

Trucking solutions
A JUA & TT Club Partnership

Policy Book & PDS 2008
Heavy Motor Vehicle



Benefits

TT Club Mutual Insurance Ltd is the insurer and 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 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 has been providing unique insurance products to the Australian market for more than 30 years. In respect of TruckingSolutions, JUA acts under a binder issued to them by TT Club and are authorised to write business and settle claims.

- Not for profit – at cost provider
- Personalised service
- Broad policy cover developed by industry for industry
- Simple policy wording without unnecessary exclusions
- Third party liability \$30,000,000
- No minimum driver age
- No named driver declaration requirement
- Australia-wide operational radius
- Hazardous goods cover \$1,000,000
- Replacement vehicle within 12 months of original new registration

1800 252 263 (free call)
www.truckingsolutions.com.au

PART A - PRODUCT DISCLOSURE STATEMENT

INTRODUCTION	1
ABOUT THE INSURER AND THEIR AGENT	1
How the TT Club Works	1
Discretionary Cover	1
Membership of the TT Club	1
WHAT MAKES UP THE INSURANCE CONTRACT	1
FEATURES OF THIS POLICY	1
HOW MUCH WE INSURE YOU FOR	2
POLICY EXCESS	2
EXCLUSIONS	2
CONDITIONS	2
GENERAL TERMS	2
HOW MUCH WILL THE POLICY COST	2
YOUR DUTY OF DISCLOSURE BEFORE ACQUIRING RENEWING OR VARYING THE POLICY	2
COOLING OFF PERIOD	3
COMPLAINTS AND DISPUTE RESOLUTION PROCESS	3
PRIVACY	3

PART B - HEAVY MOTOR VEHICLE POLICY

DEFINITIONS	1
THE AGREEMENT	2
SECTION 1 - LOSS OR DAMAGE TO YOUR VEHICLE	3
COVER	3
COVER FOR OTHERS	3
ADDITIONAL BENEFITS - SECTION 1	3
SECTION 2 - THIRD PARTY LIABILITY	4
COVER	4
ADDITIONAL BENEFITS – SECTION 2	4
SECTION 3 - DISCRETIONARY COVER	6
SECTION 4 - ADDITIONAL BENEFITS APPLICABLE TO ALL SECTIONS	7
SECTION 5 - AMOUNTS PAYABLE	8
BASIS OF SETTLEMENT UNDER SECTION 1	8
UNDER INSURANCE (AVERAGE PROVISION)	8
TERRORIST ACTS (SPECIAL LIMIT)	8
LIMIT OF LIABILITY - SECTION 2	8
LIMIT OF LIABILITY - HAZARDOUS OR DANGEROUS GOODS	8
SECTION 6 - EXCLUSIONS	9
EXCLUSIONS APPLICABLE TO ALL SECTIONS	9
FRAUD	9
EXCLUSIONS APPLICABLE ONLY TO SECTION 1	10
EXCLUSIONS APPLICABLE ONLY TO SECTION 2	10
SECTION 7 - CONDITIONS	11
PREMIUM	11
CLAIMS PROCEDURES	11
EXCESS	11
Age Excess	11
Tipping Trailer Excess	11
SALVAGE	11
OTHER INSURANCE	11
REASONABLE CARE	11
CHANGE OF RISK	12
CHANGE OF OWNERSHIP	12
SECTION 8 - GENERAL TERMS	13
LAW AND JURISDICTION	13
CANCELLATION	13
GOODS AND SERVICES TAX (GST)	13
SECTION 9 - ENDORSEMENTS	14
AGGREGATE EXCESS	14
ON-HOOK LIABILITY	14
RECOVERY VEHICLE LIABILITY	14
TRAILER IN YOUR CONTROL	14

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 INSURER AND THEIR AGENT

TT Club Mutual Insurance Ltd, ARBN 129 394 618, (the Club) is the insurer. 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).

The Club may be contacted at its Australian branch office at Level 10, 117 York Street, Sydney, NSW 2000, telephone (02) 8262 5000 or by email sydney@ttclub.com.

