the Market Value of the Agricultural Equipment and Mobile Plant immediately prior to the Event, settlement shall be made on the following of Total Loss basis.

Replacement Item or Market Value

In the event of a Total Loss We will at Our option either:

- a) supply an equivalent replacement item similar in type, capacity and condition to the Agricultural Equipment and Mobile Plant immediately prior to the Event; or
- b) pay the Market Value of the Agricultural Equipment and Mobile Plant immediately prior to the Event.

Residual Value of Damaged Parts

In the event of a Total Loss We will deduct the residual value of any damaged part from the amount otherwise indemnified.

4. Excess

Where only one item is lost or damaged then the Excess applicable is that noted in the Schedule for a single item.

Our liability to indemnify You for loss shall be reduced by the amount of the Excess applicable for each and every lost or damaged item.

Where more than one Excess may apply, only the highest Excess will apply to the Event or Accident. If all the Excesses are equal in amount only one will apply.

5. Co-Insurance

In the event of loss or damage to Agricultural Equipment and Mobile Plant, We will not be liable for any greater proportion of the loss or damage than the Sum Insured bears to 90% of Market Value, provided that Our liability shall not exceed the Sum Insured noted against each item in the Policy Schedule.

6. Limit of Liability

Our total liability for any claim arising out of one Event or a series of Events arising out of one source or original cause will not exceed:

- a) for each item of Agricultural Equipment and Mobile Plant the Sum Insured noted in the Policy Schedule set against the lost or damaged item of Agricultural Equipment and

Farm Vehicles

Agricultural Equipment and Mobile Plant

Mobile Plant, less the Excess, and any cover provided under Additional Benefits provided that the Additional Benefits do not serve to extend the amount payable beyond the Sum Insured for the lost or damaged item of Agricultural Equipment and Mobile Plant; and

- b) for each Event - The Sum Insured noted in the Policy Schedule as the maximum cover for any one Event, less any Excess applicable, and any cover provided under Additional Benefits.

EXCLUSIONS APPLICABLE TO COVER FOR YOUR AGRICULTURAL EQUIPMENT AND MOBILE PLANT

We will not indemnify You under Cover for your Agricultural Equipment and Mobile Plant for:

1. Mechanical and electrical breakdown

loss or damage consisting of or resulting from:

- a) electrical, electronic or mechanical breakdown; or
- b) explosion of any boiler or pressure vessel subject to internal steam or fluid pressure, or of any combustion engine; or
- c) a failure to supply or insert or maintain proper coolant or lubricants;

however, if an Event causing damage which is otherwise insured under Cover for your Agricultural Equipment and Mobile Plant, causes a secondary consequence to such damage, breakdown, explosion, or a lack of coolant or lubricants, We will indemnify you for such consequential loss or damage; or

2. Marine exposure

loss or damage:

- a) due to the total or partial immersion in tidal water; or
- b) whilst being used for Agricultural Use on any Watercraft; or
- c) whilst in the course of ocean marine transit; or

3. Wear and tear and general maintenance

any of the following:

- a) loss or damage which is specifically wear, tear, corrosion, erosion, oxidation, or gradual deterioration due to atmospheric conditions or otherwise; or
- b) loss of or damage to:
 - i) exchangeable tools including but not limited to cutting tools, knives, crushing tools, pressing, and punching tools, drills, bits, blades, and edges; or

- ii) moulding, shaping, forming dies, moulds patterns, or templates; or
- iii) masonry, brick lining, and refractory materials; or
- iv) replacement parts including but not limited to fuels, bulbs, X-ray tubes, filters, seals, ropes, belts, felts, caterpillar tracks, chains, conveyor belts, roller covering links, jointing, packing materials, connecting wires, hoses, flexible pipes, batteries, tyres, tracks, heating elements, electrical contacts, and any other part or parts which require periodic or frequent replacement; or
- v) overloads, protectors, fuses, shear pins, rupture plates, or similar protective devices;

however, paragraph (b) shall not apply if loss or damage to such tools, parts or devices has occurred as a direct result of a sudden and unforeseen external Event otherwise covered under Cover for your Agricultural Equipment and Mobile Plant; or

- c) costs relating to normal maintenance, service or adjustment; or

4. Minor visual damage

loss or damage to Agricultural Equipment and Mobile Plant that only has a visual effect and does not increase the risk of material damage nor does it decrease the output of the Agricultural Equipment and Mobile Plant; or

5. Relinquished custody

the loss of any Agricultural Equipment and Mobile Plant:

- a) where You have entrusted any Agricultural Equipment and Mobile Plant to anyone posing as a prospective buyer; or
- b) where You have entrusted any Agricultural Equipment and Mobile Plant under any hire purchase, Dry Hire or lease arrangement, and do not have legally enforceable conditions of hire in place which make the hirer responsible for loss or damage; or
- c) where You have entrusted any Agricultural Equipment and Mobile Plant under any hire purchase, Dry Hire or lease arrangement, and the conditions of hire include any damage waiver or any conditions restricting Our rights of subrogation; or

6. Security for a debt

loss of Agricultural Equipment and Mobile Plant where the Agricultural Equipment and Mobile Plant stands as security for a debt and is the subject of repossession or seizure by any financier; or

Farm Vehicles

Agricultural Equipment and Mobile Plant

113

7. Malicious damage

damage:

- a) resulting from foreign matter having been maliciously placed in the Agricultural Equipment and Mobile Plant while such property is unattended, unless such loss or damage is as a direct result of forcible entry resulting in physical damage to any locking mechanism designed and fitted to prevent such loss or damage; or
- b) to any Agricultural Equipment and Mobile Plant if damage is due to plant being left unattended and in an insecure condition, including but not limited to, where all keys have not been removed from the locks; or

8. Theft

theft of any Agricultural Equipment and Mobile Plant, whether or not that theft is discovered only at the time an inventory is taken, unless You have taken all reasonable precautions to protect or safeguard the Agricultural Equipment and Mobile Plant; or

9. Warranty and maintenance agreements

loss or damage for which the supplier or manufacturer is responsible by law or under contract, or sale or warranty condition or which is covered under a Maintenance Agreement; or

10. Design

loss or damage resulting from any fault or failure of, the design or specification of the Agricultural Equipment and Mobile Plant; or

11. Consequential loss

penalties whether contractual or otherwise, for noncompletion or delay in completion, noncompliance with any contract conditions, fines, liquidated damages, penalty costs or aggravated, punitive, or exemplary damages, or any damages derived from a multiple of damages, extra costs of working, or any other consequential financial loss, unless otherwise agreed and acknowledged by specific endorsement; or

12. Plant operation

loss or damage:

- a) that could have been avoided if any fitted safety/security devices had been properly activated; or
- b) occurring while Agricultural Equipment and Mobile Plant is undergoing a test of any kind, except as required by law; or
- c) occurring while Agricultural Equipment and Mobile Plant is being used, operated or prepared for operation:
 - i) in any manner or for any purpose other than for which it was designed; or
 - ii) beyond the manufacturer's recommended safe working limits or in a fashion contrary to that recommended;

however, if You have given instructions or taken precautions that are adequate to prevent such use and did not know or could not reasonably have known that the Operator was using the Agricultural Equipment and Mobile Plant in this manner, then We will not deny any claim under this exclusion c), but We will not waive Our subrogation rights against the Operator; or

- d) caused by failure to provide Agricultural Equipment and Mobile Plant with adequate or appropriate, fuel, oil, lubricant or coolant; or
- e) occurring while any crane insured by the Policy is being used in a lifting operation in which a load is shared or rigged for sharing with other cranes, unless otherwise agreed and acknowledged by Us in advance by a specific endorsement; or

13. Search locate and retrieval costs

costs associated with the search, location, retrieval or recovery of any lost or damaged Agricultural Equipment and Mobile Plant, unless such costs are acknowledged by specific endorsement taken out in advance of the incident covered; or

14. Down hole items

loss or damage to Down Hole Items while in the ground; or.

15. Third party Property damage or injury

loss or damage to any property of a Third-Party or the personal injury or death of a Third-Party.

