

Zurich Motor Insurance

Product Disclosure Statement



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About Motor Insurance

About Zurich

Zurich is proud to present the Zurich Motor Insurance product.

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

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

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

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

This PDS will help you to:

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

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

We sometimes capitalise or italicise terms in this PDS, to show that words are abbreviations or have a particular defined meaning. You should refer to the Definitions section of this document from page 9 to obtain the full meaning of such terms.

How to apply for this insurance

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

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

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

Our Motor Insurance

The Zurich Motor Insurance is designed for small to medium enterprises operating one or more vehicles. Sedans and commercial vehicles can be included in this policy.

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

Comprehensive Cover

This provides both:

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

Own Damage Only Cover

This provides:

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

Third Party Property Damage Only Cover

This provides:

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

Fire, Theft and Third Party Property Damage Cover

This provides both:

- cover for certain loss or *damage* to your *vehicle* by fire or theft only (Optional Limitation of Cover – Section 1 refer to page 22); and
- liability cover for certain loss or *damage* you or certain other people cause to third party vehicles and property (Section 2).

Fire and Theft Only Cover

This provides:

- cover for certain loss or *damage* to your *vehicle* by fire or theft only (Optional Limitation of Cover – Section 1 refer to page 22).

For a summary of benefits available to you, see 'Benefits of cover available' on page 8.

Our contract with you

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

Your policy is made up of:

- the policy wording which begins on page 9 of this document. It tells you what is covered, sets out the claims procedure, exclusions and other terms and conditions of cover;
- the proposal, which is the information you provide to us when applying for insurance cover;
- your most current policy *schedule* issued by us. The *schedule* is a separate document unique to you, which shows the insurance details relevant to you. It includes any changes, exclusions, terms and conditions made to suit your individual circumstances and may amend the policy; and
- any other written change otherwise advised by us in writing (such as an *endorsement* or a supplementary PDS). These written changes vary or modify the above documents.

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

This document is also the PDS for any offer of renewal we may make, unless we tell you otherwise. Please keep your policy in a safe place.

We reserve the right to change the terms of this product where permitted to do so by law.

Significant issues to consider

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

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

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

Basis of Settlement – Section 1

When Section 1 – Own Damage is selected, you may choose the Basis of Settlement option you require if your vehicle is a sedan, station wagon, 4WD, utility or Other Goods Carrying Vehicles up to 5 tonnes *payload* carrying capacity or less. The standard options are *market value* and *nominated value*. For all other *vehicles*, the Basis of Settlement is the *sum insured value*. We refer you to the Definitions applying to Section 1 from page 9, which explains how we apply these categories of cover. The correct Basis of Settlement selection is vital, as an incorrect selection may possibly leave you underinsured and could result in the Average clause of this policy becoming operative. Please refer to Limitations of Cover – Section 1 on page 18 which explains when and how the operation of this clause may apply.

Basis of Settlement – Section 2

When Section 2 – Liability is selected, we have automatically included the Limits of Liability within the policy. We recommend you refer to page 24 and you review these limits to ascertain if they are adequate for your business requirements.

Dangerous Goods

When Section 2 – Liability is selected, we provide cover in the event that your *vehicle* is being used for, attached to, or towing a vehicle used for the transport of *dangerous goods*. We recommend you refer to page 24 and review the limit of *dangerous goods* cover provided, to ascertain if it is adequate for your business requirements.

Extensions of Cover

When you have a loss or *damage*, additional expenses may be incurred. For example, Removal of debris / load, Retrieval costs. We automatically provide for these extensions under Extensions of Cover within the policy.

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

Please refer to Extensions of Cover – Section 1 and 2 on page 16, Extensions of Cover – Section 1 from page 20 and Extensions of Cover – Section 2 from page 26 for full particulars. Some of these major benefits are listed in ‘Benefits of cover available’ from page 8.

Optional Extensions of Cover

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

- Hire vehicle following an accident (refer to page 23);
- Hire vehicles (refer to page 17);
- No claim bonus (NCB) protection (refer to page 22);
- Deletion of windscreen excess (refer to page 22);
- Contents of caravan / trailer (refer to page 22);
- Increased non-owned trailer liability (refer to page 27).

Excesses can apply

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

Details of the basic excess amounts and circumstances in which they will be applied are set out in the Definition of Excess from page 9. The basic excess will appear on your policy *schedule*.

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

Exclusions

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

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

Some of the exclusions may be less common, and as such may be unexpected. For example, this policy excludes cover for ‘Underground mining’ which excludes your *vehicle* when used for drilling or tunnelling whilst underground or used or driven in an underground mine or mining shaft. Please refer to page 13 for the details of this exclusion.

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

Some may not be relevant to your *business*, however, you should make yourself aware of all the exclusions. Please refer to Exclusions of Cover – Section 1 and 2 from page 12, Exclusions of Cover – Section 1 from page 19 and Exclusions of Cover – Section 2 from page 24.

Terms and Conditions

Terms and Conditions applicable to your policy set out your obligations with which you need to comply. Please refer from page 14.

