

S U R A MOTOR DEALERS



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IMPORTANT INFORMATION

ABOUT SURA MOTOR DEALERS

SURA Motor Dealers is a trading name of SURA Pty Ltd ABN 36 115 672 350 AFSL 294 313. In issuing the Policy SURA Motor Dealers act under an authority given by the Insurers.

This means that when issuing the Policy SURA Motor Dealers will be acting as agents for the Insurers, not for You.

SURA Motor Dealers contact details are:

Level 14, 141 Walker Street,
North Sydney, NSW 2060
PO Box 1813 North Sydney 2059
Telephone. 02 9930 9560

ABOUT THE INSURER

This insurance is underwritten by certain Underwriters at Lloyd's.

Lloyd's has been insuring Australian risks for over 150 years and is licensed to write non-life insurance business under the Australian Insurance Act 1973. You or Your representatives can obtain further details of the syndicate numbers and the proportions of this insurance for which each of the Underwriters at Lloyd's is liable by requesting them from Us. In the event of loss, each Underwriter (and their Executors and Administrators) is only liable for their own share of the loss.

Lloyd's Underwriters have strong financial security characteristics. However, please note that ratings can vary from time to time. You can check the Insurer's current ratings at the following website Standard & Poors: www.standardandpoors.com

You should contact SURA Motor Dealers in the first instance in relation to this insurance.

Lloyd's contact details are:

Lloyd's Australia Limited
Level 9, 1 O'Connell St, Sydney NSW 2000
Telephone: (02) 8298 0700
Facsimile: (02) 8298 0788

YOUR DUTY OF DISCLOSURE

This Policy is subject to the Insurance Contracts Act 1984 (Act). Under that Act You have a Duty of Disclosure.

Before You take out insurance with Us, You have a duty to tell Us of everything that You know, or could reasonably be expected to know that may affect Our decision to insure You and on what terms. If You are not sure whether something is relevant You should inform Us anyway.

You have the same duty to inform Us of those matters before You renew, extend, vary, or reinstate Your contract of insurance. The duty applies until the Policy is entered into, or where relevant, renewed, extended, varied or reinstated (Relevant Time). If anything changes between when the answers are provided to Us or disclosures are made and the Relevant Time, You need to tell Us.

Your duty however does not require disclosure of matters that:

- reduce the risk;
- are common knowledge;
- We know or, in the ordinary course of Our business, ought to know; or
- We have indicated We do not want to know.

If You do not comply with Your duty of disclosure, We may be entitled to:

- reduce Our liability for any claim;
- cancel the contract;
- refuse to pay the claim; or
- avoid the contract from its beginning, if Your non-disclosure was fraudulent.

After the Policy is entered into, ongoing disclosure obligations can apply. See the Policy for details.

GENERAL INSURANCE CODE OF PRACTICE

We proudly support the General Insurance Code of Practice (the 'Code'). The purpose of the Code is to raise the standards of practice and service in the general insurance industry.

The objectives of the Code are:

- to promote better, more informed relations between insurers and their customers;
- to improve consumer confidence in the general insurance industry;
- to provide fair and effective mechanisms for the resolution of complaints and disputes between insurers and their customers;
- to commit insurers and the professionals they rely upon to higher standards of customer service; and
- to promote continuous improvement of the general insurance industry through education and training.

For further information on the Code, please visit www.codeofpractice.com.au or alternatively you can request a brochure on the Code from SURA Motor Dealers.

PRIVACY STATEMENT

In this Privacy Statement the use of “We”, “Our” or “Us” means SURA Motor Dealers and the Insurers unless specified otherwise.

In this Privacy Statement the use of personal information includes sensitive information.

We are committed to protecting the privacy of the personal information that You provide to Us.

The Privacy Act 1988 contains the Australian Privacy Principles which require Us to tell You that We collect, handle, store and disclose Your personal and sensitive information for the specific purpose of:

- deciding whether to issue a policy,
- determining the terms and conditions of Your Policy,
- compiling data to help develop and identify other products and services that may interest clients, and handling claims.

Personal information is information or an opinion about an identified individual, or an individual who is reasonably identifiable:

- a) whether the information or opinion is true or not;
- b) whether the information or opinion is recorded in a material form or not.

Sensitive information includes, amongst other things, information about an individual's racial or ethnic origin, political opinions, membership of a political organisation, religious beliefs or affiliations, philosophical beliefs, membership of a professional or trade association, membership of a trade union, sexual orientation or practices, criminal record, health information about an individual, genetic information, biometric information or templates.

You have given Us Your consent to collect, use and disclose Your personal information in order to provide You with the relevant services and/or products.

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

We will protect Your information using physical, technical, and administrative security measures to reduce the risks of loss, misuse, unauthorised access, disclosure and alteration. Some of the safeguards that We use are firewalls and data encryption, physical access controls to Our data centres, and information access authorisation controls.

We disclose personal information to other parties and service providers whom We believe are necessary to assist Us and them in providing the relevant services and/or products. For example, in handling claims, We may have to disclose Your personal information to other parties and service providers such as Our claim management partner, other insurers, reinsurers, loss adjusters, external claims data collectors, investigators and agents, facilitators, assessors or other parties as required by law. We will limit the use and disclosure of any personal information provided by Us to them to the specific purpose for which We supplied it.

We may disclose Your personal information to Our insurers, reinsurers, related entities and service providers overseas where it is reasonably necessary for, or directly related to, the functions, services or activities we provide to you. When we transfer Your information to other countries, including countries which may not have data protection laws that provide the same level of protection that exists in Australia, We will protect the information as described in this Privacy Policy.

If You do not provide the personal information requested and/or do not provide Us with Your consent to the use and disclosure of Your personal information as set out in this Privacy Statement, Your insurance application may not be accepted, or We may not be able to administer Your Policy, or You may be in breach of Your Duty of Disclosure, the consequences of which are set out under the heading Duty of Disclosure in this document.

We will notify you as soon as possible if Your personal information is involved in a data breach that is likely to result in serious harm to You.

If You would like a copy of Our Privacy Policy, would like to seek access to or correct Your personal information, opt out of receiving materials We send, complain about a breach of Your privacy or You have any query on how Your personal information is collected, stored or used, or any other query relating to Our handling of Your personal information, please contact Us.

COMPLAINTS AND DISPUTE RESOLUTION PROCESS

We view seriously any complaint made about Our products or services and will deal with it promptly and fairly.

If You have a complaint please first try to resolve it by contacting the relevant member of Our staff.

If the matter is still not resolved, please then contact Our Internal Disputes Resolution Officer on (02) 9930 9500, or by email at IDR@SURA.com.au or by writing to Us at the address for SURA Motor Dealers given above. They will seek to resolve the matter in accordance with the General Insurance Code of Practice and Our Dispute Resolution procedures.

If the matter is still not resolved, or You are not satisfied with the way a complaint has been dealt with, You should write to:

Lloyd's Australia Limited
Level 9, 1 O'Connell Street,
Sydney, NSW, 2000
Telephone (02) 8298 0783
Email: ldraustralia@lloyds.com

If You are a natural person or a small business, and You are not satisfied with the final decision, You may wish to contact the Australian Financial Complaints Authority (AFCA). The AFCA is a free independent external disputes resolution service provided to customers to review and resolve complaints where We have been unable to satisfy Your concerns.

For further details You can visit their website at www.afca.org.au or contact them:

Australian Financial Complaints Authority
PO Box 3
Melbourne, VIC, 3001
Telephone: 1800 931 678
Email: info@afca.org.au

SERVICE OF SUIT

The Insurers accepting this insurance agree that:

- if a dispute arises under this insurance, this insurance will be subject to Australian law and practice and the Insurers will submit to the jurisdiction of any competent court in the Commonwealth of Australia;
- any summons, notice or process to be served upon the Insurers may be served upon:
Lloyd's Australia Limited
Level 9, 1 O'Connell St
Sydney NSW 2000
- if a suit is instituted against any of the Insurers, all Insurers participating in this insurance will abide by the final decision of such Court or any competent Appellate Court.

SEVERAL LIABILITY

The liability of an insurer under this contract is several and not joint with other insurers party to this contract. An insurer is liable only for the proportion of liability it has underwritten. An insurer is not jointly liable for the proportion of liability underwritten by any other insurer. Nor is an insurer otherwise responsible for any liability of any other insurer that may underwrite this contract.

The proportion of liability under this contract underwritten by an insurer (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of the syndicate taken together) is shown in the Policy Schedule.

In the case of a Lloyd's syndicate, each member of the syndicate (rather than the syndicate itself) is an insurer. Each member has underwritten a proportion of the total shown for the syndicate (that total itself being the total of the proportions underwritten by all the members of the syndicate taken together). The liability of each member of the syndicate is several and not joint with any other members. A member is liable only for that member's proportion. A member is not jointly liable for any other member's proportion. Nor is any member otherwise responsible for any liability of any other insurer that may underwrite this contract. The business address of each member is Lloyd's, One Lime Street, London EC3M 7HA. The identity of each member of a Lloyd's syndicate and their respective proportion may be obtained by writing to Market Services, Lloyd's, at the above address.

Although reference is made at various parts in this clause to "this contract" in the singular, where the circumstances so require this should be read as a reference to contracts in the plural. The insurers named hereon bind themselves each and for their own part and not one for another.

Each insurer's liability under this contract shall not exceed that percentage or amount of the risk shown against that insurer's name.

SANCTIONS

We shall not be deemed to provide cover and We shall not be liable to pay any claim or provide any benefit under this Policy to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose Us, Our parent company or Our ultimate controlling entity to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, the Commonwealth of Australia, United Kingdom or the United States of America.

GOVERNING LAW AND JURISDICTION

The Policy is governed by the laws of Australia. Any dispute relating to this Policy shall be submitted to the exclusive jurisdiction of an Australian Court within the State or Territory in which the Policy was issued.

COVER UNDER MORE THAN ONE SECTION

Loss, damage or expense under two different sections or benefits of this Policy, however we will cover you under the section that provides the most favourable cover for the loss, damage or expense.

Our limit of liability is not increased because you are covered under more than one section and is limited to the limit of liability that applies to the most favourable cover.

CLAIMS MADE AND NOTIFIED BASIS

Section - 8 Tax Audit and Section 9 - Occupational Liability are issued on a "claims made and notified" basis. This means that this section of the Policy responds to:

1. claims first made against You during the Period of Insurance and notified to Us during the Period of Insurance, provided that You were not aware at any time prior to the Policy inception of circumstances which would have put a reasonable person in Your position on notice that a Claim may be made against them; and
2. written notification of facts pursuant to section 40(3) of the Insurance Contracts Act 1984 (Cth). The facts that You may decide to notify are those which might give rise to a claim against You. Such notification must be given as soon as reasonably practicable after You become aware of the facts and prior to the time at which Your Policy expires. If You give such written notification of facts, Your Policy will respond even though a Claim arising from those facts is made against You after Your Policy has expired.

When the Period of Insurance expires, no new notification of claims or facts can be made under Section - 8 Tax Audit and Section 9 - Occupational Liability of the expired policy even though the event giving rise to the claim against You may have occurred during the Period of Insurance.

GOODS AND SERVICES TAX (GST)

The amount payable by You for this Policy includes an amount for GST.

When We pay a claim, Your GST status will determine the amount We pay.

The amount that We are liable to pay under this Policy will be reduced by the amount of any Input Tax Credit (ITC) that You are or may be entitled to claim for the supply of goods or services covered by that payment.

You must advise Us of Your correct Australian Business Number (ABN) and Taxable Percentage. Taxable Percentage is Your entitlement to an ITC on Your premium as a percentage of the total GST on that premium. Any GST liability arising from Your incorrect advice to us of Your ITC entitlement is payable by You.

Where the settlement of a claim is less than the applicable Limit of Liability or the other limits applicable to this Policy, We will only pay the GST (less Your ITC) applicable to the settlement. This means that if these amounts are not sufficient to cover the whole claim, We will only pay the GST relating to Our share of the settlement for the whole claim. We will pay the claim by reference to the GST exclusive amount of any supply made by any business of Yours which is relevant to the claim.

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

HEADINGS

Headings have been included for ease of reference and it is understood and agreed that the terms and Conditions of this Policy are not to be construed or interpreted by reference to such headings.

PART ONE – PRODUCT DISCLOSURE STATEMENT

This document is a Product Disclosure Statement (PDS) for the SURA Motor Dealers Insurance Policy.

This PDS has been prepared to assist You in understanding the SURA Motor Dealers Insurance Policy and making an informed choice about Your insurance requirements.

SIGNIFICANT FEATURES AND BENEFITS

Features and benefits of this Policy depend on which Section(s) of the Policy You effect.

COVER SECTIONS

This PDS includes a number of different Policy sections set out below:

Section 1(A)	Industrial Special Risks – Property Damage
Section 1(B)	Industrial Special Risks – Consequential Loss
Section 2	Crime
Section 3	Hail Damage to Vehicles
Section 4	Commercial Motor Composite
Section 5	Broadform Public and Products Liability
Section 6	Equipment Breakdown
Section 7	Inland Transit
Section 8	Tax Audit
Section 9	Occupational Liability

You may choose to insure the Policy Sections You need. The Policy You choose will be set out on Your Policy Schedule. You are insured under those Sections set out in Your Policy Schedule.

ADDITIONAL BENEFITS

There are Additional Benefits to the cover given. Additional Benefits are benefits that automatically expand upon the cover given in each of the Sections of this Policy. Some of these extensions may cover things:

- that are otherwise specifically excluded under the Policy; or
- that are otherwise outside the scope of cover;

but usually with a lower sub-limit (than the Sum Insured or Limit of Liability). As these are included in the standard cover automatically, they are not specifically shown in the Policy Schedule.

The scope of cover provided by each Additional Benefit is detailed in the Policy terms and conditions.

Additional Benefits can be found in the Policy wording, please refer to:

- Page 22 for Section 1(A) Industrial Special Risks – Property Damage Additional Benefits
- Pages 29 – 31 for Section 1(B) Industrial Special Risks – Consequential Loss Additional Benefits
- Page 38 for Section 2 Crime Additional Benefits
- Pages 49 – 50 for Section 3 Hail Damage to Vehicles Additional Benefits
- Pages 55 – 57 for Section 4 Commercial Motor Composite Additional Benefits
- Page 63 for Section 5 Broadform Public and Products Liability Additional Benefits
- Pages 69 – 70 for Section 6 Equipment Breakdown Additional Benefits
- Pages 75 – 76 for Section 7 Inland Transit Additional Benefits
- Page 79 for Section 8 Tax Audit Additional Benefits
- Pages 82 – 87 for Section 9 Occupational Liability Additional Benefits

OPTIONAL COVERS

Optional Covers are extensions which You can request. In most cases, additional Premium may be charged to provide cover under these Optional Benefits. If We accept Your request and agree to provide the cover granted by any Optional Cover, that Optional Cover will be shown as “Covered” in the Policy Schedule and specifying sub-limit and/or Excess applying to the cover provided by that Optional Cover.

Optional Covers that are not requested by You, or where We do not agree to provide cover, will be shown as “Not Covered” in the Policy Schedule.

Optional Covers can be found in the Policy wording, please refer to:

- Pages 23 – 25 for Optional Covers to Section 1(A) Industrial Special Risks – Property Damage
- Pages 31 – 32 for Optional Covers to Section 1(B) Industrial Special Risks – Consequential Loss
- Pages 38 – 40 for Optional Covers to Section 2 Crime
- Pages 70 – 71 for Optional Covers to Section 6 Equipment Breakdown
- Page 79 for Optional Covers to Section 8 Tax Audit
- Page 87 for optional Covers to Section 9 Occupational Liability

THIS POLICY DOES NOT COVER CERTAIN THINGS

There are certain restrictions or exclusions that limit the cover given. These can be found in the Policy wording. Please refer to;

- Pages 12 – 13 for the General Exclusions that apply to all Policy sections
- Page 27 for Exclusions applicable to Section 1(A) Industrial Special Risks – Property Damage
- Pages 33 – 34 for Exclusions applicable to Section 1(B) – Industrial Special Risks – Consequential Loss
- Pages 45 – 46 for Exclusions applicable to Section 2 Crime
- Page 52 for Exclusions applicable to Section 3 Hail Damage to Vehicles
- Page 60 for Exclusions applicable to Section 4 Commercial Motor Composite
- Page 64 for Exclusions applicable to Section 5 – Broadform Public and Products Liability
- Page 71 for Exclusions applicable to Section 6 – Equipment Breakdown
- Page 78 for Exclusions applicable to Section 7 – Inland Transit
- Page 80 for Exclusions applicable to Section 8 – Tax Audit
- Pages 87 – 89 for Exclusions applicable to Section 9 Occupational Liability

THIS POLICY MAY NOT MATCH YOUR EXPECTATIONS

This Policy may not match Your expectations (for example, because an exclusion applies). You should read the PDS and the Policy terms and conditions carefully. Please ask Your broker if You are unsure about any aspect of this Policy.

EXCESS

If You make a claim, You may be required to pay one or more Excesses. The description of these Excesses and the circumstances in which they are applied are set out in this Policy Wording.

The amount of Excess applying to each Section is shown on Your Policy Schedule.

We take into consideration a number of factors when setting the amount of Your Excess, such as:

- a. any voluntary Excess that We may allow You to choose;
- b. Your claims history;
- c. the age and driving experience of people who will be driving Your Vehicles;
- d. the insured amount for Your Vehicles;
- e. where and how Your Vehicles are used; and
- f. the place where Your Vehicles are garaged;

PREVENTING OUR RIGHTS OF RECOVERY

If You have agreed not to seek compensation from another person or entity who is liable to compensate You for any Loss, destruction, Damage or liability which is covered by this Policy We will not cover You under this Policy for that Loss, destruction, Damage or liability. You must not enter into any agreement, make any admissions or take any action or step that has the effect of limiting or excluding Your rights and Our rights to recover Your Loss without first obtaining Our approval in writing to do so.

If another person, corporation or entity is, or could have been, liable to compensate You for any Loss, Damage or legal liability otherwise covered by the Policy, but You have agreed with that person either before or after the Loss, Damage or legal liability occurred that You would not seek to recover any moneys from that person, We will not cover You under the Policy for any such Loss, Damage or legal liability.

GENERAL EXCLUSIONS

These are the general exclusions which apply to all sections of the Policy, unless otherwise specified.

We will not cover:

CONFLICT

Claims directly or indirectly caused by, or arising from, or in consequence of, or contributed to by:

1. war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power;
2. expropriation including lawful seizure, resumption, confiscation, nationalisation, destruction or damage to property by or under the order of any government or public or local authority; or
3. looting, sacking or pillaging following any of the events stated in (1) or (2) above.

However, this exclusion does not apply to Section 7 of this Policy to the extent of any inconsistency.

CONSEQUENTIAL LOSS

Loss of use, loss of earning capacity, loss by delay, lack of performance, loss of contract or depreciation in the value of land and stock and any other consequential loss of any kind.

This exclusion does not apply to Section 1(B).

NUCLEAR

Claims directly or indirectly caused by, or arising from, or in consequence of, or contributed to by:

1. ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion or co-fission of nuclear fuel;
2. the radioactive, toxic, explosive or other dangerous properties of nuclear machinery or any part of it; or
3. nuclear weapons material.

For the purpose of this exclusion only, combustion includes any self sustaining process of nuclear fission and/or fusion.

EXISTING DAMAGE

Any Loss or Damage which happens before the Period of Insurance or which arises from an event before the Period of Insurance starts, unless specifically stated otherwise in a Policy section.

NON-COMPLIANCE

Loss or Damage, liability or expense caused by or as a result of Your failure to comply with any relevant statutory obligations, by-laws, regulations, public authority requirements or safety requirements.

SOME PROPERTY

Any Loss or Damage to, or expense or liability arising from or in connection with:

1. livestock, animals, birds or fish;
2. oil and gas drilling or production rigs whilst off shore; or
3. standing timber, growing crops and pasture, other than landscaping.

CONTRACTUAL LIABILITY

Any Loss or Damage in respect of which you have entered into an agreement which excludes Your right to recover from a third party or any claim for liability where You have admitted liability without Our agreement.

DELIBERATE DAMAGE

Any Loss or Damage caused deliberately by You, or by Your director, business partner, principal or employee or with Your consent.

TERRORISM

1. personal injury, damage to property, legal liability, Loss, Damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any Act of Terrorism regardless of any other cause or event contributing concurrently or in any other sequence to the personal injury, damage to property, legal liability, Loss, Damage, cost or expense; or
2. personal injury, damage to property, legal liability, Loss, Damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to any Act of Terrorism.

ELECTRONIC DATA

1. total or partial destruction, distortion, erasure, corruption, alteration, misinterpretation or misappropriation of Electronic Data;
2. error in creating, amending, entering, deleting or using Electronic Data; or
3. total or partial inability or failure to receive, send, access or use Electronic Data for any time or at all from any cause whatsoever, regardless of any other contributing cause or event whenever it may occur.

However, where an Event covered under Section 1(A) or Section 2, but for this exclusion is caused by any of the matters described in paragraphs (1), (2) or (3) above, this Policy, subject to all its terms and conditions, will cover Damage to Insured Property directly caused by such event or consequential Loss insured by this Policy.

For the purposes of the calculation of claim provisions in this Policy, computer systems records include Electronic Data as defined.

GENERAL DEFINITIONS

The following definitions apply to all sections of this Policy, unless these words are defined differently in the relevant section:

Accessories

Alterations or additions that change the performance, security or value of a vehicle, including the body, wheels, tyres, rims, engine, exhaust, extraction system, transmission, paintwork, suspension, instruments, sound system or interior.

Accident

Unexpected and unintended from Your standpoint, including an Event of that nature.

Act of Terrorism or Terrorism

An act, including but not limited to the use of force or violence (or threat of force or violence) by any person or group 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 are done for, or in connection with, political, religious, ideological, ethnic or similar purposes or reasons, including the intention to influence any government or to put the public, or any section of the public, in fear.

Actual Cash Value

The cost of replacing damaged property with property of similar kind, capacity, size, quality and function less depreciation for the age, condition, and normal life expectancy of the property.

Aircraft

Any craft or object designed to transport persons or property through the air or space, other than model aircraft.

Asbestos

Asbestos in whatever form including, without limitation, Asbestos, fibres, derivatives or products containing Asbestos.

Building or Building's

Buildings and structural improvements, including services, fences, walls, gates and landlord's fixtures and fittings.

Buildings do not include:

1. temporary buildings or shipping containers at the Premises unless they are fixed to foundations, wired for electrical services and the security is at least the same as the permanent buildings or any padlocks in use are rated between 7 and 10 by AS4145.4 as amended;
2. loose or compacted soil, earth, gravel pebbles, rocks or granular rubber, gravel, pebble driveway or car park (but We will pay the cost to restore soil or earth to the extent that it is necessary to repair insured damage to Your Buildings).

Business

The Business or occupation described in the Schedule, including the ownership of any Premises shown in the Schedule.

Customer's Vehicle

Any Vehicle owned by Your customer and left in Your custody for sale, repair, garaging, servicing or any other purpose in the course of the Business.

Damage or Damaged

Sudden and unforeseen physical loss, damage or destruction.

Dangerous Goods

Means:

1. substances which are shown in the Australian Code for the Transport of Dangerous Goods by Road or Rail (or under any rules replacing that code);
2. liquid fuels, liquefied or compressed gasses, toxic chemicals, acids, organic peroxides, or corrosives;
3. infectious, explosive radioactive, or oxidising substances; or
4. substances with a flashpoint of below twenty two point seven degrees Celsius (22.70°C).

Dealer Floor Plan Agreement

The agreement by which Vehicles at the Premises are held on bailment by You and which are financed by a financial provider.

Debris

Means:

1. the residue of Your Damaged Property; or
2. material deposited on Your Premises as a result of the operation of an insured peril, excluding any material which can cause Pollution or contamination and which is deposited beyond the boundaries of Your Premises.

Discovered or Discovery

When any of Your director, officer, senior manager or trustee, not in collusion with an Employee committing a dishonest or fraudulent act, first becomes aware of facts which would cause a reasonable person in the circumstances to believe that Loss covered by this Policy has occurred, or is likely to occur, regardless of when the act or acts causing or contributing to such Loss occurred and even though the exact amount or details of Loss may not then be known.

Documents

Documents belonging to You and used in connection with Your Business.

Electronic Data

Facts, concepts and information converted to a form useable for communications, display, distribution, interpretation or processing by electronics and electromechanical data processing or electronically controlled equipment and includes programmes, software and other coded instructions for such equipment.

Emergency Repairs

Minor repairs which are essential for You to be able to drive Your vehicle safely from an Accident or Event causing Damage.

Employee

Means:

1. any person while employed under a contract of service with, or apprenticeship to, You; and
2. any person while hired or seconded from any other party into Your service including any agency furnished personnel whom You have the right at all times to govern, control and direct in the performance of his or her work in the course of Your Business, but does not include:
 - a. any broker, factor, commission agent, consignee, contractor or other agent; and
 - b. any of Your partner(s) or director(s) other than executives and directors,

unless such person is also Your Employee or has been seconded into Your employment by You.

Endorsement

A written change or addition We make to Your Policy, particularly if We have changed the cover to meet Your needs or excluded a specific cover We would have normally covered. Any endorsements that apply to Your Policy will be shown on the Schedule, unless We send you the Endorsement separately.

An Endorsement does not affect or increase the Limit of Liability, or any other term, except to the extent specifically provided in the Endorsement. For the avoidance of doubt, each Endorsement is otherwise subject to all the terms of this Policy.

Event or Events

One incident or all incidents of a series consequent on, or attributable to, one source or original cause.

Excess

Any Excess or deductible set out in the Schedule, this Policy or any Endorsement that applies to a claim under this Policy.

The Excess or deductible is the first amount of each and every claim that must be paid by You. If more than one Excess can be applied to one Event then You will only need to pay the highest Excess, unless specified otherwise.

Unless specified otherwise the Excess is included in the Limit of Liability.

Flood

The covering of normally dry land by water that has escaped or been released from the normal confines of any lake, or any river, creek or other natural watercourse, whether or not altered or modified, or any reservoir, canal or dam.

Full Annual Premium

The Annual Premium payable by You, including any additional Premium which becomes payable in respect of the Period of Insurance in question.

Glass

Glass (including plastic material used as Glass) which belongs to You, or for which You are legally liable and including:

1. external Glass;
2. internal Glass and vitreous china or ceramic; and
3. toilet pans, cisterns and wash basins;

Glass does not include:

1. signs;
2. expendable items;
3. Glass forming part of Vehicles or stock or merchandise in trade;
4. ornaments, antiques or portable Glass objects;
5. chipped or cracked or imperfect Glass, or Glass in poor condition;
6. Glass in electronic or printing equipment; or
7. Glass in any Glass house, conservatory, radio, television screen, computer screen, vase, picture, crystal, crockery, china, or Glass normally carried by hand.

Gross Profit

Means the amount by which the sum of Money paid or payable to You for goods sold, services rendered or rent received, plus the amount of stock and work in progress at the end of Your financial year exceed the sum of the opening stock and the work in progress at the beginning of the financial year and the Uninsured Working Expenses.

The amounts of the opening and closing stocks and work in progress will be arrived at in accordance with Your normal accountancy methods, due provision being made for depreciation.

The words and expressions in this definition have the meanings usually attached to them in Your books and accounts unless otherwise defined in this Policy.

Hail

Means precipitation (falling) of particles of ice (Hail stones) from clouds either separately or collected into irregular lumps.

Hazardous Goods or Substance

Means:

1. any Pollutant, contaminant or other substance declared by a government authority to be hazardous to health or the environment; or
2. any mould, yeast, fungus or mildew including any spores or toxins created or produced by or emanating from such mould, yeast, fungus or mildew, whether or not allergic, pathogenic or toxigenic.

Holdback

The Vehicle cost retained by any other dealers or suppliers who provide replacement Vehicles as is normal procedure in the motor industry where replacements cannot be sourced from the manufacturer to satisfy customer orders, subject to a limit of \$20,000 any one claim.

Improved Value

The amount expended by you in preparing a Vehicle for sale including reasonable repair costs and the cost of replacement parts and Accessories.

Indemnity Value

The replacement value less an allowance for wear and tear and depreciation.

Insurer

Means certain Underwriters at Lloyd's.

Limit of Liability

The amount specified in the Schedule as the Limit of Liability or insured amount which is the maximum amount payable by Us under a section, part of a section or individual item or cover. The sum insured includes GST.

Loss or Losses

Sudden or unforeseen physical loss.

Market Value

The amount You would have to pay to buy a vehicle similar to Your Vehicle immediately before the Loss or Damage, taking into account its make, model, age, kilometres travelled and condition.

To determine the Market Value, We may refer to an accepted motor vehicle valuation guide used by the motor industry.

Media

Material on which Electronic Data is recorded, such as magnetic tapes, hard disks, floppy disks, cartridges, CDs, DVDs, or other storage types, but Media does not include paper records.

Money

Cash, bank notes, currency notes, negotiable cheques, negotiable securities, travellers' cheques, debit and credit card vouchers, discount house vouchers, money orders, postal orders, unused postage stamps, revenue stamps, lottery tickets, stored value cards, public transport boarding tickets, authorised gift vouchers, valuable documents (but limited to certificates of stock, bonds, coupons and all other types of securities) and the contents of franking machines.

Named Insured

That person, company or legal entity specified as the Named Insured in the Schedule who carries on or conducts the Business.

North America

Includes the United States of America and Canada and in each case its territories and protectorates.

Partial Loss

Loss or damage that is not a Total Loss.

Period of Insurance

The period of time set out in the Schedule during which cover is provided under your policy, ending at 4.00 pm on the last day of this period.

Personal Property

Property of a personal character that is portable such as clothing and personal belongings normally worn or carried in person by You however this does not include Vehicles or Money.

Policy

Your insurance contract. It consists of this PDS, any Supplementary PDS We may give You, any Endorsements We issue to You and Your current Schedule.

Pollutant or Pollutants

Any solids, liquids, gaseous or thermal irritants, contaminants, smoke, vapour, soot, fumes, odour or any other air emission, acids, alkalis, chemicals, waste materials, waste water, oil or oil products, infectious biological or medical waste, Asbestos, electric or magnetic or electromagnetic fields, noise and any ionising radiations or contamination by radioactivity.

Pollution

1. the actual, alleged or threatened discharge, release, escape, seepage, migration or disposal of Pollutants into or on real or Personal Property, water or the atmosphere; or
2. any direction or request to test for, monitor, clean up, treat, detoxify or neutralise Pollutants.

Premises

The Premises specified in the Schedule whether owned, leased, used or occupied by You for the purposes of the Business, and/or elsewhere in Australia where the Insured may carry on the Business, or where property insured may be located either permanently or temporarily including any designated trade fair, exhibition or display anywhere within the Commonwealth of Australia.

Premium

The amount You pay for this insurance. You also pay stamp duty, Goods and Services Tax (GST), Emergency Services Levy (ESL) and any other additional compulsory government charges. Your Premium does not include any service fee charged to You by Your insurance intermediary.

Pressure Plant

Means:

1. those parts of the permanent structure of a boiler or pressure equipment, which contains steam, gas or fluid and which are normally subject to vacuum or internal pressure (other than atmospheric pressure or static pressure of contents) including fittings and direct attachments, which are connected to the permanent structure without intervening valve or cock, including:
 - a. the supporting structure of the boiler and pressure equipment (other than foundations, refractory and insulating material), such as furnace doors, access doors, external combustion chambers, smoke boxes and casings;
 - b. the metal parts of pressure and water gauges and their connections to the permanent structure, even if separated from the structure by valves or cocks; and
 - c. any pressure pipe system, associated with boilers and pressure equipment, with valves, fittings, traps and separators which contain steam condensate, gas or fluids under pressure (other than atmospheric pressure), including any feed water piping between boiler and its feed pump or injector.
2. in respect of refrigeration and air-conditioning systems, the interconnecting heat exchangers, coils and pipe work containing transfer media.

Pressure Plant does not include any pipe system which forms part of any other vessel or apparatus nor shall it include any mechanical or electrical machine, electrical apparatus or electronic equipment.

Product Disclosure Statement (PDS) or Policy Wording

PDS (or PDS and Policy Wording) is the name of this document and it contains the terms and conditions of Your insurance cover. It tells You what cover We provide, details of costs and Excesses and other important information. It should be read together with the Schedule, any Endorsements and any Supplementary PDS that we may give you.

Proposal

The signed Proposal form and declaration completed in respect of this Policy, including any renewal declaration and any information supplied by You about any matter or risk the subject of or relevant to this insurance or Policy.

Reasonable Repair Costs

The amount We will pay when You choose Your own repairer taking into account:

1. Your repairers quote with any adjustments or reduction recommendation by a motor vehicle assessor We appoint;
2. the limitations We apply when authorising repairs performed by Our Recommended Repairers (see 'Vehicle repairs – Choice of repairer'); and
3. a quote We may choose to obtain from one of Our Recommended Repairers.

Recommended Repairer

A repairer who has been appointed by Us as a Recommended Repairer because We have assessed the repairer as being capable of meeting Our strict standards of quality workmanship, timeliness, efficiency and cost effectiveness.

Road

Any surveyed or unsurveyed land dedicated to public use, according to law, as a Road (including a footpath or median strip). It also includes a toll Road or a bridge which is open to the public and used as a Road.

Salvage Value

The estimated amount that would be received if Damaged property were to be sold.

Schedule

The Schedule that We give You that attaches to and forms part of Your Policy, or if the Policy has been renewed, the Schedule issued with the renewal notice.

Securities

Shares, stocks, bearer instruments, derivatives, bonds, warrants, debentures, units in shares, units in trusts (including any evidence of indebtedness or other equity or debt security), rights under a depositary receipt or other securities (or interests therein) of whatever nature.

Selling Price

The inward cost of the Vehicle plus the actual average margin from Gross Profit, not inclusive of Holdback.

Spouse

A lawful Spouse or any person deriving similar status by reason of the common law or statute.

Stock Card Value

Your accounting record either on paper or in electronic form, within which You record the complete details of Vehicles, including your actual purchase cost and actual cost of improvements to the Vehicles.

Subsidiary

Means:

1. any body corporate in which the company:
 - a. controls the composition of the board of the body corporate;
 - b. is in a position to cast, or control the casting of, more than one-half of the maximum number of votes that might be cast at a general meeting of the body corporate;
 - c. holds more than one-half of the issued share capital of the first body (excluding any part of that issued share capital that carries no right to participate beyond a specified amount in a distribution of either profits or capital);
2. any body corporate which is a Subsidiary of a body corporate described in (1) (a) or (b) above; or
3. any other body corporate whose accounts are consolidated into those of the company in accordance with the relevant Australian Accounting Standard.

Supplementary PDS

A document that updates or adds to the information in the PDS.

Total Loss

Where We decide that property is damaged beyond economical repair.

Uninsured Working Expenses

All purchases (less any discounts received), discounts allowed, bad debts, carriage, packing and freight, and other uninsured working expense specified in the Schedule.