Farm Vehicles

Agricultural Equipment and Mobile Plant

LIABILITY TO THIRD PARTIES

1. Road Risk Liability

Road Risk Liability applies only if the Agricultural Equipment and Mobile Plant is registered for use on public roads, or has a road permit or conditional registration and We have agreed to do so and acknowledged such cover by including a Limit of Liability at the corresponding item on the Policy Schedule.

We will pay to You or on Your behalf all amounts which:

- a) You;
- b) any person holding a valid driving licence for that type of Agricultural Equipment and Mobile Plant who is driving, using or in charge of Your Agricultural Equipment and Mobile Plant with Your consent;
- c) any passenger in, getting in, or getting out of Your Agricultural Equipment and Mobile Plant ;
- d) Your employer or Principal where Registered Agricultural Equipment and Mobile Plant was, at the relevant time, driven on their behalf with Your consent, but excluding hirers;

shall become legally liable to pay as compensation in respect of Third Party Property Damage which:

- a) happens during the Period of Insurance;
- b) within the Commonwealth of Australia;
- c) arises directly or indirectly from the use of Registered Agricultural Equipment and Mobile Plant whilst being operated on a public road; but
- d) not while the Agricultural Equipment and Mobile Plant is being used for Agricultural Use.

2. Defence to Claims and Suits

We will:

- a) defend, in Your name and on Your behalf, any claim or suit against You alleging Property Damage and seeking damages on account thereof even if any allegation(s) made in any such claim or suit is groundless, false or fraudulent;
- b) pay all charges, expenses and legal costs incurred by Us or by You with Our prior written consent:
 - i) in the investigation, defence or settlement of such claim or suit, including loss of salaries or wages because of Your attendance at hearings or trials at Our request; and/ or
 - ii) in bringing or defending appeals in connection with such claim or suit provided We are satisfied there are reasonable grounds for a successful appeal;
- c) pay all charges, expenses and legal costs recoverable from or awarded against You in any such claim or suit and all interest accruing on Our portion of any judgement until We have paid, tendered or deposited in court that part of such judgement which does not exceed the limit of Our liability shown under Road Risk Liability in the Policy Schedule;
- d) pay expenses incurred by You for:
 - i) the temporary protection of damaged and undamaged property of any person or party, including temporary repairs, shoring up or underpinning thereof; and
 - ii) purchasing or hiring or erecting and dismantling of hoarding, barriers, fences and any other form of temporary protection, including such protection which You must provide in compliance with the requirements of any Commonwealth, State, Territory or, other Statutory Authority; and
- e) pay all legal costs incurred by You with Our prior written consent for Your representation at:
 - i) any Coronial inquest or inquiry; or
 - ii) any proceedings in any court or tribunal in connection with liability insured against by Road Risk Liability.

Any amounts We pay pursuant to paragraphs (a) to (d) above inclusive will constitute Defence Costs and the amounts of such Defence Costs incurred, except payments in settlement of claims and suits, are payable by Us in addition to the applicable Limit of Liability for Road Risk Liability.

Farm Vehicles Agricultural Equipment and Mobile Plant

115

ADDITIONAL COVER TO ROAD RISK LIABILITY

The cover provided by Road Risk Liability is extended to cover the following:

1. Substitute Vehicles

registered items of plant or equipment that are not owned by the Insured, but are in the Insured's possession as a substitute item while the Insured's item of plant or equipment is undergoing repairs or servicing;

2. Movement of other machines

all amounts that You become legally liable to pay as compensation arising out of Third Party Property Damage happening during the Period of Insurance, within the Situation specified in the Schedule, that was caused by You having lawfully moved or attempted to move, any other machine that was parked in a position which prevented or impeded the loading, unloading or lawful passage of Your Vehicle;

3. Removal of debris

We will insure You for the Reasonable Costs that are necessarily incurred to clean up and remove debris from Your Vehicle or from goods falling or leaking from Your Vehicle, including the statutory fees of Fire, Police, Ambulance or other authorities involved in emergency services attendance.

Limitation: The most we will pay is \$25,000 per event.

We will only pay for the Reasonable Costs that are not covered by or are in excess of any claim benefit available under any inland marine, Farm Transit or road Freight cargo insurance Policy covering Freight in transit.

4. Sea transportation

We will insure You for General Average and Salvage Charges incurred as a result of a covered Accident involving Registered Agricultural Equipment and Mobile Plant while in transit by sea between places in Australia;

5. Towing disabled machines

We will insure You for any Accident to any disabled machine being towed by Registered Agricultural Equipment and Mobile Plant, but not if it was being towed for any kind of reward;

6. Trailers

We will insure You for any Accident in connection with the use of any trailer attached to Registered Agricultural Equipment and Mobile Plant;

7. Cross liability

for the purpose of Road Risk Liability the word Insured shall be considered as applying to each party comprising the Insured in the same manner as if a separate Policy had been issued to each of them;

but notwithstanding the above, the Limit of Liability does not apply to each Insured separately and will apply to all such Insured's in the aggregate so the Limit of Liability will not be increased for any one Accident as stated in the Policy Schedule; and

8. Limit of Liability

Our liability under Road Risk Liability inclusive of all Defence Costs, expenses and the Additional Cover, shall not exceed the amount stated as the Limit of Liability in the Policy Schedule for any one Accident, or series of Accidents, resulting from the one original cause.

GENERAL EXTENSIONS TO AGRICULTURAL EQUIPMENT & MOBILE PLANT SECTION

The cover provided by the following General Extensions does not serve to extend the any amounts payable beyond the relevant Sum's Insured or Limits of Liability noted in the Policy Schedule.

1. Automatic inclusions/deletion

If You acquire a replacement or additional items of Agricultural Equipment and Mobile Plant, of a similar type to those items of Agricultural Equipment and Mobile Plant specified in the Policy Schedule during the Period of Insurance, We will insure such replacement or additional item from the date on which You acquire it provided You notify Us within 14 days of replacement or addition, but You must notify Us immediately if the value of the replacement or additional item exceeds \$150,000;

If You dispose of or sell any Agricultural Equipment and Mobile Plant, or pass any Agricultural Equipment and Mobile Plant from Your care, custody and control with the intention of disposing of, or selling it, cover for any such item will cease at the time of any such disposition, sale or passing of the property from Your care, custody and control.

2. Other interested parties

In the event of any loss of or damage to Agricultural Equipment and Mobile Plant which is subject to a lease or other financing arrangement whereby the financier retains security over the property, the financier will be an Insured if that interest is noted on the Policy; but only to the extent of that the financier's remaining interest in the Agricultural Equipment and Mobile Plant affected at the time of the loss or damage to the Agricultural Equipment and Mobile Plant.

Farm Vehicles

Agricultural Equipment and Mobile Plant

3. Hold harmless (subrogation waiver)

We will waive any rights or remedies or relief to which We may become entitled by subrogation against any person or organisation where You have been required by contractual agreement to release such person or organisation from liability. However, this extension will not apply to Dry Hire arrangements.

4. Hired-in Plant not noted on the Policy Schedule

We will provide under Your Agricultural Equipment and Mobile Plant Cover, cover for hired-in plant not noted on the Policy Schedule. The most We will pay under Your Agricultural Equipment and Mobile Plant Cover for your Agricultural Equipment and Mobile Plant for hired-in plant is \$25,000 in aggregate during any one Period of Insurance.

Hired-in Plant for the purposes of this General Extension 4 will not include any:

- a) sedan, or 4-wheel drive, or a vehicle with a gross mass vehicle weight of 3.5 tonnes or more, or a ute, or van, or wagon or any other vehicle ordinarily used to carry passengers;
- b) building; or
- c) living organism.

5. Hired-in items noted on the Policy Schedule

- a) We will provide under Your Agricultural Equipment and Mobile Plant Cover, cover for hired-in items that are specifically noted in the Policy Schedule. The most We will pay under Cover for your Agricultural Equipment and Mobile Plant for hired-in items is the amount shown in the Policy Schedule;
- b) We will provide cover under Road Risks Liability for Property Damage arising during the Period of Insurance as a result of an Accident involving the use of registered hired-in items that are specifically noted on the Policy Schedule, but:
 - i) the most We will pay under Road Risks Liability for registered hired-in items is the Limit of Liability shown in the Policy Schedule; and
 - ii) We will not be liable for any Property Damage to the hired-in item itself.

