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**HEAVY MOTOR VEHICLE
INSURANCE**

POLICY WORDING

TABLE OF CONTENTS

PART A - PRODUCT DISCLOSURE STATEMENT	4
INTRODUCTION	4
ABOUT THE INSURERS AND THEIR AGENT	4
WHAT MAKES UP THE POLICY	4
FEATURES OF THIS POLICY	4
HOW MUCH WE INSURE YOU FOR	5
POLICY EXCESS	5
EXCLUSIONS	5
CONDITIONS	5
GENERAL TERMS	5
HOW MUCH WILL THE POLICY COST	5
YOUR DUTY OF DISCLOSURE BEFORE ACQUIRING RENEWING OR VARYING THE POLICY	5
COOLING OFF PERIOD	6
COMPLAINTS AND DISPUTE RESOLUTION PROCESS	6
PRIVACY STATEMENT	6
PART B - HEAVY MOTOR VEHICLE POLICY WORDING	8
DEFINITIONS	8
THE AGREEMENT	9
SECTION 1 - LOSS OR DAMAGE TO YOUR VEHICLE	10
COVER	10
COVER FOR OTHERS	10
ADDITIONAL BENEFITS - SECTION 1	10
SECTION 2 - THIRD PARTY LIABILITY	11
COVER FOR REGISTERED VEHICLES ONLY	11
ADDITIONAL BENEFITS - SECTION 2	11
SECTION 3 - ADDITIONAL BENEFITS APPLICABLE TO ALL SECTIONS	12
SECTION 4 - AMOUNTS PAYABLE	13
BASIS OF SETTLEMENT - SECTION 1	13
UNDER INSURANCE (AVERAGE PROVISION) - SECTION 1	13
LIMIT OF LIABILITY - SECTION 2	13
LIMIT OF LIABILITY - SECTION 2 FOR HAZARDOUS OR DANGEROUS GOODS	13
SECTION 5 - EXCLUSIONS	13
EXCLUSIONS APPLICABLE TO ALL SECTIONS	13
EXCLUSIONS APPLICABLE ONLY TO SECTION 1	15
LOSS OR DAMAGE TO YOUR VEHICLE	15
EXCLUSIONS APPLICABLE ONLY TO SECTION 2	15
THIRD PARTY LIABILITY	15
SECTION 6 - CONDITIONS	16

PREMIUM _____	16
CLAIMS PROCEDURES _____	16
EXCESS _____	17
SALVAGE _____	17
OTHER INSURANCE _____	17
REASONABLE CARE _____	17
CHANGE OF RISK _____	17
CHANGE OF OWNERSHIP _____	17
SECTION 7 - GENERAL TERMS _____	17
LAW AND JURISDICTION _____	17
CANCELLATION _____	17
GOODS AND SERVICES TAX (GST) _____	18
SECTION 8 - ENDORSEMENTS _____	18
AGGREGATE EXCESS _____	18
ON-HOOK LIABILITY _____	18
RECOVERY VEHICLE LIABILITY _____	18
TRAILER IN YOUR CONTROL _____	18

PART A - PRODUCT DISCLOSURE STATEMENT

INTRODUCTION

This Product Disclosure Statement (PDS) contains important information required under the Corporations Act 2001 (Cth).

The PDS is designed to help **You** understand the Truckingsolutions insurance policy and to make an informed decision about whether to acquire this insurance.

ABOUT THE INSURERS AND THEIR AGENT

International Insurance Company of Hannover Limited – Australian Branch, ABN 58 129 395 544, (“IICH”) whose address is The Re Centre, Level 21, Australia Square, 264 George Street, Sydney NSW 2000 is the insurer (for 80% of the amounts payable under this policy). International Insurance Company of Hannover Limited – Australian Branch is authorised in Australia by the Australian Prudential Regulation Authority.

International Insurance Company of Hannover Limited (“Inter Hannover”) is a company registered in the United Kingdom and whose registered address is 1 Arlington Square, Bracknell, Berkshire England RG12 1WA. Inter Hannover is authorised and regulated in the United Kingdom by the Financial Services Authority.

TT Club Mutual Insurance Ltd, ARBN 129 394 618, (the Club) whose address at its Australian branch office is Level 10, 117 York Street, Sydney, NSW 2000 is the insurer (for 20% of the amounts payable under this policy). The Club is the leading provider of insurance and risk management services to the international transport and logistics industry. Established in 1968 as a mutual association, the Club specialises in the insurance of liabilities and equipment for multi-modal operators. The TT Club has offices in 22 locations around the world with over 1000 members in 150 countries and insures 4000 transport and logistics operations.

In Australia, the Club is authorised to carry on insurance business by the Australian Prudential and Regulatory Authority under the *Insurance Act 1973* (Cth).

JUA Underwriting Agency Pty Ltd, ABN 70 004 566 465, (JUA) has been providing unique insurance products to the Australian market for more than thirty years. In respect of Truckingsolutions, JUA acts under a binder issued to them by the insurers. In so doing, JUA is acting as agent for the insurers and not yourself and has authority to collect premiums, issue documentation, and pay claims on behalf of the insurers. JUA is regulated by the Australian Securities and Investments Commission under the *Corporations Act 2001* and holds an Australian Financial Services License (AFSL 235411).

JUA may be contacted through its Head Office at Level 1, 210 George Street, Sydney, NSW 2000, telephone (02) 8272 4800.

WHAT MAKES UP THE POLICY

The policy is made up of:

- this PDS;
- the policy wording attached to this PDS;
- the **Proposal** and declarations made to **Us** at the time **You** take out, vary, extend, renew or reinstate the policy
- the **Schedule We** issue to **You**; and
- any endorsement attached to and forming part of **Your** policy with **Us**.

It is important that **You** read all policy documents including the policy wording and satisfy yourself that the insurance meets **Your** needs.