Vehicle or Vehicles

Motor Vehicles, trailers, caravans, boats, motor cycles, motorised homes, motor propelled machinery of every kind and description whether registered or unregistered belonging to or being purchased, financed or otherwise acquired by You or left in Your custody for sale, or repair, or garaging, servicing or any other purpose in the course of the business.

Watercraft

Any vessel, craft or thing made or intended to float on or in or travel on or through water, other than model boats.

We, Us, Our

SURA Motor Dealers acting under a binder as an agent of the Insurer.

You, Your, Yourself, Insured

Any person, company or legal entity shown on the Schedule as the Insured.

SECTION 1(A) – INDUSTRIAL SPECIAL RISKS – PROPERTY DAMAGE

THE COVER

We will cover you for Loss or Damage to the Insured Property happening at the Premises in the Period of Insurance.

WHAT WE COVER

The following sets out how We will calculate a payment for Damage to any Insured Property covered under this Section 1(A):

1. unless a more specific calculation method is set out below, on Buildings, machinery, plant and all other property and contents, including landscaping, the cost of reinstatement, replacement or repair as set out in the 'Claim calculation conditions' in this Section 1(A).
2. on raw materials, supplies and other merchandise not manufactured by You, the replacement cost at the time and the place of replacement or, if such property is not replaced, the market value of the property at the time and place of the Damage.
3. on material in process of manufacture, the replacement value of the raw materials and the value of labour and other overhead charges expended to replace them at the time and the place of the Damage.
4. on finished goods, the replacement value of the raw materials and the value of labour and other overhead charges expended to replace them, without any allowance for profit, or the cost of re-stocking those goods, whichever is the lesser.
5. on computer systems, records, Documents, manuscripts, Securities, deeds, specifications, plans, drawings, designs, business books and other records of every description, the cost of reinstating, replacing, reproducing or restoring the Insured Property, including information contained in or on them (but excluding the value to You of the information); or, if reinstating, replacing, reproducing or restoring is not reasonably required, the replacement cost of materials as blank stationery at the time and place of Damage.
6. on patterns, models, moulds, dies or casts, the cost of repair or replacement (if actually replaced) otherwise the Indemnity Value to You of such property.
7. on Glass:
 - a. the cost of repairing or replacing broken Glass;
 - b. temporary shuttering or hiring of security service pending replacement of broken Glass;
 - c. sign-writing and ornamentation on Glass;
 - d. replacement burglar alarm tapes on Glass;
 - e. removing and re-fixing of windows and show-case frames and fittings; and
 - f. heat reflecting material or process on Glass.
8. on empty Premises awaiting demolition, the Salvage Value of the building materials and landlord's fixtures and fittings.
9. Loss or Damage to new Vehicles not insured under Your Dealer Floor Plan Agreements:
 - a. Total Loss – The replacement cost of the Vehicle, (including options, Accessories, tools and spare parts) or if not replaced, the Stock Card Value of the Vehicle, with no allowance for dealer margin or profit.
 - b. Partial Loss – The cost to repair the Vehicle (including options, Accessories, tools and spare parts). If You repair the Vehicle, We will pay labour costs based on Your recognised labour rates. If You supply the parts and Accessories the amount We will pay for such parts and Accessories will be the cost to You plus 15%.
10. on new Vehicles subject to your Dealer Floor Plan Agreements, the amount in excess of the amount recoverable under such agreement and any Improved Value at the time of the Damage, limited to Your equity in such Vehicles. This does not include any difference in Excesses under your Dealer Floor Plan Agreements and this section.
11. on spare parts and Accessories of Vehicles, the cost of repair or replacement provided that if the parts and or Accessories are supplied by You, the amount We will pay will be Your cost of parts and/or Accessories plus 15%, plus the reasonable cost of fitting.
12. loss or Damage to used Vehicles not insured under Your Dealer Floor Plan agreements:
 - a. Total Loss – The sum of the actual price paid by You plus all direct expenditure subsequently incurred in the preparation and improvement of the Vehicle for resale (with no allowance for profit or other expenses) or Market Value, whichever is the lesser.
 - b. Partial Loss – The cost to repair the Vehicle (including options, Accessories, tools and spare parts). If You repair the Vehicle, We will pay labour costs based on Your recognised labour rates. If You supply the parts and Accessories the amount We will pay for such parts and Accessories will be the cost to You plus 15%.
13. on used Vehicles subject to your Dealer Floor Plan Agreements, the amount in excess of the amount recoverable under such agreement and any Improved Value at the time of the Damage, limited to Your equity in such Vehicles. This does not include any difference in Excesses under your Dealer Floor Plan Agreements and this section.
14. on spare parts and Accessories of used Vehicles, the cost of repair or replacement provided that if the parts and or Accessories are supplied by You, the amount We will pay will be Your cost of parts and/or Accessories plus 15%, plus the reasonable cost of fitting.

15. on leased Vehicles (residual value), on Vehicles under a lease agreement that are a Total Loss, the payout sum under the lease agreement, if it is greater than an amount that otherwise applies under this section. However, We will not pay more than the amount than the cost to repair or replace that Vehicle, plus 10% of that amount.
16. on leased equipment (residual value), on machinery, plant and equipment (but not Vehicles) leased on a residual value basis that are a Total Loss, the amount for which the lessee is contractually liable to the lessor, up to the sum represented by rent payable under the lease for the period commencing on the date of the Damage and ending on the retirement date, plus the current market value of the property immediately before its Loss or Damage or the residual value, whichever is the greater, less any Salvage Value.
17. on Customer's Vehicles:
Either of the following, at Our option:
 - a. pay You the cost to repair or replace the Vehicle as far as circumstances permit and in a reasonably sufficient manner, to a condition equal to but not better or more extensive than its condition immediately prior to the Damage occurring, with allowance for wear, tear and depreciation; or
 - b. pay You the Market Value of the Vehicle.
18. on hail nets, textile canopies, awnings and blinds, reinstatement and replacement value for the first 24 months following installation as new. After this time, the reinstatement and replacement value less 10% for each subsequent 12 month period or part of that period.
2. where property is Damaged, the repair of the property to a condition substantially the same as, but not better or more extensive than, its condition when new.
3. if We elect or become bound to reinstate or replace any property, You must, at Your own expense, produce and deliver to Us all plans, Documents and information as We may reasonably require. We will not be bound to reinstate exactly or completely, but only as circumstances permit and in reasonably sufficient manner and will not in any case be bound to expend more than the Limit of Liability.
4. You may, at Your option, rebuild or replace the Damaged or destroyed Building in a different shape or form. However, Our Limit of Liability will apply.
5. You are not bound to actually rebuild any Building destroyed but may purchase an alternative existing Building to replace that which was destroyed. Such replacement is deemed to constitute reinstatement for the purpose of the cover under this section. However, We are not be liable to make any payment beyond the cost that would have been incurred had the Building that was destroyed been rebuilt.

The following provisions apply to this condition (5):

- a. the work of rebuilding, replacing, repairing or restoring as the case may be (which may be carried out upon any other site(s) and in any manner suitable to Your requirements, but subject to Our liability not being increased), must be commenced and carried out with reasonable dispatch. If not, We will not be liable to make any payment greater than the Indemnity Value of the Damaged property at the time of the happening of the Damage.
- b. when any Insured Property to which this condition applies is Damaged in part only, our liability will be limited to the sum representing the cost to reinstate the property (in accordance with this condition) as if it had been wholly destroyed.
- c. no payment beyond the amount which would have been payable under this Policy will be made by Us until a sum equal to the cost of reinstatement has been actually incurred. However, where You reinstate or replace any lost or destroyed property at a cost which is less than the cost of reinstatement (as defined in this condition) but greater than the value of such property at the time of Damage, then the cost so incurred will be deemed to be the cost of reinstatement.
- d. all other industrial special risks or fire and named perils insurance covering the property effected by You or on Your behalf must be on a similar reinstatement basis.

CLAIM CALCULATION CONDITIONS

REINSTATEMENT OR REPLACEMENT

This condition applies to reinstatement or replacement of Buildings, machinery, plant and all other property, unless stated otherwise in this Section 1(A).

For this property, We will pay the cost of reinstatement of Insured Property at the time of its reinstatement, subject to the Limit of Liability, based on the following:

1. where property is lost or destroyed:
 - a. in the case of a Building, the rebuilding of it to a condition equal to, but not better or more extensive than, its condition when new; or
 - b. in the case of property other than a Building, the replacement of it by similar property of a condition equal to, but not better or more extensive than, its condition when new.

EXTRA COST OF REINSTATEMENT

This condition applies to reinstatement or replacement of Buildings, machinery, plant and all other property and contents, unless stated otherwise in this Section 1(A).

For this property, We will pay the extra cost of reinstatement (including demolition or dismantling) of Damaged property necessarily incurred to comply with the requirements of any Act of Parliament or Regulation made under it or any By-Law or Regulation of any municipal or other statutory authority, subject to the Limit of Liability.

The following provisions apply to this condition:

1. the work of reinstatement (which may be carried out wholly or partially upon any other site(s), if the requirements of the relevant Act, Regulation or By-Law require), must be commenced and carried out with reasonable dispatch, failing which We shall not be liable to make any payment beyond the amount which would have been payable under this Policy without reference to this condition.
2. the amount payable does not include the additional cost incurred in complying with any such Act, Regulation, Bi-Law or requirement which You have been required to comply with prior to the happening of the Damage.
3. co-insurance does not apply to this condition.
4. all other industrial special risks or fire and named perils insurances covering the property effected by or on Your behalf must be on a similar basis.
5. if the cost of reinstatement of the Damage under this condition is less than 50% of that which would have been the cost of reinstatement of the Insured Property if such property had been totally destroyed, the amount payable under this condition is limited to the extra cost of reinstatement necessarily incurred in reinstating only that Damaged portion.

FLOOR SPACE RATIO INDEX (PLOT RATIO)

If any Building is a Total Loss and, as a result of the exercise of statutory powers or authority by any government department, local government or any other statutory authority, reinstatement of that Building is only permissible subject to a reduced floor space ratio index, We agree to pay (in addition to any amount payable on reinstatement of that Building) the difference between:

1. the actual cost of reinstatement incurred in accordance with the reduced floor space ratio index; and
2. the cost of reinstatement which would have been incurred had a reduced floor space ratio index not been applicable.

In arriving at the amount payable under (1) and (2) above, any payments made by Us will include the extra cost of reinstatement, including demolishing or dismantling Your property that is necessarily incurred to comply with the requirements of any Act of Parliament or Regulation made under it or any By-Law

or Regulation of any municipal or other statutory authority.

Any payment made for the difference between (1) and (2) above will be made as soon as the difference is ascertained upon completion of the rebuilding works and certified by the architect acting on Your behalf in the reinstatement of the Building.

LOSS OF LAND VALUE

If the competent local or government authority refuses to allow the full reconstruction of the Premises following Damage, or allows partial reconstruction only, We will pay the difference between the Land Value before and after the Damage.

We will deduct from what We pay any amount of compensation payable to You by the relevant authority arising out of the action of the authority.

Our liability in respect of Loss of Land Value is limited to \$500,000.

The following provisions apply to this condition:

1. Our payment will be made following the ruling of the competent local or government authority resulting in the Loss of Land Value.
2. if We have made a payment to You and subsequently the ruling of the competent local or government authority is changed resulting in an increase in the Land Value, that part of the claim paid in excess of the revised Land Value will be refunded by You to Us.
3. all disputes relating to Land Value will be referred to the decision of two registered valuers, one to be appointed by each of the parties, and if the two registered valuers do not agree, to a third valuer appointed by the President of the Australian Institute of Valuers as an expert whose decision shall be binding.

Property exclusion (7) does not apply to this condition.

EXCESS

You must pay any Excess that applies to a claim under this section for any Event. The Excess that applies to this section will be set out in the Schedule.

For the purpose of the application of any Excess, Damage resulting from earthquake or atmospheric disturbance occurring during each period of 72 consecutive hours is considered as one Event whether the earthquake or atmospheric disturbance is continuous or sporadic in its sweep or scope and the Damage was due to the same seismological disturbance or atmospheric conditions. Each Event is deemed to have commenced on the first happening of any such Damage.

LIMIT OF LIABILITY

If a Limit of Liability is set out in the Schedule for any one item of Insured Property or type of Insured Property, that will be the maximum We will pay for Loss or Damage to that item or type of Insured Property.

The maximum We will pay for any Event in the Period of Insurance is the Limit of Liability specified in the Schedule for this Section 1(A).

ADDITIONAL BENEFITS

The following additional benefits apply to this section. Unless stated otherwise, these additional benefits are included in Our Limit of Liability for Section 1(A) and not in addition to it.

TOTAL LOSS EXTENSION

At Your option, We will substitute the following as the method We will use to calculate the amount We will pay You for Damage to Your Vehicles that have travelled less than 10,000 kilometres at the date of Loss or Damage:

1. if Your Vehicle had a Market Value of \$50,000 or less at the date of the Loss and incurs 30% or more Damage, the Vehicle will be treated as a Total Loss.
2. if Your Vehicle had a Market Value of between \$50,001 and \$100,000 at the date of the Loss and incurred 25% or more Damage, the Vehicle will be treated as a Total Loss.
3. if Your Vehicle had a Market Value of \$100,001 or more at the date of the Loss and incurred 20% or more Damage, the Vehicle will be treated as a Total Loss.

The Additional Benefit of Diminished Value Allowance (DVA) under Section 1(B) will not apply to Your Vehicles if You select this option.

PROFESSIONAL FEES

We will cover You for architects', surveyors', consulting engineers', legal and other fees and clerks of works' salaries for estimates, plans, specifications, quantities, tenders and supervision necessarily incurred in reinstatement as a result of Damage to Insured Property that is covered by this Policy but not any costs, fees and salaries for preparing any claim under this section.

GOVERNMENT OR AUTHORITY FEES

We will cover You for any fee, contribution or other impost payable to any government, local government or other statutory authority, where payment of such fees, contribution or impost is a condition precedent to the obtaining of consent to reinstate any Building for Loss or Damage covered under this section.

We will not pay for payment of any fines or penalties imposed upon You by such authorities.

FIRE EXTINGUISHING COSTS

We will cover You for the costs and expenses necessarily and reasonably incurred in the Period of Insurance for the purpose of extinguishing fire at or in the vicinity of Insured Property or threatening to involve that property or for the purpose of preventing or diminishing imminent Damage to Insured Property covered by this Policy. This includes Damage to gain access and the cost of replenishment of fire fighting appliances and charges incurred for the purpose of shutting off the supply of water or other substance following accidental discharge from any fire protective equipment or otherwise escaping from intended confines.

TEMPORARY PROTECTION COSTS

We will cover You for the costs and expenses necessarily and reasonably incurred for the temporary protection and safety of Insured Property pending repair or replacement as a result of Damage covered by this section.

CLEARANCE OF DRAINS

We will cover You for the costs of clearance of drains including expenses necessarily incurred in the Period of Insurance in clearing or repairing drains, gutters, sewers and the like, at or in the vicinity of Insured Property, consequent upon Damage to Insured Property that is covered under this section.

EXPLORATORY COSTS

We will cover You for the exploratory costs incurred in the Period of Insurance in locating the source of any Damage covered under this section.

CUSTOMS, EXCISE AND OTHER DUTIES

We will cover You for Your liability for customs, excise and other duties which You become liable to pay in connection with the repair or reinstatement of Insured Property that is covered by this section.

OPTIONAL COVERS

If You have cover under this section, You can choose to add any of the following optional covers to Your Policy. The options that You have chosen to add to Your Policy will be set out in the Schedule.

These optional covers set out below are subject to the terms and conditions of this Policy, including the Limits of Liability, unless otherwise stated.

Section 1(B) of this Policy does not apply to the following optional covers:

GLASS

This section is extended to cover Loss or Damage to Glass in the Period of Insurance caused by an Event covered by this section where no other Insured Property is lost or Damaged.

Cover under this optional cover is limited to:

1. the cost of repairing or replacing Damaged Glass;
2. temporary shuttering or hiring of security service pending replacement of Damaged Glass;
3. sign-writing and ornamentation on Glass;
4. replacement burglar alarm tapes on Glass;
5. removing and re-fixing of windows and show-case frames and fittings; and
6. heat reflecting material or process on Glass.

The most We will pay under this optional cover is the Limit of Liability set out in the Schedule for 'Glass'.

ACCOUNTS RECEIVABLE

We will cover You for the Loss sustained by You in respect of all outstanding debt balances if You are unable to effect collection of those amounts as a direct result of Damage in the Period of Insurance to records of accounts receivable as a result of an Event covered by this section.

We will also pay:

1. interest charges at ruling bank rates on any loan to offset impaired collections pending repayment of such amounts rendered uncollectible as a consequence of the Damage;
2. interest revenue lost by You as a consequence of the impaired collections;
3. additional expenditure necessarily and reasonably incurred in tracing and establishing the amounts of accounts receivable; and
4. collection of expenses in excess of normal collection costs, incurred as a consequence of the Damage.

If You cannot accurately establish the total amount of accounts receivable outstanding at the date of Damage, such amount shall be calculated as follows:

1. determine the total amount of accounts receivable outstanding on the last working day of the fiscal month which ended 12 months before the beginning of the month in which the Damage occurs.
2. calculate the average increase or decrease in the monthly total amounts of accounts receivable outstanding on the last working day of each of the 12 months immediately preceding the month in which Damage occurs.
3. the amount determined under paragraph (1), increased or decreased by the percentage calculated in accordance with paragraph (2) will be deemed to be the total amount of accounts receivable outstanding at the time and date of the Damage.
4. the amount determined under paragraph (3) will be adjusted as may be necessary to provide for any demonstrable variance from the amount so determined occurring before but during the month in which the Damage occurs, due consideration also being given to normal monthly trends in receipts.

We will not pay for the following:

1. the amount of any accounts evidenced by records not Damaged, or otherwise established or collected by You; and
2. a reasonable amount, calculated by Us, on account of doubtful debts.

It is a condition of cover under this benefit that computer records are backed up at least weekly and a copy of the relevant back up is kept at a different premise to the computer. If You do not do this We may be able to refuse to pay a claim under this benefit or reduce the amount we pay You.

The most We will pay under this optional cover is the Limit of Liability set out in the Schedule for 'Accounts Receivable'.

REMOVAL OF DEBRIS

We will cover You for costs and expenses necessarily and reasonably incurred in the Period of Insurance in respect of:

1. The removal, storage or disposal of Debris or the demolition, dismantling, shoring up, propping, underpinning or other temporary repairs as a result of Damage to Insured Property that is covered by this section. This benefit does not extend to any cost or expense that You may incur as a consequence of Pollution of any kind.
2. Your liability for the removal, storage or disposal of Debris, and cleaning costs, in relation to premises, roadways, services, railway or waterways of others, provided that the liability was not assumed by You under an agreement entered into after the commencement of the Period of Insurance (unless liability would have attached in the absence of such agreement). This benefit does not extend to any liability that You may incur as a consequence of Pollution of any kind.
3. The demolition and removal of any Insured Property which is no longer useful for the purpose it was intended, providing such demolition and removal is necessary for the purpose of the reinstatement or replacement of Insured Property covered under this section.

The most We will pay under this optional cover is the Limit of Liability set out in the Schedule for 'Removal of Debris'.

DIRECTOR'S OR EMPLOYEE'S PROPERTY

We will cover You for the replacement cost of the following property used for the Business and caused by an Event covered by this section which happens during the Period of Insurance:

1. Personal Property of Your directors or Employees on the Premises at the time of the Loss or Damage; and
2. tools of trade belonging to Your directors or Employees away from the Premises at the time of the Loss or Damage.

The most We will pay under this optional cover is the Limit of Liability set out in the Schedule for 'Directors and Employees Property on Premises'.

EXPRESS CARRIAGE RATES AND EXTRA PAYMENTS

We will cover You for the costs and expenses incurred by You for express carriage rates and extra payments for overtime, night, Sunday or holiday working incurred in connection with the repair or reinstatement of Insured Property that is covered by this section.

The most We will pay under this optional cover is the Limit of Liability set out in the Schedule for 'Express Carriage Rates and Extra Payments'.

COSTS AND EXPENSES OF ENQUIRIES

We will cover You for the costs and expenses incurred by You in respect of any legal liability to make enquiries consequent upon Damage insured by this section.

The most We will pay under this optional cover is the Limit of Liability set out in the Schedule for 'Costs and Expenses of Enquiry'.

BOILER AND PRESSURE PLANT EXPLOSION

This section is extended to cover Damage to boiler or Pressure Plant caused by its own Explosion or collapse in the Period of Insurance.

This optional cover does not cover Damage caused by or constituting the following defects in any boiler or Pressure Plant:

1. wearing away or wasting of the material of the boiler or Pressure Plant whether by leakage, corrosion or by the action of the fuel or otherwise;
2. slowly developing deformation or distortion of any part of the boiler or Pressure Plant;
3. cracks, fractures, blisters, laminations, flaws or grooving even when accompanied by leakage or Damage to tubes, headers or other parts of the boiler or Pressure Plant caused by over-heating or leakage at seams, tubes or other parts of the boiler or Pressure Plant; or
4. failure of joints.

However, Explosion or collapse arising from any such defects is not excluded.

For the purposes of this optional cover, the terms boiler and Pressure Plant include any connected super-heaters, economisers, mountings, fittings, valves and steam piping.

This optional cover does not apply to:

1. Damage arising during the application of an hydraulic test of the boiler or Pressure Plant and occasioned by it; or
2. if at the time of Explosion or Collapse:
 - a. the load on the safety valve or safety valves upon the particular item of the boiler and Pressure Plant was in excess of that permitted by the latest certificate issued in accordance with boiler inspection regulations applicable to it;
 - b. any safety valve limiting the pressure had been removed or was inoperative; or
 - c. where certificates of inspection are issued by a government department and the particular item of boiler or Pressure Plant was not certified.

Property exclusion (16) and Perils exclusions (2)(c) and (2)(e) do not apply to this optional cover.

The most We will pay under this optional cover is the Limit of Liability set out in the Schedule for ‘Boiler and Pressure Plant Explosion’.

FUSION

This section is extended to cover Damage to any part or parts of the electrical, electromechanical machines, switchboards, installations or apparatus forming part of the Insured Property (excluding rectifiers radio, television, amplifying or electronic equipment of any description) caused by the actual burning out of such part or parts by electric current in them in the Period of Insurance.

This optional cover does not apply to:

- 1. Loss of use, depreciation, wear and tear; or
- 2. Damage to:
 - a. lighting or heating elements, fuses or protective devices; or
 - b. electrical contacts at which sparking or arcing occurs in ordinary working.

Property exclusion (16) and Perils exclusions (2)(c) and (2)(e) do not apply to this optional cover.

The most We will pay under this optional cover is the Limit of Liability set out in the Schedule for ‘Fusion’.

CONDITIONS

The following conditions apply to Section 1(A):

CO-INSURANCE

If:

- 1. at the time of the claim, the declared value of Your Insured Property was less than 85% of the actual value of Your Insured Property; and
- 2. at the commencement of the Period of Insurance, the declared value of Your Insured Property was insured for less than 85% of the actual value of Your Insured Property,

then We will pay the same proportion of the Loss which Your declared value of Your Insured Property bears to 85% of the actual value of Your Insured Property.

The following sets out the operation of this clause:

Claim payment

=

Claim amount

X

Declared value of
Your Insured Property

85% of the actual value
of Your Insured Property

This condition does not apply if the relevant claim does not exceed 5% of the amount of the declared value of Your Insured Property.

The conditions on pages 34 to 36 also apply to cover under Sections 1(A) and 1(B).

CLAIM PAYMENT EXAMPLES

The following worked dollar examples are designed to assist You in the understanding of some of the important benefits in this section and how claims are calculated. The examples do not cover all scenarios or all benefits and do not form part of Your Policy terms and conditions. The following should be used as a general guide only.

You should consider all examples as each example covers different benefits and scenarios.

Example 1: Damage to Vehicles – Total Loss

- You have cover for Damage to Your Insured Property, including Vehicles.
- The Vehicles are all new Vehicles.
- The Insured Property is valued at \$2,000,000.
- The declared value of Your Insured Property was \$2,000,000.
- The Excess shown on the Schedule is \$1,500
- 90 vehicles are Damaged in a fire and Stock Card Value of all of the Vehicles is \$1,500,000 (plus GST).

How much We pay		Additional information
Damage to Your Vehicles	\$1,500,000	All of the Vehicles are a Total Loss, which means We will pay You the Stock Card Value of each Vehicle.
Removal of debris	\$25,000	The fire leaves Debris at the Premises. We assess the cost to remove the Debris to be \$25,000. Cover is limited in the Schedule to \$250,000. In this example, this is sufficient to cover the \$25,000 cost.
Less Excess	\$1,500	This Excess applies in this example. We deduct this from the amount We pay. We may require You to pay this amount directly to Us.
Total claim	\$1,523,500	We normally pay this amount directly to You, unless We repair any Insured Property. If We do, We will pay the repairer directly.

Effect of co-insurance:

In the above example, if You had only insured the Insured Property for \$1,500,000, but the actual Replacement Value of the Insured Property was \$2,000,000, the amount We pay would be reduced in accordance with the co-insurance condition in this section. The amount We would pay would be calculated as follows:

\$1,525,000		\$1,500,000		
(total claim excluding Excess)	x	$\frac{\text{(insured amount)}}{85\% \text{ of } \$2,000,000}$	=	\$1,345,588
		(Replacement Value at time of event)		

Total claim after deduction of Excess: $\$1,345,588 - \$1,500 = \$1,344,088$.

Example 2: Damage to Vehicles – Partial Loss

<p>You have cover for Damage to your Insured Property.</p> <p>The Vehicles are all used Vehicles.</p> <p>The Insured Property is valued at \$1,200,000.</p> <p>The declared value of Your Insured Property was \$2,000,000.</p> <p>The Excess shown on the Schedule is \$1,500 each and every claim.</p> <p>4 Vehicles are Damaged in a storm when rainwater enters the Vehicles.</p> <p>The cost to repair the Vehicles is \$25,000 (plus GST).</p>		
How much We pay		Additional information
Damage to your Vehicles	\$25,000	All of the Vehicles are a Partial Loss, which means We will pay You the cost to repair the Vehicles.
Less Excess	\$1,500	This Excess applies in this example. We deduct this from the amount We pay. We may require you to pay this amount directly to Us.
Total claim	\$23,500	We normally pay this amount directly to You, unless We repair any Insured Property. If We do, We will pay the repairer directly.
<p>Diminished value allowance (DVA):</p> <p>In the above example, You chose the optional cover of diminished value allowance (DVA) in Section 1(B).</p> <p>The information in example 2 applies, but that for each of the Vehicles that were Damaged, the Selling Price under the optional cover was less than \$25,000.</p> <p>We will pay You an additional amount of \$2,000 for each Vehicle under the diminished value allowance (DVA) optional cover. This is a total additional payment of \$8,000.</p>		

EXCLUSIONS

See 'Exclusions' on pages 33 to 34 for exclusions applying to cover under Sections 1(A) and 1(B).

DEFINITIONS

See 'Definitions' on pages 36 to 37 for definitions applying to cover under Sections 1(A) and 1(B).

SECTION 1(B)–INDUSTRIAL SPECIAL RISKS – CONSEQUENTIAL LOSS

THE COVER

In the Event of Insured Property used by You at the Premises for the purpose of the Business being Damaged and that Damage is covered under Section 1(A) We will cover You for the Loss resulting from such interruption or interference with the Business carried on by You, as a consequence of that Damage.

WHAT WE COVER

The following sets out how We will calculate a payment that We make to You under this Section 1(B):

GROSS PROFIT

We will pay for Your Loss of Gross Profit due to:

- a. reduction in Turnover; and
- b. increase in cost of working.

The amount payable is:

1. in respect of reduction in Turnover:
the sum produced by applying the Rate of Gross Profit to the amount by which the Turnover during the Indemnity Period shall, in consequence of the Damage, fall short of the Standard Turnover.
2. in respect of increase in cost of working:
 - i. the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in Turnover which, but for that expenditure, would have taken place during the Indemnity Period in consequence of the Damage, but not exceeding the sum produced by applying the Rate of Gross Profit to the amount of the reduction avoided;
 - ii. less any sum saved during the Indemnity Period in respect of such of the charges and expenses of the business payable out of Gross Profit as may cease or be reduced in consequence of the Damage.

However, if at the time of the claim, the declared value of Your Gross Profit was less than 85% of the actual value of Gross Profit at the commencement of the Period of Insurance, then We will pay the same proportion of the Loss which Your declaration of the Gross Profit bears to 85% of the actual Gross Profit.

The following sets out the operation of this clause:

Claim payment = Claim amount X $\frac{\text{Gross Profit declared}}{85\% \text{ of the actual Gross Profit}}$

This condition does not apply if the relevant claim does not exceed 5% of the amount of Your declaration of Gross Profit.

If the Schedule sets out that cover is limited to parts and service activities only, the amount We will pay for Loss of Gross Profit under this condition is the Gross Profit calculated based only on amounts (less discounts, if any) paid or payable to You for goods sold and delivered and for services rendered, other than for the sale of Vehicles, in the course of the Business at the Premises.

If the Business is conducted in departments the independent trading results of which are ascertainable, these provisions apply separately to each department affected by the Damage.

PAYROLL

We will pay for Your Loss of Gross Profit due to Payroll in accordance with the provisions below. The amount payable is:

1. in respect of reduction of Turnover:
 - a. during the portion of the Indemnity Period beginning with the occurrence of the Damage and ending not later than the number of weeks specified in the Schedule after that, the sum produced by applying the Rate of Payroll to the Shortage In Turnover during the said portion of the Indemnity Period less any saving during that portion of the Indemnity Period through reduction in the amount of Payroll paid as a consequence of the Damage; and
 - b. during the remaining portion of the Indemnity Period, the sum produced by applying the Rate of Payroll to the Shortage In Turnover during the remaining portion of the Indemnity Period less any saving during that remaining portion of the Indemnity Period, through reduction in the amount of Payroll paid in consequence of the Damage; but not exceeding the sum produced by applying the percentage of the Rate of Payroll specified in the Schedule to the Shortage In Turnover during the remaining portion of the Indemnity Period, increased by such amount as is deducted for savings under the terms of clause (a) above.
 - c. at Your option, the number of weeks referred to in clause (a) above may be increased to the number of weeks specified in the Schedule under the heading Consolidated Period. However, the amount arrived at under clause (b) shall not exceed such amount as is deducted under clause (a) for savings effected during the said increased number of weeks.
2. in respect of increase in cost of working:
the additional expenditure described in clause (2) of Gross Profit exceeds the amount payable under it, but not more than the additional amount which would have been payable in respect of reduction in Turnover under the provisions of clauses (a) and (b) of this Payroll had such expenditure not been incurred.

However, if at the time of the claim, the declared value of Your Payroll was less than 85% of the actual value of Payroll at the commencement of the Period of Insurance, then we will pay the same proportion of the Loss which Your declaration of the Payroll bears to 85% of the actual Payroll.

The following sets out the operation of this clause:

$$\text{Claim payment} = \text{Claim amount} \times \frac{\text{Payroll declared}}{85\% \text{ of the actual Payroll}}$$

This condition does not apply if the relevant claim does not exceed 5% of the amount of Your declaration of Payroll.

If the Schedule sets out that cover is limited to parts and service activities only, the amount We will pay for Loss of Gross Profit under this condition is the Gross Profit calculated based only on amounts (less discounts, if any) paid or payable to You for goods sold and delivered and for services rendered, other than for the sale of Vehicles, in the course of the Business at the Premises.

If the Business is conducted in departments the independent trading results of which are ascertainable, these provisions apply separately to each department affected by the Damage.

ADDITIONAL INCREASE IN COST OF WORKING

We will pay for the additional increase in cost of working (not otherwise recoverable under this section) necessarily and reasonably incurred during the Indemnity Period as a consequence of the Damage for the purpose of avoiding or diminishing reduction in Turnover or resuming or maintaining normal business operations or services.

The most We will pay for Your additional increase in cost of working is the Limit of Liability set out in the Schedule for 'Additional Increased Cost of Working'.

EXCESS

You must pay any Excess that applies to a claim under this section for any Event. The Excess that applies to this section will be set out in the Schedule.

For the purpose of the application of any Excess, Damage resulting from earthquake or atmospheric disturbance occurring during each period of 72 consecutive hours is considered as one Event whether the earthquake or atmospheric disturbance is continuous or sporadic in its sweep or scope and the Damage was due to the same seismological disturbance or atmospheric conditions. Each Event is deemed to have commenced on the first happening of any such Damage.

LIMIT OF LIABILITY

The maximum We will pay for any Event in the Period of Insurance is the Limit of Liability specified in the Schedule for this Section 1(B).

ADDITIONAL BENEFITS

The following additional benefits apply to this section. These benefits will be payable in the event that a claim is paid under this section. Unless stated otherwise, these additional benefits are included in Our Limit of Liability for Section 1(B) and not in addition to it.

COMPUTER INSTALLATIONS

Any Loss resulting from interruption of or interference with the Business occasioned by Damage to computer installations, including ancillary equipment and data processing Media utilised by You in connection with the Business anywhere in Australia, is deemed to be Loss resulting from Damage to Insured Property used by You at Your Premises for the purpose of this Section 1(B).

This additional benefit only applies to Damage that would have been covered under Section 1(A) (other than under the additional benefits or optional covers) if such Damage had been Insured Property under that section.

PREVENTION OF ACCESS

Any Loss resulting from interruption of or interference with the Business as a consequence of Damage to property:

1. in the vicinity of the Premises which prevents or hinders the use of or access to the Premises, whether or not Insured Property at the Premises is Damaged, is deemed to be Loss resulting from Damage to Insured Property at the Premises for the purpose of this Section 1(B); or
2. in the vicinity of and forming part of or contained in the complex of which the Premises forms part, which results in a cessation or diminution of trade due to temporary falling away of potential custom whether or not Insured Property at the Premises is Damaged, is deemed to be Loss resulting from Damage to Insured Property at the Premises for the purpose of this Section 1(B).

This additional benefit only applies to Damage that would have been covered under Section 1(A) (other than under the additional benefits or optional covers) if such Damage had been to Insured Property under that section.

CLOSURE

This section is extended to include Loss directly or indirectly resulting from interruption of or interference with the Business carried on by You at Your Premises, as a consequence of closing of the whole or part of Your Premises, in the Period of Insurance, by order of a public authority as a result of an outbreak of a notifiable human infectious or contagious disease or bacterial infection or as a consequence of defects in the drains or other sanitary arrangements at Your Premises.

The most We will pay under this additional benefit is limited to \$250,000 for any one Loss at any one Premises.

NEW BUSINESS

In the event of Damage occurring at the Premises before the completion of the first year’s trading of the Business the terms Rate of Gross Profit, Annual Turnover, Standard Turnover and Rate of Payroll used this section will have the following modified meanings:

Term	Modified meaning
Rate of Gross Profit	The Rate of Gross Profit earned on the Turnover during the period between the date of the commencement of the Business and the date of the Damage (subject to any Adjustments).
Annual Turnover	The proportional equivalent, for a period of 12 months, of the Turnover realised during the period between the commencement of the Business and the date of the Damage.
Standard Turnover	The proportional equivalent, for a period equal to the Indemnity Period, of the Turnover realised during the period between the commencement of the Business and the date of the Damage.
Rate of Payroll	The Rate of Payroll to Turnover during the period between the date of the commencement of the Business and the date of the Damage.