EXCLUSIONS – APPLICABLE TO LIABILITY TO THIRD PARTIES

We will not indemnify You for any of the following:

1. Damages, Fines and Penalties
 - a) any fines or penalties imposed by law;
 - b) any liquidated damages;

- c) any aggravated, exemplary or punitive damages;
- d) any additional damages resulting from the multiplication of compensatory damages; or
- e) any damages incurred by reason of any penalty clause; or

2. Property owned by You

Property Damage to property that You own, or liability arising from Your failure to maintain property that You own, unless You could not have known that maintenance was required; or

3. Watercraft and Aircraft

Property Damage or bodily injury caused by or arising out of or in connection with:

- a) any Watercraft exceeding eight meters in length, except where such Watercraft is not owned by You but is used by You for business entertainment; or
- b) the ownership, repair, construction, maintenance, servicing of any Aircraft, or installation of any property in or on any Aircraft; or
- c) the ownership, use or control of any area on which Aircraft take off, land, load/unload, taxi, are housed, maintained or refuelled; or

4. Professional advice

any legal liability arising out of any breach of a duty owed in a professional capacity by You or by persons for whose breaches of a professional duty You may be legally liable for; or

5. Pollution

- a) Property Damage or Personal Injury directly or indirectly arising out of the discharge, dispersal, release or escape of Pollutants; or
- b) the cost of removing, nullifying or cleaning-up Pollutants; or
- c) the cost of preventing the escape of Pollutants.

Exclusions 5.(a) and 5.(b) will not apply where the Property Damage or Personal Injury arose from an unexpected, unanticipated sudden and instantaneous cause which took place at a clearly identified point in time during the period of insurance; or

6. Asbestos

- a) any liability for directly or indirectly arising, out of inhalation of, or fears of the consequences of exposure to, or inhalation of, asbestos, asbestos fibres or derivatives of asbestos; and/or
- b) that part of any loss, cost or expense for the cost of cleaning up, or removal of, or damage to, or loss of use of,

Farm Vehicles

Agricultural Equipment and Mobile Plant

property arising out of any asbestos, asbestos fibres or any derivatives of asbestos.

7. Railways

loss, damage or liability arising in any way from the construction or structural maintenance of railways; or

8. Aviation works

loss, damage or liability arising in any way from Aviation works; or

9. Oil and gas wells and refineries

loss, damage or liability arising in any way from the construction, maintenance or repair of oil and gas wells and refineries; or

10. Ship Building

loss, damage or liability in any way arising from ship building or repair; or

11. Dams, reservoirs and weirs

loss, damage or liability arising in any way from structural maintenance of dams, reservoirs or weirs; or

12. Admission of liability

any liability assumed by You as a result of any admission made by You; or

13. Trade use

any liability arising directly or indirectly from the Agricultural Equipment and Mobile Plant being used or operated for Trade Use; or

14. Compulsory personal injury legislation

any liability for bodily injury, personal injury, illness or death; or Agricultural Equipment and Mobile Plant; or

15. Agricultural Equipment and Mobile Plant Dangerous Goods

any liability occurring while the Agricultural Equipment and Mobile Plant is in use for carrying Dangerous Goods as defined in the Australian Code for the Transport of Dangerous Goods by Road or Rail (the Code), or the Agricultural Equipment and Mobile Plant is attached to any other machine in use for the commercial carriage of Dangerous Goods. However, if the transportation of the Dangerous Goods complies with the Code then We will pay up to a maximum of \$100,000 for all claims arising out of any one Accident, unless noted otherwise in the Policy Schedule; or

16. Registered Vehicles in Northern Territory

any liability to pay compensation in respect of bodily injury

arising as a result of the use of any item of Agricultural Equipment and Mobile Plant which is registered in the Northern Territory of Australia; or

17. Driver, employee and Family members

any liability arising out of death or bodily injury to anyone who, at the time of any Accident, was:

- a) operating or in charge of the Agricultural Equipment and Mobile Plant; or
- b) Your employee; or
- c) a member of Your Family; or

18. Loading and unloading

any liability caused by or in connection with any operation of loading, unloading, delivery or collection to or from Your Vehicle or Agricultural Equipment and Mobile Plant except for the operation of loading or unloading products onto or from Your Agricultural Equipment and Mobile Plant or Vehicle direct to a fixed place of rest beside Your Vehicle or Agricultural Equipment and Mobile Plant; or

19. Employment liability

- a) bodily injury to any Employee arising out of or in the course of their employment by or with You; or
- b) liability caused by, arising from or in any way connected with, any provision of any applicable workers' compensation legislation or accident compensation legislation; or
- c) liability caused by, arising from or in any way connected with, any industrial award or agreement or determination or any contract of employment or workplace agreement, where such liability would not have been imposed in the absence of any such industrial award or agreement or determination or contract of employment or workplace agreement; or
- d) liability for which You are or would have been entitled to seek indemnity under any policy of insurance, fund, scheme or self insurance arrangement, required pursuant to any legislation relating to workers' or workmen's compensation including any legislation of any State or Territory (whether insurance is effected or not);

For the purpose of this exclusion, Employee means any person engaged under a contract of service or apprenticeship with You but does not include any person employed under such a contract who is excluded from the definition of worker under any applicable workers' compensation legislation; or

20. Underground services

any liability for or arising from Property Damage to any underground pipes, cables, services and supports.

Farm Vehicles

Agricultural Equipment and Mobile Plant

EXCLUSIONS APPLICABLE TO AGRICULTURAL EQUIPMENT & MOBILE PLANT

We will not pay for any loss or damage or legal liability:

1. Licensed or permitted Operator

occurring while You are , or anyone with Your consent, is operating Agricultural Equipment and Mobile Plant without a current licence, except where that person is permitted to do so by law, but this exclusion will not apply where a person is operating Insured Property with Your consent and You can prove:

- i) You requested that person's driving licence; and
- ii) the current licence produced to You by that person has been forged or was the subject of unauthorised alternation; and
- iii) the forgery or unauthorised alteration could not have been reasonably discerned from the current licence produced to You; and
- iv) the current licence produced would if it had been valid have authorised that person to operate the particular category or type of Agricultural Equipment and Mobile Plant which was to be driven with Your consent.

However, We will not waive our right of subrogation against that person; but where that person is a member of your Family or in another personal relationship with you, or where that person is your employee and the loss occurred whilst he or she was acting in the course of his or her employment, we will not exercise our subrogation rights except where there is serious or wilful misconduct on the part of that person; or

2. Alcohol and drugs

caused by or arising out of the use, operation or preparation for operation of any Agricultural Equipment and Mobile Plant by anyone who, at the time of Event or Accident:

- a) was or could reasonably be assumed to be, under the influence of any drug or intoxicating liquor; or
- b) had a percentage of alcohol or drug in their breath, blood or urine in excess of the percentage permitted by law in the State or Territory where the Event or Accident took place; or
- c) who subsequently refused to provide or allow the taking of a sample of breath, blood or urine for testing.

However, We will insure You if You did not know or could not reasonably have known of the above circumstances.

However, We will not waive our right of subrogation against the Operator or indemnify the Operator in respect of any liability they incur as a result of he or she being in control of or operating Agricultural Equipment and Mobile Plant where one or more of the circumstances in (a) to (c) above apply; or

3. Overloading

occurring while Agricultural Equipment and Mobile Plant is overloaded or loaded or configured in a manner other than that for which the Agricultural Equipment and Mobile Plant was designed at the time of such Event or Accident, but this exclusion will not apply unless the overloading or configuration other than that for which the Agricultural Equipment and Mobile Plant was designed caused or contributed to the Event or Accident; or

4. Unroadworthy condition

caused or contributed to by the unsafe or unroadworthy condition of Agricultural Equipment and Mobile Plant; or

5. Improper use

which occurs as a result of the use of the Agricultural Equipment and Mobile Plant:

- a) for any illegal purpose with Your knowledge and consent; or
- b) for any official or informal race, trial, test, contest or in preparation for any of these; or

6. Requisition

caused by the lawful seizure or requisition of Agricultural Equipment and Mobile Plant or by other operation of law or arising from any breach of contract, agreement or obligation; or