FEATURES OF THIS POLICY

This policy provides cover for loss or damage to **Your Vehicle** caused by or arising from an **Event** and certain related additional benefits (see Section 1 of the policy) and cover for **Your** liability to third parties resulting from an **Event** caused by, or arising out of the use of **Your Vehicle** and certain related additional benefits (see Section 2 of the policy). Additional benefits applicable to all Sections, such as the automatic addition of newly acquired vehicles, are set out in Section 3 of the policy.

HOW MUCH WE INSURE YOU FOR

The **Sum Insured** for **Your Vehicle** under Section 1 will be shown in the **Schedule** and calculated in accordance with Section 4 subject to the following provisions:

If the **Sum Insured You** select for **Your Vehicle** is, at the time of any loss or damage, less than 80% of **Your Vehicle's Market Value**, then the settlement **You** receive under Section 1 – Loss or damage to **Your Vehicle**, will be limited to the proportion that **Your Vehicle's Sum Insured** bears to 80% of its **Market Value**.

Example

Sum insured: \$200,000
Market value: \$300,000
80% of market value: \$240,000
Claim amount: \$50,000

$\frac{\$200,000 \text{ (sum insured)}}{\$240,000 \text{ (80\% of market value)}} \times \$50,000 \text{ (Claim)}$
= \$41,667 (claim settlement)

Any **Excess(es)** shown in the **Schedule** shall be applied to the claim after the calculation of the Under Insurance Provision.

You will be responsible for the portion of the claim that **We** do not pay in addition to the **Excess** that applies.

Where **Your Vehicle** is a **Total Loss** or a **Constructive Total Loss** **We** will pay the **Your Vehicle's Sum Insured** or **Market Value**, whichever is the lesser.

The amount of cover for third party liability is set out in Section 4 and in the **Schedule**.

POLICY EXCESS

You will have to contribute a sum of money which is called an **Excess** to the amount of any claim under this policy. The applicable **Excess** is shown in the **Schedule**. Additional **Excesses** are specified in Section 6 of the policy.

EXCLUSIONS

The policy will not provide insurance cover in certain circumstances. Section 5 of the policy contains the exclusions applicable to this policy.

CONDITIONS

There are things that **You** must do. If **You** do not do them, **We** may be able to reduce or avoid **Our** liability under the policy. These conditions are set out in Section 6 of the policy. For example, **You** must 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.

GENERAL TERMS

There are some general terms that apply to all of the insuring clauses. These are set out in Section 7 of the policy wording. An example of a general term is **Your** right of policy cancellation.

HOW MUCH WILL THE POLICY COST

The amount **You** have to pay for the policy is made up of the base premium and government taxes and charges. The base premium will vary depending on a number of factors which includes the type and usage of the vehicle, the location of the vehicle, the age, skills and experience of the **Driver** and **Your** claims history.

YOUR DUTY OF DISCLOSURE BEFORE ACQUIRING RENEWING OR VARYING THE POLICY

What You Must Tell Us

When answering **Our** questions, **You** must be honest and **You** have a duty under law to tell **Us** everything known to **You**, and which a reasonable person in the circumstances, would include as an answer to the question. **We** will use the answers in deciding whether to insure **You** and anyone else to be insured under the policy, and on what terms.

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 a policy. If **You** answer **Our** questions fraudulently, **We** may refuse to pay a claim and treat the policy as never having existed.

COOLING OFF PERIOD

If **You** are not completely satisfied with the policy **You** may cancel it by notifying **Us** in writing within 21 days of cover commencing. **You** will receive a refund of the amount **You** have paid unless something has occurred which may result in a claim being payable under the policy.

COMPLAINTS AND DISPUTE RESOLUTION PROCESS

We are dedicated to providing **You** with a high standard of service and **We** want to ensure **We** maintain these standards at all times. If **You** feel that **We** have not offered **You** a first class service please write and tell **Us** and **We** will do **Our** best to resolve the problem.

If **You** have any questions or concerns about **Your** insurance or the handling of a claim **You** should, in the first instance, refer **Your** complaint or dispute to the General Manager JUA Underwriting Agency Pty Ltd (see contact details on page 1).

Internal Dispute Resolution

If **Your** complaint is still not resolved to **Your** satisfaction then **You** may refer **Your** matter further by writing to either of **Our** Internal Dispute Resolution Committees (see contact details below).

Internal Dispute Resolution Committee
International Insurance Company of Hannover Limited – Australian Branch.
The Re Centre, Level 21
264 George Street
Sydney, NSW, 2000

Internal Dispute Resolution Committee
TT Club Mutual Insurance Ltd
Level 10,
117 York Street,
Sydney, NSW 2000

We will undertake to answer **Your** queries or complaints within fifteen (15) working days

FINANCIAL CLAIMS SCHEME

The Federal Government's Financial Claims Scheme (FCS) is designed to protect certain claimants under a protected policy from the insolvency of general insurers authorised under the Insurance Act 1973 (Cth).

Subject to the applicable eligibility criteria **You** may be entitled to payment under the FCS which is administered by the Australian Prudential Regulation Authority (APRA).

Information about the FCS can be obtained from APRA at www.apra.gov.au or by calling 1300 13 10 60

PRIVACY STATEMENT

We are bound by the National Privacy Principles formulated pursuant to the Privacy Act 1988 when **We** collect and handle **Your** personal information.

We may collect personal information from **You** for the purposes of providing **You** with insurance products, services, processing and assessing claims. **You** can choose not to provide this information, however **We** may not be able to process **Your** request.

We may disclose information **We** hold about **You** to another insurer, any third party who **You** have been dealing with in respect to this insurance policy and who referred **You** to **Us**, an insurance reference service or as permitted or required by law. In the event of a claim, **We** may disclose information to and/or collect additional information about **You** from investigators or legal advisers. **We** may also disclose **Your** information to **Our** auditors or the Australian Securities and Investment Commission or the Australian Prudential Regulation Authority pursuant to their industry supervisory role or to any claims review body to which **You** may refer a claim.