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

Make sure you have the cover you need

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

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

Change of circumstances

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

Duty of Disclosure

Before you enter into this contract of insurance with us, the Insurance Contract Act 1984 requires you to tell us everything which you know, or could be reasonably expected to know, is relevant to our decision whether to accept the risk of the insurance and, if so, on what terms. The duty of disclosure is different depending on whether it is a new policy or not.

New Business

Where you are entering into this policy for the first time (that is, it is new business and is not being renewed, varied, extended or reinstated) you must tell us everything you know, or could be reasonably expected to know, in answer to the specific questions we ask.

When answering our questions you must be honest.

Who needs to tell us

It is important that you understand that you are answering our questions in this way for yourself and anyone else whom you want to be covered by the policy.

If you do not tell us

If you do not answer our questions in this way, we may reduce or refuse to pay a claim, or cancel the policy. If you answer our questions fraudulently, we may refuse to pay a claim and treat the policy as never being in force.

Renewals, variations, extensions and reinstatements

Once your policy is entered into and is no longer new business then your duty of disclosure to us changes. You are required before you renew, vary, extend or reinstate your policy, to tell us everything you know, or could be reasonably expected to know, which is relevant to our decision whether to renew, vary, extend or reinstate the contract of insurance and, if so, on what terms.

You do not have to tell us about any matter

- that diminishes the risk;
- that is of common knowledge;
- that we know or should know in the ordinary course of our business as an insurer; or
- which we indicate we do not want to know.

If you do not tell us

If you do not comply with your duty of disclosure we may reduce or refuse to pay a claim or cancel your policy. If your non-disclosure is fraudulent we may treat this policy as never being in force.

How we calculate your premium

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

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

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

- the location of your *business*;
- the nature of your *business*;
- type of *vehicles* (make, age, model);
- use of *vehicles* (private, business);
- the value of the *vehicles*;
- type of cover requested;
- location and operating radius of the *vehicles*;
- age of the regular driver of the *vehicles*;
- your NCB and your previous claims history;
- the age of your policy with Zurich; and
- any additional excess you nominate to pay above our basic excess. This means that when you purchase a policy, you may elect to take a higher excess in the event of a claim, which will reduce the cost of your *premium*. If you are interested in this, you should ask your intermediary to supply you with quotes based on differing amounts of excesses.

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

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

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

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

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

No claim bonus

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

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

Goods and Services Tax

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

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

How to make a claim

If you need to make a claim against this policy, please refer to 'Claims procedures' under Terms and Conditions – Sections 1 and 2 from page 15. If you have any queries please contact your intermediary as soon as possible, or call us on 132 687.

Privacy

Zurich is bound by the National Privacy Principles and the Privacy Act 1988 (Cth). We may need to collect personal information ('Information') from an *insured* for the primary purpose of providing the *insured* with insurance products, services, processing and assessing claim(s).

If an *insured* does not provide Zurich with the Information, Zurich may not be able to process the proposal application or assess any claim(s).

By providing us with this Information, the *insured* gives consent to us disclosing the Information to other insurers, our service providers, our business partners or as required by law.

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

Cooling-off Period

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

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

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

You can cancel your policy at any time after the cooling-off period. Please refer to 'Cancellation' under Terms and Conditions from page 15.

General Insurance Code of Practice

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

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

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

Complaints and Disputes Resolution process

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

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

If you are not satisfied with the outcome of the dispute resolution process and would like to take the complaint further, you may refer the matter to the Financial Ombudsman Service (FOS), an independent and external dispute resolution scheme. The FOS is free of charge to you but can only be accessed after you have gone through our internal disputes resolution process.

FOS contact details are:

The Financial Ombudsman Service

Freecall: 1300 78 08 08

Post: GPO Box 3, Melbourne, Victoria 3001

Website: www.fos.org.au

Email: info@fos.org.au

Financial Claims Scheme

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

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

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

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

Repair Industry Code of Conduct

Zurich complies with the Repair Industry Code of Conduct.

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

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

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

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

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

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

Headings

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

Updating this PDS

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

Benefits of Cover Available

The following is a summary only of the major benefits available under the policy.

Please refer to each Section for full details of coverage and applicable terms and conditions.