JUA Underwriting Agency Pty Ltd, ABN 70 004 566 465, (JUA) has been providing unique insurance products to the Australian market for more than 30 years. In respect of TruckingSolutions, JUA acts under a binder issued to them by the Club. In so doing, JUA is acting as agent for the Club and has authority to collect premiums, issue documentation, and pay claims on behalf of the Club. 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.

How the TT Club Works

The approach of the TT Club, as a mutual insurer, differs from the approach of commercial insurers. The assureds are "Members", rather than clients, sharing a common interest in transport-related risks.

Mutuality has a long, well-established history dating back to 17th century London when Lloyd's and other founders of today's commercial insurance market first emerged.

As the TT Club is owned by its Members rather than shareholders it is non profit making - all the premium (and associated investment income) is used for paying claims, administration costs and maintaining reserves.

Discretionary Cover

As well as insurance cover under the policy, the Club provides an additional benefit that is unique in this market. It is recognised that there may be certain incidents which do not fall within the scope of a Member's insurance cover. The provisions of this discretionary cover permits a Member to apply to the Board of Directors of the TT Club for indemnity particularly relating to matters that would have been included in the policy if they had been contemplated when the cover was drafted. This discretionary cover also allows the Directors to make a determination to grant indemnity where it would be in the interests of the Club or its Members.

Membership of the TT Club

In purchasing TruckingSolutions insurance policy holders become members of the TT Club and are bound by the Club's Bye-Laws and Articles. If you would like a copy, please ask JUA or visit www.truckingsolutions.com.au. It is agreed that premiums are fixed (and not mutual) and that provisions relating to supplementary premiums, release premiums, failure to pay, and closing policy years are deleted.

WHAT MAKES UP THE INSURANCE CONTRACT

The insurance contract is made up of:

- the policy wording attached to this PDS;
- the policy schedule we issue to you; and
- any endorsement issued to you.

It is important that you read 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 commercial motor vehicle caused by or arising from an accident, fire or theft and certain related additional benefits (see Section 1 of the policy) and cover for third party liability resulting from an accident caused by, or arising out of the use of your vehicle and certain related additional benefits (see Section 2 of the policy). Other additional benefits, such as the automatic addition of newly acquired vehicles, are set out in Section 4 of the policy.

HOW MUCH WE INSURE YOU FOR

The sum insured for your vehicle under Section 1 will be shown in the policy schedule and calculated in accordance with Section 5 subject to the following average provision:

If the sum insured you select for your vehicle is, at the time of any loss, 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)

Where your vehicle is a total loss we will pay the sum insured or market value, whichever is the lesser.

The amount of cover for third party liability is set out in Section 5 and in the policy 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 7 of the policy.

EXCLUSIONS

The policy will not provide insurance cover in certain circumstances. Section 6 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 7 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 8 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 factors such as 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 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

Internal Dispute Resolution

Any enquiry or complaint relating to this insurance should be referred to JUA's General Manager in the first instance (see contact details on page 1).

If this does not resolve the matter or you are not satisfied with the way a complaint has been dealt with, you should contact TT Club (see contact details on page 1).

External Dispute Resolution

If your dispute is not resolved in a manner satisfactory to you, you will then be provided with details about the external dispute resolution service, Insurance Brokers Disputes Limited, which is an independent body that operates nationally in Australia and aims to resolve disputes between insurance providers and consumers.

PRIVACY

We collect personal information from you for the purpose 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 requests.

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.

PART B – HEAVY MOTOR VEHICLE POLICY

DEFINITIONS

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

The following definitions apply to your policy:

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.

Excluded Goods

Means explosives, radioactive substances, asbestos or related products, poly-chlorinated byphenyls (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.

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 schedule 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.

We, Us, Our

Means TT Club Mutual Insurance Ltd through its agent JUA Underwriting Agency Pty Ltd acting under an authority given to it to enter into, renew, cancel and administer the policy and deal with and settle claims on behalf of TT Club.

You, Your

Means the party or parties named as the insured in the schedule.

Your Vehicle

Means the motor vehicle and/or trailer 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 similar items owned by you and which are fixed to 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

COVER

If during the period of insurance, loss or damage occurs to your vehicle caused by or arising from an accident, fire or theft, then we will pay in accordance with the Basis of Settlement set out in Section 5, 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

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:

- i) 20% of market value; or
- ii) 20% of the sum insured

whichever is the lesser.