TURNOVER/OUTPUT ALTERNATIVE

At Your option, the term output can be substituted for the term Turnover in Section 1(B).

Output means the sale value of goods manufactured or processed by You in course of the Business at the Premises. If You choose this substitution, the clause ‘Turnover elsewhere after damage’ (see ‘Conditions’ on page 32) is amended to read as follows:

if during the Indemnity Period goods are manufactured or processed other than at the Premises for the benefit of the Business, either by You or by others on Your behalf, the amounts received or receivable in respect of sale or invoice value of those goods will be brought into account in arriving at the output during the Indemnity Period.

DIMINISHED VALUE ALLOWANCE (DVA)

At Your option, We will substitute the following as the method We will use to calculate the amount We will pay You under ‘Gross Profit’ in connection with Loss or Damage to Your Vehicles that are stock and not a Total Loss:

1. New Vehicles
 - a. If the Selling Price is \$60,000 or greater:
 - i. if Damage is \$800 or less, then allow cost of repairs as DVA.
 - ii. if Damage is greater than \$800 but not exceeding \$5,000, then allow \$3,000 as DVA.
 - iii. if Damage exceeds \$5,000, then allow cost of repairs as DVA but limited to \$10,000.
 - b. If the Selling Price is \$40,000 or greater but less than \$60,000:
 - i. if Damage is \$800 or less, then allow cost of repairs as DVA.
 - ii. if Damage is greater than \$800, then allow DVA of \$2,000.
 - c. If the Selling Price is \$30,000 or greater but less than \$40,000:
 - i. if Damage is \$800 or less, then allow cost of repairs as DVA.
 - ii. if Damage is greater than \$800, then allow DVA of \$1,500.
 - d. If the Selling Price is less than \$30,000:
 - i. if Damage is \$800 or less, then allow cost of repairs as DVA.
 - ii. if Damage is greater than \$800, then allow DVA of \$1,200.

Selling Price is the inward cost of the Vehicle plus the actual average margin for Gross Profit, not inclusive of Holdback.

2. Used Vehicles

- a. if the Selling Price is greater than \$25,000:
allow \$2,000 as DVA or the cost of repairs whichever is the lesser.
- b. if the Selling Price is greater than \$12,500 but less than \$25,000:
allow \$1,500 as DVA or the cost of repairs whichever is the lesser.
- c. if the Selling Price is \$12,500 or less:
allow nil DVA, unless still covered by the manufacturer's warranty then allow cost of repairs as DVA or \$1,200 whichever is the lesser.

Selling Price is calculated from the actual cost of the Vehicle, free from loadings plus outlays expended on it and the average margin for Gross Profit.

ADVERTISING COSTS

We will also pay the reasonable advertising costs incurred by You to facilitate the sale of Your Vehicles, up to a maximum of \$250 for each Vehicle.

This cover applies in addition to the Limit of Liability for this Section 1(B).

UTILITIES EXTENSION

Any Loss resulting from interruption of or interference with the Business directly or indirectly as a consequence of Damage anywhere in Australia to any communication link, subterranean or undersea pipe or cable or electric power station or sub-station, gas works, water works or supply line of the supply undertaking from which You obtain electric current, gas or water, is deemed to be Loss resulting from Damage to Insured Property used by You at the Premises for the purpose of this Section 1(B).

This additional benefit only applies to Damage that would have been covered under Section 1(A) (other than under the additional benefits or optional covers) if such Damage had been to Insured Property under that section.

However, this will not apply to any Loss during the 48 hours immediately following the Damage.

OPTIONAL COVERS

If You have cover under this section, You can choose to add any of the following optional covers to Your Policy. The options that You have chosen to add to Your Policy will be set out in the Schedule.

These optional covers set out below are subject to the terms and conditions of this Policy, including the Limits of Liability, unless otherwise stated.

RENT RECEIVABLE

Under this option, We will cover You for loss of rent receivable (including amounts due for services rendered and recoverable expenses that are directly related to collecting such rent) resulting from such interruption or interference covered by this Section 1(B).

The amount We will pay You under this optional cover is the amount by which rent (including amounts for services rendered and recoverable expenses that are directly related to collecting such rent) received or receivable during the Indemnity Period falls short of the amount which it may be reasonably estimated would have been received during that period had the Damage not occurred.

We will also pay the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the loss of rent (including amounts for services rendered and recoverable expenses that are directly related to collecting such rent), less any sum saved during that period in respect of the charges or expenses payable out of rent as may cease or be reduced as a consequence of the Damage.

The most We will pay under this optional cover is the Limit of Liability set out in the Schedule for 'Rent Receivable'.

CLAIM PREPARATION COSTS

We will cover You for the reasonable professional fees payable by You to Your financial advisers (including fees of any accountant, loss adjuster or valuer appointed by You), and such other reasonable expenses necessarily incurred by You and not otherwise recoverable, for preparation of claims and proving the amount of any Loss under this section.

The most We will pay under this optional cover is the Limit of Liability set out in the Schedule for 'Claims Preparation Costs'.

CUSTOMER'S PREMISES

Any Loss resulting from interruption to or interference with the Business as a consequence of Damage to the customer's premises (or in the vicinity of such premises, which prevents or hinders access to such premises), anywhere in Australia, is deemed to be Loss resulting from Damage to Insured Property at the Premises for the purpose of this Section 1(B).

This optional cover only applies to Damage that would have been covered under Section 1(A) (other than under the additional benefits or optional covers) if such Damage had been to Insured Property under that section.

The most We will pay under this optional cover is the Limit of Liability set out in the Schedule for 'Customer's Premises'.

SUPPLIER'S PREMISES

Any Loss resulting from interruption of or interference with the Business as a consequence of Damage to a supplier's premises described in the Schedule is deemed to be Loss resulting from Damage to Insured Property at the Premises for the purpose of this Section 1(B).

This optional cover only applies to Damage that would have been covered under Section 1(A) (other than under the additional benefits or optional covers) if such Damage had been Insured Property under that section.

The most We will pay under this optional cover is the Limit of Liability set out in the Schedule for 'Supplier's Premises'.

CONDITIONS

The following conditions apply to Section 1(B).

TURNOVER ELSEWHERE AFTER DAMAGE

If during the Indemnity Period goods are sold or services are rendered other than at the Premises for the benefit of the Business, either by You or by others on Your behalf, the amounts received or receivable in respect of those sales or services will be brought into account in arriving at the Turnover during the Indemnity Period.

ACCUMULATED STOCKS

In adjusting any Loss, account will be taken, and equitable allowances made, if there is a Shortage in Turnover due to the Damage is postponed by reason of the Turnover being temporarily maintained from accumulated stocks of finished goods.

BOOKS OF ACCOUNT

Any particulars or details contained in Your books of account or other business books or Documents which may be required by Us for the purpose of investigating or verifying any claim under this section must, at Our request, be produced and certified by Your auditors. An auditors' certificate will be prima facie evidence of the particulars and details to which such certificate relates.

SALVAGE SALE

If, following Damage covered under Section 1(A), You hold a salvage sale during the Indemnity Period, clause (1) of the Gross Profit calculation method under this Section 1(B) will, for the purpose of any claim connected with that Damage, apply as follows:

1. in respect of reduction in Turnover:
the sum produced by applying the Rate of Gross Profit to the amount by which the Turnover during the Indemnity Period (less the turnover for the period of the salvage sale) shall, as a consequence of the Damage, fall short of the Standard Turnover, from which shall be deducted the Gross Profit actually earned during the period of the salvage sale.

For this condition, Shortage in Turnover means:

the amount by which the Turnover during a period (less the Turnover for the period of the salvage sale) will, as a consequence of the Damage, fall short of the part of the Standard Turnover which relates to that period, from which will be deducted the Payroll paid during the period of the salvage sale.

The conditions on pages 34 to 36 also apply to cover under Sections 1(A) and 1(B).

EXCLUSIONS

The exclusions set out below apply to cover under Sections 1(A) and 1(B).

PROPERTY EXCLUSIONS

We do not cover any loss or damage to:

1. property whilst in transit other than during the incidental movement of property within the Premises. This exclusion does not apply during temporary removal of Insured Property (other than stock or merchandise and Vehicles) to any premises in Australia;
2. Money;
3. jewellery, furs, bullion, precious metals or precious stones, other than any of these that are stock of the Business;
4. any locomotive or rolling stock or Watercraft, other than any of these that are stock of the Business, however, cover in respect of Watercraft whilst on water will only apply to stock whilst being used for demonstration purposes, up to the amount set out on the Schedule;
5. any Aircraft (including its Accessories or spare parts) other than any of these that are stock of the Business, however, no cover is provided for any Loss or during taxiing, take off, flight or landing;
6. any Vehicles or Customer's Vehicles or other property owned by Your customers other than whilst in or on the Premises, other than to the extent cover is specifically provided under this section;
7. land, provided that this exclusion does not apply to structural improvements on or in the land if those structural improvements are not otherwise excluded in this Policy;
8. bridges, canals, tunnels, railway tracks (other than on the Premises), dams and reservoirs (other than tanks) and their contents;
9. docks, wharves and piers not forming part of any Building;
10. mining property located beneath the surface of the ground unless otherwise expressly stated in this Policy;
11. property during the course of, and as a result of, its processing or modification;
12. property other than Customer's Vehicles in the Open Air other than Hail nets, textile canopies, awnings and blinds unless such property comprises or forms part of a permanent structure designed to function without protection of walls or roof caused by wind, rainwater or Hail;
13. Vehicles other than Customer's Vehicles in the Open Air caused by Hail;

14. property under construction, erection, alteration or addition when the value of work to be completed at any one Premises at the time of the Damage exceeds 10% of the Limit of Liability for this section or \$500,000, whichever is the lesser. This exclusion will apply only to the works comprising such construction, erection, alteration or addition and not to any original or existing structures;
15. empty premises undergoing demolition; or
16. any equipment where such Damage is caused by a breakdown of the equipment.

PERILS EXCLUSIONS

We do not cover Loss or Damage caused by, resulting or arising from, or as a consequence of;

1. a. Flood. However, this exclusion does not apply where a Limit of Liability is set out on the Schedule in respect of 'Flood' and subject to Our liability being limited under Sections 1(A) and 1(B) for all Loss and Damage caused by, resulting or arising from, or as a consequence of Flood to that Limit of Liability; or
 - b. water from or action by the sea, tidal wave or high water.
- However, exclusions (1)(a) and (1)(b) do not apply if the Damage is caused by or arises out of an earthquake or seismological disturbance.
2. a. moths, termites or other insects, vermin, rust or oxidation, mildew, mould, contamination or Pollution, wet or dry rot, corrosion, change of colour, dampness of atmosphere or other variations in temperature, evaporation, disease, inherent vice or latent defect, loss of weight, change in flavour, texture or finish, smut or smoke from industrial operations (other than sudden and unforeseen Damage resulting from such smoke or smut);
 - b. wear and tear, fading, gradual deterioration or developing flaws, normal upkeep or making good;
 - c. error or omission in design, plan or specification or failure of design;
 - d. normal settling, seepage, shrinkage or expansion in Buildings or foundations, walls, pavements, Roads and other structural improvements, creeping, heaving and vibration; or
 - e. faulty materials or faulty workmanship.

However, perils exclusions (1) and (2) above do not apply to subsequent Damage to the Insured Property occasioned by a peril (not otherwise excluded) resulting from any peril referred to in those exclusions.

3. a. incorrect siting of Buildings consequent upon:
 - i. error in architectural design or specification;
 - ii. faulty workmanship; or
 - iii. non-compliance by You (or anyone acting on Your behalf) with the necessary permits issued by government, public or local authorities;
- b. demolitions ordered by government or public or local authorities due to failure on Your part or Your agents to obtain the necessary permits required;
- c. Theft;
- d. unexplained disappearance or unexplained inventory shortage, whether resulting from errors in supply or delivery of materials by or to You or solely from clerical or accounting errors by You;
- e. spontaneous combustion, spontaneous fermentation or heating or any process involving the direct application of heat. However, this exclusion is limited to the item or items immediately affected and does not extend to other property Damaged as a result of the spontaneous combustion, fermentation or heating or process involving the direct application of heat.
- f. the following:
 - i. fraudulent or dishonest acts, fraudulent misappropriation, embezzlement, forgery, counterfeiting data corruption, unauthorised amendment of data and erasure by electronic or non-electronic means involved the insured property by You or any of Your Employees acting alone or in collusion with any other person;
 - ii. access by any person, other than You or Your Employees, to Your computer system via data communication media that terminate in Your computer;
 - iii. the cessation of work whether total or partial or the cessation, interruption or retarding of any process or operation as a result of strikes, labour disturbances or locked out workers. However, this exclusion does not apply in respect of Loss or Damage directly caused by strikers, locked out workers or similar persons;
 - iv. erosion, subsidence, earth movement or Collapse resulting from them; or
 - v. kidnapping, bomb threat, threat of contamination, hoax, extortion or any attempt of these.

However, peril exclusion (3)(f) does not apply to subsequent Damage to the Insured Property occasioned by a peril (not otherwise excluded) resulting from any peril referred to in this exclusion.

CLAIMS EXCLUSIONS

We do not cover:

1. legal liability of whatsoever nature, other than legal liability covered specifically under Sections 1(A) or 1(B); or
2. consequential Loss of any kind including consequential Loss due to delay, lack of performance, loss of contract or depreciation in the value of land or stock, other than covered specifically under this section.

The general exclusions in Part 5 of this PDS and Policy Wording also apply.

CONDITIONS

The following conditions apply to Sections 1(A) and 1(B):

INTERESTS OF OTHER PARTIES

The pecuniary or economic interest of only those lessors, financiers, trustees, mortgagees, owners and all other parties specifically noted in Your records (other than floor plan financiers) are automatically included without notification or specification. You must tell Us in writing the nature and extent of such interest to be disclosed in the event of Damage.

Where the insurance covers the interest of more than one party, any act or neglect of an individual party will not prejudice the rights of the remaining parties, provided that the remaining parties must, immediately on becoming aware of any act or neglect whereby the risk of Damage has increased, give notice in writing to Us and on demand pay such reasonable additional Premium as We may require.

BRANDED GOODS

Any salvage of branded goods or merchandise, You own or held by You in trust or on commission, or goods sold but not delivered, will not be disposed of by sale without Your consent. If such salvage is not disposed of by sale, then the Damage will be assessed at the value agreed between You and Us after brands, labels or names have been removed by or on Your behalf.

HAZARDOUS GOODS

The storage of Hazardous Goods usual to Your trade or occupation is allowed.

OUR RIGHTS

On the happening of any Loss or Damage in respect of which a claim is or may be made under this Policy, We and every person authorised by Us may, without incurring any liability and without diminishing Our right to rely upon any conditions of this Policy, enter, take or keep possession of any Building or premises where the Loss or Damage has happened and may take possession of or require to be delivered to Us any of the Insured Property and may keep possession of and deal with such property for all reasonable purposes and in any reasonable manner.

ACQUIRED COMPANIES

This section extends to cover Vehicles located in Australia belonging to companies and other organisations in which You acquire a controlling interest during the Period of Insurance, provided that:

1. You tell Us about details of such acquisition within 90 days following the date of acquisition; and
2. the business of the new acquisition is similar to the Business.

For the purposes of this clause, a controlling interest will mean, in the case of a company, the acquisition of shares carrying more than 50% of votes capable of being cast at a general meeting of ordinary shareholders in such company.

AUTOMATIC REINSTATEMENT

When We pay a claim under Section 1(A) or 1(B) (or any other benefit or cover included in these sections), the Limit of Liability will be automatically reinstated if You pay Us the additional Premium that We require.

However, nothing in this clause will increase the Limit of Liability for any one claim, Event or Occurrence.

PROGRESS PAYMENTS

Progress payments on account of any claims may be made to You at such intervals and for such amounts as is agreed. Any progress payments will be deducted from total amount payable for any claim.

SUBROGATION WAIVER

We agree to waive any rights and remedies or relief to which We may become entitled by way of subrogation against:

1. any corporation or organisation (including its directors, officers, Employees or servants) owned or controlled by You, any of Your Subsidiaries or any co-owner of the relevant Insured Property;
2. Your directors, officers, Employees or servants; or

3. any government, semi-government, municipal or other statutory authorities or owners and lessors of premises but only where You have waived Your rights or remedies against such parties or agreed to hold such parties harmless in any contract You have with them.

ADJUSTMENT OF PREMIUM

1. The Premium shown is provisional and is calculated on the declared values of:
 - a. Insured Property; and
 - b. Gross Profit and Payroll, on the day of commencement of the Period of Insurance.
2. You must declare to Us in writing within a reasonable time after the expiry of the Period of Insurance:
 - a. the value of Insured Property on the day of expiry of the Period of Insurance. For the purpose of this declaration, stock-in-trade and merchandise are taken at its average value during the Period of Insurance.
 - b. the amount of the Gross Profit earned and Payroll paid in the course of the Business during the accounting period of 12 months most nearly concurrent with the Period of Insurance.
3. The Premium will be adjusted by payment to Us of an additional Premium or by allowance to You of a return Premium, as the case may be, calculated at the agreed rate on 50% of the difference between property declared in accordance with clauses (1)(a) and (2)(a) and the full agreed rate on the difference between the amounts declared under clauses (1)(b) and (2)(b).
4. It is agreed to make allowance for any abnormal fluctuation in values and to charge a Premium commensurate with the risk.
5. The values declared at the expiry of the Period of Insurance in accordance with this condition are not to be reduced as the result of Damage in respect of which a claim has been paid or is payable under this Policy.

SPRINKLER INSTALLATIONS

You must ensure that the Premises are protected, as required by law, by an approved installation of automatic sprinklers, automatic external alarm signal and automatic alarm signal connected with a fire brigade station. You must also ensure that these installations are maintained in good working order.

You must undertake the regular maintenance of these installations in accordance with Australian Standard AS 2118 Automatic Sprinkler Systems.

Notice of all alterations, additions and maintenance to the automatic sprinkler installation must be given by You to Us as soon as reasonably practicable.

Once You notify Us of any changes, We will decide if We will agree to continue to insure You under this Policy, and on what terms. We may charge You additional Premium to continue to insure You.

DEFINITIONS

The following definitions apply to Sections 1(A) and 1(B).

Adjustments

Means, in respect of Shortage in Turnover, Rate of Gross Profit, Rate of Payroll, Standard Turnover and Annual Turnover such adjustments as may be necessary to provide for the trend of the Business and for variations in or other circumstances affecting the Business either before or after the Damage or which would have affected the Business had the Damage not occurred, so that the figures adjusted represent as nearly as may be reasonably practicable the results which but for the Damage would have been obtained during the relative period after the Damage.

Annual Turnover

Means the Turnover of the Business (subject to any adjustments) during the 12 months immediately before the date of the Damage.

Collapse

Means the sudden and dangerous distortion of any part of the permanent structure of plant by bending or crushing caused by force of steam or fluid pressure whether attended by rupture or not. Except in the case of a steam test at a pressure not exceeding the maximum pressure permitted by the inspecting authority, the term 'Collapse' does not include failure under any test.

Explosion

Means the sudden and violent rending of the permanent structure of the plant by force of internal steam or fluid pressure or bodily displacement of any part of such structure together with forcible ejection of its contents. Except in the case of a steam test at a pressure not exceeding the maximum pressure permitted by the inspecting authority, the term 'Explosion' does not include failure under any test.

Fidelity Loss

Has the same meaning as defined in Section 9.

Gross Income

Means any amount paid or payable to You for goods sold, services rendered, or rental received, less the purchase price of Vehicles or stock.

Indemnity Period

Means the period beginning when the Damage took place, and ending when the Business is no longer affected by the Damage, or the period shown in the Schedule, whichever is the sooner.

Insured Property

Means all real and Personal Property of every kind and description (except as excluded in this Policy) belonging to You or for which You are responsible, or have assumed responsibility to insure prior to the occurrence of any Damage, including all such property in which You may acquire an insurable interest during the Period of Insurance.

Insured Property includes:

1. Customer's Vehicles, subject to the Limit of Liability stated in the Schedule against 'Customer's Vehicles'.
2. Vehicles financed under Your Dealer Floor Plan Agreements (but We do not cover Damage recovered or recoverable under the provisions of Your Dealer Floor Plan Agreement).

Landscaping

Means lawns, gardens, ornamental plants, shrubs and trees.

Land value

Means the sum certified by the Valuer General as being the value of the land so described in the Policy after due allowance has been made for variations in or special circumstances affecting such value either before or after the Damage or which would have affected the value had the Damage not occurred so that the figures as adjusted represent as near as may be reasonably practicable the true land value pertaining both before and after the Damage.

Open Air

Includes area under Hail nets or any structure that is not fully enclosed.

Payroll

Means the remuneration (including but not limited to payroll tax, fringe benefits tax, sick pay, bonuses, holiday pay, long service leave, workers' compensation insurance premiums and accident compensation levies, superannuation and pension fund contributions, and the like), paid to or on behalf of all Employees employed in the Business.

Rate of Gross Profit

Means the rates of Gross Profit (subject to any Adjustments) expressed as a percentage, earned on the Standard Income during the financial year immediately before the date of the Damage.

Rate of payroll

Means the Rate of Payroll to Turnover (subject to any Adjustments) during the 12 months immediately before the date of the Damage.

Shortage in Turnover

Means the amount by which the Turnover (subject to any Adjustments) during a period shall, as a consequence of the Damage, fall short of the part of the Standard Turnover which relates to that period.

Standard Income

Means the Gross Income during that period which corresponds to the Indemnity Period, in the 12 months before the Damage occurred.

Standard Turnover

Means the Turnover (subject to any Adjustments) during that period in the twelve months immediately before the date of the Damage which corresponds with the Indemnity Period.

Theft

Means Theft or attempted Theft of Insured Property, including:

1. Theft following forcible and violent entry to the Premises or any attempt at that;
2. Theft or any attempt at Theft by a person feloniously concealed on the Premises;
3. Theft following assault or violence or threat of immediate assault or violence to You, Your Employees or customers, occurring on the Premises;
4. Theft following armed hold up occurring at the Premises; or
5. Theft or attempted Theft of Vehicles, spare parts or Accessories whilst in, on or about the Premises.

Turnover

Means the Money (less discounts, if any allowed) paid or payable to You for goods sold and delivered and for services rendered in the course of the Business at the Premises.

SECTION 2 – CRIME

THE COVER

This section provides You with the covers set out below that have been chosen by You and that are shown as included in the Schedule.

2(A) THEFT

We will cover You for Loss or Damage to Insured Property caused by Theft in the Period of Insurance. Under this Section 2(A), We do not cover Theft:

1. by any of Your Employees, directors or officers;
2. of Money;
3. of livestock, animals, birds or fish;
4. of standing timber, growing crops and pasture;
5. of jewellery, furs, bullion, precious metals or precious stones other than as stock or merchandise of the Business;
6. of any Vehicles by use of the Vehicle's own key unless such keys were obtained by entry to a securely locked safe, strongroom or key cabinet approved by Us and these keys were obtained by the use of force or violence; or
7. of any Vehicles where the Vehicle was being serviced within the confines of Your service workshop and You have not enforced a policy of restricting non-employees to enter the service workshop.

Under this Section 2(A), We will also pay for the reasonable and necessary costs that are incurred for:

1. replacing locks or keys or combinations including locks and keys of Vehicles or the cost of opening safes or strongrooms where, if because of Theft covered by this Section 2(A) the keys or combinations are stolen, or if there are reasonable grounds to believe the keys may have been duplicated; and
2. replacing and developing security film where it is exposed because of Theft covered by this Section 2(A).

ADDITIONAL BENEFITS

The following additional benefits apply to this section. Unless stated otherwise, these additional benefits are included in Our Limit of Liability and not in addition to it.

DIRECTOR'S OR EMPLOYEE'S PROPERTY

We will cover You for the replacement cost of the following property used for the Business and caused by Theft in the Period of Insurance:

1. Personal Property of Your directors or Employees on the premises at the time of the Loss or Damage; and
2. tools of trade belonging to Your directors or Employees away from the Premises at the time of the Loss or Damage.

The most We will pay under this additional benefit is the Limit of Liability set out in the Schedule for 'Directors or Employees Property'.

TOTAL LOSS EXTENSION

At Your option, We will substitute the following as the method We will use to calculate the amount We will pay You for Theft of Your Vehicles in the Period of Insurance that have travelled less than 10,000 kilometres at the date of Loss or Damage:

1. if Your Vehicle had a Market Value of \$50,000 or less at the date of the Loss and incurs 30% or more Damage, the Vehicle will be treated as a Total Loss.
2. if Your Vehicle had a Market Value of between \$50,001 and \$100,000 at the date of the loss and incurred 25% or more Damage, the Vehicle will be treated as a Total Loss.
3. if Your Vehicle had a Market Value of \$100,001 or more at the date of the Loss and incurred 20% or more Damage, the Vehicle will be treated as a Total Loss.

The optional cover of Diminished Value Allowance (DVA) under this Section will not apply to Your Vehicles if You select this option.

The cover on Your Vehicles, spare parts and Accessories ceases automatically if We pay a Total Loss claim for that Vehicle, spare parts and Accessories. There is no refund of unexpired Premium or any registration costs in these circumstances and the Vehicle, spare parts and Accessories become Our property.

OPTIONAL COVERS

If You have cover under Section 2(A), You can choose to add any of the following optional covers to Your Policy. The options that You have chosen to add to Your Policy will be set out in the Schedule.

These optional covers set out below are subject to the terms and conditions of this Policy, including the Limits of Liability, unless otherwise stated.

DIMINISHED VALUE ALLOWANCE (DVA)

We will pay You the following for Theft of Your Vehicles in the Period of Insurance that are Stock and not a Total Loss:

1. New Vehicles
 - a. If the Selling Price is \$60,000 or greater:
 - i. if Damage is \$800 or less, then allow cost of repairs as DVA.
 - ii. if Damage is greater than \$800 but not exceeding \$5,000, then allow \$3,000 as DVA.
 - iii. if Damage exceeds \$5,000, then allow cost of repairs as DVA but limited to \$10,000.
 - b. If the Selling Price is \$40,000 or greater but less than \$60,000:
 - i. if Damage is \$800 or less, then allow cost of repairs as DVA.
 - ii. if Damage is greater than \$800, then allow DVA of \$2,000.
 - c. If the selling price is \$30,000 or greater but less than \$40,000:
 - i. if Damage is \$800 or less, then allow cost of repairs as DVA.
 - ii. if Damage is greater than \$800, then allow DVA of \$1,500.
 - d. If the Selling Price is less than \$30,000:
 - i. if Damage is \$800 or less, then allow cost of repairs as DVA.
 - ii. if Damage is greater than \$800, then allow DVA of \$1,200.

Selling Price is the inward cost of the Vehicle plus the actual average margin for Gross Profit, not inclusive of Holdback.

2. Used Vehicles
 - a. if the Selling Price is greater than \$25,000:
allow \$2,000 as DVA or the cost of repairs whichever is the lesser.
 - b. if the Selling Price is greater than \$12,500 but less than \$25,000:
allow \$1,500 as DVA or the cost of repairs whichever is the lesser.
if the Selling Price is \$12,500 or \$25,000:
allow nil DVA, unless still covered by the manufacturer's warranty then allow cost of repairs as DVA or \$1,200 whichever is the lesser.

Selling Price is calculated from the actual cost of the Vehicle, free from loadings plus outlays expended on it and the average margin for Gross Profit.

The most We will pay under this optional cover is the Limit of Liability set out in the Schedule for 'Diminished Value Allowance'.

ADVERTISING COSTS

We will also pay the reasonable advertising costs incurred by You to facilitate the sale of Your Vehicles, up to a maximum of \$250 for each vehicle.

The most We will pay under this optional cover is the Limit of Liability set out in the Schedule for 'Advertising costs'.

CLAIM PREPARATION COSTS

We will cover You for the reasonable professional fees payable by You to Your financial advisers (including fees of any accountant, loss adjuster or valuer appointed by You), and such other reasonable expenses necessarily incurred by You and not otherwise recoverable, for preparation of claims and proving the amount of any Loss under this section.

The most We will pay under this optional cover is the Limit of Liability set out in the Schedule for 'Claims Preparation Costs'.

2(B) MONEY

We will cover You for Loss of or Damage to Money in the Period of Insurance in the following circumstances:

1. Money in transit to or from the Premises whilst in Your personal custody or the custody of persons that You have authorised;
2. Money whilst contained in a night safe of any bank at which You normally transacts business;
3. Money contained in the Premises:
 - a. during business hours; or
 - b. outside business hours but only whilst kept in a locked safe; or
4. Money in Your custody or the custody of persons that You have authorised while contained in the private residence of that person.

Under this Section 2(B), we do not cover Loss of or Damage to Money:

1. stolen from an unlocked and unattended Vehicle;
2. stolen from a safe or strongroom that has been opened by a key or by the use of details of a combination that has either been left at the Premises outside business hours, unless such key or combination details have been properly secured;
3. where the Damage is not Discovered within 5 working days of the Event; or

4. where the Damage arises out of:
 - a. kidnapping;
 - b. bomb threat;
 - c. hoax;
 - d. extortion; or
 - e. any attempt at these.

2(C) EMPLOYEE DISHONESTY

We will cover You for Loss of Money or goods belonging to You or for which You are responsible, caused by an act of fraud or dishonesty committed by an Employee during the Period of Insurance. We will pay You, at Our discretion, the lesser of the:

1. Actual Cash Value of any Money; or
2. cost of repairing or replacing goods with any property or material of like quality and value.

We may, with Your consent, settle any claim for Loss or Damage to goods directly with their owner.

Under this Section 2(C), we do not cover:

1. Loss arising from any act of fraud or dishonesty committed more than 12 months prior to the date of receipt by Us of notice of such Loss or Damage;
2. Loss arising after You have the knowledge of any act of fraud or dishonesty on the part of an Employee, however, this exclusion will not apply to Loss of Money or property other than being conveyed by such Employee outside the Premises;
3. consequential Loss or legal liability of any kind; or
4. Loss or part of a Loss which is evidenced solely as to its factual existence or as to the amount by an inventory computation or a profit and loss calculation.

Under this Section 2(C), We will also pay for:

1. the fees payable by You to Your auditors to quantify any Loss covered by this additional benefit Section 2(C); and
2. other costs, charges and expenses reasonably and necessarily incurred by you in connection with the preparation of a claim covered by this Section 2(C).

The following conditions apply to this Section 2(C):

1. this Section 2(C) extends to cover alterations or additions to Your staff from the date of each alteration or addition subject to You providing, at Our request, a statement showing the total number of Employees and the categories required to ascertain and adjust the Premium and You paying any adjusted Premium to Us.

2. if You are unable to designate the specific Employee causing the Loss, Your claim in respect of such Loss shall not be invalidated by Your inability to do so, provided that You are able to provide evidence to prove to Us that the Loss was in fact due to an act of fraud or dishonesty committed during the Period of Insurance by one or more of the Employees.
3. if this Policy supersedes any similar policy previously held by You, then this additional benefit will apply to any Loss which is Discovered by You during the Period of Insurance (or within 12 months after the end of it) and which would have been recoverable by You under such prior policy but for the fact that the time allowed under that policy for the discovery of that Loss had expired, but only if that Loss would have been covered under the terms of this additional benefit had it been in force when the act of fraud or dishonesty resulting in the Loss was committed.
4. any person who ceases to be Your Employee will be considered as being an Employee for the purposes of this section for a period of 12 months after such person ceased to be an Employee.
5. You must institute or maintain and continue to employ, in every manner, all such systems of check and control, accounting and clerical procedures and methods of conducting the Business as is reasonable in the circumstances or has been represented to Us, however, You may change the remuneration, conditions of service, duties and position of any Employees or make such other changes as are approved beforehand in writing by Your auditors. Cover under this option Section 2(C) will not be invalidated in the event of a breach or non-compliance with this condition if such breach or non-compliance occurs without the knowledge or consent of Your officer responsible for insurance.
6. You must, to the extent allowed by law, retain all salary, commission, moneys or assets or the property of any Employee in respect of whom a claim is made which may be in or come into your hands or under your control and apply the same towards making good the amount of any default due to acts covered under this Section 2(C). However, if the total loss to You exceeds the amount recoverable under this item, that retention shall be applied first to the uninsured portion of the Loss.
7. in the event of the Discovery by You of any Loss or Damage involving a suspected act of fraud or dishonesty by an Employee, You must notify Us in writing of such Loss but may, regardless of anything to the contrary in this Policy, refrain from reporting the matter to the police unless otherwise instructed by Us to the contrary.

WHAT WE COVER

The following sets out how We will calculate a payment for Damage to any Insured Property covered under Section 2(A):

1. unless a more specific calculation method is set out below, on Buildings, machinery, plant and all other property and contents, including Landscaping, the cost of reinstatement, replacement or repair as set out in the 'Claim calculation conditions' in this Section 2.
2. on raw materials, supplies and other merchandise not manufactured by You, the replacement cost at the time and the place of replacement or, if such property is not replaced, the market value of the property at the time and place of the Damage.
3. on material in process of manufacture, the replacement value of the raw materials and the value of labour and other overhead charges expended to replace them at the time and the place of the Damage.
4. on finished goods, the replacement value of the raw materials and the value of labour and other overhead charges expended to replace them, without any allowance for profit, or the cost of re-stocking those goods, whichever is the lesser.
5. on computer systems, records, Documents, manuscripts, Securities, deeds, specifications, plans, drawings, designs, business books and other records of every description, the cost of reinstating, replacing, reproducing or restoring the Insured Property, including information contained in or on them (but excluding the value to You of the information), or, if reinstating, replacing, reproducing or restoring is not reasonably required, the replacement cost of materials as blank stationery at the time and place of Damage.
6. on patterns, models, moulds, dies or casts, the cost of repair or replacement (if actually replaced) otherwise the Indemnity Value to You of such property.
7. on Glass:
 - a. the cost of repairing or replacing Damaged Glass;
 - b. temporary shuttering or hiring of security service pending replacement of Damaged Glass;
 - c. sign-writing and ornamentation on Glass;
 - d. replacement burglar alarm tapes on Glass;
 - e. removing and re-fixing of windows and show-case frames and fittings; and
 - f. heat reflecting material or process on Glass.
8. on empty Premises awaiting demolition, the Salvage Value of the building materials and landlord's fixtures and fittings.
9. Loss or Damage to new Vehicles not insured under Your Dealer Floor Plan Agreements:
 - a. Total Loss – the replacement cost of the Vehicle, (including options, Accessories, tools and spare parts) or if not replaced, the Stock Card Value of the Vehicle, with no allowance for dealer margin or profit.
 - b. Partial Loss – the cost to repair the Vehicle (including options, Accessories, tools and spare parts). If You repair the Vehicle, We will pay labour costs based on Your recognised labour rates. If You supply the parts and Accessories the amount We will pay for such parts and Accessories will be the cost to You plus 15%.
10. on new Vehicles subject to your Dealer Floor Plan Agreements, the amount in excess of the amount recoverable under such agreement and any Improved Value at the time of the Damage, limited to Your equity in such Vehicles. This does not include any difference in Excesses under your Dealer Floor Plan Agreements and this section.
11. on spare parts and Accessories of Vehicles, the cost of repair or replacement provided that if the parts and or Accessories are supplied by You, the amount We will pay will be Your cost of parts and or Accessories plus 15%, plus the reasonable cost of fitting.
12. Loss or Damage to used Vehicles not insured under Your Dealer Floor Plan Agreements:
 - a. Total Loss – the sum of the actual price paid by You plus all direct expenditure subsequently incurred in the preparation and improvement of the Vehicle for resale (with no allowance for profit or other expenses) or Market Value, whichever is the lesser.
 - b. Partial Loss – the cost to repair the Vehicle (including options, Accessories, tools and spare parts). If You repair the Vehicle, We will pay labour costs based on Your recognised labour rates. If You supply the parts and Accessories the amount We will pay for such parts and Accessories will be the cost to you plus 15%.
13. on used Vehicles subject to your Dealer Floor Plan Agreements, the amount in excess of the amount recoverable under such agreement and any Improved Value at the time of the Damage, limited to Your equity in such Vehicles. This does not include any difference in Excesses under your Dealer Floor Plan Agreements and this section.
14. on leased Vehicles (residual value), on Vehicles under a lease agreement that are a Total Loss, the payout sum under the lease agreement, if it is greater than an amount that otherwise applies under this section. However, We will not pay more than the amount that the cost to repair or replace that Vehicle, plus 10% of that amount.