We will take all reasonable steps to protect **Your** personal information from misuse, loss, unauthorised access, modification or disclosure and to ensure that it is accurate, complete and up-to-date.

Upon request, **We** will make **Your** personal information available to **You** (subject to the terms of the National Privacy Principles) and allow **You** to provide information that corrects any information that is incorrect, incomplete or out-of-date and any complaint **You** may have in relation to a privacy may, at **Your** opinion, be dealt with **Our** internal dispute resolution procedures.

Further information may be obtained from **Our** Privacy Officer:

Phone: (02) 8272 4809

Fax: (02) 9247 2411

Email: privacyofficer@jua.com.au

PART B - HEAVY MOTOR VEHICLE POLICY WORDING

DEFINITIONS

Definitions are words that have a specific meaning and such words are in bold print in the policy wording.

The following definitions apply to **Your** policy:

Accident, Accidental

Means an unintended, unforeseen, unlooked-for happening or mishap, which is not expected nor designed by **You** and which causes **Personal Injury** and/or damage to, or loss of, **Your Vehicle** and/or damage to, or loss of property belonging to **You** and/or others.

Act of Terrorism

Means an act, including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of, or in connection with any organisation(s) or government(s), which from its nature or context is done for, or in connection with, political, religious, ideological or similar purposes or reasons, including the intention to influence any government and/or to put the public, or any section of the public, in fear.

Dangerous Goods

Means any of the following classes of dangerous goods as defined in the Australian Dangerous Goods Code:

- Class 1 - explosive substances
- Class 2 - gases
- Class 3 - flammable liquids or substances
- Class 4 - flammable solids or substances
- Class 5 - oxidising agents or organic peroxides
- Class 6.1 - toxic substances
- Class 8 - corrosive liquids or substances
- Class 9 - miscellaneous dangerous goods

Driver

Means the **Insured** or any person who is authorised by the **Insured** to be driving, using or in charge of the **Insured's** vehicle or **Substitute Vehicle**.

Event

Means an **Accident**, fire or theft which is covered under this policy.

Excess

Means the amount that **You** must contribute to each claim as shown in the **Schedule**.

Excluded Goods

Means explosive substances (see **Dangerous Goods** Class 1), toxic substances (see **Dangerous Goods** Class 6.1), radioactive substances, asbestos or related products, poly-chlorinated biphenyls (PCBs) dioxins and cancer producing or inducing substances.

Hazardous Goods

See **Dangerous Goods**

Insured

Means the party or parties named as the Insured in the **Schedule**.

Limit of Liability

Means the maximum amount that **We** will pay under Section 2 and is shown in **Your Schedule**.

Loading or Unloading

Means the single action in which the weight of goods (or the particular portion of a consignment of goods) is transferred onto or from the vehicle.

Market Value

Means the market value of **Your Vehicle** immediately prior to the loss or damage, based upon the age and condition of **Your Vehicle** excluding GST.

Payload

Means the maximum load that the vehicle is designed to carry.

Period of Insurance

Means the period of insurance stated in the **Schedule**.

Personal Injury

Means death, bodily injury, sickness, disease, shock, fright, mental injury or mental anguish

Proposal

Means the form completed by **You** as the application for insurance that includes a full description and details of

the items insured under this policy.

Schedule

Means the certificate of insurance attached to this policy or any future renewal certificate which forms part of this policy and shows **Your** policy number together with the important details of **Your** cover.

Substitute Vehicle

A vehicle used by **You** as a substitute vehicle while **Your Vehicle** is being serviced, repaired or is not driveable.

Sum Insured

Means the amount specified in the **Schedule** as the Sum Insured value excluding GST.

Territorial Limits

Means anywhere in the Commonwealth of Australia including when being transported by vessel between ports within its territorial waters.

Total Loss or a Constructive Total Loss

Means **Your Vehicle** is stolen and not returned within a reasonable time as determined by **Us** or damaged beyond economical repair as determined by **Us**.

Tool of Trade

Means any vehicle which has attached as an integral part of such vehicle any equipment for mechanical digging, scraping, grading, slashing, mowing, drilling, lifting or levelling, whilst such equipment is being used for the purpose for which it was designed.

Unit

See **Your Vehicle**

We, Us, Our

Means the insurers(s) as set out in the **Schedule**, through their agent JJA Underwriting Agency Pty Ltd acting under an authority given to it to enter into, issue, renew, cancel and administer the policy and deal with and settle claims on behalf of the insurer(s).

You, Your

Means the party or parties named as the **Insured** in the **Schedule**.

Your Vehicle

Means the motor vehicle(s) and/or trailer(s) described in the **Schedule** or any endorsement issued by **Us**.

When a prime mover, this will include its bull bar, driving lights, built-in communication devices (as identified), standard tools and attached accessories.

When a rigid body truck, this will include its bull bar, driving lights, built-in communication devices, gates, tarps, dogs, chains, binders, ring feeder or Bartlett Ball (as identified), standard tools and attached accessories.

When a trailer, this will include gates, tarps, dogs, chains, binders, ring feeder (as identified), standard tools and attached accessories.

Attached accessories include radios, telephones, compact disc (CD) and digital video disc (DVD) players, and standard accessories or standard appliances as supplied by the vehicle manufacturer whilst attached to or within **Your Vehicle**.

THE AGREEMENT

Subject to the terms, conditions and exclusions in this policy and provided:

- a. **You** have paid **Us** the premium; and
- b. **You** have suffered loss, damage or liability caused by an **Event** insured against; and
- c. the **Event** occurs within the **Territorial Limits**; and
- d. during the **Period of Insurance**

then **We** will indemnify **You** against loss, damage and liability up to the corresponding **Sums Insured** or **Limits of Liability** stated in the **Schedule** and policy wording.