2. Removal and Protection

If your vehicle suffers loss or damage, 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.

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 accident, up to a maximum of \$1,500 per event.

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.

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 accident or theft of your vehicle 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, we will pay up to \$3,000 for temporary repair costs incurred by you, or to expedite permanent repairs of the damage to the vehicle including, but not limited to, the costs of overtime and express shipping.

SECTION 2 - THIRD PARTY LIABILITY

COVER

We will pay the amount which you may be held legally liable to pay as compensation for:

- a) loss or damage to third party property, including loss of use;
- b) costs incurred as a result of fire, explosion, goods falling, leaking or spilling, in or on, or from your vehicle;
- c) death or bodily injury

caused by:

- i) you;
- ii) any person legally licensed to drive, or be in charge of your vehicle, with your permission;
- iii) any person in or on, or getting in or on, or getting out of, or off your vehicle with your permission; or
- iv) following the death of any person entitled to indemnity above, the legal representatives of that person

and resulting from an accident 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.

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 accident is covered under this Section, we will pay, in addition to 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 accident.

Provided that if the limit of liability shown in the schedule are less than the total 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 limit of liability represents to the total amount paid, or payable, to settle or dispose of all claims that arise out of the one accident.

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 accident 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 give you 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 accident 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 customary carriers load insurance that may be in force.

5. Pollution (non-dangerous goods)

Cover is extended to include your legal liability for pollution arising from the transport of non-dangerous goods where loss or damage arises from a sudden identifiable event that is unintended and unexpected by you, and this event takes place in its entirety at a specific time and place during the period of insurance. You are insured for:

- a) death or bodily injury or property damage directly or indirectly arising out of the discharge, seepage, migration, dispersal, release or escape of non-dangerous goods into or upon any property, land, the atmosphere or any watercourse or body of water (including ground water).
- b) the cost of removing, nullifying or cleaning up non-dangerous goods.

6. 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:

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

7. 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 – DISCRETIONARY COVER

In addition to insurance provided under other Sections of this policy we may, at our discretion, decide that we will reimburse you for risks incurred where we consider this in our interests, or those of our members.

SECTION 4 - ADDITIONAL BENEFITS APPLICABLE TO ALL SECTIONS

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 any 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 shall 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 an insured 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 that 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 30days of 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 5 – AMOUNTS PAYABLE

BASIS OF SETTLEMENT UNDER 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), where an equal model is available. For the purposes of this Section we will only pay up to the vehicle's sum insured stated in the schedule.

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.
- c) When we make a total loss or constructive total loss settlement, the cover provided in this policy for your vehicle immediately stops.

UNDER INSURANCE (AVERAGE PROVISION)

If the sum insured you select for your vehicle is, at the time of any loss, 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

\$200,000 (sum insured)
\$240,000 (80% of market value) x \$50,000 (Claim)
= \$41,667 (claim settlement)

Where your vehicle is a total loss we will pay the sum insured or market value, whichever is the lesser.

TERRORIST ACTS (SPECIAL LIMIT)

If a claim under Section 1 is caused by an act of terrorism a special limit for each event of USD 10million applies.

LIMIT OF LIABILITY – SECTION 2

Our total liability under this Section is the amount shown in the schedule, for all claims arising from the one accident or series of accidents resulting from the one original cause.

LIMIT OF LIABILITY – 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 accident, or series of accidents resulting from the one original cause.

SECTION 6 – 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 alcohol and drugs.
 - 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 or materially contributed to by your own criminal act.
6. if the loss, damage or liability is caused by war, civil war, act of foreign enemy, revolution, rebellion, insurrection or civil strife arising therefrom, or any hostile act by or against a belligerent power.
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. any loss, damage or liability intentionally caused by you or a person acting with your express or implied consent.
11. 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.
12. any loss, damage or liability caused directly or indirectly by the use, existence or escape of nuclear weapons or materials, ionizing radiations or contamination by radiation from any nuclear fuel or any waste from the combustion of nuclear fuel.
13. 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.
14. any loss, damage or liability incurred if your vehicle is outside the territorial limits.
15. any loss damage liability or expense caused by:
 - a) vibration; 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 then this exclusion will not apply.