15. on leased equipment (residual value): on machinery, plant and equipment (but not Vehicles) leased on a residual value basis that are a Total Loss, the amount for which the lessee is contractually liable to the lessor, up to the sum represented by rent payable under the lease for the period commencing on the date of the Damage and ending on the retirement date, plus the current market value of the property immediately before its Loss or Damage or the residual value, whichever is the greater, less any Salvage Value.

16. on Customer's Vehicles:

Either of the following, at Our option:

- a. pay You the cost to repair or replace the Vehicle as far as circumstances permit and in a reasonably sufficient manner, to a condition equal to but not better or more extensive than its condition immediately prior to the Damage occurring, with allowance for wear, tear and depreciation; or
 - b. pay You the Market Value of the Vehicle.
17. on Hail nets, textile canopies, awnings and blinds, reinstatement and replacement value for the first 24 months following installation as new. After this time, the reinstatement and replacement value less 10% for each subsequent 12 month period or part of that period.

4. You may, at Your option, rebuild or replace the Damaged or destroyed Building in a different shape or form. However, our Limit of Liability will apply.

5. You are not bound to actually rebuild any Building destroyed but may purchase an alternative existing building to replace that which was destroyed. Such replacement is deemed to constitute reinstatement for the purpose of the cover under this section. However, we are not be liable to make any payment beyond the cost that would have been incurred had the Building that was destroyed been rebuilt.

The following provisions apply to this condition (5):

- a. the work of rebuilding, replacing, repairing or restoring as the case may be (which may be carried out upon any other site(s) and in any manner suitable to your requirements, but subject to our liability not being increased), must be commenced and carried out with reasonable dispatch. If not, we will not be liable to make any payment greater than the indemnity value of the damaged property at the time of the happening of the damage.
- b. when any insured property to which this condition applies is damaged in part only, our liability will be limited to the sum representing the cost to reinstate the property (in accordance with this condition) as if it had been wholly destroyed.
- c. no payment beyond the amount which would have been payable under this Policy will be made by us until a sum equal to the cost of reinstatement has been actually incurred. However, where you reinstate or replace any lost or destroyed property at a cost which is less than the cost of reinstatement (as defined in this condition) but greater than the value of such property at the time of damage, then the cost so incurred will be deemed to be the cost of reinstatement.
- d. all other industrial special risks or fire and named perils insurance covering the property effected by You or on Your behalf must be on a similar reinstatement basis.

CLAIM CALCULATION CONDITIONS

REINSTATEMENT OR REPLACEMENT

This condition applies to reinstatement or replacement of Buildings, machinery, plant and all other property, unless stated otherwise in this Section 2.

For this property, We will pay the cost of reinstatement of Insured Property at the time of its reinstatement, subject to the Limit of Liability, based on the following:

1. where property is lost or destroyed:
 - a. in the case of a Building, the rebuilding of it to a condition equal to, but not better or more extensive than, its condition when new; or
 - b. in the case of property other than a Building, the replacement of it by similar property of a condition equal to, but not better or more extensive than, its condition when new.
2. where property is Damaged, the repair of the property to a condition substantially the same as, but not better or more extensive than, its condition when new.
3. if We elect or become bound to reinstate or replace any property, You must, at Your own expense, produce and deliver to Us all plans, Documents and information as We may reasonably require. We will not be bound to reinstate exactly or completely, but only as circumstances permit and in reasonably sufficient manner and will not in any case be bound to expend more than the Limit of Liability.

EXTRA COST OF REINSTATEMENT

This condition applies to reinstatement or replacement of Buildings, machinery, plant and all other property and contents, unless stated otherwise in this Section 2.

For this property, We will pay the extra cost of reinstatement (including demolition or dismantling) of Damaged property necessarily incurred to comply with the requirements of any Act of Parliament or Regulation made under it or any By-Law or Regulation of any municipal or other statutory authority, subject to the Limit of Liability.

The following provisions apply to this condition:

1. the work of reinstatement (which may be carried out wholly or partially upon any other site(s), if the requirements of the relevant Act, Regulation or By-Law require), must be commenced and carried out with reasonable dispatch, failing which We shall not be liable to make any payment beyond the amount which would have been payable under this Policy without reference to this condition.
2. the amount payable does not include the additional cost incurred in complying with any such Act, Regulation, Bi-Law or requirement which You have been required to comply with prior to the happening of the Damage.
3. co-insurance does not apply to this condition.
4. all other industrial special risks or fire and named perils insurances covering the property effected by or on Your behalf must be on a similar basis.
5. if the cost of reinstatement of the Damage under this condition is less than 50% of that which would have been the cost of reinstatement of the insured property if such property had been totally destroyed, the amount payable under this condition is limited to the extra cost of reinstatement necessarily incurred in reinstating only that Damaged portion.

FLOOR SPACE RATIO INDEX (PLOT RATIO)

If any Building is a Total Loss and, as a result of the exercise of statutory powers or authority by any government department, local government or any other statutory authority, reinstatement of that Building is only permissible subject to a reduced floor space ratio index, We agree to pay (in addition to any amount payable on reinstatement of that Building) the difference between:

1. the actual cost of reinstatement incurred in accordance with the reduced floor space ratio index; and
2. the cost of reinstatement which would have been incurred had a reduced floor space ratio index not been applicable.

In arriving at the amount payable under (1) and (2) above, any payments made by Us will include the extra cost of reinstatement, including demolishing or dismantling Your property that is necessarily incurred to comply with the requirements of any Act of Parliament or Regulation made under it or any By-Law or Regulation of any municipal or other statutory authority.

Any payment made for the difference between (1) and (2) above will be made as soon as the difference is ascertained upon completion of the rebuilding works and certified by the architect acting on Your behalf in the reinstatement of the Building.

LOSS OF LAND VALUE

If the competent local or government authority refuses to allow the full reconstruction of the premises following Damage, or allows partial reconstruction only, We will pay the difference between the land value before and after the Damage.

We will deduct from what We pay any amount of compensation payable to You by the relevant authority arising out of the action of the authority.

Our liability in respect of loss of land value is limited to \$500,000.

The following provisions apply to this condition:

1. our payment will be made following the ruling of the competent local or government authority resulting in the loss of land value.
2. if We have made a payment to You and subsequently the ruling of the competent local or government authority is changed resulting in an increase in the land value, that part of the claim paid in excess of the revised land value will be refunded by You to Us.
3. all disputes relating to land value will be referred to the decision of two registered valuers, one to be appointed by each of the parties, and if the two registered valuers do not agree, to a third valuer appointed by the President of the Australian Institute of Valuers as an expert whose decision shall be binding.

EXCESS

You must pay any Excess that applies to a claim under this section for any Event. The Excess(es) that apply to the different covers chosen by you in this section will be set out in the Schedule.

LIMIT OF LIABILITY

The most We will pay under:

1. Section 2(A) is the Limit of Liability set out in the Schedule for Theft and any optional cover selected;
2. Section 2(B) is the Limit of Liability set out in the Schedule for Money;
3. Section 2(C) is the Limit of Liability set out in the Schedule for Employee dishonesty in respect of any one and all Events caused by the acts of fraud or dishonesty of Employees, notwithstanding these acts may have been committed during more than one Period of Insurance.

CLAIM PAYMENT EXAMPLES

The following worked dollar examples are designed to assist You in the understanding of some of the important benefits in this section and how claims are calculated. The examples do not cover all scenarios or all benefits and do not form part of Your Policy terms and conditions. The following should be used as a general guide only.

You should consider all examples as each example covers different benefits and scenarios.

Example 1: Theft of insured property

- You have cover under Section 2(A) for Theft of Your Insured Property, including Vehicles.
- The Vehicles are all new Vehicles.
- The Insured Property is valued at \$1,000,000.
- The declared value of Your Insured Property was \$1,000,000.
- The Excess shown on the Schedule for Theft is \$1,000.
- Several parts from Your Vehicles are stolen by thieves valued at \$150,000 (plus GST).

How much We pay		Additional Information
Damage to Your Vehicles	\$150,000	Parts from Vehicles have been stolen, which means We will pay You the replacement cost of the stolen parts.
Less Excess	\$1,000	This Excess applies in this example. We deduct this from the amount We pay. We may require You to pay this amount directly to Us.
Total claim	\$149,000	We normally pay this amount directly to You, unless We repair any Insured Property. If We do, We will pay the repairer directly.

Example 2: Loss of money

- You have cover under Section 2(B) for Money.
- The declared value of Money was \$250,000.
- The Excess shown on the Schedule is \$500.
- Money is forcibly taken away during an armed holdup at Your Premises during business hours amounting to \$15,800.

How much We pay		Additional Information
Loss of Money	\$15,800	Money has been forcibly taken away which means We will pay You the amount taken away.
Less Excess	\$500	This Excess applies in this example. We deduct this from the amount We pay. We may require You to pay this amount directly to Us.
Total claim	\$15,300	We normally pay this amount directly to You

EXCLUSIONS

The exclusions set out below apply to cover under Section 2

PROPERTY EXCLUSIONS

We do not cover any Loss or Damage to:

1. property whilst in transit other than during the incidental movement of property within the Premises. This exclusion does not apply other than during temporary removal of Insured Property (other than stock or merchandise and Vehicles) to any premises in Australia;
2. Money, although this exclusion does not apply to Section 2(B);
3. jewellery, furs, bullion, precious metals or precious stones, other than any of these that are stock of the Business;
4. any locomotive or rolling stock or Watercraft, other than any of these that are stock of the Business, however, cover in respect of Watercraft whilst on water will only apply to stock whilst being used for demonstration purposes, up to the amount set out on the Schedule;
5. any Aircraft (including its Accessories or spare parts) other than any of these that are stock of the Business, however, no cover is provided for any Loss or during taxiing, take off, flight or landing;
6. any Vehicles or Customer's Vehicles or other property owned by Your customers other than whilst in or on the Premises, other than to the extent cover is specifically provided under this section;
7. land, other than structural improvements on or in the land if those structural improvements are not otherwise excluded in this Policy;
8. bridges, canals, tunnels, railway tracks (other than on the Premise), dams and reservoirs (other than tanks) and their contents;
9. docks, wharves and piers not forming part of any Building;
10. mining property located beneath the surface of the ground unless otherwise expressly stated in this Policy;
11. property during the course of, and as a result of, its processing or modification;
12. property other than Customer's Vehicles in the Open Air other than Hail nets, textile canopies, awnings and blinds unless such property comprises or forms part of a permanent structure designed to function without protection of walls or roof caused by wind, rainwater or Hail;

13. property under construction, erection, alteration or addition when the value of work to be completed at any one Premises at the time of the Damage exceeds 10% of the Limit of Liability for this section or \$500,000, whichever is the lesser. This exclusion will apply only to the works comprising such construction, erection, alteration or addition and not to any original or existing structures; or

14. empty Premises undergoing demolition.

PERILS EXCLUSIONS

We do not cover Loss or Damage caused by, resulting or arising from, or as a consequence of:

1. a. Flood. However, this exclusion does not apply where a Limit of Liability is set out on the Schedule in respect of Flood and subject to Our liability being limited under Sections 1(A) and 1(B) for all Loss and Damage caused by, resulting or arising from, or as a consequence of Flood to that Limit of Liability; or
 - b. water from or action by the sea, tidal wave or high water.

However, exclusions (1)(a) and (1)(b) do not apply if the Damage is caused by or arises out of an earthquake or seismological disturbance.

2. a. moths, termites or other insects, vermin, rust or oxidation, mildew, mould, contamination or Pollution, wet or dry rot, corrosion, change of colour, dampness of atmosphere or other variations in temperature, evaporation, disease, inherent vice or latent defect, loss of weight, change in flavour, texture or finish, smut or smoke from industrial operations (other than sudden and unforeseen Damage resulting from such smoke or smut);
 - b. wear and tear, fading, gradual deterioration or developing flaws, normal upkeep or making good;
 - c. error or omission in design, plan or specification or failure of design;
 - d. normal settling, seepage, shrinkage or expansion in Buildings or foundations, walls, pavements, Road and other structural improvements, creeping, heaving and vibration; or
 - e. faulty materials or faulty workmanship.

However, perils exclusions (1) and (2) above do not apply to subsequent Damage to the Insured Property, goods or Money occasioned by a peril (not otherwise excluded) resulting from any peril referred to in those exclusions.

3. a. incorrect siting of Buildings consequent upon:
 - i. error in architectural design or specification;
 - ii. faulty workmanship; or
 - iii. non-compliance by You (or anyone acting on Your behalf) with the necessary permits issued by government, public or local authorities;
- b. demolitions ordered by government or public or local authorities due to failure on Your part or Your agents to obtain the necessary permits required;
- c. Theft, although this exclusion 3(c) does not apply to Section 2(A)
- d. unexplained disappearance or unexplained inventory shortage, whether resulting from errors in supply or delivery of materials by or to You or solely from clerical or accounting errors by You;
- e. spontaneous combustion, spontaneous fermentation or heating or any process involving the direct application of heat. However, this exclusion is limited to the item or items immediately affected and do not extend to other property Damaged as a result of the spontaneous combustion, fermentation or heating or process involving the direct application of heat.
- f. The following:
 - i. except as expressly provided in Section 2(C), Act of Fraud or Dishonesty, fraudulent misappropriation, embezzlement, forgery, counterfeiting data corruption, unauthorised amendment of data and erasure by electronic or non-electronic means involved the insured property by You or any of Your employees acting alone or in collusion with any other person;
 - ii. access by any person, other than You or Your Employee, to Your computer system via data communication media that terminate in Your computer;
 - iii. the cessation of work whether total or partial or the cessation, interruption or retarding of any process or operation as a result of strikes, labour disturbances or locked out workers. However, this exclusion does not apply in respect of Loss or Damage directly caused by strikers, locked out workers or similar persons;
 - iv. erosion, subsidence, earth movement or Collapse resulting from them; or
 - v. kidnapping, bomb threat, threat of contamination, hoax, extortion or any attempt of these.

However, peril exclusion (3) (f) does not apply to subsequent Damage to the Insured Property occasioned by a peril (not otherwise excluded) resulting from any peril referred to in this exclusion.

CLAIMS EXCLUSIONS

We do not cover:

1. consequential Loss of any kind including consequential Loss due to delay, lack of performance, loss of contract or depreciation in the value of land or stock, other than covered specifically under this section.

The general exclusions in Part 5 of this PDS and Policy Wording also apply.

CONDITIONS

The following conditions apply to Section 2:

INTERESTS OF OTHER PARTIES

The pecuniary or economic interest of only those lessors, financiers, trustees, mortgagees, owners and all other parties specifically noted in Your records (other than floor plan financiers) are automatically included without notification or specification. You must tell Us in writing the nature and extent of such interest to be disclosed in the event of Damage.

Where the insurance covers the interest of more than one party, any act or neglect of an individual party will not prejudice the rights of the remaining parties, provided that the remaining parties must, immediately on becoming aware of any act or neglect whereby the risk of Damage has increased, give notice in writing to Us and on demand pay such reasonable additional Premium as We may require.

BRANDED GOODS

Any salvage of branded goods or merchandise, You own or held by You in trust or on commission, or goods sold but not delivered, will not be disposed of by sale without Your consent. If such salvage is not disposed of by sale, then the Damage will be assessed at the value agreed between You and Us after brands, labels or names have been removed by or on Your behalf.

OUR RIGHTS

On the happening of any Loss or Damage in respect of which a claim is or may be made under this Policy, We and every person authorised by Us may, without incurring any liability and without diminishing Our right to rely upon any conditions of this Policy, enter, take or keep possession of any Building or Premises where the Loss or Damage has happened and may take possession of or require to be delivered to Us any of the Insured Property and may keep possession of and deal with such property for all reasonable purposes and in any reasonable manner.

ACQUIRED COMPANIES

This section extends to cover Vehicles located in Australia belonging to companies and other organisations in which You acquire a controlling interest during the Period of Insurance, provided that:

1. You tell Us about details of such acquisition within 90 days following the date of acquisition; and
2. the business of the new acquisition is similar to the Business.

For the purposes of this clause, a controlling interest will mean, in the case of a company, the acquisition of shares carrying more than 50% of votes capable of being cast at a general meeting of ordinary shareholders in such company.

AUTOMATIC REINSTATEMENT

When We pay a claim under Section 2, the applicable Limit of Liability will be automatically reinstated if You pay Us the additional Premium that We require.

However, nothing in this clause will increase the Limit of Liability for any one claim, or Occurrence.

PROGRESS PAYMENTS

Progress payments on account of any claims may be made to you at such intervals and for such amounts as is agreed. Any progress payments will be deducted from total amount payable for any claim.

SUBROGATION WAIVER

We agree to waive any rights and remedies or relief to which We may become entitled by way of subrogation against:

1. any corporation or organisation (including its directors, officers, Employees or servants) owned or controlled by You, any of Your Subsidiaries or any co-owner of the relevant Insured Property;
2. Your directors, officers, Employees or servants; or
3. any government, semi-government, municipal or other statutory authorities or owners and lessors of premises but only where You have waived Your rights or remedies against such parties or agreed to hold such parties harmless in any contract You have with them.

ADJUSTMENT OF PREMIUM

1. The Premium shown is provisional and is calculated on the declared value of the Insured Property on the day of commencement of the Period of Insurance.
2. You must declare to Us in writing within a reasonable time after the expiry of the Period of Insurance the value of Insured Property on the day of expiry of the Period of Insurance. For the purpose of this declaration, stock-in-trade and merchandise are taken at its average value during the Period of Insurance.
3. The Premium will be adjusted by payment to Us of an additional Premium or by allowance to You of a return Premium, as the case may be, calculated at the agreed rate on 50% of the difference between property declared in accordance with clauses (1) and (2)
4. It is agreed to make allowance for any abnormal fluctuation in values and to charge a Premium commensurate with the risk.
5. The values declared at the expiry of the Period of Insurance in accordance with this condition are not to be reduced as the result of Damage in respect of which a claim has been paid or is payable under this Policy.

Once You notify Us of any changes, We will decide if We will agree to continue to insure You under this Policy, and on what terms. We may charge You additional Premium to continue to insure You.

DEFINITIONS

The following definitions apply to Section 2:

Act of Fraud or Dishonesty

Means Employee dishonesty (arising directly or indirectly from any one Employee or any number of Employees in collusion) in respect of the one Event or series of Events arising from the one source or original cause.

Employee Dishonesty

Means the unlawful taking of property or Money by an Employee while working for You in connection with the Business (whether acting alone or in collusion with others) with the intent to:

1. cause Loss to You; or
2. benefit any person or organisation other than You.

Insured Property

Means all real and Personal Property of every kind and description (except as excluded in this Policy) belonging to You or for which You are responsible, or have assumed responsibility to insure prior to the occurrence of any Damage, including all such property in which You may acquire an insurable interest during the Period of Insurance.

Insured Property includes:

1. Customer's Vehicles, subject to the Limit of Liability stated in the Schedule against Customer's Vehicles.
2. Vehicles financed under Your Dealer Floor Plan Agreements (but We do not cover Damage recovered or recoverable under the provisions of Your Dealer Floor Plan Agreement).

Landscaping

Means lawns, gardens, ornamental plants, shrubs and trees.

Land Value

Means the sum certified by the Valuer General as being the value of the land so described in the Policy after due allowance has been made for variations in or special circumstances affecting such value either before or after the Damage or which would have affected the value had the Damage not occurred so that the figures as adjusted represent as near as may be reasonably practicable the true land value pertaining both before and after the Damage.

Open Air

Includes area under Hail nets or any structure that is not fully enclosed.

Theft

Means Theft or attempted Theft of Insured Property, including:

1. Theft following forcible and violent entry to the Premises or any attempt at that;
2. Theft or any attempt at Theft by a person feloniously concealed on the Premises;
3. Theft following assault or violence or threat of immediate assault or violence to You, Your Employees or customers, occurring on the Premises;
4. Theft following armed hold up occurring at the Premises; or
5. Theft or attempted Theft of Vehicles, spare parts or Accessories whilst in, on or about the Premises.

SECTION 3 – HAIL DAMAGE TO VEHICLES

THE COVER

We will cover You for Damage to Your Vehicles caused by Hail at the Premises in the Period of Insurance.

WHAT WE COVER

The following sets out how We will calculate a payment for Damage to any Vehicle covered under this section:

1. unless a more specific calculation method is set out below, the cost of the repair or replacement of the Vehicle.
2. Loss of or Damage to new Vehicles not insured under Your Dealer Floor Plan Agreements:
 - a. Total Loss – the replacement cost of the Vehicle, (including options, Accessories, tools and spare parts) or if not replaced, the Stock Card Value of the Vehicle, with no allowance for dealer margin or profit.
 - b. Partial Loss – the cost to repair the Vehicle (including options, Accessories, tools and spare parts). If You repair the Vehicle, We will pay labour costs based on Your recognised labour rates. If You supply the parts and Accessories the amount, We will pay for such parts and Accessories will be the cost to You plus 15%.
3. on new Vehicles subject to Your Dealer Floor Plan Agreements, the amount in excess of the amount recoverable under such agreement and any Improved Value at the time of the Damage, limited to Your equity in such Vehicles. This does not include any difference in Excesses under Your Dealer Floor Plan Agreements and this section.
4. on spare parts and Accessories of new Vehicles, the cost of repair or replacement provided that if the parts and or Accessories are supplied by You, the amount We will pay shall be Your cost of parts and Accessories plus 15%, plus the reasonable cost of fitting.
5. Loss or Damage to used Vehicles in respect of which Loss or Damage is not covered not insured under Your Dealer Floor Plan Agreements:
 - a. Total Loss – the sum of the actual price paid by You plus all direct expenditure subsequently incurred in the preparation and improvement of the Vehicle for resale (with no allowance for profit or other expenses) or Market Value, whichever is the lesser.
 - b. Partial Loss – the cost to repair the Vehicle (including options, Accessories, tools and spare parts). If You repair the Vehicle, We will pay labour costs based on Your recognised labour rates. If You supply the parts and Accessories the amount We will pay for such parts and Accessories will be the cost to You plus 15%.

6. on used Vehicles subject to Your Dealer Floor Plan Agreements, the amount in excess of the amount recoverable under such agreement and any Improved Value at the time of the Damage, limited to Your equity in such Vehicles. This does not include any difference in Excesses under Your Dealer Floor Plan Agreements and this section.
7. on spare parts and Accessories of used Vehicles, the cost of repair or replacement provided that if the parts and or Accessories are supplied by You, the amount We will pay shall be Your cost of parts and or Accessories, plus 15%, plus the reasonable cost of fitting.
8. on leased Vehicles (residual value), on Vehicles under a lease agreement that is a Total Loss, the payout sum under the lease agreement, if it is greater than an amount that otherwise applies under this section. However, We will not pay more than the cost to repair or replace that Vehicle, plus 10% of that amount.

EXCESS

You must pay any Excess that applies to each Vehicle and for each Event covered by this section. The Excesses that apply will be set out in the Schedule.

LIMIT OF LIABILITY

The maximum We will pay for any Damage to any one Vehicle that is not a Total Loss is:

1. if You do not repair that Vehicle, Your Stock Card Value; and
2. if You do repair the Vehicle, the Market Value of the Vehicle immediately prior to the Damage.

The maximum We will pay for any Event in the Period of Insurance is the Limit of Liability specified in the Schedule.

ADDITIONAL BENEFITS

The following additional benefits applies to this section. Unless stated otherwise, these additional benefits are included in our Limit of Liability for Section 3 and not in addition to it.

DIMINISHED VALUE ALLOWANCE (DVA)

We will pay You the following for Damage to Your Vehicles caused by Hail that are stock and not a Total Loss at the Premises in the Period of Insurance.

1. New Vehicles

- a. If the Selling Price is \$60,000 or greater:
 - i. if Damage is \$800 or less, then allow cost of repairs as DVA.
 - ii. if Damage is greater than \$800 but not exceeding \$5,000, then allow \$3,000 as DVA.
 - iii. if Damage exceeds \$5,000, then allow cost of repairs as DVA but limited to \$10,000.
- b. If the Selling Price is \$40,000 or greater but less than \$60,000:
 - i. if Damage is \$800 or less, then allow cost of repairs as DVA.
 - ii. if Damage is greater than \$800, then allow DVA of \$2,000.
- c. If the Selling Price is \$30,000 or greater but less than \$40,000:
 - i. if Damage is \$800 or less, then allow cost of repairs as DVA.
 - ii. if Damage is greater than \$800, then allow DVA of \$1,500.
- d. If the Selling Price is less than \$30,000:
 - i. if Damage is \$800 or less, then allow cost of repairs as DVA.
 - ii. if Damage is greater than \$800, then allow DVA of \$1,200.

Selling Price is the inward cost of the Vehicle plus the actual average margin for Gross Profit, not inclusive of Holdback.

2. Used Vehicles

- a. If the Selling Price is greater than \$25,000:
allow \$2,000 as DVA or the cost of repairs whichever is the lesser.
- b. If the Selling Price is greater than \$12,500 but less than \$25,000:
allow \$1,500 as DVA or the cost of repairs whichever is the lesser.
- c. If the Selling Price is \$12,500 or less:
allow nil DVA, unless still covered by the manufacturer's warranty then allow cost of repairs as DVA or \$1,200 whichever is the lesser.

Selling Price is calculated from the actual cost of the Vehicle, free from loadings plus outlays expended on it and the average margin for Gross Profit.

TOTAL LOSS EXTENSION

At Your option, We will substitute the following as the method We will use to calculate the amount We will pay You for Damage to Your Vehicles that are stock and have travelled less than 10,000 kilometres at the date of Loss or Damage:

1. if Your Vehicle had a Market Value of \$50,000 or less at the date of the Loss and incurs 30% or more Damage, the Vehicle will be treated as a Total Loss.
2. if Your Vehicle had a Market Value of between \$50,001 and \$100,000 at the date of the Loss and incurred 25% or more Damage, the Vehicle will be treated as a Total Loss.
3. if Your Vehicle had a Market Value of \$100,001 or more at the date of the Loss and incurred 20% or more Damage, the Vehicle will be treated as a Total Loss.

The Diminished value allowance (DVA) additional benefit will not apply to your vehicle if you select this option.

ADVERTISING COSTS

We will pay the reasonable advertising costs incurred by You to facilitate the sale of Your Vehicles, up to a maximum of \$250 for each Vehicle.

This additional benefit applies in addition to the Limit of Liability for this Section 3.

CLAIM PAYMENT EXAMPLE

The following worked dollar examples are designed to assist in the understanding of some of the important benefits in this section and how claims are calculated. The examples do not cover all scenarios or all benefits and do not form part of Your Policy terms and conditions. The following should be used as a general guide only.

EXAMPLE: DAMAGE TO VEHICLES – PARTIAL LOSS

<p>85 new Vehicles that are part of Your stock are Damaged during a Hail Event.</p> <p>The cost of repairs is estimated to be \$275,000 (plus GST).</p> <p>The Vehicles are valued at \$1,000,000 and insured for \$1,000,000.</p> <p>The Excess shown on the Schedule for Vehicles is \$500 each and every Vehicle but not exceeding \$50,000 each and every Event.</p>		
How Much We Pay		Additional Information
Damage to Your Vehicles	\$275,000	All of the Vehicles are a Partial Loss, which means We will pay You the cost to repair each Vehicle.
Less Excess (85 vehicles x \$500)	\$42,500	This Excess applies in this example. We deduct this from the amount We pay. We may require You to pay this amount directly to Us.
Total claim	\$232,500	We normally pay this amount directly to You, unless We repair any Insured Property. If We do, We will pay the repairer directly.
<p>Diminished value allowance (DVA)</p> <p>In the above example, You had chosen the diminished value allowance (DVA) settlement option under the diminished value allowance (DVA) additional benefit.</p> <p>For each of the Vehicles that were Damaged the Selling Price under the additional benefit was less than \$25,000 and the repair cost was more than \$2,000.</p> <p>We will pay You an additional amount of \$1,200 for each Vehicle under the diminished value allowance (DVA) additional benefit. This is a total additional payment of \$102,000.</p>		

EXCLUSIONS

We will not be liable under this section for the following:

- 1. Damage caused by or traceable to your wilful act or wilful neglect.
- 2. Any indirect or consequential Loss, other than specifically covered under this section 3.
- 3. Legal liability of any kind or description.
- 4. Damage caused to Your Vehicles other than by Hail.

The general exclusions in Part 5 of this PDS and Policy Wording also apply.

CONDITIONS

The following conditions apply to this section:

ONE EVENT FOR HAIL

Any one Event or series of Events within a 72 hour period will be classified as a single Event except where otherwise designated by the Australian Bureau of Meteorology as separate events.

EMBARGO

We will not cover You under this section for Damage caused by Hail within the 48 hours from the start of Your Period of Insurance, or the start of Your cover under this section, if You have not had continuous Hail cover for Your Vehicles with Us or another insurer.

CO-INSURANCE

If at the time of claim Your Vehicles were insured for less than 80% of their Wholesale Market Value, then We will pay the same proportion of the Loss which your declaration of the Wholesale Market Value bears to 80% of the Wholesale Market Value of Your Vehicles at the commencement of the Period of Insurance.

The following sets out the operation of this clause:

Claim payment = Claim amount X

Wholesale Market Value
declared

80% of the actual
Wholesale Market Value

This condition does not apply if:

- 1. the relevant claim does not exceed 5% of the amount of Your declaration of the Wholesale Market Value of Your Vehicles; or
- 2. Your Policy has been issued on a First Loss Basis by Us.

ACQUIRED COMPANIES

This section extends to cover Vehicles located in Australia belonging to companies and other organisations in which You acquire a controlling interest during the Period of Insurance provided that:

- 1. You tell Us about details of such acquisition within 90 days following the date of acquisition; and
- 2. the Business of the new acquisition is similar to the Business.

For the purposes of this clause a controlling interest will mean, in the case of a company, the acquisition of shares carrying more than 50% of votes capable of being cast at a general meeting of ordinary shareholders in such company.

AUTOMATIC REINSTATEMENT

When We pay a claim under this section, the Limit of Liability will be automatically reinstated if You Pay Us the additional Premium that We require.

However, nothing in this clause will increase the Limit of Liability for any one claim, Event or Occurrence.

PROGRESS PAYMENTS

Progress payments on account of any claims may be made to You at such intervals and for such amounts as is agreed. Any progress payments will be deducted from total amount payable for any claim.

DEFINITIONS

The following definitions apply to this section:

First Loss Basis

Means when We insure Your Vehicles for a value less than the Wholesale Market Value and the First Loss Limit of Liability is set out in the schedule.

Improved Value

Means the amount expended by You in preparing a Vehicle for sale including repair costs and the cost of replacement parts and Accessories.

Wholesale Market Value

Means the amount which another motor dealer would pay for Your Vehicle if it purchased Your Vehicle from You.

Your Vehicles

Your Vehicles means any motor Vehicles, trailers, boats, motor cycles, motorised homes, motor propelled machinery of every kind and description whether registered or unregistered belonging to or being purchased, financed or otherwise acquired by You or left in Your custody for sale, repair, garaging or servicing or any other purpose in the course of the Business.

Your Vehicles do not include caravans or Customer's Vehicles.

SECTION 4 – COMMERCIAL MOTOR COMPOSITE

THE COVER

LOSS OR DAMAGE TO YOUR VEHICLE

We will cover You for Loss or Damage to Your Vehicle:

1. whilst being used for the Purpose of Use; and
2. caused by an Accident during the Period of Insurance.

LEGAL LIABILITY

We will cover You for Your legal liability to pay compensation in respect of:

1. Property Damage; or
2. death or bodily injury to any person (but only where the legal liability is not covered, and not capable of being covered under compulsory third party insurance), during the Period of Insurance arising out of:
 - a. the use of Your Vehicle for the Purpose of Use;
 - b. goods falling or leaking from Your Vehicle;
 - c. the operation of loading or unloading Your Vehicle, but not the collection or delivery of the load to or from Your Vehicle beyond the limits of any Road; or
 - d. Your vehicle being used as a Tool of Trade.

We will also pay Your reasonable legal costs and expenses incurred with Our written consent to defend any claim made against You that is covered by this section.

WHAT WE COVER

LOSS OR DAMAGE TO YOUR VEHICLE

1. Loss or Damage to new Vehicles not insured under Your Dealer Floor Plan Agreements:
 - a. Total Loss – the replacement cost of the Vehicle, (including options, Accessories, tools and spare parts) or if not replaced, the Stock Card Value of the Vehicle, with no allowance for dealer margin or profit.
 - b. Partial Loss – the cost to repair the Vehicle (including options, Accessories, tools and spare parts). If You repair the Vehicle, We will pay labour costs based on Your recognised labour rates. If You supply the parts and Accessories, the amount We will pay for such parts and Accessories will be the cost to You plus 15%.
2. on new Vehicles subject to Your Dealer Floor Plan Agreements, the amount in excess of the amount recoverable under such agreement and any Improved Value at the time of the Damage, limited to Your equity in such Vehicles. This does not include any difference in Excess under Your Dealer Floor Plan Agreements and this section.
3. Loss or Damage to used vehicles not insured under Your Dealer Floor Plan Agreements:

- a. Total Loss – the sum of the actual price paid by You plus all direct expenditure subsequently incurred in the preparation and improvement of the Vehicle for resale (with no allowance for profit or other expenses) or Market Value, whichever is the lesser.
 - b. Partial Loss – the cost to repair the Vehicle (including options, Accessories, tools and spare parts). If You repair the Vehicle, We will pay labour costs based on Your recognised labour rates. If You supply the parts and Accessories, the amount We will pay for such parts and Accessories will be the cost to You plus 15%.
4. on used Vehicles subject to Your Dealer Floor Plan Agreements, the amount in excess of the amount recoverable under such agreement and any Improved Value at the time of the Damage, limited to Your equity in such Vehicles. This does not include any difference in Excess under Your Dealer Floor Plan Agreements and this section.
 5. on leased Vehicles (residual value), on Vehicles under a lease agreement that a Total Loss, the payout sum under the lease agreement, if it is greater than an amount that otherwise applies under this section. However, We will not pay more than the cost to repair or replace that Vehicle, plus 10% of that amount.
 6. on a Customers' Vehicles:

either of the following, at Our option:

 - a. pay You the cost to repair or replace the Vehicle as far as circumstances permit and in a reasonably sufficient manner, to a condition equal to but not better or more extensive than its condition immediately prior to the Damage occurring, with allowance for wear, tear and depreciation; or
 - b. pay You the Market Value of the Vehicle.