7. Underground risks

occurring while the Agricultural Equipment and Mobile Plant is underground; or

8. Vehicles on rails

incurred whilst Your Vehicle is on rails other than as cargo; or

9. Vehicles on terra firma

incurred while Your Vehicle is not running solely on terra firm; or

10. Unregistered Agricultural Equipment and Mobile Plant on public road

incurred while any Agricultural Equipment and Mobile Plant is being driven on a public road if the Agricultural Equipment and Mobile Plant is not registered for use on a public road or does not have a conditional registration or a road permit or any other form of registration for use on a public road required by any Commonwealth, State or Territory law; or

11. Electronic data

arising directly or indirectly out of:

- a) any total or partial destruction, distortion, erasure,

Farm Vehicles

Agricultural Equipment and Mobile Plant

corruption, alteration, misinterpretation or misappropriation of Electronic Data; or

- b) any error in creating, amending, entering, deleting or using Electronic Data; or
- c) any total or partial inability or failure to receive, send, access or use Electronic Data for any time or at all; and/or
- d) any business interruption losses resulting from an event referred to in a), to c) above;

regardless of any other contributing cause or Event, whenever it may occur, unless such loss or damage or legal liability arises as a direct consequence of physical damage to Agricultural Equipment and Mobile Plant which is otherwise insured. This exclusion will supersede the Electronic Data Exclusion contained in the General Exclusions section of this Policy; but if any accidental physical damage to an Agricultural Equipment and Mobile Plant, which originates directly from an action of You to Your own property, and which causes or is caused by any of the matters referred to in (a) to (c) above, will be covered, subject to all other provisions of the Policy.

For the purpose of this Exclusion Electronic Data shall mean facts, concepts and information converted to a form useable for communications, display, distribution, interpretation or processing by electronic and electromechanical data processing or electronically controlled equipment and includes programmes, software and other coded instructions for such equipment; or

12. Terrorism

for costs or expense directly or indirectly caused by, contributed by, resulting from, or arising out of or in connection with any act of Terrorism, regardless of any other cause or Event contributing concurrently or in any other sequence to the loss;

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

- a) involves violence against one or more persons;
- b) involves damage to property;
- c) endangers life other than that of the person committing the action;
- d) create a risk to health or safety of the public or a section of the public;

- e) is designed to interfere with or to disrupt an electronic system.

This Exclusion also excludes loss of or damage to Agricultural Equipment and Mobile Plant of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing, retaliating against or responding to any act of Terrorism.

This exclusion will supersede the Terrorism Exclusion contained in the General Exclusions section of this Policy.

CONDITIONS APPLICABLE TO AGRICULTURAL EQUIPMENT & MOBILE PLANT

1. Observance of terms and conditions

Indemnity under this part of Farm Vehicle will depend upon Your compliance with the following conditions:

- a) the observance of the terms, conditions and endorsements of and to the Policy by any person or entity insured under it in so far as they relate to anything to be done or complied with by any persons or entities insured; and
- b) the truth of the verbal and written statements made to Us by any of the persons or entities insured or their representative or agents prior to entering into the Policy; and
- c) the notification as soon as practical by any of the persons or entities insured of any alteration of risk which materially affects this insurance.

2. Entitlement

Each person or organisation entitled to insurance under the Policy will be subject to its terms as if such person or organisation were You.

3. Notice of Claims – (Material Damage Only)

In the event of a claim under Material Damage the following conditions apply:

- a) following discovery of any loss or damage which might give rise to a claim under Material Damage of this part of Farm Vehicle, You or Your representative must:
 - i) notify Us as soon as possible and confirm such notification in writing giving an indication of the nature and extent of the loss, destruction or damage to Insured Property; and
 - (ii) take all steps within Your power to minimise the extent of the loss or damage to Insured Property; and
 - iii) preserve all parts affected and make them available for inspection by Us, Our employees or agents; and

Farm Vehicles

Agricultural Equipment and Mobile Plant

- iv) furnish all such information and documentary evidence as We may reasonably require; and
- v) notify the police of any actual or attempted theft, burglary or malicious damage; and
- b) upon notification of any loss or damage being given to Us, You may carry out repairs or make good any minor damage, but in all cases You must give Us, Our employees or agents an opportunity to inspect the loss or damage before any repairs or alterations are effected. If no inspection is carried out by Us or on Our behalf within a period of time which is reasonable having regard to the location of risk, weather conditions and any other relevant factors, You may proceed with such repairs or replacement; and.
- c) We will not pay for any additional damage to any item caused by the failure to repair that item properly and without delay.

4. Notice of claims (liability to third parties only)

In the event of any Accident likely to give rise to a claim under Liability to Third Parties of this part of Farm Vehicle You must:

- a) at Your own expense, take such immediate action as may be necessary to minimise the extent of bodily injury or Property Damage; and
- b) as soon as possible, give notice in writing of such Accident to Us; and
- c) send to Us immediately upon Your receipt any letter, claim, writ, summons or proceedings; and
- d) make no admission, offer, promise, payment or offer of indemnity to any party without Our prior written consent.

5. Claim co-operation

On the happening of an Event or Accident for which a claim is made or may be made under the Policy We may at Our election:

- a) take over and conduct in Your name the defence or settlement of such claim;
- b) at Our own expense and for Our own benefit conduct proceedings or prosecute any action to enforce Your rights against others whether or not any payment has been made by Us in respect of such claim; and
- c) receive from You all assistance and information We may reasonably require for the purpose of defending or settling such claim or in the pursuit of any rights of recovery from others.

Personal Accident and Sickness

121

This section forms part of the Policy only if shown in the Policy Schedule as having been taken by You.

DEFINITIONS

In the Policy some words have a special meaning (whether expressed in the singular or the plural) and we define them below.

The definitions below apply only to this section of the Policy and override all other definitions, including the General Definitions applying to all sections of the Policy.

“Insured” means the person or entity named as such in the Policy Schedule.

“Insured Person” means the persons named as Insured Persons in the Policy Schedule.

“Accident” and **“Accidental”** means a sudden, external, violent, visible, unusual and specific event which occurs fortuitously and is unforeseen or unintended by the Insured Person and which occurs at an identifiable time and place.

“Aggregate Limit of Liability” means the maximum amount We will pay for all claims arising under the Policy made by all Insured Persons during the Period of Insurance.

“Benefit Period” means the maximum period of time for which We will pay any Weekly Compensation for any one Injury or Sickness irrespective of whether claims are made under the Policy or another policy held by the insured or Insured Person with Us, unless We have agreed to provide that cover in excess of the one in this Policy. The relevant Benefit Period is specified in the Policy Schedule.

“Congenital Condition” means a disease, abnormality, trait, state, disorder or detriment which is present before or shortly after the birth of Insured Persons.

“Earnings” means if the Insured Person is self employed, the Insured Person’s gross weekly income derived from personal exertion after deducting any expenses incurred in deriving that income, averaged out over the period of 12 months prior to the date the disablement (with respect to which We have agreed to pay a claim under the Policy) commenced or over such shorter period as he or she has been continuously self employed.

If the Insured Person is an employee, the Insured Person’s gross weekly rate of pay inclusive of overtime payments, bonuses, commissions and allowances averaged over the period of 12 months prior to the date of the disablement (with respect to which We have agreed to pay a claim under the Policy) commenced or where employed for less than 12 months over such shorter period that an Insured Person has been continuously employed.

Earnings only include income that is earned by the Insured Person from their own personal exertion or labour and does not include income earned as a result of the personal exertion or labour of other persons unless We specifically agree otherwise in writing. It also does not include any income earned by the Insured Person as a result of any employment or services provided on a seasonal or temporary basis only unless specified in the Policy Schedule.

“Fingers or Toes” means the digits of a hand or foot respectively.

“Injury” means a bodily injury caused solely by an Accident and which occurs independently of any other cause or condition where both the Accident and the bodily injury occur during Scope of Cover and the Period of Insurance.

‘Any other cause or condition’ includes, but is not limited to any other bodily injury, or any Sickness, Pre Existing Condition, Congenital, degenerative or other condition.

An Injury does not include ‘Any other cause or condition’ that does not result solely and directly from the Accident that caused the Injury even if it is aggravated by the Injury.

For the purposes of ‘Additional Benefit – Disappearance’, Injury includes the disappearance, sinking or wrecking of a conveyance or transport in which the Insured Person is travelling.