Summary of covers available	Benefits of cover available	Page no.
Comprehensive	Own Damage – Section 1 Liability – Section 2	18 24
Own Damage only	Own Damage – Section 1	18
Third Party Property Damage only	Liability – Section 2	24
Fire, Theft and Third Party Property Damage	Optional Limitation of Cover – Section 1 Liability – Section 2	22 24
Extensions of Cover – Motor Vehicle Sections 1 and 2		
Vehicle additions	Automatically covering a new vehicle within 30 days maximum \$300,000 per vehicle	16
Police, Fire Brigade and other Authorities	Covering costs levied in respect of Police Force, Fire Brigade or other Authorities as a result of loss or <i>damage</i> to your <i>vehicle</i> , to a maximum \$20,000 per event	16
No fault excess	If the total excess applicable to your claim is \$5,000 or less and you were not 100% at fault in an <i>accident</i> , you may not need to pay any excess	16
Disability modifications	Up to a maximum \$5,000 per event	16
Extensions of Cover – Motor Vehicle Section 1		
New vehicle replacement (if <i>vehicle</i> is stolen or declared by us as a total loss)	A new replacement <i>vehicle</i> including registration fees, delivery charges and stamp duty for sedans, station wagons, 4WDs, utilities or Other Goods Carrying Vehicles up to 5 tonnes <i>payload</i> carrying capacity being less than two years of <i>vehicle's</i> first registration	20
Total loss of encumbered vehicles	Up to an additional 20% limit of <i>market value</i> or <i>sum insured value</i> whichever is the lesser	20
Emergency mitigation costs	Replacement of windscreen Towing your <i>vehicle</i> to the nearest repairer	20 20
Gates, chains and tarpaulins	Up to a maximum \$5,000 per event	20
Removal and delivery expenses	Reasonable costs of removing and delivering your <i>vehicle</i> , if your <i>vehicle</i> suffers loss or <i>damage</i> , up to a maximum \$25,000 per event	21
Hire vehicle following theft	Up to a maximum \$5,000 per event	21
Signwriting	Up to the sum insured per event	21
Removal of debris / load	Up to a maximum \$25,000 per event	21
Locks / keys	Up to a maximum \$5,000 per event with no excess if no other loss or <i>damage</i> has occurred	22
Funeral expenses	Up to a maximum \$10,000 for funeral expenses following fatal injury to your driver	22
Employee's vehicles	Coverage for employee's vehicles being used in connection with your <i>business</i> , to a maximum \$25,000 per any one loss, any one event	22
Journey disruption	Following loss or <i>damage</i> to your <i>vehicle</i> , if more than 100 km from normal place of garaging, the reasonable costs of transporting the driver and passengers, obtaining overnight accommodation or hiring another vehicle, up to a maximum \$3,000 per event	22
Drivers personal property	Up to \$500 per event / \$2,000 any one <i>period of insurance</i>	22
Expediting expenses	Reasonable additional costs	22
Extensions of Cover – Liability Section 2		
Legal costs and authorised expenses	Legal costs and expenses incurred with our written consent, in addition to the Limit of Liability	26
Non-owned or supplied vehicles	Coverage for non-owned or supplied vehicles being used in connection with your <i>business</i>	26
Employer or principal	Covering employer's or principal's liability for an <i>accident</i> involving your <i>vehicle</i>	26
Non-owned trailer liability	<i>Damage</i> to non-owned trailer being towed by your <i>vehicle</i> , as shown in the schedule	27
Uninsured motorist	Up to a maximum of \$5,000 per accident	27
Optional Extensions of Cover		
Hire vehicles	Sections 1 and 2 – available if shown in the <i>schedule</i>	17
No claim bonus (NCB) protection	Section 1 – available if shown in the <i>schedule</i>	22
Deletion of windscreen excess	Section 1 – available if shown in the <i>schedule</i>	22
Hire vehicle following an accident	Up to \$75 per day, up to maximum of 14 business days per event	23
Driver accident benefit	Benefits for injury suffered in an <i>accident</i> where driver at fault	23
Increased non-owned trailer liability	Section 2 – available if shown in the <i>schedule</i>	27

Zurich Motor Insurance Policy Wording

Our Agreement

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

Definitions

The following definitions shall apply to the words used in your policy.

Accident

accident means a sudden and fortuitous event, which arises out of the use of your *vehicle* and includes a series of *accidents* arising out of the one event.

Act of terrorism

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

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

Australia

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

Australian Dangerous Goods Code

Australian Dangerous Goods Code means the most recent edition of the Australian Code for the Transportation of Dangerous Goods by Road and Rail that has been published by the Federal Government of Australia. This is also known as the ADG Code.

Business

business means your business, occupation, trade or profession.

Caravan / trailer

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

Compensation

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

Damage and damaged

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

- (a) fire, flood, hail, malicious acts, *accident*; or
- (b) someone stealing or attempting to steal your *vehicle*.

Employee

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

- (a) employed by you;
- (b) apprenticed to you;
- (c) deemed to be your employee by any applicable law;
- (d) hired or seconded from another party by you; or
- (e) an executive director or officer of your *business*.

Endorsement

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

Excess

excess means:

- **Basic excess**

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

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

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

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

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

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

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

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

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

- (a) driver under 21 years of age: \$2,500;
- (b) driver aged 21 years of age and under 25 years of age: \$2,500;

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

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

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

If at the time of loss or *damage*, your rigid and/or articulated *vehicle* with a carrying capacity in excess of 10 tonnes *payload*, was being driven by a person who failed to complete a driver's questionnaire and submit it to us within 14 days of that person first driving or being in charge of your *vehicle*, you will pay an additional excess of \$2,500.

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

- **Tipping excess**

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

- **Radius Limit excess**

If your *vehicle* is *damaged* or liability is incurred as a result of an *accident* which occurs outside the *radius limit* shown in the *schedule*, then you will pay an additional excess in the amount of 200% of the basic excess per *vehicle*.