The cover on Your Vehicles ceases automatically if We pay a Total Loss claim for that Vehicle. There is no refund of unexpired Premium or any registration costs in these circumstances and the Vehicle becomes Our property.

LEGAL LIABILITY

We will pay the compensation You are liable to pay and any legal costs and other costs and expenses reasonably and necessarily incurred by Us, or with Our consent, to defend any claim.

EXCESS

You must pay any Excess that applies to a claim under this section. The Excesses that apply to this section will be set out in the Schedule.

There may be more than one Excess that applies depending on the circumstances of the claim and who is driving Your Vehicle at the time of the Accident.

Generally, there are two types of Excess that will be set out in the Schedule:

1. the standard Excess which applies to each claim You make in respect of Your Vehicle; and
2. the age/experience Excess which applies if a driver is in the age bracket stated on the Schedule or an inexperienced driver (less than 24 years age or less than 2 years driving experience or the experience set out in the Schedule) was in charge of Your Vehicle at the time of an Accident.

However, other types of Excess may apply.

The Excess must be paid to Us or as We direct within the time We specify or, alternatively, We may deduct the Excess from the amount We pay for any claim.

LIMIT OF LIABILITY

The following limits apply:

Loss or Damage to Your Vehicle

The most We will pay for Loss or Damage to Your Vehicle is the amount shown on the Schedule or the Market Value of the Vehicle, whichever is the lesser.

Legal Liability

The most We will pay for all claims arising from any one Accident is the Limit of Liability set out in the Schedule.

ADDITIONAL BENEFITS

The following additional benefits apply to this section. These benefits will be payable if a claim is paid under this section. Unless stated otherwise, these additional benefits are included in Our Limit of Liability and not in addition to it.

REPLACEMENT VEHICLE

If Your vehicle is a Total Loss, or is stolen or lost (and is not recovered), as a result of an Accident that is covered under this section, and at the time of the Accident Your Vehicle was within one year of the commencement date of its original registration, We will at Your option replace it with a new Vehicle of the same make and model (subject to one being available locally) with similar Accessories and tools.

This additional benefit does not apply to Vehicles that are part of Your stock.

TOWING AND STORAGE

If We accept a claim for Loss or Damage to Your Vehicle, We will pay for the reasonable and necessary costs of:

- 1) towing or retrieval of Your Vehicle from the Accident site to the nearest repairer or place of safety if Your Vehicle cannot be driven; and
- 2) storing Your Vehicle until it is repaired.

DANGEROUS GOODS

We will cover You for Your legal liability:

- 1) caused by the transport or storage of Dangerous Goods; and
- 2) for costs incurred by or on behalf of a public authority in connection with the removal or cleaning up of a contained escape of Dangerous Goods,

but only when You are the lawful holder of a valid licence to transport Dangerous Goods and have complied in all respects with the law with respect to carriage of those goods and the terms and conditions of the licence.

The most We will pay, inclusive of legal costs incurred by You or payable by You in relation to any action by any public authority, arising from one Accident or series of Accidents arising from one Event is \$1,000,000 unless a different Limit of Liability is shown on the Schedule.

Any legal costs incurred by You are only payable if they were incurred with Our prior written consent.

COVER FOR OTHERS

We will cover under this section, as if they were You, any person who is authorised to use Your Vehicle on Your behalf in connection with Your Business.

The following conditions apply to this additional benefit:

- 1) You must satisfy Yourself that the person possesses a valid driver's licence appropriate for the Vehicle; and
- 2) full details of the arrangement, including the driver's licence details of the person must be recorded and kept by You.

COVER FOR USE OF OTHER VEHICLES

We will cover the legal liability of any person who is authorised by You to use a Vehicle on Your behalf or in connection with Your Business.

TRAILERS

Cover under this section is extended to apply to the following, as if they are Your Vehicle:

1. Your 2 wheel box, boat or similar trailer (but not a caravan);
2. Your motorcycle trailer or sidecar; or
3. any trailer or drawn implement.

We will not pay for Loss, Damage or liability to or caused by:

1. to property being carried in or on the trailer, drawn implement or sidecar;
2. to tarpaulins, gates and binders; or
3. if more than one trailer, drawn implement or sidecar is attached to Your Vehicle. This additional benefit does not apply to any vehicle being towed by Your Vehicle.

REMOVAL OF DEBRIS

If You are legally liable to pay the cost of removing Debris or cleaning up or removing goods that have fallen off Your Vehicle because it was in a collision or it overturned in an Accident covered by this section, We will pay those costs, up to \$10,000.

We will not pay if the goods or Debris are Dangerous Goods.

This additional benefit applies in addition to the Limit of Liability.

TOWED VEHICLE

We will pay any amount You are legally liable to pay as a result of an Accident in the Period of Insurance for Loss of or Damage to property or personal injury arising out of any Vehicle being towed, carried or retrieved by Your Vehicle; and for Damage to any Vehicle being towed or retrieved by Your Vehicle.

The most We will pay for Damage to the Vehicle being towed, carried or retrieved is \$150,000.

We will only cover You under this additional benefit if Your Vehicle and the Vehicle being towed, carried or retrieved are being operated in accordance with any law relating to the use of a tow truck.

This additional benefit applies in addition to the Limit of Liability.

DIMINISHED VALUE ALLOWANCE (DVA)

We will pay You the following for Your Vehicles that are Stock and not a Total Loss:

1. New Vehicles
 - a. If the Selling Price is \$60,000 or greater:
 - i. if Damage is \$800 or less, then allow cost of repairs as DVA.
 - ii. if Damage is greater than \$800 but not exceeding \$5,000, then allow \$3,000 as DVA.
 - iii. if Damage exceeds \$5,000, then allow cost of repairs as DVA but limited to \$10,000.
 - b. If the Selling Price is \$40,000 or greater but less than \$60,000:
 - i. if Damage is \$800 or less, then allow cost of repairs as DVA.
 - ii. if Damage is greater than \$800, then allow DVA of \$2,000.
 - c. If the Selling Price is \$30,000 or greater but less than \$40,000:
 - i. if Damage is \$800 or less, then allow cost of repairs as DVA.
 - ii. if Damage is greater than \$800, then allow DVA of \$1,500.
 - d. if the Selling Price is less than \$30,000:
 - i. if Damage is \$800 or less, then allow cost of repairs as DVA.
 - ii. if Damage is greater than \$800, then allow DVA of \$1,200.

Selling Price is the inward cost of the Vehicle plus the actual average margin for Gross Profit, not inclusive of Holdback.

1. Used Vehicles
 - a. If the Selling Price is greater than \$25,000:

allow \$2,000 as DVA or the cost of repairs whichever is the lesser.
 - b. If the Selling Price is greater than \$12,500 but less than \$25,000:

allow \$1,500 as DVA or the cost of repairs whichever is the lesser.
 - c. If the Selling Price is \$12,500 or less:

allow nil DVA, unless still covered by the manufacturer's warranty then allow cost of repairs as DVA or \$1,200 whichever is the lesser.

Selling Price is calculated from the actual cost of the Vehicle, free from loadings plus outlays expended on it and the average margin for Gross Profit.

The most We will pay under this optional cover is the Limit of Liability set out in the Schedule for 'Diminished Value Allowance'.

TOTAL LOSS EXTENSION

At Your option, We will substitute the following as the method We will use to calculate the amount We will pay You for Damage to Your Vehicles that are stock and have travelled less than 10,000 kilometres at the date of Loss or Damage:

1. if Your Vehicle had a Market Value of \$50,000 or less at the date of the Accident and incurs 30% or more Damage, the Vehicle will be treated as a Total Loss.
2. if Your Vehicle had a Market Value of between \$50,001 and \$100,000 at the date of the Accident and incurred 25% or more Damage, the Vehicle will be treated as a Total Loss.
3. if Your Vehicle had a Market Value of \$100,001 or more at the date of the Accident and incurred 20% or more Damage, the Vehicle will be treated as a Total Loss.

The Diminished Value Allowance (DVA) additional benefit will not apply to Your Vehicle if You select this option.

LOAN VEHICLES

If You have advised Us that it is Your practice to provide rental, hire, lease or loan Vehicles (with or without consideration) to customers, then We agree to cover such Vehicles on the following conditions:

1. You must satisfy Yourself that the customer possesses a valid driver's licence appropriate for the Vehicle;
2. full details of the arrangement, including the driver's licence details of the borrower must be recorded in a register of hire and loan Vehicles kept by You; and
3. an Australian Automobile Dealer Association or equivalent loan agreement document must be completed for the loan arrangement.

Cover for rental, hire, lease or loan vehicles is limited to a radius of 300 kilometres from Your Premises.

TESTING, DELIVERY AND COLLECTION

We agree to insure as if they were You, any person who is driving Your Vehicle, with Your written consent, for the purpose of being tested, demonstrated, or collected, on any public or private Road, thoroughfare or Your Premises.

The following conditions apply:

1. You must satisfy Yourself that the borrower possesses a valid driver's licence appropriate for the Vehicle; and
2. full details of the arrangement, including the driver's licence details of the borrower must be recorded and kept by You.

UNREGISTERED VEHICLES

We will cover You in respect of claims arising out of the unauthorised use by Your Employees of unregistered mobile lifting equipment or other mechanically propelled vehicles on a Road in the Period of Insurance.

This additional benefit does not apply to cover for legal liability, other than Your liability for Loss or Damage to the unregistered mobile lifting equipment or other mechanically propelled vehicles.

CLAIM PAYMENT EXAMPLES

The following worked dollar examples are designed to assist in the understanding of some of the important benefits in this section and how claims are calculated. The examples do not cover all scenarios or all benefits and do not form part of Your Policy terms and conditions. The following should be used as a general guide only.

You should consider all examples as each example covers different benefits and scenarios.

EXAMPLE 1: DAMAGE TO VEHICLES – PARTIAL LOSS

- The Limit of Liability for Loss or Damage to Your Vehicles shown in the Schedule is \$100,000.
- A basic Excess of \$1,000 applies.
- Your Vehicle is involved in a single vehicle Accident.
- We assess the cost of repair to be \$20,000 (plus GST).
- The Vehicle is a 2 year old sedan in good condition.
- A motor vehicle guide records the value of the vehicle as \$45,000 (plus GST) for good condition and We assess the Market Value to be \$45,000 (plus GST).

How much We pay		Additional information
Damage to Your Vehicle	\$20,000	We normally decide the Vehicle is repairable if the cost of repairs is significantly less than the Vehicle's value (in this example the Vehicle's value is \$45,000).
Less basic Excess	\$1,000	The basic Excess applies in this example. No other Excess applied to Your claim. We usually deduct this from the amount We pay. We may require You to pay this amount directly to Us or to a repairer.
Total claim	\$19,000	We normally pay this amount directly to the repairer, or to You if You are repairing the Vehicle.

EXAMPLE 2: DAMAGE TO VEHICLES – TOTAL LOSS

- The Limit of Liability for Loss or Damage to Your Vehicles shown in the Schedule is \$100,000.
- A basic Excess of \$1,000 applies.
- Your Vehicle was locked and left in a car park.
- The Vehicle, a 1 year old sedan which was valued at \$40,000 (plus GST), is stolen.

How much we pay		Additional Information
Loss to Your Vehicle	\$40,000	Where the Vehicle has been stolen and the claim is paid as a Total Loss.
Less Excess	\$1,000	The basic Excess applies in this example. We usually deduct this from the amount we pay. We may require You to pay this amount directly to Us or to a repairer.
Total claim	\$39,000	We would either try and source a replacement similar vehicle or pay this amount directly to You.

EXAMPLE 3: DAMAGE TO VEHICLES – TOTAL LOSS

- The Limit of Liability for Loss or Damage to Your Vehicles shown in the Schedule is \$60,000.
- A basic Excess of \$1,000 applies and an age Excess of \$750 also applies.
- The Vehicle was valued at \$40,000, was involved in a single vehicle Accident while being driven by one of Your salesmen.

How much We pay		Additional Information
Damage to Your Vehicle	\$40,000	Where the Vehicle is uneconomical to repair We would declare the Vehicle a Total Loss.
Less basic Excess	\$1,000	The basic Excess applies in this example. We usually deduct this from the amount We pay. We may require You to pay this amount directly to Us or to a repairer.
Less age Excess	\$750	The age/experience Excess applies in this example.
Plus towing charges	\$600	You arrange a tow truck to remove the Damaged Vehicle.
Total claim	\$38,850	We normally pay this amount directly to the repairer, or to You if You are repairing the Vehicle.

EXAMPLE 4: LEGAL LIABILITY

- Your Vehicle is involved in an Accident.
- The driver of the other vehicle claims that the driver of Your Vehicle has a legal liability for the Accident.
- The damage to the other vehicle is assessed by a court at \$12,500.
- There is a basic Excess of \$500 on Your Policy.
- The legal costs to defend Your legal liability are \$3,000.

How much We pay		Additional Information
Damage to other vehicle	\$12,500	We normally pay the cost of repairs directly to the third party claimant.
Less Excess	\$500	Only the basic Excess applies in this example. We normally require You to pay this amount to Us before We act on Your behalf.
Plus our legal costs	\$3,000	We incur and do not charge You for these costs providing You have paid Your Excess prior to legal costs being incurred.
Total claim	\$15,000	

EXCLUSIONS

We will not pay a claim:

1. for any legal liability in respect of death or bodily injury to any person:
 - a. for which You have been, or are entitled to be, partially or wholly indemnified by any statutory compulsory insurance or accident compensation scheme, including any compulsory motor vehicle scheme; or
 - b. for which You would have been, or would have been entitled to be, partially or wholly indemnified, but for Your failure to insure or register Your Vehicle in accordance with a requirement of any statutory compulsory insurance or accident compensation scheme, including any compulsory motor vehicle scheme.
2. for Damage or legal liability incurred while Your Vehicle is being driven by or in the charge of any person (including You):
 - a. whose faculties are impaired by or who is under the influence of alcohol or drugs, or alcohol and drugs;
 - b. who is convicted of driving or being in charge of such Vehicle while under the influence of alcohol or drugs or alcohol and drugs; or
 - c. in whose breath or blood the concentration of alcohol equals or exceeds that prohibited by the law applicable in the State or Territory at the time when the accident which would otherwise give rise to a claim under this Policy occurred, as indicated by analysis of the person's breath or blood; or
 - d. who fails or refuses:
 - i. to provide a specimen, or sample of breath for analysis by a breath analysing instrument;
 - ii. to provide a specimen or sample of blood for a laboratory test or blood test; or
 - iii. to comply with a direction or requirement of a member of the police force or other authorised person as to the provision of a specimen or sample of breath for analysis by a breath analysing instrument, a specimen or sample of blood for a laboratory test or blood test, where such specimen or sample is sought or such direction or requirement is made to ascertain the concentration of alcohol or drugs in such person's breath or blood while the Vehicle was being driven by or in the charge of such person.

However, any of the exclusions in paragraphs (a), (b), (c) or (d) above do not apply if:

 - a. there is any relevant statutory provision to the contrary or to the extent that there is any statutory provision which allows for an election by a person as to the specimen or sample such person may provide or which exempts a person from providing any specimen or sample but only to the extent of such election or exemption; or
 - b. You prove that You did not consent to the Vehicle being either driven by or in the charge of any such person (if that person was not You).
3. for Damage caused by or contributed to, or legal liability arising:
 - a. as a result of Your Vehicle being used in a damaged, unsafe or unroadworthy condition;
 - b. as a result of Your own criminal act;
 - c. while Your Vehicle is being driven by any person (including You) who is not licensed to drive such a vehicle under all relevant laws, by-laws and regulations. However, this exclusion does not apply where You prove that the Vehicle was being driven without Your knowledge or consent (if that person was not You).
 - d. while Your vehicle is used to carry a number of passengers or convey a load more than Your Vehicle's designed carrying capacity;
 - e. as a result of Your deliberate action(s); or
 - f. outside Australia except in transit by sea or air between places within Australia.
4. for Your Loss of use, depreciation, wear and tear, mechanical or electrical breakdowns, failures or breakages of Your Vehicle.
5. for Damage to Your Vehicle's tyres by application of brakes or by punctures, bursts or Road cuts.
6. if Your Vehicle is being used for the conveyance of passengers for payment or reward other than under a private non- profitable pooling arrangement. However, this exclusion will not apply in instances when Your Vehicle is covered by this Policy as an ambulance, hire vehicle, taxi, or fare paying passenger omnibus.
7. for theft of Your Vehicle:
 - a. by You;
 - b. by any person to whom Your Vehicle is on hire under any agreement for hire including an agreement for hire purchase or lease; or
 - c. by any person having a financial interest in or charge over such Vehicle.
8. if Your Vehicle is being used for or being tested in preparation for racing, pace making, reliability trial, speed or hill climbing test, any other motor sport or any speed or performance test or trials.
9. arising out of any liability assumed by express warranty, or arrangement, unless such liability would have attached notwithstanding such express warranty or agreement.

The general exclusions in Part 5 of this PDS and Policy Wording also apply.

CONDITIONS

The following conditions apply to this section:

PREMIUM ADJUSTMENT

You must tell Us in writing, within 14 days of the end of the Period of Insurance, the number and type of Vehicles You own during and as at the final day of the Period of Insurance.

If the number of Vehicles and the Vehicle types insured during or at the end of the Period of Insurance have changed from the number at the beginning of that period:

1. You must pay additional Premium for any additional Vehicles; or
2. We will refund any part of Your Premium that relates to a reduction in Vehicles.

The amount You pay, or We refund to you, is 50% of the Premium specified on the Schedule for that Period of Insurance in excess of or less than the number at the beginning of that period.

Any amount payable under this condition must be paid within 30 days of the end of the Period of Insurance.

AT THE ACCIDENT SCENE

You must do the following at the scene of any Accident:

1. assist the injured: Make sure that all injured persons are not in a position to injure themselves further.
2. if required, phone an ambulance or doctor.
3. notify the police: If there is serious Damage to property, including the Vehicles involved, or if any person is injured.
4. clear the roadway of any Debris without taking any undue risk.
5. obtain full details: Write down full particulars of any other vehicles involved - registration number, year, make, model, full name and address of driver and registered owner and licence details, and other person's insurance company, date and time of Accident.
6. admit nothing: Do not make any admission of liability or offer to pay for any Damage, otherwise You will violate the conditions as laid out in Your Policy.
7. seek witnesses: If possible, obtain the name, address and telephone number of all witnesses.

AFTER THE ACCIDENT

You must do the following at the scene of any Accident:

1. provide Us with full details: As soon as possible after the Accident, supply Us with full details in writing. You are also required to send any correspondence from other parties to Us, as well as any notice of impending prosecution or details of any inquest or official inquiry.
2. take steps to protect and safeguard the Vehicle and retain any salvage.
3. do not authorise repairs (including windscreen or Glass breakage) without Our prior written consent.
4. do not take legal action: We will attempt to recover any outstanding debt resulting from an Accident, and if circumstances warrant, may elect to undertake Your defence in any court and represent You at any inquest or official inquiry, provided You have complied with the terms and conditions, and subject to the memoranda and exclusions, of the Policy.

CONDUCT OF CLAIMS

1. We have full discretion in the conduct, defence or settlement of any claim. You shall give Us all information and assistance as We may require in the prosecution, defence or settlement of any claim.
2. Any communications from other parties must be notified and sent to Us immediately. Any notice of impending prosecution or details of any inquest or official inquiry must be given to Us immediately.
3. When You claim under this section, We may take over any right that You may otherwise have had against any person who may be held responsible. We may take any recovery action in Your name.
4. You must make Your vehicle available as and when we direct for inspection or repair.
5. Unless We agree in writing, You must not authorise repairs to Your vehicle.

DEFINITIONS

The following definitions apply to this section:

Purpose of Use

Means the Purpose of Use set out in the Schedule which is the use that Your Vehicle can be put to, as follows:

1. Private Use – if You do not use it in connection with earning an income, or if You only drive it to and from work or occasionally in connection with work.
2. Goods Carrying / Trade Use – if registered for business or used in connection with a recognised trade.
3. Business Use – if registered for business or used in connection with Your occupation or Business in a way not listed above.
4. Test drive – if any Vehicle from Your stock of Vehicles including Customer's Vehicles is being used for a test drive.

Test Drive

Means use of Your Vehicle by You or by any other person with Your permission for the sole purpose of testing a Vehicle prior to sale or purchase.

Tool of Trade

Means the use or operation of a Vehicle or equipment, tool or apparatus which forms part of the Vehicle, but only while engaged in or undertaking its designated purpose of digging, scraping, shovelling, grading, boring, drilling, compacting, harvesting, ploughing, shredding, lifting, clearing, levelling, hosing, pumping, spraying, vacuuming or suction activities.

Tool of Trade does not include any Vehicle whilst travelling to or from a worksite or Vehicles that are used to carry goods to or from any Premises.

You and Your

Means the Named Insured and includes, for any cover for legal liability, any directors, officers or Employees of the Named Insured or passengers in Your Vehicle.

Your Vehicle

Means any motor propelled machinery of every kind and description, motor vehicle, trailers, caravans, boats, motor cycles, motorised homes, whether registered or unregistered, belonging to or being purchased, financed or otherwise acquired by You or left in Your custody for sale, repair, garaging or servicing or for any other purpose in the course of Your Business.

Your Vehicle includes:

1. Accessories (including fire fighting equipment) providing they are in or on the Vehicle; and
2. standard tools supplied by the Vehicle manufacturer or similar substitutes for them.

Your Vehicle does not include:

1. any radio, cassette, compact disc, digital versatile disc or other digital media playing or recording device or any speed surveillance detection apparatus or navigation apparatus which is not built into the Vehicle;
2. any contents other than permanent fixtures or fittings;
3. a trailer or sidecar (other than a trailer or sidecar given cover specifically under this section or described on the Schedule);
4. any tarpaulins, gates or binders; or
5. any stock Vehicle or Customer's Vehicle, whilst in, on or about Your Premises, except when being driven under a trade plate or as part of a test-drive.

SECTION 5 – BROADFORM PUBLIC AND PRODUCTS LIABILITY

THE COVER

We will cover You for all amounts which You become legally liable to pay as compensation for Personal Injury or Property Damage caused by an occurrence during the Period of Insurance in connection with Your Business.

We will also pay Your reasonable legal costs and expenses to defend any claim made against You that are incurred with Our written consent. These costs and expenses are called Defence Costs.

ADDITIONAL BENEFITS

The following additional benefits apply to this section. Unless stated otherwise, these additional benefits are included in Our Limit of Liability and not in addition to it.

ENQUIRY COSTS

We will pay the reasonable legal costs and expenses arising out of Your attendance at court or at any official investigation, examination, inquiry or other proceedings ordered or commissioned by any official body or institution in relation to an Occurrence covered by this section.

EXPENSES

We will reimburse You for all reasonable expenses You incur in connection with any claim made against You that is covered by this section, other than loss of earnings, incurred with Our prior written consent.

ADDITIONAL COSTS

We will pay the following additional costs incurred by You in connection with an Occurrence covered by this section:

1. first aid costs (other than medical costs which We are not allowed to pay by law); and
2. the cost of emergency first aid to other persons and for costs incurred with Our consent for temporary repairs, shoring up or protection of Damaged property of others.

FAULTY WORKMANSHIP

We will cover You for all amounts which You become legally liable to pay to rectify, perform, re-perform, complete, or improve any work during the Period of Insurance undertaken by You or on Your behalf in connection with Your Business.

The most We will pay under this additional benefit is \$10,000 for any one claim and is \$50,000 in the aggregate for all such claims in any one Period of Insurance.

Exclusion 10 of this section does not apply to this additional benefit.

EXCESS

You must pay any Excess that applies to a claim under this section before We make any payments. The Excess that applies will be set out in the Schedule.

For any claim that relates to Property Damage to any Vehicle not belonging to You but in Your physical or legal control whilst being driven or moved for the purpose of servicing, repairing, delivery or testing as part of Your Business, You must pay an additional Excess of \$500, in addition to any other Excess that applies.

The Excess must be paid to Us or as We direct within the time We specify or, alternatively, We may deduct the Excess from the amount We pay for any claim.

LIMITS OF LIABILITY

The following limits apply:

PUBLIC LIABILITY

Subject to any other limit set out in this section, We will pay up to the Limit of Liability for any one Occurrence.

PRODUCTS LIABILITY

For claims arising out of a Product Hazard, We will pay up to the Limit of Liability for any one Occurrence and in the aggregate for all claims in any one Period of Insurance.

DEFENCE COSTS

We will pay for Defence Costs in addition to the Limit of Liability (except for a claim made in North America or in connection with an occurrence in North America).

However, We will not pay any Defence Costs or defend any claim after the Limit of Liability has been exhausted.

If a payment exceeding the Limit of Liability is made to dispose of a claim, our liability for Defence Costs is limited to the proportion that Our liability to indemnify You under this section bears to that payment.

For any claim made in North America or in connection with an Occurrence in North America, the total amount payable by Us, including Defence Costs, is the Limit of Liability.

EXCLUSIONS

We will not cover any liability under this section directly or indirectly caused by, arising from or in connection with:

1. Employer's Liability
 - a. Personal Injury to any Worker or Employee. However, if You are:
 - i. required by law to insure or otherwise fund, whether through self-insurance, statutory fund or other statutory scheme, all or part of any common law liability (whether limited or not) for such Personal Injury; or
 - ii. not required to so insure or otherwise fund such liability by reason only that the Personal Injury is to a person who is not a worker or Employee within the meaning of the relevant Workers' Compensation Law or the Personal Injury is not an injury which is subject to such law,
 then this section will respond to the extent that Your liability would not be covered under any such fund, scheme, policy of insurance or self-insurance arrangement had You complied with Your obligations pursuant to such law.
 - b. Liability imposed by:
 - i. any Workers' Compensation Law;
 - ii. the provisions of any industrial award or agreement or determination or any contract of employment or workplace agreement where such liability would not have been imposed in the absence of such industrial award or agreement or determination; or
 - iii. any law relating to Employment Practices.
2. Property in Custody or Control

Property Damage to:

 - (a) property owned by or leased or rented by You; or
 - (b) property in Your physical or legal control.

However, this exclusion does not apply to liability for Property Damage to:

 - (i) premises which are leased or rented by You for the purpose of Your Business, and the liability does not arise from Your failure to insure the premises as required in the lease or rental agreement;
 - (ii) vehicles (not belonging to You or used by or on Your behalf) in Your physical or legal control where such property damage occurs whilst any such vehicle is in a car park owned or operated by You, other than a car park owner or operator for reward; or property which You do not own but is in Your physical or legal control (including whilst left stationary outside and in the immediate vicinity of the Premises), up to the Limit of Liability specified in the Schedule for goods

in care custody or control.

3. Imports

Personal Injury or Property Damage arising directly or indirectly out of Products imported by You and distributed or on-sold.
4. Known Exports to North America

Personal Injury or Property Damage arising directly or indirectly from Products which to Your knowledge at the time of Your acceptance of this insurance or any subsequent renewal would be exported to North America.
5. Pollution
 - a. Personal Injury or Property Damage arising directly or indirectly out of or caused by, through, or in connection with the discharge, dispersal, release or escape of Pollutants into or upon land, the atmosphere or water unless such discharge, dispersal, release or escape is sudden, identifiable, unexpected and unintended from Your standpoint and takes place in its entirety at a specific time and place;
 - b. the cost of preventing, removing, nullifying or cleaning up any contamination or Pollution as a consequence of the discharge, dispersal, release or escape of any Pollutants. However, this sub-paragraph (b) does not apply to removal, nullifying or cleaning up costs which are consequent upon a sudden, identifiable, unexpected and unintended happening which takes place in its entirety at a specific time and place; or
 - c. Personal Injury or Property Damage arising directly or indirectly out of or caused by, through or in connection with the actual, alleged or threatened discharge, dispersal, seepage, migration or escape of Pollutants caused by any of Your Products that has been discarded, dumped, abandoned or thrown away by others.
6. Fines or Penalties

Fines, penalties, liquidated damages, punitive, aggravated or exemplary damages whether imposed by statutes, regulations, or any court or tribunal of competent jurisdiction, or any other person, company or corporation.
7. Contractual Liability

Any liability which has been assumed by You under any contract or agreement that requires You to:

 - a. effect insurance over property, either real or personal; or
 - b. assume liability for Personal Injury or Property Damage regardless of fault.

This exclusion does not apply to:

 - i. liabilities which would have been implied by law in the absence of such contract or agreement;
 - ii. terms regarding merchantability, quality, fitness or

care of Your Products which are implied by law or statute; or

- iii. liabilities assumed under the contracts specifically designated in the Schedule.

8. Warranties and Agreements

Any liability assumed by express warranty or agreement unless such liability would have attached to You notwithstanding such express warranty or agreement. This exclusion does not apply to liabilities assumed under the contracts specifically designated in the Schedule.

9. Erection and Alterations to Buildings

Personal Injury or Property Damage arising directly or indirectly out of or caused by or in connection with the erection, demolition of or alteration or addition to Buildings by You or on Your behalf except where the completed value of such work does not exceed \$500,000.

10. Faulty Workmanship

The cost of performing, completing, correcting or improving any work undertaken by You or on Your behalf. However, this exclusion does not apply in respect of Personal Injury or Property Damage resulting from faulty or defective workmanship.

11. Vibration and Removal of Support

Property Damage to any land or fixed property arising directly or indirectly from vibration or from the removal or weakening of or interference with support to land, Buildings or any other property.

12. Aircraft and Watercraft

Personal Injury or Property Damage arising directly or indirectly out of or caused by, through, or in connection with:

- a. the ownership, legal possession, legal control or use by You or the use on Your behalf of:
 - i. any Aircraft or hovercraft; or
 - ii. any Watercraft exceeding 8 metres in length;
- b. the selling or manufacturing of Aircraft or the manufacture, assembly and/or supply of any products that are used with Your knowledge in Aircraft;
- c. the leasing, hiring or chartering of Aircraft to or from You; or
- d. the repair, service or maintenance of Aircraft or Aircraft products or the installation of any products into Aircraft unless such repair, service, maintenance or installation does not affect the flying capabilities or safety of the Aircraft and this policy has been endorsed accordingly.

13. Aircraft Landing Areas

Personal Injury or Property Damage arising directly or indirectly out of or caused by, through, or in connection with the use of any land, property or structure as an airport,

Aircraft hangar or Aircraft landing area, where such airport, Aircraft hangar or Aircraft landing area:

- a. is required by law to be issued with a licence permitting regular public transport operations of Aircraft having a maximum passenger seating capacity of more than 30; or
- b. has more than 1,000 flight movements per year.

14. Loss of Use

Loss of use of tangible property, which has not been physically damaged or destroyed, resulting from:

- a. delay in or lack of performance by You or on Your behalf of any contract or agreement; or
- b. the failure of Your Products to meet the level of performance, quality, fitness or durability expressly or impliedly warranted or represented by You, however, this paragraph (b) does not apply to loss of use of other tangible property resulting from the sudden and accidental physical damage to or destruction of Your Products after such products have been put to use by any person or organisation other than You.

15. Product Guarantee

Any warranty or guarantee given by You or on Your behalf in respect of Your products, but this exclusion does not apply to the requirements of any legislation as to Product safety and information.

16. Product Recall

Arising directly or indirectly out of, or caused by, through or in connection with the withdrawal, inspection, repair, replacement or loss of use of Your Products or of any property of which such Products form a part if your Products are withdrawn from the market or from use because of any known or suspected defect or deficiency therein.

17. Vehicles

Personal Injury or Property Damage arising directly or indirectly out of or caused by, through, or in connection with the ownership, use, legal possession, or legal control by You of any Vehicle or any attachment to such Vehicle:

- a. which is registered;
- b. in respect of which registration or insurance is required under any legislation relating to Vehicles; or
- c. in respect of which compulsory liability insurance or statutory indemnity is required under any legislation (whether or not insurance is effected).

This exclusion does not apply to claims in respect of:

- i. Personal Injury arising out of an occurrence which is partially (to the extent of that part) or totally outside the indemnity afforded under such compulsory liability insurance or other legislation relating to Vehicles and where the reason the Occurrence is outside the indemnity afforded by compulsory liability insurance or statutory indemnity does not involve a breach by You of legislation relating to Vehicles or registration of them;
- ii. Property Damage arising out of and during loading and unloading of goods to or from any Vehicle;
- iii. Property Damage caused by the operation or use of any Vehicle which is designed primarily for lifting, lowering, loading or unloading whilst being operated or used by You or on Your behalf;
- iv. Property Damage caused by the use of any tool or plant forming part of or attached to or used in connection with any Vehicle other than when travelling to or from any work site or transporting or carting goods; Property Damage to Vehicles, not belonging to You or used by You or on Your behalf, but in Your physical or legal control, either at the Premises or while being driven on a Road, for the purpose of servicing, repairing, testing or delivering as part of Your Business, subject to a maximum of \$250,000 any one Occurrence or any higher Limit of Liability set out in the Schedule; or
- v. Personal Injury arising out of the unauthorised operation or use of any Vehicle belonging to You or in Your physical or legal control. However, We will not cover You for claims in respect of:
 - I. Personal Injury for which You or anyone else was required to have compulsory liability insurance or other insurance required by legislation relating to Vehicles unless the claim is instigated by Us or provider of such compulsory liability insurance or other insurance required by legislation relating to Vehicles or the nominal defendant for recovery of amounts paid by them in respect of the Personal Injury;
 - II. Personal Injury to any person (including Employees) using or operating the Vehicle;
 - III. Personal Injury to any person (including Employees) who was in or on the Vehicle at the time of the Occurrence; or
 - IV. the liability of any person using or operating the Vehicle.

18. Professional Duties

The rendering of or failure to render professional advice or service by You, or error or omission connected therewith. However, this exclusion only applies where such professional advice or service is given for a fee.

19. Geographical Limitations

- a. Personal Injury or Property Damage for judgments delivered or obtained in North America;
- b. Costs and expenses of litigation recovered by any original claimant from You which are incurred in and recoverable in North America;
- c. Personal Injury or Property Damage in connection with any business carried on by You at or from any premises situated outside the Commonwealth of Australia; or
- d. Any contract entered into by You under the terms of which work is to be performed outside the Commonwealth of Australia.