“Insanity” means being in an unsound state of mind amounting to a serious mental illness which prevents the person affected from managing his or her own affairs, such that a legal guardian has to be appointed for them.

“Limb” means the entire limb between the hip and the ankle or between the shoulder and the wrist.

“Loss of Use” means loss of, by physical severance, or total and Permanent loss of the effective use of the part of the body referred to in the Table of Benefits.

“Medical Practitioner” means a medical practitioner who is currently registered with the Medical Board of Australia and who is qualified to practice as a general practitioner, physician or specialist in Australia and does not include the Insured Person and/or the Insured or the spouse, family member or a relative of the Insured Person and/or the Insured.

“Period of Insurance” means the period stated in the Policy Schedule. It does not refer to any prior Period of Insurance if the Policy is a renewal of a previous policy or any future Period of Insurance for any policy the insured may enter into with us upon renewal. Each period of Insurance is treated as separate.

“Permanent” means lasting 12 consecutive calendar months and is certified by a Medical Practitioner at the expiry of that period as being beyond hope of improvement.

Personal Accident and Sickness

“Permanent Total Disablement” means Total Disablement which has lasted for at least 12 consecutive calendar months from the date of the Injury and which is certified by a Medical Practitioner at the expiry of that period as being beyond hope of improvement and which entirely prevents the Insured Person forever from engaging in any occupation, profession, business or employment that they are reasonably fitted for by way of education, training and experience.

“Pre Existing Condition” means any sickness, illness, disease, injury, disability or other mental or physical condition, including any symptoms or side effects of these arising prior to the commencement of the Period of Insurance:

- a) of which the Insured Person is aware or a reasonable person in the circumstances would be expected to have been aware; or
- b) for which the Insured Person has sought or received medical attention, undergone tests or taken prescribed medication; or
- c) is a Congenital Condition.

“Quadriplegia” means Permanent, total and entire paralysis of both arms and both legs.

“Scope of Cover” means Policy terms and conditions at the operative time cover is provided under this Personal Accident and Sickness Cover as specified in the Policy Schedule.

“Sickness” means a sickness, illness or disease that is not an Injury, a Pre Existing Condition, a degenerative condition or Congenital Condition and which must:

- occur solely, directly and independently of any other cause and condition, including, but not limited to any bodily injury, other sickness, illness, disease or condition; and
- first occurs or manifests itself during the Scope of Cover and the Period of Insurance; and
- be continuous for a period of not less than seven days from the date the Insured Person first sought treatment from a Medical Practitioner in respect of that sickness, illness or disease; and
- Sickness is not an Injury, Congenital Condition or degenerative condition.

“Table of Benefits” means the table shown on pages 123 to 124 of this Policy.

“Temporary Partial Disablement” means the Insured Person is wholly and continuously prevented from engaging in a substantial part of the duties normally undertaken by them in connection with their occupation, profession, business or employment, and they are under the regular care of, and acting in accordance with, the instructions or professional advice of a Medical Practitioner and the disablement is not Permanent.

“Temporary Total Disablement” means Total Disablement which is not Permanent Total Disablement.

“Total Disablement” means the Insured Person is wholly and continuously prevented from engaging in their usual occupation, profession, business or employment or any other occupation, profession, business or employment for which they are reasonably qualified by experience, education or training, and they are under the regular care of, and acting in accordance with, the instructions or professional advice of a Medical Practitioner.

“Excess Period” means the period starting on the first date of Temporary Total Disablement or Temporary Partial Disablement caused by an Injury or Sickness, until the end of the Excess Period shown on the Policy Schedule. We will not pay any Weekly Compensation for this period.

“Weekly Benefit” means the amount shown in the Policy Schedule for ‘Weekly Benefit’.

“Weekly Compensation” means the weekly compensation payable for the Weekly Benefit Events specified in the Table of Benefits.

COVER

Provided the Insured has paid the Premium for the relevant cover(s) to Us, the Insured Person(s) are covered for either or both of the following (as shown in the Policy Schedule).

INJURY COVER

This cover only applies where it is specified in the Policy Schedule.

If an Insured Person suffers an Injury during the period covered by this Policy which results in any of the Capital Benefit Events 1-18 or Weekly Benefit Events 19-20 in the Table of Benefits on pages 122 and 123 and the Event:

- a) is specified as applicable in the Policy Schedule; and
- b) occurs within 12 consecutive calendar months of the Injury;

We will pay the Insured Person (or in the case of death, to their legal personal representative, or such other person or entity as We may specify in the Policy) the compensation specified for the relevant Event set out in the Table of Benefits, subject to the other terms, conditions and exclusions of the Policy.

Personal Accident and Sickness

123

SICKNESS COVER

This cover only applies where it is specified in the Policy Schedule.

If an Insured Person is covered for Injury Cover and he or she suffer a Sickness and this Sickness during the period covered by this Policy which results in Weekly Benefit Event 21 in the Table of Benefits occurring within 12 consecutive calendar months of the Sickness, We will pay the Insured Person (or such other person or entity as we may specify in the Policy) the Weekly Compensation specified in the Table of Benefits for Event 21, subject to the other terms, conditions and exclusions of the Policy.

1.	Accidental loss of life	1.	100%
2.	Permanent Total Disablement	2.	100%
3.	Permanent Quadriplegia	3.	100%
4.	Permanent total Loss of Use of one or two Limbs	4.	100%
5.	Permanent total loss of sight in one or both eyes	5.	100%
6.	Permanent and incurable Insanity to the extent of causing legal incapacity	6.	100%
7.	Permanent total loss of hearing in a) both ears b) one ear	7. a) 7. b.)	100% 20%
8.	Permanent total loss of lens of one eye	8.	60%
9.	Permanent total Loss of Use of Fingers of either hand: a) three joints b) two joints c) one joint	9. a) 9. b) 9. c)	10% 8% 5%
10.	Permanent total Loss of Use of one thumb of either hand: a) both joints b) one joint	10. a) 10. b)	30% 15%
11.	Permanent total Loss of Use of Toes of either foot: a) all one foot b) big toe, both joints c) big toe, one joint d) other than big toe, each toe	11. a) 11. b) 11. c) 11. d)	15% 5% 3% 1%
12.	Fractured leg or patella with established non-union	12.	10%
13.	Permanent total Loss of Use of four Fingers and one thumb of either hand	13.	70%
14.	Permanent total Loss of Use of four Fingers of either hand	14.	40%
15.	Shortening of leg by at least five centimetres	15.	7.5%
16.	Burns or disfigurement extending to more than 50% of the entire body	16.	20%
17.	Permanent disability not otherwise provided for under the above Capital Benefit Events 7 to 16 inclusive. Such percentage not exceeding 75% of the Capital Benefit Sum Insured shall be determined by the opinion of not less than three Medical Practitioners, the first shall be the Insured Person's treating Medical Practitioner and the other two shall be appointed by us. If there is disagreement between the Medical Practitioners then the percentage to be awarded shall be taken as the average of the three opinions.	17.	up to 75%
18.	Loss of at least 50% of all sound and natural teeth, including capped or crowned teeth. The maximum amount payable per tooth is \$500.	18.	1% per tooth

Personal Accident and Sickness

TABLE OF BENEFITS

Compensation – Capital Benefit

The Compensation for the following Capital Benefits Events (where specified as applicable in the Policy Schedule) shall be payable as a percentage set out in the table below of the Capital Benefit Sum Insured specified in the Policy Schedule. The benefits are subject to the Limitations on the Cover section below as well as the other limits, exclusions and conditions that apply under the Policy.

The Weekly Compensation for the following Weekly Benefits Events shall be payable as specified for the relevant Event below. The benefits are subject to the Limitations on the Cover section on page 125 as well as the other limits, exclusions and conditions that apply under the Policy.

19.	Temporary Total Disablement caused directly and solely by Injury	During such disablement, the insured person’s Weekly Benefit or the amount calculated on the basis of the percentage of Earnings as specified in the Schedule, whichever is the lesser and commencing from the first treatment by a Medical Practitioner.
20.	Temporary Partial Disablement caused directly and solely by Injury	During such disablement, an amount up to 25% of the Temporary Total Disablement weekly Injury benefit payable under Weekly Benefit Event 19.
21.	Temporary Total Disablement caused directly and solely by Sickness	During such disablement, the insured person’s Weekly Benefit or the amount as calculated on the basis of the percentage of Earnings as specified in the Schedule, whichever is the lesser and commencing from the first treatment by a Medical Practitioner.