Dangerous goods

dangerous goods means goods as defined by the Australian Code for the Transport of Dangerous Goods by Road and Rail.

Insured

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

Market value

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

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

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

Nominated value

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

Payload

payload means the maximum load that your *vehicle* is designed to carry.

Period of insurance

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

Pollutants

pollutants means any irritant or contaminant including, but not limited to smoke, vapour, soot, fumes, chemicals or waste. However, waste shall include but not be limited to all materials to be recycled, reconditioned, or reclaimed.

Premium

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

Radius limit

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

Schedule

schedule means the Schedule document that we give you that attaches to and forms part of your policy.

Sum insured value

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

This amount includes standard accessories, tools and spare parts that the manufacturer supplies as standard equipment with your *vehicle*, and any Vehicle Accessories specified in the *schedule*.

Tool of trade

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

Vehicle

vehicle means your Vehicle described in the *schedule* and includes:

- (a) any standard accessories that the manufacturer supplies as standard equipment with your *vehicle*; and
- (b) any non-standard Vehicle Accessories specified in the *schedule*.

Limitations of Cover

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

Limitations of Cover – Sections 1 and 2**1. Bobcats/skid-steer loaders**

New South Wales & Victoria:

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

- (a) the Sydney metropolitan area (which is defined as a 60km radius from the central GPO;
- (b) the Wollongong metropolitan area (which is defined as a 25km radius from the central GPO;
- (c) the Melbourne metropolitan area (which is defined as a 60km radius from the central GPO;

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

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

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

Queensland:

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

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

2. Change of risk

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

3. Geographical limits

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

4. Motor trade

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

- (a) The Vehicle Description shown in the *schedule* means:

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

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

 - (i) personally owned by you;
 - (ii) being used in the business of a motor driving school;
 - (iii) being used for hire, paying of hire or let on hire;
 - (iv) being driven by potential buyers unless accompanied by you or your *employee*;
 - (v) lost as a result of trickery or deception; or
 - (vi) being towed by a motor breakdown towing truck belonging to, or being operated by, you.
- (c) The following Extensions of Cover – Section 1 will not apply:
 - (i) 1. New vehicle replacement;
 - (ii) 2. Total loss of encumbered vehicles; and
 - (iii) 6. Hire vehicle following theft.

(d) The following Extensions of Cover – Section 2 will not apply:

3. Non-owned or supplied vehicle.

(e) The following Exclusions of Cover – Sections 1 and 2 will not apply:

12. Stock in trade.

(f) The following Extensions of Cover – Sections 1 and 2 will not apply:

1. Vehicle additions.

5. Vehicle alterations

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

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

Exclusions of Cover – Sections 1 and 2

This policy does not provide cover:

1. Motor sports, vehicle racing, testing

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

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

2. Vehicle overloading

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

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

Exclusions 2(a) and 2(b) shall not apply if you can prove that:

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

3. Unroadworthy or unsafe vehicles

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

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

4. Non-approved fuel systems

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

5. Contractual liability

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

6. Multiple trailers

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

7. Hire, fare or reward

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

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

8. Underground mining

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

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

9. Dual lifts / multi lifts

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

10. Repossession

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

11. Setting of concrete / bitumen

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

12. Stock in trade

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

13. Wilful damage

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

14. Dangerous goods

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

15. Vehicles on rails / cables

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

16. War, confiscation, radioactivity, nuclear perils

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

- (a) war, invasion, acts of foreign enemies, hostilities or warlike operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power;
- (b) any *act of terrorism*;
- (c) any order of any Government, Public or Local Authority involving the confiscation, nationalisation, requisition, damage or destruction of any property unless such destruction was undertaken to reduce the spread of fire; or
- (d) radioactivity or the use, existence or escape of any nuclear fuel, nuclear material, or nuclear waste or action of nuclear fission or fusion.

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

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

17. Acquisition of companies

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

18. Unlawful acts (including unlicensed drivers)

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

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

Exclusion 18 (c) shall not apply if your *vehicle* is being driven by a person who is involved with the servicing of your *vehicle* on premises you occupy.

Further, Exclusions 18 (a) to (d) inclusive shall not apply if you can prove:

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

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

19. Act of terrorism

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

However upon notification in writing, we may, at our option and subject to any additional *premium* requested, provide cover.

Terms and Conditions – Sections 1 and 2

The following terms and conditions apply to your policy:

1. Reasonable care

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

2. Confidentiality

To the extent permitted by law you or any person acting on your behalf shall not without our prior written consent disclose:

- (a) the existence of your policy or any part of your policy;
- (b) the amount of *premium* paid or payable for your policy;
- (c) the extent of cover provided by your policy; or
- (d) any other terms or conditions of your policy.