20. Libel or Slander

Liability arising out of the publication or utterance of a libel, slander, or defamation:

- a. made prior to the Period of Insurance;
- b. made at Your direction with the knowledge of its falsity; or
- c. related to advertising, publishing, printing, broadcasting or telecasting activities conducted by You or on Your behalf.

21. Defective Design, Known Defects

Personal Injury or Property Damage caused by, or arising out of:

- a. any defective design or error in formula or in specification provided by You for a fee; or
- b. any defect or deficiency in any of Your Products which defect, error or deficiency You have knowledge of or has reason to suspect at the time when Your Products pass from Your actual physical custody or any person under Your control.

22. Asbestos

- a. Personal Injury arising directly or indirectly, out of or caused by, through or in connection with the inhalation of (including the fear of inhalation of, or exposure to) Asbestos;
- b. Property Damage, or loss of use or diminution in value of property, arising directly or indirectly, out of or caused by, through or in connection with Asbestos; or
- c. the cost of cleaning up, removing, treating, controlling, storing or disposing of Asbestos or any other associated expenses.

23. Tobacco Products

Personal Injury or Property Damage caused by or arising directly or indirectly out of:

- a. the effects of cigarette or tobacco smoking allowed within the Premises; or
- b. the sale, distribution or supply of cigarettes or tobacco products in the course of the Business.

The general exclusions in Part 5 of this PDS and Policy Wording also apply.

CONDITIONS

The following conditions apply to this section:

1. Claims Notice

Any Occurrence which might give rise to a claim under the Policy must be reported to Us in writing as soon as possible and, as far as is practicable, no alteration or repair may be carried out by You until We have had the opportunity of inspecting, unless such alteration or repair is necessary to either prevent or minimise any additional Property Damage or Personal Injury.

You must give immediate notice of any impending prosecution, inquest, inquiry or civil proceeding in connection with the Occurrence and send to Us immediately every relevant document.

2. Claims Conduct

No admission of liability or offer, promise or payment may be made without Our prior written consent.

We are entitled at Our discretion to take over and conduct in Your name the defence or settlement of any claim and to prosecute, at Our expense and for Our benefit, any claim of indemnity or damages against any other persons and You shall give all information and assistance required.

3. Material Changes

Notice in writing must be given to Us within 30 days of every change materially varying any of the facts or circumstances existing at the commencement of this Policy that come to Your knowledge.

4. Subrogation

You shall at Our request and expense do and concur in doing and permit to be done all such acts and things as may be necessary or reasonably required by Us for the purpose of enforcing any rights and remedies, or of obtaining relief or indemnity from other parties to which We are entitled or subrogated, upon its paying for or making good any Loss under the Policy, whether such act and things shall be or become necessary before or after indemnification by Us.

5. Property Inspection

We may at any reasonable time inspect Your property or property which You occupy or are responsible for.

6. Cross Liability

The inclusion of more than one person or organisation as You under this Policy does not in any way affect the rights of any such person or organisation either in respect of any claim, demand, suit or judgment made or in favour of any Employee of such other person or organisation or otherwise it being the intent of the Policy to protect such person or organisation, however this does not operate to increase the Limit of Liability.

7. Statutory Requirements

You must comply with all statutory requirements including but not limited to those concerning the inspection of passenger lifts and steam pressure apparatus.

DEFINITIONS

The following definitions apply to this section:

Occurrence

Means any event, including continuous or repeated exposure to substantially the same general conditions, which results in Personal Injury or Property Damage neither expected nor intended from Your standpoint, unless specifically excluded from under the Policy. All Personal Injury or Property Damage attributable to one original source, or one original cause, shall be deemed to be one Occurrence.

Personal Injury

Means:

1. death, bodily injury, sickness, disease, disability, shock, fright, mental injury, mental anguish, or loss of consortium resulting from any of them; or
2. the effects of:
 - a. false arrest, false imprisonment, wrongful eviction, wrongful detention, and humiliation;
 - b. libel, slander, defamation of character or invasion of the right of privacy; or
 - c. assault and battery not committed by You or at Your direction unless committed for the purpose of preventing or eliminating danger to persons or property.

Product

Means anything (after it has ceased to be in Your possession or control) including its packaging or container which is manufactured, grown, extracted, produced, processed, assembled, constructed, erected, installed, repaired, serviced, treated, sold, supplied, resupplied, or distributed in or from Australia or its external territories by You in the normal course of the Business, and also including design formula or specification, directions, markings, instructions or warnings given or omitted to be given by You in connection with such products.

Product Hazard

Means Personal Injury or Property Damage:

1. caused by any defect in, or the harmful nature of any of Your Products; or
2. resulting from any defect or deficiency in any direction or advice intended to be given by You concerning the use or storage of Your products.

Property Damage

Means:

1. Damage to or destruction of tangible property including the loss of use of the property Damaged or destroyed; or
2. loss of use of tangible property which has not been Damaged or destroyed provided such loss of use is caused by Damage to or loss or destruction of other tangible property, during the Period of Insurance.

Worker

Means any person:

1. employed by You; or
2. deemed to be employed by You pursuant to any Workers' Compensation Law.

Workers' Compensation Law

Means any law applicable to You relating to compensation for injury to workers or Employees.

You and Your

Means each of the following:

1. the Named Insured;
2. all Subsidiary companies of the Named Insured, whose place of incorporation is within the Commonwealth of Australia, carrying on the Business;
3. any director, officer, Employee, partner or shareholder, work experience student, former Employee, consultant or volunteer of the Named Insured, but only whilst acting within the scope of their duties in such capacity;
4. any principal in respect of the liability of such principal arising out of the performance by the Named Insured or the companies as designated in paragraph (2) above of any contract or agreement for the performance of work for such principal;
5. any office bearer or member of social or sporting clubs formed with the consent of the Named Insured or the companies as designated in (2) above in respect of claims arising from duties of or connected with the activities of any such club.

SECTION 6 – EQUIPMENT BREAKDOWN

THE COVER

We will cover You for Loss or Damage to Equipment which is in use or connected ready for use at Your Premises as a result of a Breakdown that happens during the Period of Insurance.

We will also cover You for Loss or Damage to other Insured Property directly Damaged by a Breakdown to Equipment covered under this section.

WHAT WE COVER

EQUIPMENT

For all Equipment, We will, at Our option:

- 1) repair the Equipment or replace the Equipment with similar (not necessarily new) property of like kind, capacity, size, quality and function; or
- 2) pay You the lesser of the cost to repair the Equipment or replace the Equipment with similar (not necessarily new) property of like kind, capacity, size, quality and function.

If We agree that You can carry out the repairs at the Premises or at a workshop owned by You, We will pay the actual costs of materials and wages incurred plus a reasonable overhead mark-up, provided that a qualified person carries out the repairs.

If it is necessary to replace parts that are unavailable, We will not pay more than the estimated cost of similar parts currently available. If similar parts are unavailable, We will not pay more than the manufacturers, or suppliers, latest list price.

We will also pay the reasonable and necessary cost of cleaning, storing, recycling or replacing any gas or fluid used as transfer or insulating Media in the operation of the Equipment.

OTHER INSURED PROPERTY

For all Media and Electronic Data that is lost or Damaged as a result of a Breakdown covered by this section, We will pay You the cost of blank material plus the cost of transcription from duplicates or from originals.

For all exposed film, records, manuscripts, drawings and other valuable papers and records, that is lost or Damaged as a result of a Breakdown covered by this section, We will pay You the cost of blank material and the cost of transcription from duplicates or from originals.

For all other Insured Property covered under this section We will, at Our option, repair or replace the Insured Property or pay You the cost to repair or replace the Insured Property.

EXCESS

The Excess that applies to this section is set out in the Schedule. The amount We pay You under this section arising from any one Breakdown will be reduced by the Excess.

If a time Excess is shown in the Schedule as applying to this section, We will not be liable for any Loss or expense arising during the period after the Commencement of Liability and prior to the expiry of the specified number of hours specified for the time Excess.

If more than one time Excess is applicable to any one Breakdown, then only the highest applicable time Excess for that coverage shall apply.

LIMIT OF LIABILITY

Our maximum liability under this section for any one Breakdown, and in the aggregate for all Breakdowns in the Period of Insurance, is the Limit of Liability set out in the Schedule.

ADDITIONAL BENEFITS

The following additional benefits apply to this section. These benefits will be payable in the event that a claim is paid under this section (other than the optional covers, unless stated otherwise). Unless stated otherwise, these additional benefits are included in our Limit of Liability and not in addition to it:

PROFESSIONAL FEES

We will pay for the reasonable and necessary fees authorised by Us which are payable to auditors, accountants, lawyers, architects, engineers or other professionals for producing and certifying information required by Us to establish the amount payable under this section, including under the optional covers.

This does not apply to any amount paid or payable to Your Employees or to third party loss adjusters appointed by You. We will not pay more under this additional benefit than the Limit of Liability set out in the Schedule for professional fees.

EXPEDITING EXPENSES

We will pay the reasonable extra cost, including overtime and the extra cost of express or rapid means of transportation, necessary to:

1. make temporary repairs;
2. expedite permanent repairs; or
3. expedite permanent replacement,

of the Damaged Equipment or other Insured Property.

We will not pay any costs relating to any property installed to replace the function of the Damaged Equipment or other Insured Property on a temporary basis.

TEMPORARY HIRE COSTS

We will pay for the hiring of temporary property, necessary to keep the Business operating as nearly as practical as before the Breakdown, up to:

1. 50% of the normal cost to repair or replace the Damaged Equipment and other Insured Property; or
2. \$25,000;

whichever is the lesser, for any one Breakdown.

Cover under this additional benefit applies in addition to the Limit of Liability.

BORE PUMP REMOVAL COSTS

We will pay for the necessary and reasonable cost of removal and installation of bore pumps, up to \$5,000 in total, or any higher limit is stated in the Schedule, for any one Breakdown.

Cover under this additional benefit applies in addition to the Limit of Liability.

ERRORS AND OMISSIONS

We agree that We will not limit or refuse cover under this section (including the optional covers) as a result solely of:

1. any error or unintentional omission by You in the description of Premises, Equipment or Insured Property; or
2. Your failure through error to include in this Policy any Premises at the commencement of the Period of Insurance.

The following conditions apply:

1. You must notify Us in writing of such error or omission immediately upon Discovery and report corrections;
2. the Premises is in Australia or within any other country in which a Premises specified in the Schedule is located;
3. You must pay the additional Premium required by Us;
4. the Excess that applies will be the highest amount or time shown in this Policy for such loss; and
5. We shall be liable for Loss under this additional benefit to the extent that We would have been liable had the error or omission not occurred.

WATER DAMAGE

We will pay for Loss to any Insured Property Damaged by water, including salvage expense, as a direct result of a Breakdown to any piping described in the definition of Equipment. However, We will not pay more than the amount set out in the Schedule for water damage.

HAZARDOUS SUBSTANCES

If a Hazardous Substance escapes or is released solely as a result of a Breakdown, We will pay for the increase in the cost to repair, replace, clean up or dispose of affected Insured Property.

We will not pay for any increase in Loss or Damage to any Insured Property that has broken down that is caused by or arises from a Hazardous Substance. We will not be liable under this additional benefit for any Loss or Damage caused by ammonia contamination.

In this additional benefit the expression 'increase in Loss' means that cost or Loss beyond that which would have been incurred had no Hazardous Substance been present.

AMMONIA CONTAMINATION

For the purposes of this section (including the optional covers) Loss or Damage caused by ammonia making contact with Insured Property as a direct result of a Breakdown to any refrigerating or air conditioning system, vessels or piping, described within the definition of Pressure Plant or Equipment is deemed to be Loss or Damage as a result of a Breakdown.

NEWLY ACQUIRED PREMISES

We will cover You for and in connection with a Breakdown at Premises newly acquired by You provided that:

1. You notify us in writing within 90 days after the date the Premises is acquired;
2. the Premises is in Australia or within any other country in which a Premises specified in the Schedule is located;
3. You must pay the additional Premium required by Us;
4. the Money Excess (and time Excess) that applies will be the highest amount shown in this Policy for such Loss; and
5. We will not pay more than the Limit of Liability set out in the Schedule for newly acquired premises.

OPTIONAL COVER

If You have cover under this section You can choose to add the following optional cover to Your Policy. The option that You have chosen to add to Your Policy will be set out in the Schedule.

The optional cover set out below is subject to the terms and conditions of this Policy, unless otherwise stated.

BUSINESS INTERRUPTION

If We have agreed to pay a claim under this section for repair or replacement of Equipment caused by Breakdown We will pay the additional increase in cost of working (not otherwise recoverable under this section) necessarily and reasonably incurred during the Indemnity Period as a consequence of the Breakdown for the purpose of avoiding or diminishing reduction in Turnover or resuming or maintaining normal business operations or services. The most We will pay for Your additional increase in cost of working is the Limit of Liability set out in the Schedule for additional increase costs of working.

EXCLUSIONS

We will not be liable under this section for any:

1. Riot, civil commotion and sabotage Loss, Damage, cost or expense caused directly or indirectly by or resulting from:
 - a. riot or civil commotion; or
 - b. sabotage.
2. Increase in cost (except as covered specifically in this section) increase in Loss, Damage, cost or expense:
 - a. necessitated by any Act of Parliament or Regulation or any law, by-law, ordinance, regulation of any Municipal or Statutory Authority, rule or ruling regulating or restricting repair, replacement, alteration, use, operation, construction or installation;
 - b. arising from any Damage, contamination or Pollution by a Hazardous Substance;
 - c. additional expenses incurred for clean-up, repair, replacement or disposal of Damaged, contaminated or Polluted property. "Additional expenses" means expenses incurred beyond those for which We would have been liable had no contaminant, Pollutant or Hazardous Substance been involved in, or result from, the Breakdown; or
 - d. incurred in the removal or re-installation of bore pumps.
3. Perils
Loss or Damage from Breakdown caused directly or indirectly by or resulting from:
 - a. earth movement, earthquake, landslide, mud flow, subsidence or volcanic eruption;
 - b. cyclone, storm, tempest, wind, Hail, snow, ice, sleet, rainwater, water from or action of the sea, tsunami, tidal wave, high water or Flood or collapse of any Building or structure;
 - c. fire, smoke or explosion;
 - d. water or other means used to extinguish a fire;

- e. lightning;
 - f. theft, burglary or attempted theft or burglary;
 - g. impact by Vehicle or animal; or
 - h. impact by Watercraft, Aircraft or other aerial devices or articles dropped from them.
4. Water and Explosion
Loss or Damage caused by or resulting from:
 - a. escape of water or liquids, unless resulting from a Breakdown; or
 - b. explosion that is accompanied by or that ensues from a Breakdown; however with respect to:
 - i. an item of Equipment which forms part of Pressure Plant (but not including a boiler of the chemical recovery type), the Loss to the item of Equipment, resulting from Damage to the same item of Equipment in which the Breakdown occurred, is not excluded; and
 - ii. an explosion of gas or unconsumed fuel within the furnace of a fired pressure vessel or a boiler (being an item of Pressure Plant, but not including a boiler of the chemical recovery type), or within the passages from the furnace of such a fired pressure vessel or boiler to the atmosphere, the Loss to the item of Equipment, resulting from Damage to the same item of Equipment in which the breakdown occurred, is not excluded.
 5. Consequential Loss
(except as covered specifically in this section) Loss, Damage, cost or expense caused directly or indirectly by or resulting from:
 - a. delay or interruption of the Business;
 - b. lack of power, light, heat, steam or refrigeration; or
 - c. any other indirect result or consequence of a Breakdown.
 6. Certain Circumstances
Loss, Damage, cost or expense in respect to any item of Equipment which is caused directly by Breakdown while such item is undergoing any pressure test, an insulation breakdown test or is being dried out.

The general exclusions in Part 5 of this PDS and Policy Wording also apply.

CONDITIONS

The following conditions apply to this section:

ONE BREAKDOWN

If a Breakdown to any item of Equipment causes a Breakdown simultaneously to any other item of Equipment, or a series of Breakdowns occur simultaneously as a result of the same cause, they will be considered as one Breakdown for the purposes of the section.

INSPECTION

We have the right to inspect any item of Equipment at any reasonable time. Neither the right to make inspections nor the making of them is an undertaking to You or others that such Equipment is safe and not hazardous or injurious to health.

PRECAUTIONS

You must take responsible measures to maintain the Equipment in sound working condition and to prevent a Breakdown from occurring and to comply with any Act of Parliament or Regulation or any law, by-law, ordinance, regulation of any Municipal or Statutory Authority, rule or ruling in relation to the operation, maintenance, repair or inspection of the Equipment including:

1. where a certificate of inspection is required by any statute or regulation, such Equipment shall be so certified;
2. where Pressure Plant is not inspected by a Statutory Authority, the plant must be inspected and conform with Australian Standards AS3788 and all other relevant Australian Standards, regulations and codes;
3. the load on the safety valve or safety valves upon any item of Equipment shall not be in excess of that permitted by the certificate issued for the item; and
4. no safety valve or other limiting device shall be removed or rendered inoperative.

DEFINITIONS

The following definitions apply to this section:

Breakdown

Means the sudden and Accidental Damage to an item of Equipment or a part of it, which manifests itself at the time of its occurrence by physical Damage to the item of Equipment or part thereof that necessitates its repair or replacement, but Breakdown does not mean:

1. depletion, deterioration, corrosion or erosion of material;
2. wear and tear;
3. leakage at any valve, fitting, shaft seal, gland packing, joint or connection;
4. vibration or misalignment;
5. the failure of any structure, foundation or setting (other than bedplate) supporting the Equipment or any part of it;
6. the functioning of any safety device or protective device; or
7. the cracking of any part of a gas turbine exposed to the products of combustion.

Commencement of Liability

Means:

1. the local time at the Premises at the time of the Breakdown; or
2. twenty four hours before notice of the Breakdown is received by Us; whichever is later.

Equipment

Means all Equipment of the type described below that is owned, leased, operated or controlled by You:

1. any Pressure Plant;
2. any mechanical or electrical machine or electrical apparatus used for the generation, transmission, transformation or utilisation of mechanical or electrical power; or
3. any electronic equipment used:
 - a. for the generation, control, transmission, reception, recording, reproduction, playback or other use of television, radio or telephone signals;
 - b. for research, diagnostic, treatment, experimental or other medical or scientific purposes;
 - c. for computing, data processing, duplicating, inventory control, monitoring, scanning, point of sale or office services; or
 - d. for starting, stopping, controlling or monitoring one or more insured items of Equipment.

Equipment does not include:

1. any Vehicle, locomotive or rolling stock, Watercraft or Aircraft;
2. any power shovel, excavator, dragline or other mobile equipment. However, the meaning of Equipment shall include any electrical equipment used with such machine or equipment;
3. any belt, rope or chain;
4. any refractory or insulating material;
5. any anode tube, laser source head or tube, ultrasound probe or head, klystron tube, x-ray or video amplifier tube;
6. any die, mould or template;
7. any hose, any piping or any electrical reticulating system in or under water (whether or not in conduit),
8. buried piping (except such piping included in Pressure Plant), sewer piping, drainage piping, sprinkler system or its accessory equipment;
9. any penstock, draft tube or well casing;
10. any digital camera, mobile phone, personal digital assistant ("PDA") or removable satellite system; or
11. any elevator, escalator, crane, hoist or conveyor other than:
 - a. any Pressure Plant, pump, compressor, fan, blower, engine or turbine connected to such machine or apparatus;
 - b. any separate enclosed gear set connected to such machine or apparatus by a coupling, clutch or belt;
 - c. any electrical equipment connected to such machine or apparatus; or
 - d. any electronic equipment used solely to start, stop, control or monitor such machine or apparatus.

Insured Property

Has the meaning that applies in Sections 1(A) and 1(B).

SECTION 7 – INLAND TRANSIT

THE COVER

We will cover You against Loss or Damage to Insured Property caused directly by an Event in the Period of Insurance while the Insured Property is in the ordinary course of transit within Australia between a warehouse or place of storage until arrival at either:

1. the Premises; or
2. any other place of storage whether prior to or at the nominated destination which you have elected to use for storage, other than in the ordinary course of transit.

We will cover Loss or Damage to the Insured Property immediately upon commencement of loading onto the conveying vehicle from the ground immediately adjacent to the conveying vehicle and unloading from the conveying vehicle to the ground immediately adjacent to the conveying vehicle.

We will not cover any period of time during which the Insured Property is in storage either overnight or otherwise, other than in the ordinary course of transit, except as otherwise provided in this section

WHAT WE COVER

We will calculate the amount We will pay for a Claim under this section as follows;

1. unless a more specific calculation method is set out below in respect of Loss or Damage to Insured Property, the cost of the repair or replacement of the Insured Property.
2. Loss or Damage to new Vehicles not insured under Your Dealer Floor Plan Agreements:
 - a. Total Loss – the replacement cost of the Vehicle, (including options, Accessories, tools and spare parts) or if not replaced, the Stock Card Value of the Vehicle, with no allowance for dealer margin or profit.
 - b. Partial Loss – the cost to repair the Vehicle (including options, Accessories, tools and spare parts). If You repair the Vehicle, We will pay labour costs based on Your recognised labour rates. If You supply the parts and Accessories, the amount We will pay for such parts and Accessories will be the cost to You plus 15%.
3. on new Vehicles subject to Your Dealer Floor Plan Agreements, the amount in excess of the amount recoverable under such agreement and any Improved Value at the time of the Damage, limited to your equity in such Vehicles. This does not include any difference in Excesses under your Dealer Floor Plan Agreements and this section.

4. Loss or Damage to used Vehicles not insured under Your Dealer Floor Plan Agreements:
 - a. Total Loss – the sum of the actual price paid by You plus all direct expenditure subsequently incurred in the preparation and improvement of the Vehicle for resale (with no allowance for profit or other expenses) or Market Value, whichever is the lesser.
 - b. Partial Loss – the cost to repair the Vehicle (including options, Accessories, tools and spare parts). If You repair the Vehicle, We will pay labour costs based on Your recognised labour rates. If You supply the parts and Accessories, the amount We will pay for such parts and Accessories will be the cost to You plus 15%.
5. on used Vehicles subject to Your Dealer Floor Plan Agreements, the amount in excess of the amount recoverable under such agreement and any Improved Value at the time of the Damage, limited to Your equity in such Vehicles. This does not include any difference in Excesses under Your Dealer Floor Plan Agreements and this section.
6. on leased Vehicles (residual value), on Vehicles under a lease agreement that are Total Loss, the payout sum under the lease agreement, if it is greater than an amount that otherwise applies under this section. However, We will not pay more than the cost to repair or replace that Vehicle, plus 10% of that amount.
7. on Customer's Vehicles :

either of the following, at Our option:

 - a. pay You the cost to repair or replace the Vehicle as far as circumstances permit and in a reasonably sufficient manner, to a condition equal to but not better or more extensive than its condition immediately prior to the Damage occurring, with allowance for wear, tear and depreciation; or
 - b. pay You the Market Value of the Vehicle.
8. on spare parts and Accessories of Vehicles, the cost of repair or replacement provided that if the parts and or Accessories are supplied by You, the amount We will pay will be Your cost of parts and or Accessories plus 15%, plus the reasonable cost of fitting.

In addition to (1) to (5) above, We will pay the cost of the freight for which You are responsible.

The cover on Your Vehicles, spare parts and Accessories ceases automatically if We pay a Total Loss claim for that Vehicle, spare parts and Accessories. There is no refund of unexpired Premium or any registration costs in these circumstances and the Vehicle, spare parts and Accessories become Our property.

EXCESS

You must pay any Excess that applies to a claim under this section. The Excesses that apply to this section will be set out in the Schedule.

LIMIT OF LIABILITY

We will not pay more under this section than the Limit of Liability set out in the Schedule for all Loss and Damage incurred in any one conveyance.

ADDITIONAL BENEFITS

The following additional benefits apply to this section. These benefits will be payable if a claim is paid under this section. Unless stated otherwise, these additional benefits are included in our Limit of Liability and not in addition to it.

EXTRA COSTS AND EXPENSES

We will cover You for the following expenses that You necessarily and reasonably incur in minimising or averting Damage covered by this section:

1. any extra charges incurred by You in unloading, storing and forwarding the Insured Property to the destination;
2. costs incurred in minimising or averting Damage resulting from an Event covered by this section; and
3. any additional charges for forwarding and refitting of new parts damaged for any Insured Property Damaged as a result of an event covered by this section.

DIMINISHED VALUE ALLOWANCE (DVA)

We will pay you the following for your vehicles that are:

stock; and are not a total loss:

1. New Vehicles
 - a. If the Selling Price is \$60,000 or greater:
 - i. if Damage is \$800 or less, then allow cost of repairs as DVA.
 - ii. if Damage is greater than \$800 but not exceeding \$5,000, then allow \$3,000 as DVA.
 - iii. if Damage exceeds \$5,000 then allow cost of repairs as DVA but limited to \$10,000.
 - b. If the selling price is \$40,000 or greater but less than \$60,000:
 - i. if Damage is \$800 or less, then allow cost of repairs as DVA.
 - ii. if Damage is greater than \$800 then allow DVA of \$2,000.
 - c. If the selling price is \$30,000 or greater but

less than \$40,000:

- i. if Damage is \$800 or less, then allow cost of repairs as DVA.
 - ii. if Damage is greater than \$800, then allow DVA of \$1,500.
- d. If the selling price is less than \$30,000:
 - i. if Damage is \$800 or less, then allow cost of repairs as DVA.
 - ii. if Damage is greater than \$800, then allow DVA of \$1,200.

Selling Price is the inward cost of the Vehicle plus the actual average margin for Gross Profit, not inclusive of Holdback.

1. Used Vehicles

- a. If the Selling Price is greater than \$25,000:

allow \$2,000 as DVA or the cost of repairs whichever is the lesser.
- b. If the Selling Price is greater than \$12,500 but less than \$25,000:

allow \$1,500 as DVA or the cost of repairs whichever is the lesser.
- c. If the Selling Price is \$12,500 or less:

allow nil DVA, unless still covered by the manufacturer's warranty then allow cost of repairs as DVA or \$1,200 whichever is the lesser.

Selling Price is calculated from the actual cost of the Vehicle, free from loadings plus outlays expended on it and the average margin for Gross Profit.

TOTAL LOSS EXTENSION

At Your option, We will substitute the following as the method We will use to calculate the amount We will pay You for Damage to Your Vehicles that are stock and have travelled less than 10,000 kilometres at the date of Loss or Damage:

1. if Your Vehicle had a Market Value of \$50,000 or less at the date of the Loss and incurs 30% or more Damage, the Vehicle will be treated as a Total Loss.
2. if Your Vehicle had a Market Value of between \$50,001 and \$100,000 at the date of the Loss and incurred 25% or more Damage, the Vehicle will be treated as a Total Loss.
3. if Your Vehicle had a Market Value of \$100,001 or more at the date of the Loss and incurred 20% or more Damage, the Vehicle will be treated as a Total Loss.

The Diminished Value Allowance (DVA) additional benefit will not apply to Your Vehicle if You select this option.

ADVERTISING COSTS

We will pay the reasonable advertising costs incurred by You to facilitate the sale of Your Vehicles, up to a maximum of \$250 for each Vehicle.

This additional benefit applies in addition to the Limit of Liability.

CLAIM PREPARATION COSTS

We will cover You for the reasonable professional fees payable by You to Your financial advisers (including fees of any accountant, loss adjuster or valuer appointed by You), and such other reasonable expenses necessarily incurred by You and not otherwise recoverable, for preparation of claims and proving the amount of any Loss under this section.

The most We will pay under this additional benefit is the Limit of Liability set out in the Schedule for 'Claims Preparation Costs'

REMOVAL OF DEBRIS

We will cover the cost of removal and disposal of Damaged, deteriorated or contaminated Insured Property and the cost of cleaning up or decontaminating the Premises, location or conveyance.

The most We will pay under this additional benefit is \$100,000 for any one Event. This additional benefit applies in addition to the Limit of Liability.

EXTENDED TRANSIT COVER

Under this additional benefit, the term "ordinary course of transit" is extended to include the following:

- 1) whilst in any packer's premises for the purpose of packing;
- 2) any period where the Insured Property is 'shut out' from the conveyance or intended destination; and
- 3) any Insured Property which has been 'over-carried', until returned to the place of destination.

ACQUIRED COMPANIES

We will cover any Insured Property located in Australia belonging to businesses, or companies a controlling interest in which is, acquired by You during the Period of Insurance, provided that the business of the new acquisition is similar to Your Business.

However, You must advise Us in writing of the details of any acquisition within 90 days following the date of acquisition. You agree to pay any additional Premium that applies.

For the purposes of this additional benefit, a controlling interest in the case of a company means the acquisition of shares carrying more than 50% of votes capable of being cast at a general meeting of ordinary shareholders in such company.

CLAIM PAYMENT EXAMPLES

The following worked dollar examples are designed to assist in the understanding of some of the important benefits in this section and how claims are calculated. The examples do not cover all scenarios or all benefits and do not form part of Your Policy terms and conditions. The following should be used as a general guide only.

You should consider all examples as each example covers different benefits and scenarios.

EXAMPLE 1: DAMAGE TO VEHICLES – TOTAL LOSS

<div><div></div><div>While being transported to Your showroom, 3 of Your new stock Vehicles are Damaged beyond repair when the vehicle carrying is in involved in an accident.</div><div></div><div>The Stock Card Value of all the Vehicles is \$70,000 (plus GST).</div><div></div><div>The Excess shown on the Schedule for transit is \$2,500 each and every claim.</div></div>		
How much We pay		Additional Information
Damage to Your Vehicles	\$70,000	All of the Vehicles are a Total Loss, which means We will pay You the Stock Card Value of each Vehicle.
Less Excess	\$2,500	This Excess applies in this example. We deduct this from the amount We pay. We may require You to pay this amount directly to Us.
Total claim	\$67,500	We normally pay this amount directly to You, unless We repair any Insured Property. If We do, We will pay the repairer directly.

EXAMPLE 2: DAMAGE TO VEHICLES – PARTIAL LOSS

<div><div></div><div>While being transported to your showroom, 2 of Your new stock Vehicles are Damaged when the vehicle carrying is involved in an accident.</div><div></div><div>The cost of repairs is estimated to be \$27,500 (plus GST).</div><div></div><div>The Excess shown on the Schedule for transit is \$1,000 each and every claim.</div></div>		
How much We pay		Additional Information
Damage to Your Vehicles	\$27,500	All of the Vehicles are a Partial Loss, which means We will pay You the cost to repair each Vehicle.
Less Excess	\$1,000	This Excess applies in this example. We deduct this from the amount We pay. We may require You to pay this amount directly to Us.
Total claim	\$26,500	We normally pay this amount directly to You, unless We repair any Insured Property. If We do, We will pay the repairer directly.
<div><div>Diminished value allowance (DVA)</div><div>In the above example, if You chose the diminished value allowance (DVA) settlement option under the diminished value allowance (DVA) additional benefit.</div><div>For each of the Vehicles that were damaged the Selling Price under the additional benefit was less than \$25,000 and the repair cost was more than \$2,000.</div><div>We will pay You an additional amount of \$1,200 for each Vehicle under the diminished value allowance (DVA) additional benefit. This is a total additional payment of \$2,400.</div></div>		

EXCLUSIONS

We will not pay for any Loss, Damage or expense caused by or resulting from:

1. moths, vermin or insects;
2. wear, tear or gradual deterioration;
3. mechanical, electrical or electronic derangement;
4. mould or mildew unless resulting from contact with fresh water;
5. strikers, locked out workmen or persons taking part in labour disturbances, riots or civil commotions;
6. insufficient or unsuitable packing of the Insured Property;
7. inherent vice or nature of the subject matter insured; or
8. delay, even if the delay is caused by an Event insured against.

However, We will pay for Loss, Damage or expense due to a subsequent Event which arises from the circumstances excluded in exclusions 1), 2) or 3) above.

The general exclusions in Part 5 of this PDS and Policy Wording also apply.

CONDITIONS

The following conditions apply to this section:

BRANDS AND LABELS CLAUSE

Any Insured Property bearing identifying brands or labels or other permanent markings, may be retained by You to dispose of as You see fit, provided a reasonable allowance is agreed for the value of the Insured Property and this allowance is deducted from the claim settlement.

Where only the labels or packaging are affected, We will pay You only the cost to recondition or replace labels or packaging.

GENERAL AVERAGE AND SALVAGE CLAUSE

We will pay general average and salvage charges payable by You up to the Limit of Liability.

It is a condition of this additional benefit that all Insured Property is insured for not less than the amounts payable under this section for that property.

WAIVER

Any measures You or We take to save, protect or recover the Insured Property shall not be considered as a waiver or acceptance of abandonment or otherwise prejudice the rights of either party.

AUTOMATIC REINSTATEMENT

When We pay a claim under this section of the Policy, the Limit of Liability will be automatically reinstated without additional Premium.

However, nothing in this clause will increase the Limit of Liability for any one claim, Event or Occurrence.

DEFINITIONS

The following definition applies to this section:

Insured Property

Means:

1. motor vehicles, trailers, caravans, boats, motor cycles, motorised homes, motor propelled machinery of every kind and description whether registered or unregistered belonging to or being purchased, financed or otherwise acquired by You or left in Your custody for sale or repair, garaging or servicing or any other purpose in the course of the Business; and
2. spare parts or Accessories belonging to or being purchased, financed or otherwise acquired by You.

SECTION 8 – TAX AUDIT

THE COVER

We will pay for the Professional Fees incurred by You in connection with a Tax Audit of Your financial or tax affairs in respect of Your Business by the Australian Taxation Office, or by another Commonwealth, State or Territory department, commenced and notified to Us in the Period of Insurance.

We will not cover You under this section unless You:

1. lodge taxation and other Returns and pay all taxes within three months of the time limits prescribed by statute or, if an extension is granted by the Auditor, within the further period granted;
2. respond to letters, requests and enquiries from the Auditor within a reasonable time; and
3. make full and complete declarations of all relevant liabilities, income and capital gains derived by You and of all Commonwealth, State or Territory taxation liabilities due to be paid or remitted by You during each year of income, and all deductions including capital loss or other amounts claimed by You in respect of the same period.

For the purpose of this section, the Tax Audit commences at the time You or Your professional adviser first receives notice that the Auditor proposed to conduct a Tax Audit and is completed when:

1. the Auditor has given written notice to that effect;
2. the Auditor notifies You that it has made a Concluded Decision about Your Returns;
3. when the Auditor has issued an assessment or amended assessment of Your Returns; or
4. in the absence of 1), 2) or 3) above where Your professional adviser declares in writing that such a Tax Audit has been concluded.

LIMIT OF LIABILITY

The most We will pay for a claim during the Period of Insurance relating to a Tax Audit is the amount shown on the Schedule.

The most We will pay for all claims during the Period of Insurance is the overall or aggregate Limit of Liability shown in the Schedule.

ADDITIONAL BENEFITS

The following additional benefit applies to this section. These benefits will be payable in the event that a claim is paid under this section (other than the optional covers, unless stated otherwise).

EXTRA BENEFIT

If We agree to pay a claim under this section We will reimburse You for travel and accommodation expenses incurred by You or Your Employees if they are reasonably and necessarily incurred to substantiate the claim.