Personal Accident and Sickness

125

ADDITIONAL BENEFITS

If We agree to pay a claim under this section, We will also pay for:

1. Funeral expenses

In the event of the accidental loss of life of an Insured Person as covered by this Policy, We will pay the reasonable and necessary costs incurred for funeral or cremation expenses, including the costs of returning the remains of the Insured Person to their normal place of residence.

Limitation: We will not pay more than \$5,000 for any one Insured Person.

2. Accommodation costs

We will pay the reasonable transportation and accommodation costs within Australia for two nominated Family members to be with the Insured Person if that Insured Person is hospitalised due to an Injury or Sickness as covered by this Policy.

Limitation: We will not pay more than \$2,500 for any one claim.

We will not pay for more than 14 days accommodation.

3. Vehicle and home modifications

We will pay the reasonable costs incurred to modify the motor vehicle the Insured Person usually drives, or the Farmhouse Building the Insured Person usually lives in to accommodate the Insured's Person's physical condition resulting from the Accident or Sickness as covered by this Policy.

Limitation: We will not pay more than \$10,000 for any one claim for all modifications.

EXTRA COVER

The cover provided by this section is extended to cover the following during the Period of Insurance:

1. Disappearance

If during the Scope of Cover, a conveyance on which the Insured Person is travelling, sinks or is wrecked and the Insured Person's body has not been found within 12 consecutive calendar months after the date of that disappearance, sinking or wrecking, We will presume that the Insured Person has died as a result of Injury at that time and the Accidental Loss of Life Benefit (Capital Benefit Event 1) will be payable accordingly. This Extra Cover item 1 will not apply if there is any evidence indicative of the Insured Person's survival. Any payment for Capital Benefit Event 1 as a result of this clause is subject to receipt of a signed undertaking by the legal representative of the estate of the Insured Person who

has disappeared that any such compensation shall be refunded if it is later demonstrated that the Insured Person did not die as a result of an Injury.

2. Exposure

If by reason of an Injury occurring during the Period of Insurance and Scope of Cover the Insured Person is exposed to the elements and as a result of such exposure, suffers a condition for which benefits are payable as set out in the Table of Benefits, such condition will be treated as though it were caused by an Injury for the purpose of this Policy.

3. Totally disabled spouse

If the spouse of the Insured Person suffers an Injury that prevents them from carrying out their normal household duties, We will reimburse You for any expenses You incur to employ any person to carry out the household duties that Your Injured spouse is unable to perform.

Limitations: We will not pay more than 25% of the Insured Person's Weekly Benefit or a total of \$2,000 whichever is the lesser.

We will not pay for a period longer than the normal duties cannot be carried out.

We will not pay if the spouse is in receipt of any other benefit under this section of the Policy or another similar policy of insurance.

LIMITATIONS ON POLICY COVER

1. Specific limitations applicable to compensation payable for Events 1- 20

In respect of Capital Benefit Events 1-18 and Weekly Benefit Events 19 and 20:

- compensation shall not be payable for more than one Capital Benefit Event in respect of the same Injury. If more than one Capital Benefit Event applies we will pay the highest applicable Capital Benefit;
- if the Insured Person becomes entitled to Weekly Compensation and compensation for a Capital Benefit for the same Injury we will pay him or her the higher benefit entitlement;
- if the Insured Person is in receipt of Weekly Compensation and becomes entitled to receive compensation for a Capital Benefit as a result of the same Injury, We will also pay the Capital Benefit sum if it is higher than the Weekly Compensation. If We pay the higher Capital Benefit sum, then the Weekly Compensation being paid for that Injury will cease and We will have no further liability under that section of the Policy. Any Weekly Compensation already paid will not be deducted from the Capital Benefit sum.

Personal Accident and Sickness

2. Specific limitations applicable to Weekly Compensation benefits

The following apply in relation to Weekly Compensation:

- a) Weekly Compensation for a period of less than one week will be paid at a rate of one-seventh (1/7th) of the Weekly Compensation for each day disablement continues;
- b) Weekly Compensation shall not be payable for more than one of the Events 19, 20 and 21 listed in the Table of Benefits arising in the same period of time;
- c) no Weekly Compensation shall be payable for disablement during the Excess Period;
- d) if, while the Policy is in force the Insured Person suffers a recurrence of Temporary Total Disablement or Temporary Partial Disablement from the same Injury or Sickness, the subsequent period of disablement will be deemed a continuation of the prior period unless between such periods the Insured Person has worked on a full-time basis for at least six consecutive months. Where the period between periods of disablement exceeds six consecutive months, the subsequent period of disablement shall be deemed to have resulted from a new Injury or Sickness and a new Excess Period shall apply and the continuing period of disablement will accumulate to the prior claim period and total Benefit Period;
- e) no further compensation will be payable under the Policy and all cover will cease for an Insured Person if the Insured Person becomes entitled to:
 - i) a 100% Capital Benefit Sum Insured payment as stated in the Policy Schedule; or
 - ii) the payment of Weekly Compensation for the maximum Benefit Period stated in the Policy Schedule;
- f) if the Insured Person is entitled to receive:
 - i) a weekly or periodical disability benefits from any other policy of insurance; and/or
 - ii) a weekly or periodical disability payments made under any Workers Compensation Act, Transport Accident Act, Statutory compensation, or any ordinance or any other legislation having similar effect, and/or a weekly benefit from any other employment or occupation;

then any Weekly Compensation payable under this section of the Policy will be reduced by the amount the Insured Person receives from any of the sources (i) to (ii) above;

- g) If an Insured Person dies as a result of an Injury and Capital Benefit Event 1 is not specified as insured on the Schedule, then compensation shall only be payable under the Policy in respect of Weekly Benefit Events 19 and/or

20 to the extent of the maximum Benefit Period shown against such Events or to the date of the Insured Person's death as a result of the Injury whichever first occurs;

- h) all Weekly Compensation is paid in arrears;
- i) all Weekly Compensation will cease on the date of death of the Insured Person;
- j) no Weekly Compensation is payable if there is no loss of Earnings;
- k) no Weekly Compensation is payable if the Insured Person is on unpaid leave or maternity leave;
- l) all Weekly Compensation will cease on the date the Insured Person retires.

3. General limitations on compensation benefits

The following general limits apply in relation to compensation benefits: compensation benefits shall not be payable beyond the date of the Insured Person's death with the exception of the Accidental Loss of Life benefit (Capital Benefit Event 1) if this is shown as covered in the Policy Schedule. If a sum is shown in the Policy Schedule as being the Aggregate Limit of Liability, We shall not be liable to pay compensation under the Policy in total is more than the Aggregate Limit of Liability Sum Insured for all claims arising under this section of the Policy made by all Insured Persons during the Period of Insurance shown in the Policy Schedule.

4. Limitation of weekly benefits outside Australia

If an insured person has made a claim and is in receipt of Weekly Compensation under the Policy and the Insured Person travels or resides outside Australia for a period of more than 30 consecutive days (unless otherwise agreed with us in writing), then the Weekly Compensation payable under the Policy will cease at the end of the 30 days taken from the date the Insured Person left Australia or when the payments have reached the limit of the Benefit Period, whichever occurs first.

5. Age Limitation

This Policy does not cover Insured Persons who are under 18 years of age or over 65 years of age, unless otherwise agreed with Us in writing and it is shown in the Policy Schedule that these age limits are amended.

Personal Accident and Sickness

EXCLUSIONS – APPLICABLE TO PERSONAL ACCIDENT & SICKNESS COVER

The following exclusions apply to the Personal Accident and Sickness section of Your Policy in addition to the General Exclusions.