3. Cancellation

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

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

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

4. Claims procedures

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

- (a) notify us in writing with full details as soon as possible after any event which may become the subject of a claim under this policy;
- (b) immediately send us any communication received from other parties in relation to any event which may become the subject of a claim under this policy;
- (c) tell us without delay on becoming aware of any impending prosecution in relation to any event which may become the subject of a claim under this policy;
- (d) provide all information and cooperation which we may require, including signing any statutory declaration or other documents;
- (e) not admit to, or negotiate any claim without our written consent;
- (f) allow us full discretion in the conduct, defence and settlement of any claim;
- (g) subject to the Insurance Contracts Act 1984, help us to recover any money paid by us from any person whom you may be able to hold liable. We will have the right to take any action in your name;
- (h) not authorise repairs on your *vehicle* (other than emergency mitigation costs or expediting expenses) without our written consent; and
- (i) notify the Police as soon as possible after you have become aware of the theft or attempted theft of, or malicious *damage* to your *vehicle*.

5. Payments in respect of Goods and Services Tax

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

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

6. Payment of excess

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

7. Progress payments

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

8. Fraud

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

9. Other insurance

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

10. Notifications

All notices and communications must be made or confirmed in writing by you or your intermediary. Other forms of communication will not be acted upon by us until confirmed in writing by you or your intermediary.

11. Proper law and jurisdiction

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

In the event of any dispute arising under this policy, including but not limited to its construction and/or validity and/or performance and/or interpretation, you will submit to the exclusive jurisdiction of any competent Court in *Australia*.

12. Change of risk

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

13. Cross liability

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

Extensions of Cover – Sections 1 and 2

1. Vehicle additions

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

- (a) within 30 days of the date you acquire the additional vehicle, you must provide to us full details of that additional vehicle as are set out in the *schedule* in respect of your *vehicle*;
- (b) the additional vehicle must be of a similar type, make, and model to your *vehicle*;
- (c) you must pay any additional *premium* we impose in respect of that additional vehicle; and
- (d) the maximum amount we will pay under this policy in respect of each additional vehicle is \$300,000.

2. Police, Fire Brigade and other Authorities

This policy extends to cover you up to a limit of \$20,000 per event for all costs levied by the following authorities, as a result of loss or *damage* involving an insured *vehicle*, requiring or resulting in the attendance of any members of:

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

3. No fault excess

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

- (a) we determine that the claim involves a collision with another vehicle and the driver of the other vehicle was 100% at fault; and
- (b) you tell us the registration number of the other vehicle and the full name and address of the other driver or their driver's licence number; and
- (c) the amount of your claim exceeds the applicable excess under the policy.

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

4. Novated leases

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

5. Disability Modifications

We will pay up to \$5,000 per event should you or your driver who suffers an injury as a result of an *accident* involving your *vehicle* and such injuries renders you or your driver with a permanent disability that necessitates vehicle modifications to your *vehicle* or your driver's private vehicle, the policy is extended to pay costs associated with effecting such modifications.

Optional Extension of Cover – Sections 1 and 2

1. Hire vehicles

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

- (a) notify us in writing prior to doing so; and
 - (b) pay any additional *premium* we may impose,
- then, Exclusion 7 'Hire, fare or reward' under Exclusions of Cover Sections 1 and 2 is hereby deleted and replaced with the following Exclusion 7:

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

Section 1 – Own Damage

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

Cover

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

Basis of Settlement – Section 1

The following Basis of Settlement will apply:

1. Repair

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

2. Total loss

(a) Market value / Sum insured value

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

- (i) the *market value*; or
- (ii) the *sum insured value*.

(b) Nominated value

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

- (i) the *nominated value*; or
- (ii) the *market value* plus 15%.

Provided that the maximum amount we will pay in respect of Vehicle Accessories is the value of those Vehicle Accessories shown in the *schedule*.

3. Salvage

If we consider that your *vehicle* is uneconomical to repair and we pay according to the cover provided by this policy, you must allow us to take possession of your *vehicle*.

If we do not take possession of your *vehicle*, you retain responsibility for the *vehicle*.

Limitations of Cover – Section 1

1. Limit per event

The maximum amount we will pay for *damage* arising out of the one event is \$10,000,000.

2. Spare parts

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

3. Average

If, at the time that your *vehicle* is *damaged*, the *sum insured value* is less than 80% of the *market value*, we will only pay that proportion of the amount we would otherwise pay if this Average clause did not apply (as calculated in accordance with the Basis of Settlement) which the sum insured bears to the *market value*, as follows:

For example:

$$\frac{\text{sum insured value}}{80\% \text{ of market value}} \times \text{Amount we would otherwise pay, as calculated in accordance with the Basis of Settlement}$$

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

4. Mobile cranes, mobile drilling rigs and mobile piling rigs

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

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

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

(d) operation of the *vehicle* while its load-measuring instruments or limiters are known or suspected to be defective, inoperative or turned off by:

- (i) you;
- (ii) a director or partner of yours or an *employee*; or
- (iii) a person engaged in the operation of the *vehicle*;

(e) acts or omissions of:

- (i) you;
- (ii) a director or partner of yours or an *employee*; or
- (iii) a person engaged in the operation of the *vehicle*,

with the intention of causing, or with reckless disregard of the risk of causing, injury, or loss or *damage* to person or property;