SECTION 1 - LOSS OR DAMAGE TO YOUR VEHICLE

Subject to the terms, conditions and exclusions in this policy **We** provide the following cover:

COVER

We will cover **You** for **Your** costs incurred arising from loss of, or damage to, **Your Vehicle** that is caused by or arises from an **Event** that happens during the **Period of Insurance**. Our liability to **You** or others under this Policy shall be in accordance with the Basis of Settlement set out in Section 4 - Amounts Payable.

COVER FOR OTHERS

Your policy includes the interests of any party who has an insurable interest in any vehicle insured by this policy by way of mortgage, lease, hire purchase or any other encumbrance over an insured vehicle.

ADDITIONAL BENEFITS - SECTION 1

In addition to the cover provided above, **We** also provide the following additional benefits under Section 1:

1. Finance Protection (Total Loss) if:

- a. **Your Vehicle** is stolen and not recovered or if **Your Vehicle** is damaged and **We** do not consider it economical to repair; and
- b. **Your Vehicle** is the subject of a lease, hire purchase agreement or other similar agreements or arrangements; and
- c. the terms of the agreement require that **You** make a payment (the termination payment) to the other party to the agreement in order to terminate that agreement; and
- d. the amount of the termination payment is greater than the amount **We** will pay **You** in respect of **Your Vehicle**, calculated in accordance with the Basis of Settlement;

then **We** will pay **You** or any other party whom **You** direct **Us** to pay, the difference between the amount of the termination payment and the amount **We** will pay to **You** in respect of **Your Vehicle** calculated in accordance with the Basis of Settlement.

Provided that the maximum amount **We** will pay under this Additional Benefit is:

- a. 20% of **Market Value**; or
- b. 20% of **Your Vehicle's Sum Insured**

whichever is the lesser.

This Finance Protection clause will not apply where loss or damage is caused directly or indirectly by theft and/or fire, other than fire as a result of impact damage.

2. Removal and Protection

If **Your Vehicle** suffers loss or damage that is recoverable under Section 1 of the policy, **We** will pay for the reasonable cost of protection and removal of **Your Vehicle** to the nearest repairer or place of safety or to any other place approved by **Us** up to a maximum of \$10,000. This sub limit applies per **Unit**, per **Event**.

Removal and protection expenses do not extend to the load being transported.

3. Employees' Personal Property

If **Your Vehicle** suffers loss or damage that is recoverable under Section 1, **We** will also pay for any personal property of **Your** employees that is lost or damaged in the **Event**, up to a maximum of \$1,500 per **Event**.

Provided that **We** will not pay for cash, negotiable instruments, jewellery or furs belonging to **Your** employees.

4. Return of Vehicle

If **Your Vehicle** has been stolen and recovered or damaged and repaired **We** will pay for the reasonable costs incurred by **You** in returning **Your Vehicle** to its normal place of garaging, up to a maximum amount of \$5,000. This sub limit applies per **Unit**, per **Event**.

5. Cost of Repatriating Driver

We will pay the reasonable cost, up to \$3,000, for returning **Your Driver** (and offside(s) if applicable) to the point of departure or, at **Your** option, the **Driver's** original destination, following an **Event** provided:

- a. there is a valid claim under Section 1 of the policy; and
- b. the **loss** occurred outside a radius of 100 kilometres from the point of departure.

6. Hire Vehicle Following Theft

We will reimburse You for the hiring of a **Substitute Vehicle** following the theft of **Your Vehicle** up to a period of 14 days or up to recovery of **Your Vehicle**, whichever comes first. We will not pay more than \$3,000 under this Additional Benefit.

7. Signwriting

When We repair **Your Vehicle**, We will pay up to \$10,000 towards the reinstatement costs of signwriting and artwork that was in existence on **Your Vehicle** at the time of the loss or damage.

8. Expediting Expenses

If loss or damage to **Your Vehicle** occurs that is recoverable under Section 1 of the policy, We will pay up to \$3,000 for temporary repair costs incurred by You, or to expedite permanent repairs of the damage to **Your Vehicle** including, but not limited to, the costs of overtime and express shipping.

SECTION 2 - THIRD PARTY LIABILITY

COVER FOR REGISTERED VEHICLES ONLY

Subject to the terms, conditions and exclusions in this policy, We will pay the amount which You are held legally liable to pay as compensation for:

- a. loss of or damage to third party property; or
- b. **Personal Injury**; or
- c. costs incurred as a result of fire, explosion, goods falling, leaking or spilling, in or on, or from **Your Vehicle**; or

caused by:

- a. You; or
- b. any person legally licensed to drive, or be in charge of **Your Vehicle**, with Your permission; or
- c. any person in or on, or getting in or on, or getting out of, or off **Your Vehicle** with Your permission;

and resulting from an **Event** occurring during the **Period of Insurance** and caused by or arising out of the use of **Your Vehicle** or the operation of **Loading or Unloading Your Vehicle**.

In the event of the death of any person entitled to indemnity under this Section, the legal representative of such person shall be covered by the policy.

ADDITIONAL BENEFITS - SECTION 2

The following Additional Benefits are inclusive of the **Limits of Liability** for Section 2, unless otherwise stated.

1. Legal Costs and Authorised Expenses

When an **Event** is covered under this Section, We will pay, included in the **Limit of Liability**, all legal costs and expenses incurred by You, with Our written consent, in settlement or defence of claims for compensation arising out of that **Event**.

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

2. Employer or Principal

We will pay the amount which Your employer or principal may be held legally liable to pay as compensation, resulting from an **Event** occurring during the **Period of Insurance**, involving **Your Vehicle** and caused by You, or arising out of the temporary use of **Your Vehicle** by Your employer or principal, in connection with Your employer's or principal's business.