No compensation is payable under this section of the Policy for any event caused by, arising or resulting from or in any way connected with any of the following:

- a) Pre Existing Condition;
 - i) war (whether war is declared or not), hostilities, nuclear, chemical, biological terrorism, invasion, acts of foreign enemies, hostilities, or war-like operations (whether war be declared or not), civil war; or
 - ii) mutiny, riot, civil commotion assuming the proportions of or amounting to a popular rising, military rising, insurrection, rebellion, revolution, military or usurped power;
 - c) taking part in, or training for, any professional sporting or professional theatrical activities; or
 - d) being engaged in any aerial activity, including but not limited to, hang gliding, parachuting, glider flying, flying a microlight Aircraft, other than as a passenger in a licensed Aircraft; or
 - e) intentional self-inflicted Injury or Sickness, self harm, suicide or attempt at suicide; or
 - f) any Injury resulting from training or playing any code of amateur football; or
 - g) any condition attributable to pregnancy, childbirth or miscarriage or complications of these unless the Insured Person is continuously confined to bed on advice from a duly qualified Medical Practitioner and the term of the pregnancy has not exceeded 26 weeks at the time that the Temporary Total Disablement or Temporary Partial Disablement commences; or
 - h) any Injury or Sickness suffered by any Insured Person arising directly or indirectly from Acquired Immune Deficiency Syndrome (AIDS) disease, AIDS related disease or Human Immunodeficiency Virus (HIV) infection; or
 - i) the Insured Person being under the influence of or addiction to drugs or alcohol including Sickness caused by the long-term effects of drug or alcohol abuse (other than drugs prescribed by a Medical Practitioner which are being taken as directed); or
 - j) the Insured Person's own illegal or criminal act; or
 - k) any psychiatric or psychological disorder, stress, stress-related disorders, including, but not limited to depression, anxiety, vertigo, physical fatigue or any associated disorders whether or not as result of an Injury (excluding Permanent and incurable insanity to the extent of causing legal incapacity as a result of Injury) or Sickness; or
 - l) expeditions for the purpose of exploration; or
 - m) where the Insured Person is a test pilot, test driver, member of the armed forces, member of the police, a security guard, a professional fire fighter, a diver, is part of the crew of an Aircraft or ship, a travel agent or a stevedore; or
 - n) where the Insured Person is engaged in blasting, mining, demolition or tunnelling; or
 - o) where the Insured Person is engaged in petroleum or gas exploration and production; or
 - p) death or injury arising from asbestos or asbestos related injuries; or
 - q) any liability including but not limited to, employers' liability or workers' compensation or occupational disease; or
 - r) death resulting otherwise than from accidental means; or
 - s) ionising radiation or contamination by radioactivity from any form of nuclear fuel or nuclear waste; or
 - t) any Act of Terrorism regardless of any other cause or event contributing concurrently or in any other sequence to the loss; or
 - u) any action in controlling, preventing, suppressing, retaliating against, or responding to any Act of Terrorism.
- In addition We will not pay for:
- i) any benefit that, if the benefit were paid, that payment would constitute the carrying on of a "Health Insurance Business" as defined under the Private Health Insurance Act, 2007 (Cth) or any succeeding legislation to that Act or would result in a breach of the provisions of the Health Insurance Act, 1973 (Cth); or
 - ii) for any benefit the Insured Person has agreed not to seek compensation for from another person or organisation that are or may be liable to compensate the insured person for any loss that is covered by the Policy.

Pleasurecraft

This section forms part of the Policy only if shown in the Policy Schedule as having been taken by You

DEFINITIONS

The definitions below apply only to this section of the Policy and override all other definitions, including the General Definitions applying to all sections of the Policy.

“Anti-Theft Device” means a key operated locking device which fastens Your Boat directly to a securely fixed, substantial stanchion and specifically does not include an arrangement using a padlock securing a chain or cable.

“Equipment and Accessories” means safety equipment installed or carried in accordance with statutory requirements and any other equipment intended for the use of or with the Boat including:

- a) any Tender used with Your Boat;
- b) anchors;
- c) oars or paddles;
- d) detachable canopies;
- e) boat and motor covers;
- f) bilge pumps;
- g) life-saving equipment including life jackets;
- h) auto pilot;
- i) depth sounders;
- j) electronic navigation equipment;
- k) global positioning system;
- l) Emergency Position Indicating Radio Beacons;
- m) two-way radios;
- n) fire extinguishers;
- o) seat cushions;
- p) lights;
- q) batteries;
- r) horns;
- s) cooking stoves;
- t) chairs; and
- u) equipment for towing Water Skiers as shown in the Policy Schedule.

“Personal Effects” means the following personal effects belonging to You or anyone on Your Boat with Your permission:

- clothing
- shoes

- waterproof gear and bags food and beverage coolers hats and caps
- wallets and purses excluding cash and credit card
- toiletry items
- keys and pens
- portable radio, radio cassette and compact disc players.

Personal Effects does not include goods or equipment used for water skiing, fishing, diving or any other water sport.

“Market Value” means Our assessment of the value (including GST) of Your Boat allowing for its condition immediately prior to any Loss or Damage.

“Replacement Cost” means the cost of replacing Your Boat with one in Our opinion of similar size, quality and features to that lost or damaged.

“Salvage” means the action of saving Your Boat on the water when it is in danger of loss or damage.

“Salvage Charges” means those costs You are liable to pay a Person who salvages Your Boat independently of a contract to do so.

“Stranded or Stranding” means the running aground of Your Boat whilst it is being used on water.

“Surfcat” means a sailboard with a catamaran hull.

“Tender” means an watercraft ancillary to Your Boat used for water transit from the shore to Your Boat.

“Water Skiers” means persons who use a set of skis or a single board to travel across the surface of the water whilst being towed by Your Boat.

“Waterskiing” means the activity of Water Skiers.

“Your Boat” means each of the following, but only to the extent that the particular item (i) to (v) below is specified on the Policy Schedule:

- i) its hull, including permanent attachments to it (but not its motors) which are normally fitted for sale with boats of a similar type
- ii) its motors;
- iii) its masts/spars, including sails and rigging;
- iv) its dinghy;
- v) its trailer.

Your Boat includes Personal Effects, but only whilst they are on Your Boat.

“Wreck” means the remains of Your Boat after it has sustained loss or damage.

Pleasurecraft

COVER FOR YOUR BOAT

We offer insurance for:

Section 1: Damage to and theft of Your Boat

Section 2: Legal liability You incur in using Your Boat.

SECTION 1: DAMAGE TO OR THEFT OF YOUR BOAT

If Your Boat is not a Surfcat, sailboard or similar funcraft, then this Policy insures You against the following if they occur during the Period of Insurance:

- accidental damage to Your Boat; or
- theft of or from Your Boat.

If Your Boat is a Surfcat, sailboard or similar fun craft.

This Policy insures You against the following if they occur during the Period of Insurance:

- a) damage to Your Boat directly caused by fire or collision or impact with any object; or
- b) theft of or damage to Your Boat directly caused by theft or attempted theft, but only if at the time of the theft or attempted theft:
 - i) a substantial Anti-Theft Device was attached to both the Boat and a stanchion; and
 - ii) the theft or attempted theft involved the damage or destruction of the device; or
- c) theft of or damage to Your Boat directly caused by theft or attempted theft following forcible entry to the building where Your Boat is kept (but only if the building in which the Boat is kept is locked and Your Boat is secured by an Anti-Theft Device.).

EXCLUSIONS UNDER SECTION 1

Section 1 does not insure You against:

1. damage to:
 - a motor that falls from the hull of Your Boat; or
 - the treatment of the bottom of Your Boat or the paintwork of its hull and superstructure; or
 - any moorings;
2. damage directly caused by:
 - structural failure; or
 - mechanical, electrical, electronic or hydraulic breakdown; or
 - wear, tear, corrosion, timber rot, electrolysis, rust or gradual deterioration; or

- vermin, insects or borers; or
 - marine growth; or
3. damage directly or indirectly caused by or arising out of a fault in Your Boat of which You were aware or of which You ought reasonably to have been aware at the time of the damage;
 4. theft or deliberate or malicious damage by any person:
 - insured by this Policy
 - who is the creditor of any debt which is secured against Your Boat under an agreement entered into by any person insured by this Policy.

BASIS OF SETTLEMENT

If Your Boat is damaged or stolen, We may at Our option:

- repair or replace it; or
- pay You the reasonable cost to repair or replace it at the time of the damage or theft.

We may pay up to the lesser of Market Value or the Sum Insured shown on Your Policy Schedule.