INVESTIGATION COVER

The term Tax Audit is amended to include an investigation.

SUPERANNUATION COVER

You can only chose this optional cover if You also have the director tax probe optional cover.

The term Tax Audit is amended to include any Tax Audit of a Self-Managed Superannuation Fund named in the Schedule for the purpose of determining any matter relating to such superannuation fund, or its trustees' compliance with any of the provisions of the Superannuation Industry (Supervision) Act 1993 (Cth).

Under this optional cover, We will also pay the Professional Fees in connection with an appeal to reconsider a Reviewable Decision in respect of Superannuation Industry (Supervision) Act 1993 (Cth) to an administrative tribunal constituted to hear appeals, provided that You supply Us with:

1. written evidence that the appeal has a reasonable prospect of success; and
2. any other Documents and information We reasonably require in relation to the Tax Audit of the Self-Managed Superannuation Fund or the appeal.

Unless stated otherwise, the additional benefits are included in our Limit of Liability and not in addition to it.

OPTIONAL COVERS

If You have cover under this section You can choose to add any of the following optional covers to Your Policy. The options that You have chosen to add to Your Policy will be set out in the Schedule.

These optional covers set out below are subject to the terms and conditions of this Policy, unless otherwise stated.

DIRECTOR TAX PROBE

We will extend the definition of You under this section to include all directors named in the Schedule as covered under this section for director tax probe.

The most We will pay under this optional benefit during the Period of Insurance is the Limit of Liability set out in the Schedule.

EXCLUSIONS

We will not pay:

1. in respect of any Tax Audit where a Return has been lodged:
 - a. more than 3 months after the lodgement date prescribed; or
 - b. after the date prescribed by an authorised extension.
2. if the Tax Audit is conducted by the Australian Prudential Regulation Authority ("APRA");
3. in respect of any Tax Audit where a Return has been prepared lodged or submitted dishonestly or fraudulently, and where the supporting documents have been falsely created or collected;
4. in respect of any Tax Audit where the Australian Taxation Office imposes final-culpability penalties at greater than 40%, or where another Auditor assesses Your behaviour as being a case of deliberate evasion or recklessness;
5. in respect of any routine enquiries, or enquiries from the Auditor which are not identified as being either preliminary to, or relating to an Tax Audit of a Return;
6. for Professional Fees that are:
 - a. associated with any criminal prosecution;
 - b. associated with any Return lodged outside Australia;
 - c. in respect of any person or organisation ordinarily resident outside Australia; or
 - d. incurred for, or are ordinarily associated with the preparation of Your accounts, Returns, taxation and financial records or advice which should have been incurred or ordinarily would have been incurred for work done prior to or as part of the preparation of Your accounts, Returns, taxation and financial records prior to the lodgement of Your taxation Returns, financial records, or any document required by the relevant legislation in connection with Your Returns;
7. for any:
 - a. amounts sought by any amended notice of assessment;
 - b. additional tax, duty government impost or the like;
 - c. fine or penalty imposed; or
 - d. costs in legally pursuing or defending any legal actions against You or initiated by You (unless it is at our discretion); or in respect of any Tax Audit that includes a refund or claim for tax or duty relief arising out of an arrangement, facility, financial structure or the like adopted for the principal purpose of obtaining that refund or relief, unless the arrangement has received prior written approval from the relevant government or government authority or agency before being offered to You or the general public.
8. for any form of activity involving a periodic review relevant to You maintaining industry status, licence, compliance, membership, any form of occupational health and safety compliance or similar requirements;
9. for any form of activity involving a review of how the professional firm assisting You undertakes its professional duty;
10. for any form of practice or procedural Tax Audit of any of Your files;
11. for any activity involving a statutory authority agency gathering information or data that is not part of a formal Tax Audit or investigation; or
12. for any activity involved in the familiarisation, education, training, application, implementation, process or operation of any amendments or changes to existing or the introduction of new statutory or industry regulation;
13. any Tax Audit commenced prior to the Retroactive Date; or
14. any Professional Fees in connection with:
 - a. any audits conducted by the Australian Prudential Regulatory Authority;
 - b. an appeal to a court of law; or
 - c. a Reviewable Decision in respect of Superannuation Industry (Supervision) Act 1993 (Cth) to which our written consent was not obtained before those fees were incurred.

The general exclusions in Part 5 of this PDS and Policy Wording also apply.

CONDITIONS

The following conditions apply to this section:

1. if Your tax or financial affairs are going to be investigated You must:
 - a. provide Us immediately with full written details of any proposed Tax Audit as soon as You are aware of it;
 - b. before retaining any professional other than Your accountant, obtain Our prior written approval of that person's engagement and of the fees and disbursements likely to be incurred;
 - c. keep Us fully informed of all material developments in relation to the claim and the Tax Audit;
 - d. take all reasonable steps to minimise cost and delay; and
 - e. submit to Us all accounts for Professional Fees immediately after receiving them.

Any accounts submitted to Us should fully itemised so We can determine the nature and scope of the work done.

DEFINITIONS

The following definitions apply to this section:

Auditor

Means an officer who is authorised under Commonwealth, State or Territory legislation or regulation to carry out an audit of Your taxation or financial affairs or Return.

Concluded Decision

Means any written notification of the Auditor's concluded views in connection with a Return and includes any written statement which is intended by the Auditor to be its findings in connection with a Return or the basis upon which it proposes to act in connection with a Return.

Investigation

Means any formal investigation of You by the Australian Tax Office, or any Australian Commonwealth State or Territory department, body or agency, or authority in relation to Your taxation, financial affairs or Return.

Professional Fees

Means fees paid by You to an accounting professional in respect of service(s) provided to You.

Return

Means any return legally required to be, and is actually lodged with, an Australian Commonwealth, Federal or State government or government authority or agency by You or on Your behalf.

Retroactive Date

Means the retroactive date set out in the Schedule for this section.

Reviewable Decision

Has the same meaning as that in section 10 of the Superannuation Industry (Supervision) Act 1993 (Cth).

Self-Managed Superannuation Fund

Means any fund which meets the definition contained in the Superannuation Industry (Supervision) Act 1993 (Cth), being a fund that has the following basic characteristics (subject to any specific exceptions referred to in Superannuation Industry (Supervision) Act 1993 (Cth)):

1. fewer than 5 members;
2. each individual trustee (or director if a corporate trustee) is a member;
3. each member is a trustee (or director if a corporate trustee);
4. no member is an employee of another member (unless they are relatives); and
5. no trustee (or in the case of a corporate trustee, no director) of the fund receives remuneration for their services from the fund or from any person for any duties or services performed by the trustee in relation to the fund.

Tax Audit

Means the audit of a Return submitted by You or on Your behalf by the Australian Tax Office, or any Australian Commonwealth State or Territory department, body or agency, or authority which is duly authorised to conduct such an audit, or a record keeping audit.

You

Means the Named Insured and any company, firm, partnership or trust in which the Named Insured hold a 50% or more ownership, interest or shareholding.

SECTION 9 – OCCUPATIONAL LIABILITY

THE COVER

You are covered under this section for the covers (insuring clauses) set out below that have been chosen by You and that are shown as included in the Schedule.

You are not covered for any covers that are not shown as included in the Schedule.

INSURING CLAUSE 1: DIRECTORS AND OFFICERS LIABILITY

We will pay, on behalf of the Insured Persons, Loss resulting from Claims first made against the Insured Persons and notified to Us during the Period of Insurance based on Management Wrongful Acts in connection with the Business for which the Company has not agreed to provide indemnity.

INSURING CLAUSE 2: COMPANY REIMBURSEMENT

We will pay, on behalf of the Company, Loss resulting from Claims first made against the Insured Persons and notified to Us during the Period of Insurance based on Management Wrongful Acts in connection with the Business if, and to the extent that, the Company has agreed to provide indemnity to the Insured Persons for such Loss.

INSURING CLAUSE 3: COMPANY LIABILITY

We will pay on behalf of the Company, Loss resulting from Claims first made against the Company and notified to Us during the Period of Insurance based on Management Wrongful Acts in connection with the Business.

INSURING CLAUSE 4: EMPLOYMENT PRACTICE LIABILITY

We will pay, on Your behalf, Loss resulting from Claims first made against You and notified to Us during the Period of Insurance, where such Loss is in respect of or arising out of an Employment Wrongful Act in connection with the Business.

Our total liability under this insuring clause will not exceed in the aggregate, the Employment Practice liability Limit of Liability set out in the Schedule.

INSURING CLAUSE 5: TRUSTEE LIABILITY

We will pay, on behalf of the Trustee, Loss resulting from Claims first made against the Trustee and notified to Us during the Period of Insurance, based on Trustee Wrongful Acts in connection with the Superannuation Fund.

INSURING CLAUSE 6: FIDELITY LOSS

We will pay the Company for Policy Claims for Fidelity Loss first Discovered and Notified to Us during the Period of Insurance.

Our total liability under this insuring clause will not exceed in the aggregate, the fidelity Limit of Liability set out in the Schedule.

INSURING CLAUSE 7: BUSINESS CRISIS CONSULTANT FEES

We will pay on behalf of the Company, Business Crisis Consultant Fees incurred by the Company in responding to a Business Crisis Event that first occurs during the Period of Insurance.

Our total liability under this insuring clause will not exceed in the aggregate, the Business Crisis Consultant Limit of Liability set out in the Schedule.

INSURING CLAUSE 8: MOTOR TRADES ERRORS AND OMISSIONS

We will pay on Your behalf, Loss resulting from Claims first made against You and notified to Us during the Period of Insurance based on liability at law for Motor Trades Services Wrongful Acts in connection with the Business in the conduct of the Motor Trades Services.

ADDITIONAL BENEFITS

Unless otherwise stated, any payment made under each of these additional benefits will be part of and not in addition to the Limits of Liability, as applicable, to the stated insuring clause in relation to which the payment is made pursuant to the additional benefit. These additional benefits only apply to the stated insuring clauses.

ACQUISITION OR CREATION OF NEW SUBSIDIARIES

Insuring Clauses 1, 2, 3, 4, 5 and 6 are extended as follows:

If, during the Period of Insurance, the Company acquires or creates a new Subsidiary that has total assets (by reference to the new Subsidiary's most recent financial statements as at the time of acquisition or creation) that are no greater than the total assets of the Company (by reference to the Company's most recent financial statements as at the time of acquisition or creation), then the definition of Company will be extended to include the new Subsidiary, but cover only applies in respect of Wrongful Acts or any dishonest or fraudulent act committed or alleged to have been committed subsequent to the acquisition or creation of such Subsidiary.

The definition of Company does not extend to include any new Subsidiary acquired or created by the Company that:

1. has any of its securities listed on any exchange in North America; or
2. is domiciled or incorporated in North America.

ADVANCEMENT OF DEFENCE COSTS AND REPRESENTATION EXPENSES

Insuring clauses 1, 2, 3, 4, 5 and 8 and the Representation Expenses additional benefit, Occupational Health and Safety Expenses additional benefit and Pollution Expenses additional benefit are extended as follows:

We will advance Defence Costs and, under the Representation Expenses additional benefit, Occupational Health and Safety Expenses additional benefit and Pollution Expenses, We will also advance Representation Expenses. However, if and to the extent that You are not entitled to cover for Loss under the terms of this Policy, then We will cease to advance Defence Costs and Representation Expenses and any amounts previously advanced shall be repaid to Us by You within 30 days following a request by Us for such repayment.

If a Claim alleges any act or conduct described in clauses (a), (b) or (c) of Exclusion 5 Dishonest or criminal intent or improper conduct, then We will advance Defence Costs and Representation Expenses in respect of such Claim until it is found by way of an admission by You, judgment or adjudication that You did in fact commit such Wrongful Act or engage in such illegal or improper conduct and any amounts previously advanced shall be repaid to Us by You within thirty days following a request by Us for such repayment.

CONTINUITY

Insuring clauses 1, 2, 3, 4, 5 and 8 are extended as follows:

In the absence of fraudulent non-disclosure or fraudulent misrepresentation, where a Claim that would otherwise be covered by this Policy is excluded by the Known Claims and Circumstances Exclusion, then cover is provided under this Policy, provided that:

1. You first became aware of the fact, event, circumstance or Wrongful Act that gave rise to the Claim after the continuity date specified in the Schedule;
2. You were insured against the Wrongful Act by Us at the time when You first became aware of such fact, event, circumstance or Wrongful Act and has since been insured continuously by Us, under a Policy of which this Policy is a replacement; and
3. no Related Claim has been made against You prior to the Period of Insurance.

The cover provided under this additional benefit will be in accordance with this Policy, except that:

1. if the Excess applicable to the Policy in force at the time when You first became aware of such fact, event, circumstance or Wrongful Act is higher than the Excess specified in the Schedule, then that higher amount will be deemed to be the Excess specified in the Schedule in respect of such Claim;

and

2. if the amount of the Limit of Liability applicable to the Policy in force at the time when You first became aware of such fact, event, circumstance or Wrongful Act is lower than the amount of the errors and omissions Limit of Liability or management liability Limit of Liability, as applicable, then that lower amount will be deemed to be the amount of the errors and omissions Limit of Liability or management liability Limit of Liability, as applicable, in respect of such Claim.

EXTENDED REPORTING PERIOD

Insuring Clauses 1, 2, 3, 4, 5, 6 and 8 are extended as follows:

In the event that this Policy is neither renewed nor replaced at the end of the Period of Insurance with insurance that covers substantially the same risk exposure as this Policy, You will be entitled to purchase an extended reporting period of 90 days.

The extended reporting period begins immediately following the expiry of the Period of Insurance and ends on the earlier of 4:00 pm EST on the 19th day after that time, or at the time on the effective date on which You obtain insurance that covers substantially the same risk exposure as this Policy.

The additional Premium for the extended reporting period will be 25% of the Full Annual Premium.

The entitlement to purchase the extended reporting period lapses upon expiry of the Period of Insurance.

The application to purchase the extended reporting period must be received by Us prior to the expiry of the Period of Insurance, and payment of the additional Premium must be made to Us within 30 days of the same date.

In the event that a Merger or Acquisition takes place, You will not be entitled to purchase the extended reporting period. During the extended reporting period, You may continue to notify Us of:

1. Claims, but only Claims based on Wrongful Acts committed or alleged to have been committed prior to expiry of the Period of Insurance.
2. Policy Claims, but only Policy Claims for Fidelity Loss caused by dishonest or fraudulent acts committed prior to expiry of the Period of Insurance.

Any notification to Us during this extended reporting period will be deemed to have been first notified to Us during the Period of Insurance.

EXTENDED REPORTING PERIOD FOR RETIRING DIRECTORS AND OFFICERS

Insuring Clauses 1, 2 and 4 are extended as follows:

In the event that this section of this Policy is neither renewed or replaced at the end of the Period of Insurance with insurance covering at least substantially the same risk exposure as Insuring clauses 1 and 2 under this section, then any Director or Officer who retires from all paid employment and office during the Period of Insurance, but prior to a Merger or Acquisition, shall be entitled to an extended reporting period of 365 days immediately following expiry of the Period of Insurance.

During the extended reporting period the Director or Officer may continue to notify Claims to Us, but only Claims based on Wrongful Acts committed or alleged to have been committed prior to the date of retirement.

Any Claim made and notified to Us during this extended reporting period will be deemed to have been first made and notified to Us during the immediately preceding Period of Insurance.

FRAUD INVESTIGATOR EXPENSES

If insuring clause 6 is included in the Schedule, it is extended to cover all reasonable expenses (excluding overtime wages, salaries, fees and other internal costs incurred in the normal course of Business) incurred by the Company with Our prior written consent, solely to investigate, prove and substantiate the amount of the Policy Claim.

Our total liability under this additional benefit will not exceed in the aggregate the fraud investigator expenses Limit of Liability set out in the Schedule.

LEGAL REPRESENTATIVES

Insuring clauses 1, 2, 4, 5 and 8 are extended as follows:

If an Insured Person or Trustee dies or becomes legally incapable or bankrupt, then this Policy will afford cover for Loss resulting from Claims:

1. first made against such Insured Person's or Trustee's estate, heirs, executors or other legal representatives; and
2. notified to Us,

during the Period of Insurance based on Wrongful Acts by such Insured Person or Trustee. However, the estate, heirs, executors or other legal representatives must comply with the terms of this Policy.

LOST DOCUMENTS

Insuring clause 8 is extended as follows:

We will pay the Company for Policy Claims for costs and expenses reasonably incurred by them in replacing or restoring lost or damaged Documents where such Loss or Damage is first Discovered by You and notified to Us during the Period of Insurance, provided that:

1. such Loss or Damage is sustained while the Documents are either in transit or in Your care, custody or under the control or of any person to whom You have entrusted; and
2. where the Documents are in electronic format, You or any person to whom You have entrusted, have in place sufficient and proper procedures for the security and the daily back-up of the Documents.

Our total liability under this extension will not exceed in the aggregate the lost documents sub-limit specified in the Schedule.

The Excess does not apply to this additional benefit.

OCCUPATIONAL HEALTH AND SAFETY EXPENSES

Subject to the provisions of the Advancement of Defence Costs and Representation Expenses additional benefit, insuring clauses 1, 2, and 3 are extended as follows:

Notwithstanding the Bodily Injury and Property Damage exclusion or the Occupational Health and Safety Law exclusion, We will pay on Your behalf:

1. Defence Costs incurred in defending Claims (other than a civil claim for compensation or damages) first made against You and notified to Us during the Period of Insurance, based upon occupational health and safety law which results from a Wrongful Act; and
2. Representation Expenses, where the subject matter of the official investigation, examination, inquiry or other proceedings is occupational health and safety law.

Under this extension, Representation Expenses also includes necessary and reasonable costs, charges and expenses (other than regular or overtime wages, salaries, fees or Benefits of the Insured Person) incurred with Our prior consent, in representing and assisting You at a visit from an inspector of a workplace health and safety authority in connection with and following a workplace safety incident, provided that notice of the visit is given to You and is notified to Us during the Period of Insurance.

The cover provided under this extension will only apply to Claims made in the jurisdictions of Australia and New Zealand and pursuant to the laws of Australia or New Zealand.

Our total liability under this additional benefit to Insuring Clause 3 under this section will not exceed in the aggregate, the Company Occupational Health and Safety Expenses Limit of Liability set out in the Schedule.

If there is an entitlement to payment under the Pollution Expenses additional benefit then there is no entitlement to payment under this additional benefit.

ONE REINSTATEMENT OF THE ERRORS AND OMISSIONS LIMIT OF LIABILITY

1. If the errors and omissions Limit of Liability is fully exhausted by paying Loss up to the errors and omissions Limit of Liability, then We will reinstate the full amount of the errors and omissions Limit of Liability.
2. If the errors and omissions Limit of Liability is partially exhausted by paying Loss, then We will reinstate the amount of Loss paid up to the errors and omissions Limit of Liability, provided that:
 - a. Our liability for any individual Claim and Related Claims will not exceed the errors and omissions Limit of Liability; and
 - b. Our aggregate liability under this Policy during the Period of Insurance will not exceed the sum of the errors and omissions Limit of Liability and, if the errors and omissions Limit of Liability is:
 - i. fully exhausted, one reinstatement of the errors and omissions Limit of Liability; or
 - ii. partially exhausted, one reinstatement of the Loss up to errors and omissions Limit of Liability; and
 - iii. there will be no reinstatement of any other Limit of Liability specified in the Policy.

ONE REINSTATEMENT OF THE MANAGEMENT LIABILITY LIMIT OF LIABILITY

1. If the management liability Limit of Liability is fully exhausted by paying Loss up to the management liability Limit of Liability, then We will reinstate the full amount of the management liability Limit of Liability; and
2. If the management liability Limit of Liability is partially exhausted by paying Loss, then We will reinstate the amount of Loss paid up to the management liability Limit of Liability. Provided that:
 - a. Our liability for any individual Claim and Related Claims will not exceed the management liability Limit of Liability; and
 - b. Our aggregate liability under this Policy during the Period of Insurance will not exceed the sum of the management liability Limit of Liability and, if the management liability Limit of Liability is:

- i. fully exhausted, one reinstatement of the management liability Limit of Liability; or
- ii. partially exhausted, one reinstatement of the Loss up to management liability Limit of Liability; and
- c. there will be no reinstatement of any other Limit of Liability specified in the Policy.

OUTSIDE DIRECTORSHIPS

Insuring Clauses 1, 2 and 4 are extended to include as an Insured Person a person who, at the written request of the Company was prior to the Period of Insurance, or is during or after the Period of Insurance a Director or Officer of, or occupies a position of equivalent status in, any Non-Profit Outside Entity or Outside Entity.

Any cover afforded by this extension will be specifically in excess of:

1. any indemnity; or
2. any insurance contract specified in the Schedule or by Endorsement, available from or through the Non-Profit Outside Entity or Outside Entity.

You must notify Us of any insurance contract under which any Insured Person is entitled to an indemnity in respect of an Outside Entity as soon as reasonably practicable, providing full details of such other insurance contract, including the identity of the insurer, the policy number and such further information as We may reasonably require.

We will not be liable under this extension for Loss resulting from any Claim by a Non-Profit Outside Entity or Outside Entity, or any Director or Officer of, or any person of equivalent status in, a Non-Profit Outside Entity or Outside Entity, except for any Claim:

1. resulting from an Employment Wrongful Act; or
2. solely for a contribution or indemnity in respect of a Claim which is brought against another Insured Person and is covered under this Policy; or
3. by that Non-Profit Outside Entity or Outside Entity as a statutory derivative action, but not voluntarily solicited or assisted by that Non-Profit Outside Entity or Outside Entity or by a Director or Officer of, or a person of equivalent status in, that Non-Profit Outside Entity or Outside Entity; or
4. by a liquidator, administrator or receiver or equivalent in any jurisdiction, but not voluntarily solicited or assisted by that Non-Profit Outside Entity or Outside Entity or by a Director or Officer of, or a person of equivalent status in, that Non-Profit Outside Entity or Outside Entity; or
5. by a Non-Profit Outside Entity or Outside Entity pursuant to Section 50 of the Australian Securities and Investments Commission Act 2001 (Cth).

PECUNIARY PENALTIES

Insuring Clauses 1, 2, 4, 5 and 8 are extended to cover, to the extent permitted by law, any pecuniary penalties imposed upon the Insured Persons or Trustees based on Wrongful Acts.

In the event of any conflict between this extension and the Bodily Injury and Property Damage Exclusion or the Occupational Health and Safety Law Exclusion, this extension shall apply.

In the event of any conflict between this additional benefit and the Pollution Exclusion, this Extension shall apply, except where Pollution arises directly or indirectly from or in respect of Your liability as owner or operator of any Aircraft, marine craft or motor vehicle of any kind.

The cover provided under this extension will only apply to such pecuniary penalties imposed in the jurisdictions of Australia and New Zealand and pursuant to the laws of Australia or New Zealand.

Our total liability under this extension will not exceed in the aggregate, the Pecuniary Penalties Limit of Liability specified in the Schedule.

POLLUTION EXPENSES

Subject to the provisions of the Advancement of Defence Costs and Representation Expenses Extension, insuring clauses 1, 2 and 3 are extended as follows:

Notwithstanding the Bodily Injury and Property Damage exclusion, the Occupational Health and Safety Law exclusion or the Pollution exclusion, We will pay:

1. on Your behalf, Defence Costs incurred in defending Claims (other than a civil claim for compensation or damages) first made against You and notified to Us during the Period of Insurance, based on Pollution which results from a Wrongful Act; and
2. on behalf of the Insured Persons, Representation Expenses, where the subject matter of the official investigation, examination, inquiry or other proceedings is Pollution.

The cover provided under this extension will only apply to Claims made in the jurisdictions of Australia and New Zealand and pursuant to the laws of Australia or New Zealand.

Our total liability under this additional benefit will not exceed in the aggregate, the Pollution Expenses Limit of Liability specified in the Schedule.

REPRESENTATION EXPENSES

Insuring Clauses 1, 2, 4, 5 and 8 are extended as follows:

We will pay Representation Expenses on behalf of the Insured Persons or Trustees subject to the provisions of the Advancement of Defence Costs and Representation Expenses additional benefit.

If there is an entitlement to payment under the Occupational Health and Safety Expenses additional benefit or the Pollution Expenses additional benefit, then there is no entitlement to payment under this additional benefit.

SPOUSES

Insuring Clauses 1, 2, 4, 5 and 8 are extended as follows:

If a Claim against an Insured Person or Trustee includes a claim against such Insured Person's or Trustee's Spouse solely by reason of:

1. such Spouse's legal status as a spouse of such Insured Person or Trustee, or
2. such Spouse's ownership interest in property which the claimant seeks as recovery for Claims made against such Insured Person or Trustee,

then all Loss which such Spouse becomes legally liable to pay resulting from such Claim will be treated for the purposes of this Policy as Loss.

This additional benefit does not apply to the extent the Claim alleges any act, error or omission by such Insured Person's or Trustee's Spouse.

SUB-CONTRACTORS AND CONSULTANTS

Insuring Clause 8 is extended as follows:

Insuring Clause 8 covers the acts, errors or omissions of sub-contractors and consultants, but only in respect of Your liability for Motor Trades Services Wrongful Acts in the conduct of the Motor Trades Services provided by the sub-contractor or consultant on Your behalf. Cover will not extend to the sub-contractor or consultant who committed the act, error or omission.

SUBSIDIARY RUNOFF COVER

Insuring Clauses 1, 2, 3, 4, 5, 6, and 8 are extended as follows:

If a Subsidiary ceases to be a Subsidiary during the Period of Insurance, then this Policy will remain in force in respect of Subsidiary until the expiry of the Period of Insurance as follows:

1. under insuring clauses 1, 2, 3, 4, 5 and 8, only in respect of Loss resulting from Claims based on Wrongful Acts committed or alleged to have been committed; and
2. under insuring clause 6, only in respect of Fidelity Loss sustained, prior to the time such Subsidiary ceases to be a Subsidiary.

There shall be no cover in respect of such Subsidiary under insuring clause 8 for Business Crisis Consultant Fees in responding to a Business Crisis Event occurring after the time such Subsidiary ceases to be a Subsidiary.

OPTIONAL COVERS

If You have cover under this section, You can choose to add any of the following optional covers to Your Policy. The options that You have chosen to add to Your Policy will be set out in the Schedule.

These optional covers set out below are subject to the terms and conditions of this Policy, unless otherwise stated.

COMPANY PECUNIARY PENALTIES

Insuring Clauses 3, 4 and 8 under this section are extended to cover, to the extent permitted by law, any pecuniary penalties imposed upon the Company based on Wrongful Acts, except for any pecuniary penalties imposed:

1. pursuant to any Consumer Protection Act; or
2. pursuant to any law regulating air, marine or vehicular traffic; or
3. directly or indirectly as a result of or in connection with a requirement to pay taxes, duties, rates, levies, charges, fees or any other revenue raising measure; or
4. where the Company knew, or where a reasonable person in the circumstances ought reasonably to have known, prior to the Period of Insurance that the Company had contravened a law and committed an offence pursuant to that law; or
5. as a result of further Wrongful Acts committed after the Company first knew, or where a reasonable person in the circumstances ought reasonably to have known, that the Company had contravened a law and committed an offence pursuant to that law, and which led to the imposition of increased or additional pecuniary penalties.

The cover provided under this option will only apply to such pecuniary penalties imposed in the jurisdiction of Australia and pursuant to the laws of Australia.

Our total liability under this option will not exceed in the aggregate, the Company Pecuniary Penalties Sub-limit specified in the Schedule, and all payments will be part of and not in addition to the errors and omissions Limit of Liability or management liability Limit of Liability, as applicable.

In the event of any conflict between this optional cover and the Bodily Injury and Property Damage exclusion or the Occupational Health and Safety Law exclusion, this option shall apply.

In the event of any conflict between this option and the Pollution exclusion, this option shall apply, except where Pollution arises directly or indirectly from or in respect of Your liability as owner or operator of any Aircraft, marine craft or Vehicle of any kind.

EXCLUSIONS

The following exclusions are applicable to all insuring clauses in this section, unless otherwise stated.

The general exclusions in Part 5 of this PDS and Policy Wording also apply.

We will not be liable for:

ASBESTOS

Loss resulting from Claims or Policy Claims arising directly or indirectly from or in respect of Asbestos.

BENEFITS

Loss resulting from Claims arising directly or indirectly from or in respect of an actual or alleged violation of the responsibilities, obligations or duties imposed by any law relating to workers compensation, unemployment insurance, retirement benefits, social security or disability benefits.

This exclusion will not apply to insuring clauses 1, 2 or 8.

BODILY INJURY AND PROPERTY DAMAGE

1. Under Insuring Clauses 1, 2, 3, 4 and 5, We will not be liable for Loss resulting from Claims for bodily injury, any form of psychiatric, psychological or mental injury, illness, disease or death of any person, or damage to or destruction of any tangible property, including any consequent loss of use thereof except that this Exclusion will not apply in respect of any actual or alleged psychiatric, psychological or mental injury alleged in any Claim by any Insured Person resulting from any Employment Wrongful Act; and
2. Under Insuring Clause 8, We will not be liable for Loss resulting from Claims arising directly or indirectly from or in respect of:
 - a. bodily injury, any form of psychiatric, psychological or mental injury, illness, disease or death of any Insured Person, or damage to or destruction of any tangible property of any Insured Person, including any consequential loss of use of it, arising out of or in the course of or in respect of his or her employment with You; or
 - b. a breach of any obligation owed by any entity forming part of You to another entity forming part of You.

CAPITAL RAISING

Loss resulting from Claims arising directly or indirectly from or in respect of any offer for the raising of capital by debt or equity, including but not limited to any prospectus.

DISHONEST OR CRIMINAL INTENT/IMPROPER CONDUCT

Loss resulting from Claims against You arising directly or indirectly from or in respect of:

1. any Wrongful Act committed by You with willful, reckless, dishonest, fraudulent, malicious or criminal intent; or
2. that You improperly using Your position to gain an advantage for Yourself or someone else or to cause a detriment to the Company; or
3. You improperly using information obtained as a result of Your position to gain an advantage for yourself or someone else or to cause a detriment to the Company.

In each case only if established by any admission by You, judgment, or other adjudication.

For the purpose of this Exclusion, the fact that You have committed or alleged to have committed the conduct described in (1), or (3) above will not disqualify You from cover.

FADING AND MOULD

Under the Lost Documents additional benefit, for Policy Claims for costs and expenses incurred in replacing or restoring lost or damaged Documents where such Loss or Damage is caused by fading, mould, vermin, pest infestation, wear, tear or any other gradually operating cause.

INDUSTRIAL RELATIONS

Loss resulting from Claims arising directly or indirectly from or in respect of collective industrial or labour relations including but not limited to: strikes; lock-outs; demarcation disputes; negotiating awards or enterprise agreements; collective redundancies; obligations to consult representatives and Employees in relation to redundancies and other actions that arise; other than Claims based on an individual employment relationship.

This exclusion will not apply to insuring clauses 1 or 2.

INSOLVENCY

1. Loss resulting from Claims; or
2. Business Crisis Consultant Fees, arising directly or indirectly from or in respect of the insolvency (whether actual, deemed or otherwise) of the company including but not limited to:
 - a. the aforementioned companies continuing to trade whilst insolvent;
 - b. the failure of the Company to enter into voluntary administration as and when the Insured Persons knew or reasonably ought to have known that the Company was insolvent or likely to become insolvent;
 - c. the incurring of debt by the Company when the Company was insolvent or became insolvent by incurring that debt, or by incurring at that time debts including that debt;
 - d. the failure of the Company to meet its financial commitments as and when they fall due;
 - e. any breach by any Insured Persons of any duty (whether imposed by common law, statute or by reason of the Insured Person being a fiduciary or otherwise) in allowing the Company to become insolvent;
 - f. any omission or decision made or course of action taken by any Insured Person that results in the Company becoming insolvent or continuing to trade whilst insolvent;
 - g. any representation made by an Insured Person as to the solvency or future prospects of the Company at a time when the Company was insolvent or likely to become insolvent;
 - h. the Company entering into a transaction that is voidable; or
 - i. the appointment of a liquidator or receiver.

INSURED V INSURED

Loss, other than Defence Costs, resulting from any Claim by the Company except for any Claim:

1. by the Company as a statutory derivative action, but not voluntarily solicited or assisted by the Company or an Insured Person;
2. by a liquidator, administrator, or receiver or equivalent in any jurisdiction, but not voluntarily solicited or assisted by an Insured Person; or
3. by the Company pursuant to Section 50 of the Australian Securities and Investments Commission Act 2001.

KNOWN CLAIMS AND CIRCUMSTANCES

Loss resulting from Claims arising directly or indirectly from or in respect of any fact, event, circumstance or Wrongful Act:

1. known to You at the inception of this Policy and which a reasonable person in the circumstances would have thought might give rise to a Claim; or
2. which has been or should reasonably have been the subject of any written notice given under any Policy of which this Policy is a direct or indirect renewal or replacement; or
3. alleged in, Discovered in, relating to or underlying any Claim made against You prior to the inception of this Policy.

MAJOR SHAREHOLDER

Loss resulting from Claims (whether in the name of the Company or not) by any shareholder having directly or indirectly Control 15% or more of the Company.

MOTOR, MARINE, AIRCRAFT

Loss resulting from Claims that are claims for compensation or damages arising directly or indirectly from or in respect of Your liability as owner or operator of any Aircraft, Watercraft or Vehicle of any kind.

OCCUPATIONAL HEALTH AND SAFETY LAW

Loss resulting from Claims arising directly or indirectly from or in respect of any breach of occupational health and safety law.

OCCUPIERS LIABILITY

Loss resulting from Claims that are claims for compensation or damages arising directly or indirectly from or in respect of the actual or alleged occupation of land or Buildings by You.

POLLUTION

Loss resulting from Claims arising directly or indirectly from or in respect of Pollution including without limitation any Claim for financial Loss to the Company arising directly or indirectly from Pollution.

PRODUCT LIABILITY AND PRODUCT RECALL

Loss resulting from Claims arising directly or indirectly from or in respect of:

1. Your manufacture, distribution and/or sale of products; or
2. the recall of any products manufactured, distributed or sold by You.

PROFESSIONAL SERVICES

Loss resulting from Claims arising directly or indirectly from or in respect of:

1. any breach of duty in respect of any professional services or professional advice by You; or
2. any breach of any contract for the provision of professional services or professional advice by You, except that this exclusion will not apply:
 - a. under insuring clauses 1, 2 or 5 in respect of any actual or alleged professional services or professional advice which is provided by an Insured Person when acting solely in their capacity as an Insured Person, or as a Trustee and in circumstances where such professional services or professional advice is provided to You and not to third parties in the course of the Company's professional Business; or
 - b. under insuring clause 8, to professional services or professional advice to the extent that they are included within Motor Trades Services.

ADDITIONAL EXCLUSIONS – INSURING CLAUSE 3

The following additional exclusions are applicable to insuring clause 3.

We will not be liable for:

Contractual Liability

Loss resulting from Claims arising directly or indirectly from or in respect of any actual or alleged breach of any term of any contract, whether express or implied.