3. Substitute Vehicle

We will pay for Your legal liability as described in Section 2 arising from a vehicle being used by You as a **Substitute Vehicle** while **Your Vehicle** is being serviced, repaired or is not driveable.

We provide You with this cover only if:

- a. the **Substitute Vehicle** is not already insured under another insurance policy; and
- b. the **Substitute Vehicle** is not owned by You and You have the owner's permission to drive the vehicle.

4. Removal of Debris - Load

We will pay for reasonable costs necessarily incurred for the clean-up and removal of **Your Vehicle's** non-hazardous debris or load arising from an **Event** or resulting from goods falling from **Your Vehicle**, up to a maximum of \$25,000 per **Event** or any higher amount shown in the **Schedule**.

This Additional Benefit will only provide cover for any amount in excess of that which is insured under any carriers load insurance that may be in force.

5. General Average

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, provided:

- i. general average principles apply under maritime law; and
- ii. the ship is sailing between places within the Commonwealth of Australia.

6. Cross Liability

Where **You** are comprised of 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.

SECTION 3 - ADDITIONAL BENEFITS APPLICABLE TO ALL SECTIONS

The following Additional Benefits apply to all Sections of this policy.

1. Automatic Addition of Newly Acquired Vehicles

We will provide interim cover for a maximum 21 consecutive days, for any additional or replacement vehicle purchased, leased or hired by **You** (and for which **You** are legally liable) during the **Period of Insurance** provided that:

- a. the vehicle is of a similar kind, use and carrying capacity to those currently insured under the policy; and
- b. the limit of cover which applies under Section 1 does not exceed:
 - i. \$50,000 or the **Market Value** whichever is the lesser for vehicles under 2 tonnes carrying capacity; or
 - ii. \$300,000 or the **Market Value** whichever is the lesser for all other vehicles; and
- c. during the interim cover, **You** will advise details of these vehicles to enable **Us** to provide terms of cover; and
- d. the **Excess** shall be the same as other similar vehicles currently insured by the policy.

2. Errors and Omissions

This insurance shall not be prejudiced by the unintentional or inadvertent omission, error, incorrect valuation or incorrect description in respect to **Your Vehicle** given by **You**, provided notice is given to **Us** as soon as practicable upon discovery of such error, omission, incorrect valuation or incorrect description, and **You** pay any additional premium required.

3. Police, Fire Brigade and Other Authorities

This policy extends to cover **You** up to a limit of \$10,000 per **Event** for all costs levied by the following authorities and as a result of an **Event** involving **Your Vehicle**:

- a. Police
- b. Fire brigade
- c. Any other authority

4. Waiver of Recourse – Public Authorities

We agree to waive any subrogation rights, remedies or relief that **We** may ordinarily be entitled to rely upon in the case of municipal, government, or similar statutory authorities where **You** have waived those rights in **Your** contract with such parties.

5. Acquired Companies

This policy extends to include motor vehicles in which **You** have an insurable interest in that arises following **Your** purchase, acquisition or formation of any company, subsidiary or firm during the **Period of Insurance** provided that:

- a. **You** declare to **Us** the details of all such motor vehicles within 30 days of the attachment of **Your** insurable interest and agree to pay any additional premium that may be required; and
- b. the limit of cover which applies under Section 1 does not exceed:
 - i. \$50,000 or the **Market Value** whichever is the lesser for vehicles under 2 tonnes carrying capacity; or
 - ii. \$300,000 or the **Market Value** whichever is the lesser for all other vehicles; and
- c. the **Excess** shall be the same as other similar vehicles currently insured by the policy.

It is a condition that this Additional Benefit shall only operate to the extent that such motor vehicles are not otherwise insured.

SECTION 4 - AMOUNTS PAYABLE

BASIS OF SETTLEMENT - SECTION 1

For claims under Section 1 Cover for loss or damage to **Your Vehicle**, the following Basis of Settlement applies:

- a. At **Our** option, **We** will repair, reinstate or replace **Your Vehicle** or pay **You** the amount of the loss or damage, provided the payment does not exceed the lesser of its **Market Value** at the time of loss or damage or the **Sum Insured** for **Your Vehicle** stated in the **Schedule**.
- b. If **Your Vehicle** becomes a **Total Loss or a Constructive Total Loss** within twelve months of the inception date of its original registration, **We** agree to replace **Your Vehicle** with a new vehicle (excluding on road costs which include Stamp Duty, Dealer Delivery Costs, Registrations Costs, CTP Insurance and other insurance costs), where an equal model is available. For the purposes of this Section **We** will only pay up to **Your Vehicle's Sum Insured** stated in the **Schedule**.
- c. If **You** choose not to replace **Your Vehicle** or if replacement with an equal model is not possible then settlement will be either **Your Vehicle's Market Value** at the time of loss or damage or its **Sum Insured** stated in the **Schedule**, whichever is the lesser.
- d. When **We** make a **Total Loss or a Constructive Total Loss** settlement, the cover provided in this policy for **Your Vehicle** immediately stops.

Notwithstanding anything mentioned in paragraph a), b) and c) above, the maximum amount **We** will be liable to pay for any claim or series of claims for loss or damage to **Your Vehicle** under Section 1 of this policy that is caused by or arises out of one **Event** shall be \$10,000,000 in the aggregate.

UNDER INSURANCE (AVERAGE PROVISION) - SECTION 1

If the **Sum Insured You** select for **Your Vehicle** is, at the time of any loss or damage, less than 80% of **Your Vehicle's Market Value**, then the settlement **You** receive under Section 1 – Cover for loss or damage to **Your Vehicle** will be limited to the proportion that **Your Vehicle's Sum Insured** bears to 80% of its **Market Value**.