We also pay You up to 50% of the Sum Insured on the hull of Your Boat for the total of a) and b) below:

- a) any expense You reasonably incur to avoid or limit a loss, damage or Salvage Charges; and
- b) Salvage Charges You incur.

We will not pay international freight charges nor will We pay an amount exceeding the manufacturer's list price for a part, unless in either case the international freight charge or manufacturer's list price is incurred with Our consent.

TOTAL LOSS

If We consider Your Boat is a total loss, We may pay:

- a) the Replacement Cost of Your Boat if it is less than three years old from the date of manufacture up to the Sum Insured shown on the Policy Schedule; or
- b) the lesser of Market Value or the Sum Insured shown on the Policy Schedule if Your Boat is three years or older from the date of manufacture, provided the Sum Insured is at least 80% of the Market Value.

We are entitled to the Wreck if We treat Your Boat as a total loss.

Pleasurecraft

We will regard Your Boat as a total loss if the cost of repairs plus salvage value equals or exceeds the Sum Insured or Market Value or it is not found within two weeks of Your reporting it as stolen to the police.

When You are deciding on a Sum Insured for the hull, You should remember that it needs to be enough to cover the both the hull and any permanent attachments to the hull. You may need to seek expert advice on an appropriate Sum Insured.

ADDITIONAL BENEFITS

Automatic cover for a replacement boat

Subject to the terms of this Policy if You replace Your Boat with a similar boat during the Period of Insurance, this policy will insure the replacement boat for 14 days from the date of purchase if:

- a) You buy the replacement boat within 30 days of selling or disposing of Your Boat; and
- b) the value of the replacement boat is no more than double the Market Value of Your Boat at the time You sold or disposed of it (excluding registration costs and insurance); and

You have agreed to pay the Premium We request.

Clean up costs

We will pay, in addition to the Sum Insured, up to \$20,000 towards the reasonable costs You incur to clean up oil, diesel, petroleum products, effluent or sewerage accidentally released or discharged from Your Boat for all claims arising out of the one event, but only if the clean up occurs:

- during the Period of Insurance; and
- within 24 hours of the accidental release or discharge.

Equipment and Accessories

If an item of 'Equipment and Accessories' is shown on the Policy Schedule, the item specified is insured against:

- accidental damage directly caused by Your Boat being stranded or sunk, catching on fire, or colliding with any external object; or
- theft if Your Boat is stolen and the item is on or in Your Boat at the time; or
- theft following forcible entry to Your Boat or the building where it is kept (but only if Your Boat or building is locked), occurring during the Period of Insurance.

We pay the lesser of Replacement Cost, or the Sum Insured shown on the Policy Schedule for the damaged or stolen item.

If 'Equipment and Accessories' is not shown on the Policy Schedule, We pay up to \$500 for all claims for any item or items of equipment or accessories damaged or stolen as a result of the one event.

We only pay a claim for an item of Equipment and Accessories not shown on the Policy Schedule if We would have paid the claim if the item had been shown on the Policy Schedule.

Stranding

If Your Boat is Stranded during the Period of Insurance, We pay up to \$1,000 for an expense You reasonably incur to inspect the hull, even if no damage is found. This benefit is not payable if damage is obvious and a claim for repairs or a total loss has been made.

Towing

If We have paid or agreed to pay a claim for damage to Your Boat, We pay the reasonable cost You incur to have Your Boat towed from the area in which it was damaged (on land or at sea), to the nearest safe or secure place.

We will pay up to \$500 for all towing costs arising out of damage to Your Boat during the Period of Insurance.

Your Personal Effects

We will pay up to \$200 for any one item of Personal Effects and up to \$2,000 in total for all claims relating to all Personal Effects arising out of any one event during the Period of Insurance.

SECTION 2: LEGAL LIABILITY

Cover

We will insure You during the Period of Insurance (or anyone duly qualified who is driving, sailing, piloting or otherwise in charge of Your Boat or acting as an observer on it with Your permission), for legal liability, directly arising from the use of Your Boat, resulting in the payment of compensation for:

- personal injury or death;
- damage to property.

We also cover You for any legally required attempt to raise, remove or destroy the wreck of Your Boat, during the Period of Insurance.

Pleasurecraft

131

EXCLUSIONS UNDER SECTION 2

Section 2 of this Policy does not insure You against a liability:

1. incurred under an agreement where that liability would arise if that agreement had not been made;
2. directly or indirectly caused by or arising out of a seeping, polluting or contaminating substance, including a cost to clean up or remove the substance;
3. for the cost to remove subsurface oil, gas or any similar substance or property of another person; consequent on damage directly caused by Your Boat;
4. for the cost of a search, location, recovery, salvage or similar action by a sea or air rescue or recovery service;
5. for damage to property belonging to You or in Your possession, custody or control;
6. for personal injury or death to or of:
 - You or anyone living permanently with You or an Employee or Your agent, contractor or subcontractor; or
 - a person driving or in charge of Your Boat or acting as an observer on it; or
 - a person driving or in charge of the vehicle towing Your Boat; or
 - a member of the crew of Your Boat (whether a volunteer or not); or
 - a person while kite-skiing, paragliding or engaging in any other airborne activity while being towed by Your Boat ; or
 - a person while Waterskiing from Your Boat unless Waterskiing is shown on the Policy Schedule; or
 - a person whilst scuba diving or snorkelling from Your Boat; or
 - whilst fishing from Your Boat; or
7. for personal injury or death where that liability is required by law to be compulsorily insured.

When You are insured under Sections 1 and 2

You are only insured under this Policy when Your Boat is:

- afloat on an inland body of water, harbour, estuary, or within the coastal waters of Australia not more than 50 kilometres from shore; or
- laid up on shore in Australia; or
- being towed or carried on land within Australia.

EXCLUSIONS UNDER SECTIONS 1 OR 2 OF THIS POLICY

You are not insured if any loss or damage arises from or is in any way connected with:

- inherent defects, structural faults, faulty workmanship, or faulty design; or
- confiscation, nationalisation, or requisition of Your Boat; or
- a motor due to overheating, electronic or mechanical malfunction or seizure; or
- the use of mechanical parts not meeting the specifications of the manufacturer of Your Boat; or
- any modification of Your Boat not beyond the manufacturer's design specifications; or
- any electrical or mechanical breakdown of any component, device or machine; or
- any structural failure not due to external and independent physical damage.

You are not insured when Your Boat:

- did not have a licence required by law; or
- is unsafe or unseaworthy; or
- is being used for or in any way connected with an illegal purpose or activity; or
- is in the physical custody of repairers; or
- is being used in, or is being prepared for, an experiment, test, stunt, pacemaking, reliability trial, speed test, or competition; or
- is being used in, or is being prepared for, racing unless 'Racing' is shown on the Policy Schedule; or
- is being let, hired or chartered; or
- is being driven or piloted by or in the charge of a person, or is being towed by a vehicle which is being driven by or in the charge of a person who:
 - does not have a licence or ticket required by law; or
 - is under the influence of alcohol or a drug; or
 - has more than the legal limit of alcohol or a drug in their blood; or
 - subsequently refused to undergo a legal test for the amount of alcohol or drug in their blood in connection with their driving, towing, operating or being in charge of Your boat or the vehicle.

Pleasurecraft

If You were not the driver or the person piloting or in charge of Your Boat at the time of the loss, damage or occurrence, We will not rely on the exclusion in the last bullet point above if You can satisfy Us that at the time of the loss, damage or occurrence You did not know, and could not reasonably have known, that the driver or person operating or in charge of Your Boat:

- did not have the required licence provided You have previously requested sight of that licence and the forged licence produced was not reasonably detectable as a forgery; or
- was or might have been under the influence of alcohol or a drug or a combination of alcohol and drugs.

WHAT WE PAY FOR LEGAL LIABILITY

We will pay up to the limit shown on the Policy Schedule for 'Legal Liability limit of indemnity'. We pay up to this amount for all claims (including all costs and expenses) arising out of the one occurrence or series of occurrences.

HEAD OFFICE

Lumley House
Level 9, 309 Kent Street
Sydney NSW 2000

P: 02 9248 1111

F: 02 9248 1198

E: general@lumley.com.au

LOCATIONS

Adelaide
Brisbane
Canberra
Darwin
Launceston
Melbourne
Newcastle
Perth
Sydney



part of Wesfarmers Insurance