(f) tests or experiments imposing abnormal operating conditions on the *vehicle*;

(g) scratching or chipping of painted or polished surfaces;

(h) corrosion, rusting, erosion, gradual deterioration, wear and tear, defect of any type, fatigue, lack of lubricant, lack of coolant, incorrect lubricant, incorrect coolant or electrical failure, unless you prove that prior to the loss or *damage*:

- (i) neither you nor any *employee* nor any person engaged in the operation of the *vehicle* was aware of such corrosion, etc.; and
- (ii) a casual inspection of the *vehicle* would not have revealed such corrosion, etc.;

(i) drill pipes, collars, rock bits, reamers, stabilisers, core barrels, lugging equipment, casing and tools of all kinds occurring while below the rotary table, whilst performing horizontal and/or vertical drilling / boring activities; or

(j) your *vehicle* while being used for oil, gas or geothermal drilling or in connection with existing oil, gas or geothermal wells.

Exclusions of Cover – Section 1

We will not pay for:

1. Lawful seizure

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

2. Loss of use

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

3. Obsolete parts

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

4. Safeguarding your vehicle

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

5. Theft by hirer

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

6. Tyres

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

7. Vehicle deterioration

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

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

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

Extensions of Cover – Section 1

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

1. New vehicle replacement

If at the time your *vehicle* first suffers loss or *damage*, it:

- (a) is a sedan, station wagon, 4WD, utility or Other Goods Carrying Vehicle up to 5 tonnes *payload* carrying capacity or less; and
- (b) is less than two years old from the date of your *vehicle's* first registration; and
- (c) is stolen and not recovered, lost and not recovered or *damaged* and we do not consider it economical to repair your *vehicle*,

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

However where:

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

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

2. Total loss of encumbered vehicles

If:

- (a) *market value* or *sum insured value* is shown in the *schedule* as the Basis of Settlement; and
- (b) your *vehicle* is stolen and not recovered, lost and not recovered or *damaged* and we do not consider it economical to repair your *vehicle*; and
- (c) your *vehicle* is the subject of a lease agreement or other similar agreement; and

- (d) the terms of the lease agreement or other similar agreement require you to make a payment the 'termination payment' to the other party to the lease agreement, or other similar agreement, in order to terminate that agreement; and
- (e) the amount of the 'termination payment' is greater than the amount we will pay you in respect of your *vehicle* calculated in accordance with the Basis of Settlement,

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

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

- (i) 20% of *market value*; or
- (ii) 20% of *sum insured value*,

whichever is the lesser.

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

3. Emergency mitigation costs

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

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

4. Gates, chains and tarpaulins

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

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

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

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

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

whichever is the lesser.

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

5. Removal and delivery expenses

If your *vehicle* suffers loss or *damage* covered by this section, we will pay for reasonable costs necessarily incurred by you in removing your *vehicle* (excluding any debris or load) and, where applicable, relocating your *vehicle* to the nearest repairer which we have approved and/or delivering your *vehicle* to you at your usual place of garaging after its repair or recovery, up to a maximum amount of \$25,000 per event.

6. Hire vehicle following theft

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

However, this is on the basis that:

- (a) the payment / reimbursement is limited to costs incurred by you after you have notified us of the loss; and
- (b) the substitute vehicle is of a similar like and kind to that stolen; and
- (c) the payment / reimbursement will cease on the day the stolen *vehicle* is recovered, or the day we offer settlement to you for the stolen *vehicle*,

whichever occurs first.

7. Signwriting

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

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

8. Removal of debris / load

We will pay you for reasonable costs necessarily incurred for the clean-up and removal of your *vehicle's* debris and your *vehicle's* load arising from an *accident* or resulting from goods falling or leaking from your *vehicle*, but only to a maximum amount of \$25,000 per event.

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

9. Maritime contribution

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

- (a) such conditions under maritime law apply; and
- (b) the ship is sailing between places within *Australia*.

10. Young drivers

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

11. Locks / keys

If after *damage* to your *vehicle*, the keys are lost, destroyed or *damaged*, or if there are reasonable grounds to believe that the keys may have been duplicated, we will reimburse the costs of replacing the key ignition barrel, all locks and keys if required, up to a maximum amount of \$5,000 per event.

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

12. Funeral expenses

Should your driver suffer a fatal injury as a result of an *accident* involving your *vehicle* (irrespective of whether or not death occurs at the time of the *accident*), the policy extends to pay to the deceased driver's next of kin, funeral expense up to a maximum amount of \$10,000.

13. Employee's vehicles

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

However:

- (a) the maximum we will pay is \$25,000 per any one loss, per any one event; and
- (b) as far as allowed by law, this cover will only be in excess of any amount for which your *employee* is otherwise insured.

14. Journey disruption

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

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

up to a maximum amount of \$3,000 per event, provided that:

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

15. Drivers personal property

If your *vehicle* suffers loss or *damage*, we will pay for any uninsured wearing apparel and your *drivers' personal property* as a result of loss or *damage* to that property whilst in your *vehicle* up to the maximum amount of \$500 per event and \$2,000 in total during any *period of insurance*.