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.

EXCLUSIONS APPLICABLE ONLY TO SECTION 1

LOSS OR DAMAGE TO YOUR VEHICLE

We will not pay for:

1. your loss of use of your vehicle.
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 accident 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. for 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. for 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:

1. any liability when your vehicle is being used for the cartage of excluded goods.
2. loss or damage to property that is owned by you, or leased or rented to you, or property in either your or your driver's physical or legal custody or control.

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. death or bodily injury:
 - a) to any person caused by or arising out of the employment of the person by you; or
 - b) any liability for death or bodily injury to any person imposed by:
 - i) any workers or accident compensation legislation; or
 - ii) industrial award or agreement or determination.
4. death or bodily injury:
 - a) to you or any person in charge of your vehicle.
 - b) to any member of your family or to any person ordinarily residing with you or with whom you ordinarily reside.
 - c) to any employee, agent, contractor, or sub-contractor employed or engaged by any person entitled to indemnity under this policy.
5. death or bodily injury:
 - a) caused by or connected with a Northern Territory registered vehicle.
 - b) caused by a New South Wales or Queensland registered trailer be it attached to your vehicle or having become accidentally detached.
6. death or bodily injury:
 - a) to the extent that you or any person using your vehicle with your consent is entitled to indemnity under any compulsory statutory insurance scheme or accident compensation scheme; or
 - b) 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) lodge a claim in accordance with its requirements; or
 - iii) comply with any of its terms and conditions.
 - iv) Subject to the limit of liability we will pay the "gap" between the indemnity provided by any compulsory statutory insurance scheme or accident compensation scheme and your legal liability for compensation.
7. any fines, penalties, aggravated exemplary or punitive damages or liquidated damages.
8. any pollution other than as provided for in Additional Benefits – Section 2 (5).

SECTION 7 – CONDITIONS

If you do not comply with these conditions 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 by the due date.

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 expense 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 is shown on the schedule.

Age Excess

You will have to contribute \$5,000 or any other amount shown in the schedule, in addition to the applicable excess if at the time of an accident 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 excess payable will be increased by 100% if an event occurs that gives rise to a claim whilst the 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 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.

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 reasonable care and precautions to prevent loss damage liability or accidents 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 you premium for the unused portion of the policy.

SECTION 8 – GENERAL TERMS

LAW AND JURISDICTION

This insurance is subject to Australian law and practice.

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 writing if you are in breach of any of the terms or conditions, or for any other reason available at law. Subject to the provisions of the *Insurance Contracts Act 1984 (Cth)* we may have the right to cancel this policy if:
 - a) you failed to comply with your duty of disclosure;
 - b) you have made a misrepresentation to us during negotiations prior to the issue of this policy;
 - c) you have failed to comply with a provision of your policy, including payment of premium.

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

- a) After cancellation by you, we will be entitled to retain:
 - i) the pro rata premium for the period during which the policy has been in force; and
 - ii) 10% of that pro rata premium as a cancellation fee; and
 - iii) any tax or duty paid or owing for which we are unable to obtain a refund.
 - b) After cancellation by us, you will be entitled to a refund on a pro rata basis in relation to the unexpired period of insurance.
3. If we have paid a claim for total loss or 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 9 – 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 of all combined losses that you must bear during the period of insurance. The applicable policy excess, age excess or tipping trailer excess will first be applied to each claim made under the policy. After the applicable policy excess, age excess or tipping trailer excess is applied to each claim made under the policy, any outstanding amount remaining under any claim will be applied to erode the aggregate excess if approved by us.

Once the aggregate excess for the policy has been eroded, any further claims will be paid by us subject to any applicable policy excess, age excess or tipping trailer 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 the insured 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 6 – 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 6 – 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. Our liability will be limited to the limit of liability shown in the schedule.



**JUA Underwriting Agency Pty Ltd (AFSL No. 235411)
ABN 70 004 566 465**

Mail: Locked Bag 11, Royal Exchange Post Office, Sydney 1225 (or DX 1140, Sydney)

Office: Level 1, 210 George Street, Sydney 2000

Ph: (02) 8272 4800 Ph: 1800 252 263 (Free call) Fax: (02) 9247 2411