Example

Sum insured: \$200,000
Market value: \$300,000
80% of market value: \$240,000
Claim amount: \$50,000

$$\frac{\$200,000 \text{ (sum insured)}}{\$240,000 \text{ (80\% of market value)}} \times \$50,000 \text{ (Claim)}$$

= \$41,667 (claim settlement)

Any **Excess(es)** shown in the **Schedule** shall be applied to the claim after the calculation of the Under Insurance Provision.

You will be responsible for the portion of the claim that **We** do not pay in addition to the **Excess** that applies.

Where **Your Vehicle** is a **Total Loss or a Constructive Total Loss** **We** will pay **Your Vehicle's Sum Insured** or **Market Value**, whichever is the lesser.

LIMIT OF LIABILITY - SECTION 2

Our total liability under this Section 2 is the amount shown as the **Limit of Liability** in the **Schedule**, for all claims arising from the one **Event** or series of **Events** resulting from the one original cause.

LIMIT OF LIABILITY - SECTION 2 FOR HAZARDOUS OR DANGEROUS GOODS

If **Your Vehicle** is being used for, or is attached to, or is towing a vehicle used for the transport of **Hazardous or Dangerous Goods**, unless otherwise shown in the **Schedule**, **Our** total liability under Section 2 is limited to \$1,000,000. This limit includes all costs and expenses, including clean up costs, for all claims arising from the one **Event**, or series of **Events** resulting from the one original cause.

SECTION 5 - EXCLUSIONS

EXCLUSIONS APPLICABLE TO ALL SECTIONS

We will not pay:

1. if **Your Vehicle** is driven by **You** or any other person who is not licensed to drive such a vehicle under all relevant laws, by-laws and regulations and whom **You** knew, or ought reasonably to have known, was not

so licensed to do so by law.

2. when **Your Vehicle** is being driven by, or is in the charge of, any person:
 - a. under the influence of alcohol, or drugs; or
 - b. who is driving while the percentage of alcohol in the blood is at a level prohibited by the law of the state or territory in which the **Driver** was driving or in charge of **Your Vehicle**; or
 - c. who refuses to provide or allow the taking of a sample of breath, blood, or urine for preliminary testing or for analysis as required by the law of the state or territory in which the **Driver** was driving or in charge of **Your Vehicle**.

We will pay if **You** prove that **You** did not know, and could not reasonably have known, that the person driving or in charge of **Your Vehicle**, was so affected.

3. if **Your Vehicle** is used to **carry** a greater number of passengers or convey or tow a **Payload** in excess of that for which **Your Vehicle** was constructed. **We** will however pay if **You** prove that the loss, damage or liability was not caused or contributed to by such greater load.
4. if **Your Vehicle** is used in an unsafe or unroadworthy condition, unless such condition could not reasonably be detected by **You**. **We** will pay if **You** prove the loss, damage or liability was not caused or contributed to by the unsafe or unroadworthy condition of **Your Vehicle**.
5. if any loss, damage or liability was caused by, arose out of, or was connected with any fraudulent or illegal act, or wilful or malicious act or misconduct committed by **You** or by anyone acting on **Your** behalf with **Your** consent.
6. if the loss, damage or liability is directly or indirectly occasioned by, happening through or in consequence of war, invasion, acts of foreign enemies, hostilities (whether war be declared or not) civil war, rebellion, revolution, insurrection, military or usurped power or confiscation or nationalisation or requisition or destruction of or damage to property by or under the order of any government or public or local authority.
7. if **Your Vehicle** is used in connection with the motor trade, experiments, tests, trials, and demonstration or driven on any road, track or area which is closed for use to the general public.
8. if **Your Vehicle** is used for conveyance of passengers for hire, fare or reward.
9. if **Your Vehicle** is used in, participates in, or is being tested or prepared for any motor sport.
10. if **Your Vehicle** is being used as a locomotive and rolling stock (not including road going vehicles with 'wind down' rail wheels that may traverse railway lines).
11. any loss, damage or liability incurred if **Your Vehicle** does not run solely on terra firma.
12. any loss, damage or liability incurred whilst **Your Vehicle** is underground, however this limitation shall not apply to **Your Vehicle** while travelling through road tunnels or while parked or engaged in loading or unloading goods in a below ground parking facility or loading dock.
13. any loss, damage or liability intentionally caused by **You** or a person acting with **Your** express or implied consent.
14. any loss, damage or liability incurred whilst **Your Vehicle** is subject to any agreement of hire or is leased or let by **You** to any other party.
15. any loss, damage or liability caused by or arising out of any nuclear energy risks being operations employing the process of nuclear fission or fusion or handling of radio-active material which operations include but are not limited to:
 - a. the use of nuclear reactors such as atomic piles, particle, particle accelerators or generators or similar devices, or
 - b. the use handling or transportation of radioactive materials, or
 - c. the use handling or transportation of any weapon of war or explosive device employing nuclear fission or fusion.

This exclusion shall not apply to insurances of occupational risks arising from radioisotopes or 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
16. for any loss damage liability or expense **You** assume by express agreement, unless such liability would have attached in the absence of that express agreement.
17. any loss, damage or liability incurred if **Your Vehicle** is outside the **Territorial Limits**.
18. any loss, damage, liability or expense caused by:
 - a. vibration from **You** using **Your Vehicle**; or

- b. the weight of **Your Vehicle** or its load exceeding any lawful requirements provided however that if **You** can prove that such overloading was **Accidental** and unintended then this exclusion will not apply.
- 19. any loss, damage or liability caused from the use of a fuel system in **Your Vehicle** which does not comply with the relevant Australian standard or loss, damage or liability caused from the use of incorrect fuel.
- 20. **We** shall not be liable to indemnify **You** for any claim directly or indirectly out of or caused by, or through, or in connection with or resulting directly from, in consequence of or in any way involving the manufacture, mining, processing, distribution, transportation, testing, remediation, removal, storage, disposal, sale, use of or exposure to asbestos or silica or materials or products containing asbestos or silica.
- 21. **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.
- 22. for loss or liability arising from the use of a **Tool of Trade** other than whilst in transit or whilst being used for transport or haulage.
- 23. loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with:
 - a. any **Act of Terrorism** regardless of any other cause or event contributing concurrently or in any other sequence to the loss; and/or
 - b. any action taken in controlling, preventing, suppressing or in any way relating to any **Act of Terrorism**.
- 24. any fines, penalties, aggravated exemplary or punitive damages or liquidated damages.