16. Expediting expenses

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

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

Optional Limitation of Cover – Section 1

Fire and theft

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

Optional Extensions of Cover – Section 1

1. No claim bonus (NCB) protection

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

However the protection provided under this Optional Extension of Cover is limited to one incident of *damage* to your *vehicle* in each *period of insurance*.

2. Deletion of windscreen excess

If Deletion of Windscreen Excess is shown in the *schedule*, you do not have to pay any *basic excess* where the only *damage* occasioned to your *vehicle* is windscreen or window glass breakage (including incidental scratching to body work).

However this is on the basis that your *vehicle* is a sedan, station wagon, 4WD, utility or Other Goods Carrying Vehicle up to five tonnes *payload* carrying capacity.

3. Contents of caravan / trailer

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

- (a) *damage* to any property owned by you whilst contained in your *caravan / trailer* as a result of:
 - (i) malicious *damage*;
 - (ii) fire;
 - (iii) wind, storm, lightning or thunderbolt;
 - (iv) earthquake;
 - (v) theft following visible, violent and forcible entry into the locked *caravan / trailer*; or
 - (vi) overturning, accidental collision or impact of your *caravan / trailer* or your *vehicle*.
- (b) *damage* to your annexe while erected, as a result of:
 - (i) malicious *damage*;
 - (ii) fire;
 - (iii) lightning or thunderbolt (but not wind or storm);

- (iv) earthquake; or
 - (v) accidental collision or impact by a vehicle.
- (c) *damage* to any property owned by you whilst contained in your annexe while erected, as a result of:
- (i) fire; or
 - (ii) earthquake.

However we will not pay for:

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

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

4. Hire vehicle following an accident

If Hire Vehicle following an Accident is shown in the *schedule*, we will at our option, either arrange for the hire of a substitute vehicle, or we will reimburse you up to \$75 per day, to a maximum of 14 business days per event for costs incurred in hiring a substitute vehicle, of similar and like kind to that *damaged*. Provided that:

- (a) reimbursement is limited to costs incurred after you have notified us of the *accident*; and
- (b) reimbursement will terminate upon:
 - (i) lapsing or other termination of the policy;
 - (ii) the day the repairs are completed and you are notified to collect the *vehicle*, or a replacement vehicle is offered by us; or
 - (iii) the day we offer settlement of the loss or *damage*,

whichever occurs first.

5. Driver accident benefit

We will pay you or your authorised driver for injury suffered within six months of an *accident* which was caused solely and directly by you or your authorised driver, in accordance with the following table.

Table of Benefits

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

The above benefits are inclusive of legal costs. In the event that you or your authorised driver suffers more than one injury we will pay you or your authorised driver the highest single benefit value. Should death directly or indirectly result within six months of an *accident*, we will only pay the 'Death' benefit to your or your authorised driver's estate notwithstanding any other injuries suffered.

However we will not pay:

- (i) unless you or your authorised driver's claim has been accepted under this policy;
- (ii) in the event that injury or death was intentionally caused or resulted from an *accident* that was intentionally caused;
- (iii) if you or your authorised driver receive or have received damages or *compensation* under a statutory compensation scheme as a result of injuries in the same *accident*;
- (iv) if your *vehicle* is not a sedan, station wagon, 4WD, utility or Other Goods Carrying Vehicle up to five tonnes *payload* carrying capacity or less; or
- (v) if your *vehicle* is registered in the Northern Territory.

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

Further and as a condition of this Extension of Cover only, you must provide us with documentation from a qualified medical practitioner verifying that the injuries were a direct result of the *accident* (and if required, attend a medical examination with a qualified medical practitioner of our choice and at our expense).

Section 2 – Liability

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

Cover

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

1. you;
2. any person legally licensed to drive or be in charge of your *vehicle* with your permission provided that person has not been refused motor insurance and is not entitled to cover under any other policy;
3. any person in or on, or getting in or on, or getting out of, or off your *vehicle* with your permission; or
4. the legal representatives of any deceased person to whom cover is provided in 1 to 3 above,

may be held legally liable to pay as *compensation* resulting from an *accident* occurring during the *period of insurance* and caused by or arising out of the use of your *vehicle* for:

- (a) *damage* to property;
- (b) the costs incurred as a result of fire, explosion, falling, leakage or spillage of transported goods, in or on, or from your *vehicle*; and
- (c) death or bodily injury, but we will not pay:
 - (i) if you or any other person entitled to cover under this Section 2 – Liability has been, or is entitled to be, partially or wholly indemnified by any statutory compulsory insurance or accident compensation scheme, including any compulsory motor vehicle scheme; or
 - (ii) for any claim for which you or any other person entitled to cover under this Section 2 – Liability would have been partially or wholly indemnified, but for your failure to insure or register your *vehicle* in accordance with a requirement of any statutory compulsory insurance or accident compensation scheme, including any compulsory motor vehicle scheme.