Intellectual Property Rights

Loss resulting from Claims arising directly or indirectly from or in respect of any alleged or actual breach of any other party's intellectual property rights, or infringement or violation of any trade secret.

Privacy Rights

Loss resulting from Claims arising directly or indirectly from or in respect of any alleged or actual breach of any other party's privacy rights.

Restrictive Trade Practices

Loss resulting from Claims arising directly or indirectly from or in respect of any alleged or actual restrictive trade practices, including but not limited to, the restrictive trade practices provisions (Part IV) of the Competition and Consumer Act 2010 (Cth) or similar legislation in other jurisdictions, or tortious interference with any other party's business or contractual relationships.

Superannuation Funds

Loss resulting from Claims arising directly or indirectly from or in respect of any alleged or actual Wrongful Act in connection with any Superannuation Fund.

ADDITIONAL EXCLUSIONS – INSURING CLAUSE 4

The following additional exclusions are applicable to insuring clause 4.

We will not be liable for:

Employee Entitlements

Loss payable for, or in respect of, or calculated by reference to:

1. salary or wages earned prior to the date of termination;
2. Benefits;
3. any amount not indemnified by the Company for which You are absolved for payment by reason of any covenant, agreement or court order; or
4. payment for time in lieu of notice, severance or redundancy.

Injunctive Relief or Accommodation

Loss payable for, or in respect of, or calculated by reference to:

1. the cost of complying with any injunctive or other non-monetary relief or any agreement to provide any such relief; or
2. costs incurred by You to make any accommodation in respect of working practices or otherwise on the basis of a person's disability or family responsibilities or as may be required under any law relating anti-discrimination.

In the event of an inconsistency between this exclusion and the definition of Claim, the provisions of this exclusion shall prevail.

Liability of Others

Loss resulting from Claims arising directly or indirectly from or in respect of the liability of others assumed by You under any contract or agreement unless such liability would have attached in the absence of such contract or agreement.

Specified Period Employment Contract

1. Loss, other than Defence Costs and claimant's costs and expenses, resulting from Claims arising directly or indirectly from or in respect of a breach of a specified period employment contract; and
2. Defence Costs and claimant's costs and expenses resulting from Claims arising directly or indirectly from or in respect of a breach of a specified period employment contract:
 - a. unless and until You have received legal advice based on the facts as they existed as at time of the actual or alleged breach from a competent legal adviser stating that You have reasonable legal grounds to amend or terminate such specified period employment contract; and
 - b. provided that You have not received legal advice from a competent legal adviser stating that You do not have reasonable legal grounds to terminate specified period employment contract.

For the purposes of this Exclusion, a specified period employment contract will be a specified period employment contract irrespective of whether or not such contract provides for a qualified or unqualified right to terminate the contract on notice prior to its expiry date.

Unfair Employment Contract

Loss resulting from Claims arising directly or indirectly from or in respect of:

1. contract of employment alleged to be unfair; or
2. the seeking of relief pursuant to Section 106 of the Industrial Relations Act 1996 (NSW) or Section 276 of the Industrial Relations Act (Qld) or similar legislation in other jurisdictions.

ADDITIONAL EXCLUSIONS – INSURING CLAUSE 6

The following additional exclusions are applicable to insuring clause 6.

We will not be liable for:

Confidential Information

Loss arising directly or indirectly from or in respect of the accessing or disclosure of any confidential information, including but not limited to trade secret information, computer programs, confidential processing methods or other confidential information of any kind except where such accessing or disclosure enables the commission of any act otherwise covered under insuring clause 6.

Damage to Premises

Loss arising directly or indirectly from or in respect of damage or destruction to Your Premises.

Discovery Outside the Period of Insurance

Loss first Discovered prior to the commencement of the Period of Insurance or after the expiry of the Period of Insurance.

Dishonesty or Fraud of Director or Employee Shareholder

Loss arising directly or indirectly from or in respect of any dishonest or fraudulent act committed by:

1. a Director or Trustee;
2. an Employee acting in collusion with a Director or Trustee; or
3. an Employee having at any time more than five per cent Control of or interest in the Company.

Indirect or Consequential Loss

Indirect or consequential Loss of any kind, including but not limited to Loss of income, potential income, interest, profits or dividends, whether or not earned or accrued.

Loss of Records

Loss of or Damage to records, manuscripts, accounts, microfilms, tapes or other records or the cost of reproducing any information contained in such lost or damaged records.

Loss Sustained After Discovery

Loss, or that part of any Fidelity Loss, caused by an Employee, which is sustained after Discovery of any dishonest or fraudulent act committed by such Employee.

Profit and Loss Computation and Inventory Comparison

Loss, or that part of any Fidelity Loss, the proof of which is dependent solely upon:

1. a profit and Loss computation or comparison; or
2. a comparison of inventory records with an actual physical count,

provided that where the Company establishes wholly apart from such computation or comparison that it has sustained Fidelity Loss caused by an identified Employee, then it may offer its inventory records and actual physical count of inventory in support of the amount of Fidelity Loss claimed.

Retroactive Date

Loss sustained prior to the continuity date specified in the Schedule, or the date since the Company has continuously held uninterrupted fidelity cover, whichever is the earlier.

Territory

Loss arising directly or indirectly from or in respect of any dishonest or fraudulent act committed in whole or part outside of Australia or New Zealand.

Trading Loss

Loss arising directly or indirectly from or in respect of any authorised or unauthorised trading in Money, Securities or Covered Property by an Employee, whether acting alone or in collusion with any other person and whether or not such trading is in the name of the Company and whether or not such trading is in a genuine or fictitious account.

ADDITIONAL EXCLUSIONS – INSURING CLAUSE 8

The following additional exclusions are applicable to insuring clause 8.

We will not be liable for:

Assumed liability

1. Loss arising directly or indirectly from or in respect of any liability assumed by You under any express warranty, guarantee, hold harmless agreement, indemnity clause or the like unless such liability would have attached to Us in the absence of such agreement. Provided that this exclusion will not apply to contracts involving the purchase, sale or supply of Products or services in connection with the Motor Trades Services; and
2. Loss arising directly or indirectly from or in respect of any liability assumed by You outside the normal course of the Motor Trades Services.

Conflict of Interest

Loss arising directly or indirectly from, or in respect of, any Conflict of Interest in connection with the provision of the Motor Trades Services which You have failed to disclose to the Company.

Defective Workmanship

Loss arising directly or indirectly from or in respect of the rectification of defective or faulty workmanship or the replacement of defective or faulty Vehicles or other goods or services sold or supplied by You in connection with the Motor Trades Services.

Advice About Vehicles

Loss arising directly or indirectly from or in respect of providing any advice, recommendation or opinion in relation to the suitability or performance of any Vehicle other than written advice provided in response to a request by a customer.

Financial Product and Services

Loss arising directly or indirectly from or in respect of providing:

1. Financial Product Advice, Issuing, Dealing or arranging for others to deal in financial products; or
 2. a Financial Service,
- other than directly in connection with Motor Trades Services.

For the purposes of this exclusion, “financial product advice”, “issuing”, “dealing”, “financial product” and “financial service” have the meaning set out in Chapter 7 of the Corporations Act 2001 (Cth).

Related Parties or Financial Interests

Loss by:

1. You;
2. any entity that is a Subsidiary or parent of You;
3. any entity of which You have or have held at least a 20% financial interest and has had or has board representation on that entity; or
4. members of Your family, which means the estates, heirs, legal representatives, assigns or relatives (whether related by consanguinity or affinity) or trustees or beneficiaries of any trust created or maintained by or for the benefit of such individuals.

Trading Debts

Loss arising directly or indirectly from or in respect of any liability for any trading debt incurred, or any guarantee in respect of such debt given, by You.

Excess

This section applies in excess of, and does not cover any claim or policy claim covered under a specified policy. You are liable for the amount of loss that is less than the Excess for each:

1. Claim; and
2. Policy Claim.

The Excess is deducted from Loss payable before the application of the Limit of Liability. We have no liability for the amount of Loss that is less than the Excess.

You agree that the Excess specified in the Schedule must be retained by You and is to remain uninsured.

If You comprise of more than one entity, the management liability Limit of Liability and errors and omissions Excess applies to the group of such entities as a whole.

The Excess will not apply to the Fraud Investigator Expenses additional benefit, the Lost Documents additional benefit, Business Crisis Consultant Fees or any Loss directly payable by You who is a natural person.

LIMIT OF LIABILITY

If You comprise of more than one entity, the management liability Limit of Liability, errors and omissions Limit of Liability applies to the group of such entities as a whole.

Management Liability Limit of Liability

Our liability to You under Insuring Clauses 1, 2, 3, 4, 5, 6, and 7 will not exceed the management liability Limit of Liability in the aggregate for all:

1. Loss resulting from all Claims first made and notified to Us during the Period of Insurance;
2. Policy Claims for Fidelity Loss first Discovered and notified to Us during the Period of Insurance; and
3. Business Crisis Consultant Fees incurred in responding to a Business Crisis Event first occurring during the Period of Insurance.

We have no liability insuring clauses 1, 2, 3, 4, 5, 6, and 7 under this section of the Policy for any amount above the management liability Limit of Liability.

The purchase of any extended reporting period will not increase or reinstate the management liability Limit of Liability or other Limit of Liability, which will be our maximum liability for the Period of Insurance and extended reporting period, combined.

Errors and Omissions Limit of Liability

Our liability to You under insuring clause 8, will not exceed the errors and omissions Limit of Liability in the aggregate for all:

1. Loss resulting from all Claims first made and notified to us during the Period of Insurance; and
2. Policy Claims for costs and expenses reasonably incurred in replacing or restoring lost or damaged Documents for Loss or damage first Discovered by You and notified to Us during the Period of Insurance.

We have no liability under insuring clause 8 for any amount above the errors and omissions Limit of Liability.

The purchase of any Extended Reporting Period will not increase or reinstate the errors and omissions Limit of Liability, which will be Our maximum liability for the Period of Insurance and Extended Reporting Period, combined.

Related Claims

For the purpose of the calculation of the management liability Limit of Liability, errors and omissions Limit of Liability, any other Limit of Liability or Excess, all related claims will be deemed to be one claim and cover for all related claims will be provided as follows:

1. if the first Related Claim is first made during this Period of Insurance and notified to Us during this Period of Insurance or all subsequent Related Claims will only be provided under this any applicable Extended Reporting Period, then cover for Policy;
2. if the first Related Claim was first made and notified to Us during a period prior to this Period of Insurance, during which You had cover with Us, then cover for all Related Claims will only be provided under that earlier Policy with Us, subject to the terms, Excess and Limit of Liability of that earlier Policy; and
3. if the first Related Claim was first made during a period prior to this Period of Insurance, during which You did not have cover with Us, then no cover for any Related Claim will be provided under this Policy.

Related Fidelity Loss

For the purpose of the calculation of the fidelity Limit of Liability or Excess, all Policy Claims for Fidelity Loss sustained as a result of the same or causally related acts, causes or Events will be deemed to be one Policy Claim regardless of when during the Period of Insurance or prior thereto such acts occurred.

CLAIMS CONDITIONS

The following claims conditions are applicable to this section of the Policy:

NOTIFICATION

The Named Insured must give Us notification of any Claim made against You, Discovery of any Fidelity Loss, any Business Crisis Event or any Loss, as soon as reasonably practicable within the Period of Insurance or within any applicable extended reporting period at the claims notification address or email address specified in the Schedule.

Each notification of a Claim or Policy Claim must include so far as practicable:

1. the identity of the claimant or potential claimant;
2. the nature of the Claim or Policy Claim; and
3. the likely quantum of the Loss, Fidelity Loss or Business Crisis Consultant Fees, as the case may be.

Each notification of a Claim or Policy Claim must include affirmative proof duly sworn, with full particulars of the Money, Securities or Covered Property involved.

The Named Insured must provide Us with such further information and documentation as it may reasonably require.

CO-OPERATION

In the event of a Claim, Policy Claim, Business Crisis Event or Loss, You will at all times and at Your own cost provide Us with all information, evidence, documentation, assistance and co-operation and will execute such documents, including signed statements and affidavits, which We reasonably requests.

We will at all times and at Our own cost use reasonable endeavours to do and concur in doing everything reasonably practicable to avoid or diminish Loss and to assist with the defence, investigation or settlement of any Claim, Policy Claim or Business Crisis Event.

We may make any investigation We deem necessary.

CLAIMS CONDUCT

We are entitled to take over and conduct in Your name the defence or settlement of any Claim and will have full discretion in the conduct of any proceedings and in the settlement of any Claim.

We reserve entirely Our rights under this Policy, including Our right to agree or deny cover while We assess a Claim or conducts the defence. Our rights under this Policy are not affected if We do not conduct the defence.

Neither You nor Us will be required to contest or litigate any Claim if, in the opinion of Senior Counsel, reasonable attempts should be made to settle the Claim. The Senior Counsel shall be mutually agreed upon, or in the absence of such agreement, as nominated by the President of the New South Wales Bar Association. The cost to obtain the opinion will be advanced by Us and treated as Defence Costs.

Senior Counsel shall provide the opinion in writing. In formulating the opinion, Senior Counsel shall consider commercial matters including the amount of the Claim, the actual and potential loss (including Defence Costs) that may reasonably be incurred in contesting the Claim, the liability prospects and the prospect of recovering costs against the claimant in the event that the defence is successful. Senior Counsel shall also provide a settlement range within which reasonable attempts should be made to settle the Claim.

If it is the opinion of Senior Counsel that reasonable attempts should be made to settle the Claim, You shall not object to Our attempt to do so.

SETTLEMENT

You must not settle or offer to settle any Claim, incur any Defence Costs, or Representation Expenses or otherwise assume any contractual obligation or admit any liability in respect of any Claim without our prior written consent.

If You object to a proposal by Us to settle or compromise any Claim payable under this Policy and wish to contest or litigate the matter, then You must immediately tell Us in writing. However, Our liability in respect of any such Claim so contested or litigated will not exceed the amount for which, but for such election, it could have been settled or compromised by Us, together with Defence Costs payable in accordance with the terms of this Policy and incurred up to the time of such election.

BASIS OF VALUATION OF FIDELITY LOSS

Securities

In respect of Fidelity Loss of Securities, We will not be liable for more than the actual market value of the Securities at the close of business on the business day immediately preceding the day on which the Fidelity Loss was Discovered or the actual cost of replacing the Securities, whichever is less, plus the cost of posting any required lost instrument bond (which cost will be paid by Us on Your behalf).

The Indirect or Consequential Loss exclusion does not apply to the calculation of Fidelity Loss of Securities.

Covered Property

In respect of Fidelity Loss of Covered Property, We will not be liable for more than the Actual Cash Value of Covered Property at the time of Fidelity Loss or the actual cost of repairing or replacing the Covered Property with property of similar quality or value whichever is the lesser.

ALLOCATION OF LOSS

This claims condition applies to any part of any Loss resulting from a Claim which is in respect of:

1. You singly;
2. You, jointly or severally; or
3. You, singly, jointly or severally and one or more persons or entities who is or are not You, whether jointly or severally, and which is partly covered and partly not covered under this Policy, (together 'Loss to be Allocated').

You must determine a fair and reasonable allocation of the covered part of the Loss to be allocated among the relevant parties forming part of You and We having regard to the extent of each party's comparative responsibility for the Loss to be allocated. Our consideration of what is fair and reasonable should include without limitation, the following factors:

1. the nature of the Claim against You;
2. the issues of fact and law in relation to You;

3. the content and the manner of the conduct of any defence of the Claim;
4. the relative degree of personal responsibility for the Loss;
5. the extent to which Your responsibility for the Loss is joint, several or shared;
6. the extent to which any person or entity, other than You, would obtain a benefit from the payment by Us;
7. the extent to which the Loss is solely Yours;
8. the extent to which the issues in the Claim against You are in common with the issues in the claim against any other person or entity;
9. the extent to which the Loss is partly covered and partly not covered under this Policy
10. in the event of a settlement, the likely comparative responsibility had the settlement not occurred.

If any of You wish to dispute Our determination of the allocation, each party agrees that the dispute must be referred for expert determination in accordance with the Australian Commercial Disputes Centre ("ACDC") Mediation Guidelines, to an expert agreed by the parties, or if the parties do not agree on an expert, an expert nominated by the then current CEO of ACDC or the CEO's nominee.

Each party agrees to sign an agreement with the expert that confirms the following:

1. each party will pay an equal share of the fees for the appointed expert (to be charged at the expert's usual rate);
2. the expert may:
 - a. consider relevant industry practice;
 - b. consider all information presented to the expert by either party;
 - c. request more information from either party;
 - d. request a meeting with the parties (to which they may bring their lawyers); and
3. the expert must decide within thirty days after the agreement is signed, and need not give reasons;
4. the expert's decision will be binding on the parties and final; and
5. the expert will exclude all liability of the expert to either party (including liability for negligence) to the full extent permitted by law.

This allocation applies for all purposes under this section of the Policy including the Advancement of Defence Costs and Representation additional benefit and the Subrogation and Recoveries Claims condition.

Any allocation of Loss will not apply to or create a presumption with respect to the allocation of other Loss on account of such Claim.

SUBROGATION AND RECOVERIES

Preservation of Rights of Recovery

You will take all necessary steps to preserve Your rights of recovery. You will not, without Our prior consent in writing:

1. release, agree not to sue on, waive or prejudice, any such rights; or
2. enter into any arrangement or compromise or do any act whereby any rights or remedies to which We would be subrogated are or may be prejudiced.

Provision of Information and Assistance

You agree to provide Us with all information, evidence, documentation, assistance and co-operation and to execute such documents, including signed statements and affidavits, which We reasonably request in the exercise of Our rights of recovery.

You will at all times and at Your own cost use reasonable endeavours to do and concur in doing everything reasonably practicable to assist in the exercise of its rights of recovery.

Fidelity Recoveries

In the event of any payment in respect of a Policy Claim:

1. the Company must, if requested by Us, take all reasonable steps to make recovery from any person committing or condoning the dishonest or fraudulent act or from the legal representatives of such person; and
2. to the extent allowed by law, We will deduct the following from any amount payable in respect of Fidelity Loss caused by or resulting from a dishonest or fraudulent act:
 - a. any monies which but for such dishonest or fraudulent act would be due from the Company to the person committing or condoning such act;
 - b. any monies held by the Company and belonging to such person; and
 - c. any monies recovered under a. above; and

All such monies will be applied towards reducing the amount of the Loss.

All Recoveries

All recoveries obtained by Us from other parties will be allocated, after the settlement of any Claim or Policy Claim under this Policy as follows:

1. firstly, to Your benefit to reduce or extinguish the amount of Your Loss to the extent that it would have been paid under this Policy but for the fact that such Loss exceeds the management liability Limit of Liability, errors and omissions Limit of Liability or the applicable sub-section as the case may be and the Excess where applicable; and
2. secondly, to Our benefit for all sums paid in settlement of Loss or Policy Claim arising under this section of the Policy; and
3. thirdly, to Your benefit for the Excess under this Policy.

All recoveries will be applied as herein only after deduction of the reasonable cost of obtaining such recovery. All recoveries made prior to settlement of any Claim or Policy Claim under this Policy will be held for Our benefit and applied as stated herein after settlement if any is made.

Recoveries do not include any amount recovered from insurance, suretyship, reinsurance, security or indemnity taken for Our benefit.

GENERAL CONDITIONS

ACQUISITION, MERGER OR WINDING UP OF COMPANY

If, during the Period of Insurance, any of the following events occur:

1. a Merger or Acquisition of the Company; or
2. the appointment of a receiver, controller, administrator or liquidator to the Company or, the commencement of a scheme of arrangement or compromise or a winding up process in respect of the Company,

then this Policy will remain in force until the expiry of the Period of Insurance:

3. under insuring clauses 1, 2, 3, 4, 5 and 8 only in respect of Loss resulting from Claims based on Wrongful Acts committed or alleged to have been committed; or
4. under insuring clause 6 only in respect of Fidelity Loss sustained, prior to the events described in (1) or (2) above.

There shall be no cover under insuring clause 7 for Business Crisis Consultant Fees in responding to a Business Crisis Event occurring as a result of, or after, the events described in (1) or (2) above.

ASSIGNMENT AND NOVATION

This policy:

1. cannot be assigned or novated by the Named Insured;
2. can be assigned or novated by Us.

AUTHORISATION

The Named Insured is the agent for You and You are bound by any statement, act or omission of the Named Insured for all purposes under this Policy, subject to the Claims Conduct claims condition and the Disclosure and the Severability and Imputation general condition.

If the Named Insured is more than one entity, then the first entity listed in the Schedule will be deemed to be the Named Insured.

CANCELLATION

The Named Insured is entitled to cancel this Policy at any time, by notice, to Us, except at the time of, or following the events described in the Acquisition, Merger or Winding Up of a Company general condition.

Upon receipt of such request We will retain a short period Premium calculated at a pro rata rate of the Full Annual Premium for the time it has been on risk plus 10% and the Named Insured will receive a refund of any balance of the Premium.

We may cancel this Policy in accordance with the Insurance

Contracts Act 1984 (Cth).

COMPANY FAILURE TO INDEMNIFY

Where insuring clause 2 applies and the Company is in liquidation (other than voluntary liquidation) and has insufficient funds available to indemnify the Insured Persons for Loss as agreed, then the Excess applicable to the Company specified in the Schedule is not payable to Us.

CONFIDENTIALITY

You must not disclose the existence or terms of this section, including without limitation the Limit of Liability, the nature of the insurance or the Premium payable under this section to any person who is not You except where:

1. You are required by law or stock exchange rules to do so; or
2. We provide Our prior written consent to such disclosure.

DISCLOSURE

Each of You represents that the information about You supplied to Us before the Period of Insurance in respect of this Policy is correct, true and complete. You acknowledge that We rely on this information and this representation.

SEVERABILITY AND IMPUTATION

For the purposes of this Policy, any knowledge or information possessed by any past, present or future chief executive officer, chief operating officer, chief financial officer, chief legal officer (or similar positions) or chairman of the board of Directors shall be imputed to the Company.

The proposal made to Us prior to entering into this Policy shall be construed as separate applications for cover by the Company and each Insured Person and, except as provided for above, no information provided by or representation made by one, shall be imputed to another.

No breach of this Policy or knowledge or information possessed by the Company or any Insured Person shall be imputed to another except as provided for above.

MATERIAL CHANGE

You must notify Us in writing as soon as reasonably practicable of any material change in the risk insured by this section. We are entitled to amend the terms of this Policy or charge an additional Premium based on Our assessment of any change in the risk insured by this section.

DEFINITIONS

The following definitions apply to this section:

Benefits

Means:

1. fringe benefits and perquisites;
2. amounts due or payments made in connection with superannuation or an employee benefit plan or pension scheme;
3. share or stock options or any other right to purchase, acquire or sell shares or stock; or
4. bonuses, or employee or management incentive schemes or similar.

Business Crisis Consultant Fees

Mean the reasonable costs, charges, fees and expenses of an independent management consultant engaged to minimise the effect of the Business Crisis Event, but only during the first thirty days immediately following the Business Crisis Event.

Business Crisis Event

Means any one of the following unforeseen events which, in the reasonable opinion of the managing director (or equivalent) of the Company, if left unmanaged has the potential to lead to an imminent decrease of 30% or more of the Company's consolidated revenues:

1. the loss of a major customer or contract of the Company;
2. the sudden and unexpected death or injury of any Insured Person;
3. the unexpected imposition of a tax bill;
4. the recall of any product manufactured, distributed or sold by You; or
5. the illegal tampering with or contamination of any product manufactured, distributed or sold by You.

Claim

Means:

1. a written communication, including electronic communications, to You, containing a demand for compensation or damages, alleging an act, error, omission, conduct, facts or circumstances that may constitute a Wrongful Act;
2. a civil proceeding commenced by the service of a written complaint, summons, statement of claim, writ or similar pleading or an arbitral process, cross-claim, or counter claim against You alleging an act, error, omission, conduct, facts or circumstances that may constitute a Wrongful Act;

3. any criminal proceeding commenced by a summon or charge of You arising from a Wrongful Act; or
4. any official investigation, examination, inquiry or other proceedings which gives rise to Representation Expenses.

Claim does not mean an action solely for declaratory or injunctive relief where there is no demand for compensation or damages.

Company

Means:

1. the Named Insured; or
2. Subsidiaries of the Named Insured prior to or as at the commencement of the Period of Insurance, but cover only applies in respect of Wrongful Acts or any dishonest or fraudulent act committed or alleged to have been committed subsequent to the acquisition or creation of such Subsidiary.

Conflict of Interest

Means any actual or perceived competing professional or personal obligation or financial interest which You have in dealing with Your client(s) that includes, but is not limited to, any related but undisclosed commission, fee or other benefit payable to You, of Your family members or a Related Entity that You have an interest in.

Consumer Protection Act

Means any the Competition and Consumer Act 2010 (Cth), the Australian Securities and Investments Commission Act 2001 (Cth) and any similar State or Territory fair trading legislation and any amendment, consolidation, re-enactment or replacement of any of that legislation.

Control

Has the same meaning as defined in section 9 of the Corporations Act 2001 (Cth).

Covered Property

Means tangible property other than Money and Securities.

Defence Costs

Means Your share, according to the Allocation of Loss claims condition, of necessary and reasonable costs, charges, fees and expenses (other than regular or overtime wages, salaries, fees or your Benefits) incurred by You with Our prior written consent, in defending, investigating or settling covered Claims.

Director

Means any natural person who was prior to the Period of Insurance, or is during or after the Period of Insurance a validly appointed director (as defined in the Corporations Act 2001 or any equivalent provision in the jurisdiction in which the Company is incorporated) of the Company.

Employee

Means:

1. any person while employed under a contract of service with, or apprenticeship to, You;
2. any person while hired or seconded from any other party into your service including any agency furnished personnel whom You have the right at all times to govern, control and direct in the performance of his or her work in the course of Your Business, but does not include:
 - a. any broker, factor, commission agent, consignee, contractor or other agent; and
 - b. any of Your partner(s) or director(s) other than executives and directors, unless such person is also your Employee or has been seconded into Your employment by You.
3. any person employed in the finance and insurance section(s) of Your Business even though they may not be Your employee.

Employment Practices

Means any wrongful or unfair dismissal, denial of natural justice, defamation, misleading representation or advertising, sexual harassment or discrimination directly related to employment by You.

Employment Wrongful Act

Means any employment related act, error, omission or conduct constituting actual, constructive or alleged wrongful dismissal, discharge or termination of employment, wrongful failure to employ or promote, wrongful deprivation of career opportunity, misleading representation or advertising in respect of employment, wrongful disciplinary action, negligent employee evaluation, wrongful demotion, breach of employment contract, sexual or workplace harassment (including the creation of a workplace environment conducive to such harassment), wrongful discrimination, failure to grant tenure, invasion of privacy or defamation, committed by You.

Fidelity Loss

Means any direct financial or physical loss of Money, Securities and Covered Property belonging to, leased by or in the care, custody or control of the Company, sustained by the Company caused by any dishonest or fraudulent act committed by an Employee (whether acting alone or in collusion with any other person).

Fidelity Loss does not mean:

1. regular or overtime wages, salaries, fees or Benefits earned in the normal course of employment; or
2. damages of any type, including but not limited to punitive, exemplary or aggravated damages.

Insured Person

Means any natural person who was prior to the Period of Insurance, or is during or after the Period of Insurance a Director, Officer or Employee of the Company.

Loss

Means:

1. the amount, whether determined by judgment, verdict or award for which you are legally liable to a third party for a Claim and includes damages, compensation orders, interest and claimant's costs and expenses;
2. a settlement of a Claim by a third party against You, which complies with Settlement claims condition; and
3. Defence Costs;
4. under insuring clause 4, in the event that the Company is ordered to reinstate or re-employ an Employee, the cost to the Company of complying with any order to pay salary or wages, or damages calculated by reference to salary or wages, to an Employee for the period from the date of the purported dismissal or termination to the date on which the court, tribunal or similar body delivered its judgment to the parties; and
5. under insuring clause 6, Fidelity Loss;
6. under insuring clause 7, Business Crisis Consultant Fees;
7. under the Fraud Investigator Expenses additional benefit, all reasonable expenses incurred by the Company with Our prior written consent, solely to investigate, prove and substantiate the amount of the Policy Claim;
8. under the Lost Documents additional benefit, costs and expenses reasonably incurred in replacing or restoring lost or damaged Documents;
9. under the Occupational Health and Safety Expenses, Pollution Expenses and Representation Expenses Extensions, Representation Expenses additional benefits, Representation Expenses; and
10. under the Pecuniary Penalties additional benefit and the Company Pecuniary Penalties optional cover only, pecuniary penalties, each subject to the Allocation of Loss claims condition.

Loss does not mean or include any taxes, fines and penalties imposed by law, other than those covered under the Pecuniary Penalties additional benefit or punitive, exemplary or aggravated damages.

Management Wrongful Act

Means any act, error, omission, conduct, misstatement, misleading statement, neglect or breach of duty, trust, contract, warranty of authority, statute or confidentiality, actually or allegedly committed by:

1. the Company; or
2. You in Your capacity:
 - a. as an Insured Person; or
 - b. under the Outside Directorships additional benefit, only, as a Director or Officer of, or as the holder of a position of equivalent status in, any Non-Profit Outside Entity or Outside Entity, or any matter claimed against You solely by reason of You serving in such capacities.

Management Wrongful Act does not include any Employment Wrongful Act, Motor Trades Services Wrongful Act or Trustee Wrongful Act.

Merger or Acquisition

Means the Named Insured or the Company consolidating with, merging into or selling all or substantially all of its assets such that the Named Insured or the Company is not the surviving entity or any entity obtaining Control of the Named Insured or the Company.

Money

Means:

1. Cash, bank notes, currency notes, negotiable cheques, negotiable securities, travellers' cheques, debit and credit card vouchers, discount house vouchers, money orders, postal orders, unused postage stamps, revenue stamps, lottery tickets, stored value cards, public transport boarding tickets, authorised gift vouchers, valuable documents (but limited to certificates of stock, bonds, coupons and all other types of securities) and the contents of franking machines; or
2. any Superannuation Fund or pension fund formed by You and exclusively for the benefit of Employees but does not include any scheme that is administered by a professional funds manager.

Motor Trades Services

Means the following services of the Company:

1. sale and service of Vehicles;
2. arranging Vehicle finance or providing advice on Vehicle financing for customers;
3. arranging Vehicle insurance or providing advice on Vehicle insurance for customers but only in circumstances where the insured is an authorised representative of an insurer which holds an Australian Financial Services Licence;
4. providing customers with referrals to Vehicle finance and Vehicle insurance companies; or

5. the inspection of Vehicles, provision of advice regarding roadworthiness of Vehicle and recommendation as to repairs or parts required to or for Vehicles and the issue of documentation to facilitate Vehicle registration or transfer of title.

Motor Trades Wrongful Act

Means any act, error, omission, conduct, misstatement, misleading statement, neglect, defamation, infringement of rights of intellectual property or breach of duty, trust, contract, warranty of authority, statute or confidentiality, actually or allegedly committed by You in the conduct of the Motor Trades Services, but does not include an Employment Wrongful Act.

Non-Profit Outside Entity

Means a non-profit organisation of any kind that is exempt from the payment of income tax, other than a Subsidiary.

Officer

Means any natural person who was prior to the Period of Insurance, or is during or after the Period of Insurance:

1. a company secretary of the Company; or
2. a person:
 - a. who makes, or participates in making, decisions that affect the whole, or a substantial part, of the Business of the Company;
 - b. who has the capacity to affect significantly the Company's financial standing; or
 - c. in accordance with whose instructions or wishes the Directors of the Company are accustomed to act (excluding advice given by the person in the proper performance of functions attaching to the person's professional capacity or their business relationship with the Directors or the Company), other than:
 - i. a receiver, or receiver and manager;
 - ii. an administrator or an administrator of a deed of company arrangement;
 - iii. a liquidator; or
 - iv. a trustee or other person administering a compromise or arrangement made between the company and someone else.

Outside Entity

Means any company specified as an outside entity in the Schedule or by Endorsement, other than a Subsidiary.

Policy Claim

Means a written demand by or on Your behalf to Us for payment under this Policy.

Policy Committee

Means any prescribed policy committee for the purposes of Part 9 of the Superannuation Industry (Supervision) Act 1993 (Cth).

Related Entity

Has the same meaning as defined in the Corporations Act 2001 (Cth).

Related Claims

Means all Claims arising directly or indirectly from or in respect of the same or causally related or continuous or repeated Wrongful Acts whether committed by one or more of the Insured and whether directed to or affecting one or more than one person or legal entity.

Representation Expenses

Means the necessary and reasonable costs, charges, fees and expenses (other than regular or overtime wages, salaries, fees or Your Benefits) incurred by You, with Our prior written consent, in preparing for, attending and being represented at any official investigation, examination, inquiry or other proceedings (other than the Company's or Superannuation Fund's own internal investigation) ordered or commissioned by any regulator, government body or authority, governmental or administrative agency, official body or institution, legally constituted industry or professional board into the affairs of the Company or the conduct of the Insured Persons in their capacity as such or as a Director or Officer of, or the holder of a position of equivalent status in a Non-Profit Outside Entity or Outside Entity or Trustees in their capacity as such, provided that notice of the investigation, examination, inquiry or other proceedings is first received by You and notified to Us during the Period of Insurance.

Specified Policy

Means any insurance contract under which the Named Insured or You are entitled to an indemnity and which is specified in the Schedule, proposal or by endorsement or any renewal or replacement of that insurance contract.

Superannuation Fund

Means a corporate Superannuation Fund established for the benefit of Employees of the Company, but excludes any industry, master or self-managed superannuation fund.

Trustee means any Insured Person who:

1. was prior to the Period of Insurance, or is during or after the Period of Insurance:
 - a. a duly appointed trustee of the Superannuation Fund; or
 - b. member of the Policy Committee of the Superannuation Fund, to the extent that such person's activities concern the administration of that Superannuation Fund as is contemplated under the Superannuation Industry (Supervision) Act 1993 (Cth); or
2. was prior to or at the commencement of the Period of Insurance a trustee of the Superannuation Fund duly appointed by a court or regulatory body or pursuant to statute.

Trustee Wrongful Act

Means any act, error, omission, conduct, misstatement, misleading statement, neglect, defamation or breach of duty, contract, confidentiality, trust or statute, actually or allegedly committed by any Trustee in connection with the Superannuation Fund, but does not include any Employment Wrongful Act.

Wrongful Act

Means:

1. a Management Wrongful Act;
2. an Employment Wrongful Act;
3. a Motor Trades Services Wrongful Act; or
4. a Trustee Wrongful Act.

You and Your

Means:

1. the Company;
2. the Insured Persons; and
3. any Trustee.

SURA Motor Dealers acts as an agent for Certain Underwriters at Lloyd's and is authorised to arrange, enter into/bind and administer this insurance on their behalf.

SURA Motor Dealers is a trading name of SURA Pty Ltd ABN 36 115 672 350 AFSL 294.

Thank you for receiving this document electronically.

SURA Motor Dealers supports positive initiatives for our environment.

SURA MOTOR DEALERS

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