EXCLUSIONS APPLICABLE ONLY TO SECTION 1

LOSS OR DAMAGE TO YOUR VEHICLE

We will not pay for:

- 1. loss incurred by **You** as a consequence of an inability to use **Your Vehicle** following an **Event**.
- 2. damage to the tyres of **Your Vehicle** by application of brakes or by road punctures, cuts or bursts.
- 3. theft of or from **Your Vehicle** following an **Event** if reasonable steps to protect or safeguard **Your Vehicle** have not been taken by **You**.
- 4. loss resulting from or occasioned by an **Insured** named in the **Schedule** stealing, converting, absconding with or otherwise misappropriating **Your Vehicle**.
- 5. wear and tear, mechanical structural or electrical breakdown or failure, rust or other forms of corrosion.
- 6. depreciation or any other loss of value to **Your Vehicle**.
- 7. loss or damage occasioned by lawful seizure or by any person lawfully repossessing or attempting to lawfully repossess **Your Vehicle** where **Your Vehicle** is used as security for a debt.
- 8. fixing faulty repairs, unless they were repairs done under this policy and **We** agreed to them and they were carried out in relation to a claim.

EXCLUSIONS APPLICABLE ONLY TO SECTION 2

THIRD PARTY LIABILITY

We will not pay for claims arising from:

- 1. any liability when **Your Vehicle** is being used for the cartage of **Excluded Goods**.
- 2. loss or damage to goods or property entrusted to **You** or **Your** employees for storage and or transportation.
For the purposes of this Exclusion 2 only, property or vehicles belonging to employees or visitors whilst contained within:
 - a. **Your** car park; or
 - b. **Your** premises; or
 - c. premises leased or rented by **You**
 are not deemed to be in **Your** custody or control.
- 3. **Personal Injury** to any person caused by, arising out of or sustained in the course of, the employment of such person by **You**, or any other liability imposed on **You** by:
 - a. any workers compensation or accident compensation legislation; or

- b. the provision of any industrial award, agreement or determination or any contract of employment or workplace agreement.
- 4. **Personal Injury:**
 - a. to **You** or any person in charge of **Your Vehicle**; or
 - b. to any member of **Your** family or to any person ordinarily residing with **You** or with whom **You** ordinarily reside; or
 - c. to any employee, agent, contractor, or sub-contractor employed or engaged by any person entitled to indemnity under this policy.
- 5. **Personal Injury:**
 - a. caused by or arising in connection with the use of a Northern Territory registered vehicle.
 - b. caused by or arising in connection with the use of a New South Wales or Queensland registered trailer attached to **Your Vehicle** or having become **Accidentally** detached at the time of **Event** resulting in **Personal Injury**.
- 6. **Personal Injury:**
 - a. to the extent that **You** or any person using **Your Vehicle** with **Your** consent is entitled to indemnity, whether wholly or partially, under any compulsory statutory insurance scheme or accident compensation scheme; or
 - b. to the extent that **You** or any person using **Your Vehicle** with **Your** consent would have been entitled to compensation under such a scheme were it not for the failure to:
 - i. insure or register **Your Vehicle**; or
 - ii. to lodge a claim in accordance with its requirements; or
 - iii. comply with any of its terms and conditions.
- 7. any pollution other than as provided for in **Limit Of Liability Section 2– Hazardous or Dangerous Goods**
- 8. for any liability arising out of the use of **Your Vehicle** on or near the areas of airfields set aside for "Aircraft Operations". Aircraft Operations includes but is not limited to taxiing, taking off, landing, parking, refuelling, loading and unloading of passengers and/or goods.

SECTION 6 - CONDITIONS

If **You** do not comply with the conditions of this policy **We** may be entitled to cancel **Your** policy or refuse to pay **Your** claim or reduce the amount of the claim payment.

PREMIUM

You must pay **Your** premium as per the requirements set out in the **Schedule**.

CLAIMS PROCEDURES

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

1. notify **Us** in writing with full details as soon as possible after any **Event** which may become the subject of a claim under this policy.
2. immediately send **Us** any communication received from other parties in relation to any **Event** which may become the subject of a claim under this policy.
3. 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 the policy.
4. provide all information and cooperation which **We** may require, including signing any statutory declaration or other documents.
5. not admit guilt or liability or negotiate any claim without **Our** written consent.
6. allow **Us** full discretion in the conduct, defence and settlement of any claim.
7. subject to the Insurance Contracts Act 1984, help **Us** to recover any money paid by **Us** from any person whom **You** may be able to hold liable. **We** will have the right to take any action in **Your** name.
8. not authorise repairs other than Expediting Expenses to **Your Vehicle** without **Our** written consent. **We** will however pay for any Expediting Expenses covered by Additional Benefits – Section 1 (8).
9. notify the police as soon as possible after **You** have become aware of the theft or malicious damage to **Your Vehicle**.
10. be honest and open in **Your** dealings with **Us**.

EXCESS

You will have to contribute a sum of money which is called an **Excess** to the amount of any claim under this policy. The applicable **Excess** and any additional **Excesses** are shown on the **Schedule**. The following additional **Excesses** may apply:

Age Excess

You will have to contribute \$5,000 or any other amount shown in the **Schedule**, in addition to the standard **Excess** if at the time of an **Event**, **Your Vehicle** is in the charge of any **Driver** under 23 years of age.