The persons to whom cover is provided under clauses 2 to 4 above are referred to in this policy as 'other covered persons'.

Limitations of Cover – Section 2

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

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

Exclusions of Cover – Section 2

We will not pay for:

1. Property in custody or control

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

For the purpose of this Exclusion only:

- (a) *employees'* or visitors' vehicles, whilst contained within your car park or premises; and
- (b) premises leased or rented to you, are not deemed to be in your custody or control.

2. Employer's liability

death or bodily injury to any person:

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

3. Death / bodily injury

death or bodily injury:

- (a) if you or any other person entitled to cover under this section, has been, or is entitled to be, partially or wholly indemnified by any statutory compulsory insurance or accident compensation scheme, including any compulsory motor vehicle scheme;

- (b) for any claim for which you or any other person entitled to cover under this section, would have been partially or wholly indemnified, but for your failure to insure or register your *vehicle* in accordance with a requirement of any statutory compulsory insurance or accident compensation scheme, including any compulsory motor vehicle scheme;
- (c) to you or any person in charge of your *vehicle*;
- (d) (i) to any person related to you; or
 - (ii) any person related to the person in charge of your *vehicle*,
 - by way of birth, marriage or defacto relationship.
- (e) to any person with whom you ordinarily reside or who ordinarily resides with you;
- (f) to any *employee*, agent, contractor, or sub-contractor employed or engaged by any person entitled to indemnity under this policy;
- (g) to any person in or on, getting in or on, or getting out of, or off any bus, coach or caravan, whether registered or deemed to be registered;
- (h) arising out of, or in any way connected with a defect in your *vehicle*, or in a motor *vehicle* causing loss of control of the *vehicle* whilst it is being driven;
- (i) to any person where the *vehicle* is a Queensland registered tractor, backhoe, bulldozer, end loader, forklift, amphibious vehicle, mobile crane, industrial crane or hoist or other mobile machinery, and any agricultural implements;
- (j) to any person injured by a Queensland or New South Wales registered trailer only, either whilst in tow and/or unattached;
- (k) to any person injured by a Northern Territory registered vehicle; or
- (l) where at the time of the *accident*, you did not have in force a current general liability or public liability policy pertaining to your *business* operations.

4. Statutory liability

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

5. Pollution

- (a) death or bodily injury or property *damage* directly or indirectly arising out of the discharge, seepage, migration, dispersal, release or escape of *pollutants* or contaminated substances into or upon any property, land, the atmosphere or any watercourse or body of water (including ground water);
- (b) death or bodily injury or property *damage* directly or indirectly arising out of the discharge, seepage, migration, dispersal, release or escape of *pollutants* or contaminated substances caused by any product that has been discarded, dumped, abandoned or thrown away by others;
- (c) the cost of removing, nullifying or cleaning up *pollutants* or contaminated substances; or
- (d) the cost of preventing the escape of *pollutants* or contaminated substances.

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

6. Asbestos

any liability of whatsoever nature in connection with, directly or indirectly caused by, or contributed to by, or arising from asbestos or asbestos products or asbestos contained in any products.

7. Tool of trade

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

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

8. Fines / penalties

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

9. Vibration / vehicle weight

damage to property that is caused by:

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

10. Unregistered vehicles

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

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

11. Aircraft liability

any liability of whatsoever nature in connection with loss or *damage* to any aircraft resulting from an *accident* caused by, or arising out of, the use of your *vehicle*.

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

Extensions of Cover – Section 2

1. Legal costs and authorised expenses

When an *accident* is covered by this section we will pay, in addition to the Liability Limit, all legal costs and expenses incurred by you or any other covered persons, with our written consent, in settlement or defence of claims for *compensation* arising out of that *accident*. Furthermore, we will pay reasonable legal expenses incurred with our written consent for representation at any formal legal enquiry or at any Coroner's Inquest.

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

2. First aid costs

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

3. Non-owned or supplied vehicles

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

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

4. Employer or principal

We will pay the amount which:

- (a) your employer, principal or partner; or
- (b) the Commonwealth, State or Local Government, becomes legally liable to pay as *compensation* caused by, or arising out of the temporary use of, your *vehicle*.

5. Vehicles under tow

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

6. Non-owned trailer liability

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

However:

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

When cover is provided by this Extension of Cover, Exclusion 1 to Exclusions of Cover – Section 2 'Property in custody or control' does not apply.

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

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

whichever is the lesser.

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

7. Uninsured motorist

If your *vehicle* is only insured for Section 2 – Liability cover, we will pay up to \$5,000 per *accident*, less any applicable *excess* for *damage* to your *vehicle* caused in a collision with an uninsured vehicle, if:

- (a) we agree the other driver was completely at fault in the *accident*, and
- (b) you can provide us with the name and address of the other driver.

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

Optional Extension of Cover – Section 2

Increased non-owned trailer liability

If Increased Non-owned Trailer Liability Sum Insured is shown in the *schedule*, then the total for all payments provided under Extensions of Cover 6 'Non-owned trailer liability' is increased to the limit shown in the *schedule*.

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