Tipping Trailer Excess

If **Your Vehicle** is a tipping trailer the standard **Excess** payable will be increased by 100% if an **Event** occurs that gives rise to a claim whilst **Your Vehicle's** tipping hoist is fully or partially elevated.

SALVAGE

If **We** declare **Your Vehicle** to be a **Total Loss** or a **Constructive Total Loss** and pay **You** its **Market Value** or its **Sum Insured**, **You** must allow **Us** to take possession of **Your** damaged vehicle. If **We** choose not to take possession of **Your** damaged vehicle, **You** cannot abandon **Your** responsibilities for the vehicle.

We shall sell the remains of the vehicle and deal with the proceeds of the sale as follows:

- a. If the vehicle's **Sum Insured** is less than 80% of its **Market Value**, **We** shall retain such proportion of the proceeds of the sale as the vehicle's **Sum Insured** bears to its **Market Value**, and **We** shall account to **You** for the balance;
- b. If the vehicle's **Sum Insured** is 80% or more of its **Market Value** but less than 100% of its **Market Value**, **We** shall account to **You** for:
 - i. All proceeds of the sale; or
 - ii. The amount by which the **Market Value** exceeds the vehicle's **Sum Insured** whichever is less, and **We** shall retain the balance;
- c. If the vehicle's **Sum Insured** is 100% or more of its **Market Value**, **We** shall retain all the proceeds of the sale.

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.

REASONABLE CARE

You and any person acting on **Your** behalf must exercise care and take reasonable precautions to prevent loss damage liability or **Events** occurring from the use of **Your Vehicle**, and to comply with all statutory obligations and by-laws or regulations imposed by any public authority, for the safety of **Your Vehicle** and for the carriage of goods and merchandise.

CHANGE OF RISK

You must notify **Us** in writing of all changes materially affecting the facts or circumstance 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**.

CHANGE OF OWNERSHIP

If **You** sell or otherwise dispose of **Your Vehicle** then insurance cover for that vehicle will end at the time of such sale or disposal. **We** will refund **Your** premium for the unused portion of the policy.

SECTION 7 - GENERAL TERMS

LAW AND JURISDICTION

This insurance is subject to New South Wales law and to the jurisdiction of the courts of New South Wales and any courts of appeal.

CANCELLATION

1. **You** may cancel this policy at any time by notifying **Us** in writing.
2. **We** may cancel this policy by notifying **You** in accordance with the Insurance Contracts Act 1984 (Cth)

Notice of cancellation has the effect of cancelling this policy at 4.00pm on the 3rd business day, after the day on which the notice was sent to **You**, or as otherwise required under the Insurance Contracts Act 1984.

3. After cancellation by **You**, **We** will be entitled to retain:
 - a. the pro rata premium for the period during which the policy has been in force; and
 - b. 10% of that pro rata premium as a cancellation fee; and
 - c. any tax or duty paid or owing for which **We** are unable to obtain a refund.
4. After cancellation by **Us**, **You** will be entitled to a refund on a pro rata basis in relation to the unexpired **Period of Insurance**.
5. If **We** have paid a claim for **Total Loss or a Constructive Total Loss** no refund of premium will be given.

GOODS AND SERVICES TAX (GST)

Where **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.

Where **We** make a payment to **You**, or on **Your** behalf, under this policy **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.

SECTION 8 - ENDORSEMENTS

The following endorsements only apply if they are shown in **Your Schedule**.

AGGREGATE EXCESS

The aggregate excess is shown in **Your Schedule** and represents the amount which **You** must first bear in respect of all claims arising from **Events** which occur during the **Period of Insurance**. Any policy **Excess**, age **Excess**, tipping trailer **Excess** or any other **Excess** that appears in the **Schedule** will first be applied to each claim made under the policy. After the applicable policy **Excess**, age **Excess**, tipping trailer **Excess** or any other **Excess** is applied to each claim made under the policy, any remaining amount under any claim will be applied to erode the aggregate excess if approved by **Us**.

Once the aggregate excess for the policy has been fully eroded, any further claims will be paid by **Us** subject to any applicable policy **Excess**, age **Excess**, tipping trailer **Excess** or any other applicable **Excess** and subject to the terms and conditions of the policy.

Any assessment costs incurred during the **Period of Insurance** are to be paid by **You** until such time as the aggregate excess has been fully eroded.

If the fleet size or values vary during the **Period of Insurance** then the aggregate excess will be adjusted proportionately.

ON-HOOK LIABILITY

Exclusion 2 (Property in Custody or Control) in Section 5 – Exclusions Applicable Only to Section 2 is amended to the extent that policy cover is extended to cover liability for loss or damage to property in **Your** physical control while it is being lifted or towed by **Your Vehicle's** hook or forks or similar device.

RECOVERY VEHICLE LIABILITY

Exclusion 2 (Property in Custody or Control) in Section 5 – Exclusions Applicable Only to Section 2 is amended to the extent that policy cover is extended to cover liability for loss or damage to property in **Your** physical control while contained or attached on the hook of a tow truck including while lifting, placing or moving the property. If a tilt tray recovery vehicle is used cover extends to the property while it is being loaded, unloaded and conveyed thereon. The cover under this endorsement operates irrespective of whether or not such recovery vehicle is owned by **You** or in **Your** control.

The **Limit of Liability** for this endorsement will be shown in the **Schedule**.

TRAILER IN YOUR CONTROL

Where it is noted in the **Schedule** that **You** have a trailer of another person or corporation in **Your** physical or legal control, **We** will pay the amount for which **You** may be held legally liable to pay as compensation for loss

or damage caused to the trailer – provided the trailer is not leased, hired or rented by **You**. The maximum **We** will pay in respect of loss of or damage to such trailer is limited to the **market value** or its **Sum Insured** shown against the **Schedule**, or on the current renewal **Schedule**, or endorsement **Schedule**, whichever is the less.