



Associated General and Dealer Underwriting Agency Pty Ltd

AFS Licence No 279854

Policy Document and Product Disclosure Statement

This insurance is provided by:

Allianz Australia Insurance Limited
AFS Licence Number 234 708
ABN 15 000 122 850
2 Market Street Sydney NSW 2000

This insurance is underwritten by:

Associated General & Dealer Underwriting Agency Pty Ltd
AFS Licence Number 279 854
ABN 80 108 259 481
26 Hunter Street Parramatta NSW 2150

Who have an underwriting agreement with Allianz, which allows them to bind cover on behalf of Allianz and act as agent for Allianz and not as your agent.

Used Car Dealer Pack

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If your Policy has been issued through our agent, or a broker who is acting under an agency arrangement such as a binder with us, then they are acting as our agent and not as your agent.

If your Policy has been issued by a broker, other than a broker acting under such an agency arrangement with us, then the broker is acting as your agent.

Note: You may purchase insurance through the insurer of your choice.

Where your Policy has been arranged through an intermediary, a commission is payable by us to them for arranging the insurance.

Introduction

This document contains information designed to help you decide whether to buy our Used Car Dealer Pack Policy.

About Allianz

Allianz Australia Insurance Limited ABN 15 000 122 850 AFS Licence No. 234 708 is the insurer of your Policy and is one of Australia's largest general insurers. We utilise years of local expertise, combined with global experience to offer a wide range of products and services to our customers. As a member of the worldwide Allianz Group, we are committed to continuous improvement of our products and services and strive to achieve this through knowledge transfer within the Group, dedicated technical research units, sharing globally new product developments and a wide range of risk management services.

Summary of the available covers

You can apply to buy any of the following – you choose what you need:

Cover	Summary of covers only (See relevant Section for details, relevant limits, and specific conditions and exclusions that apply)
Section One – Industrial Special Risks: Material Damage	This covers you for loss or damage to your buildings, their contents and vehicles in the open air not otherwise excluded (eg. hail and theft) and provides a number of additional benefits.
Section Two – Industrial Special Risks: Business Interruption	This covers you for the consequential loss that you sustain as a result of an event that would give rise to a claim under Section One or Section Three.
Section Three – Industrial Special Risks: Crime and Contingencies	This covers you for: 1. theft of your property, 2. loss of money, and 3. damage to glass. It also provides a number of automatic additional benefits.
Section Four – General Property	This covers your insured property against accidental damage or specified events anywhere in Australia.
Section Five – Public and Products Liability	This covers you for amounts you are legally liable to pay as compensation for certain personal injury and/or property damage occurring within the relevant territorial limits as a result of an occurrence in connection with your dealership business.
Section Six – Commercial Motor	This covers you for damage to your vehicle and your liability to pay for damage or injury caused by your vehicle (other than injury covered by a CTP policy).
Section Seven – Employee Dishonesty	This covers you for loss resulting from the fraudulent or dishonest conduct of your employees and provides additional benefits.
Section Eight – Machinery Breakdown	This covers you against the breakdown of your electrical or mechanical machinery, boilers and pressure vessels and provides additional benefits.

Section Nine – Computer and Electronic Equipment	This covers you against the breakdown of your computers and/or electronic equipment. Optional restoration of data and increased cost of working benefits are also available.
Section Ten – Hail	This covers you for the damage to your stock of vehicles by hail.
Section Eleven – Tax Audit	This reimburses you for the costs of retaining professional advisers required to respond to a tax audit required by an Australian statutory authority.
Section Twelve – Transit	This covers loss or damage to parts and vehicles, while in a conveying vehicle, vessel, aircraft or train within Australia.
Section Thirteen – Professional Indemnity	This covers you for claims you are legally liable to pay as compensation due to a breach of your professional duty in the conduct of your dealership business. This Section is offered on a 'claims made' basis. Please read the Important Notice below.

'Claims Made' Sections – Important Notice

Section Thirteen – Professional Indemnity is provided on a 'claims made' basis.

This Section will only respond to Claims, as defined, first made against you during the Period of Insurance. This Section also requires you to notify us of any Claim made against you during the Period of Insurance.

To the extent permitted by law, we will not pay for any Claim that you notify us of after the Period of Insurance has expired.

Please note that under sub section 40(3) of the Insurance Contracts Act 1984 (Cth), where you give notice to us in writing of facts that might give rise to a Claim under Section Thirteen as soon as reasonably practicable after you become aware of those facts but before the Period of Insurance expires, we are not relieved of liability under your Policy in respect of the relevant Claim, when made, by reason only that it was made after the Period of Insurance.

We do not cover certain prior or pending Claims. Refer to the "Prior or pending Claims" exclusion in this Section for details.

Section One through to Section Twelve are 'Occurrence' based contracts which are not dependant on a Claim being made against you during the Period of Insurance. Instead, they require that the relevant covered event occur during the Period of Insurance. Refer to each Section for full details.

Understanding your Policy and its important terms and conditions

To properly understand your Policy's significant features, benefits and risks you need to carefully read:

1. about each of the available types of cover and benefits in the relevant Section One to Section Thirteen (the cover provided under each Section can be affected by the following);
2. the rest of this "Introduction" – it sets out how you apply for cover, the basis on which we insure you, the Duty of Disclosure you need to meet before we insure you, our privacy information and our dispute resolution procedures;
3. the "General definitions" – it sets out what we mean by certain words used in your Policy. Except where noted

otherwise, these words begin with a capital letter throughout this document. Each coverage Section may also contain definitions relevant to that Section;

4. the “General exclusions” – it sets out the general exclusions and limits that apply to all covers and benefits;
5. the “General conditions” and “Specific conditions” – these set out certain general rights and obligations that you and we have. If you do not meet them we may be able to refuse to pay or reduce what we pay for a claim to the extent permitted by law;
6. the Schedule and any endorsements or other written changes to the cover we issue you with – these contain specific details relevant to you and can affect the cover.

Applying for cover

When you apply for your Policy by completing a Proposal, we or our representative will confirm with you:

1. the covers you require (including the property you wish to cover, the limits you require for certain covers (if optional), whether any third parties will be noted as having an interest, and the Excesses that you must contribute for certain claims) – we only cover you for those Policy Sections and Optional benefits shown as covered on the Schedule up to the relevant specified limits.

The maximum amount we will pay will not exceed the relevant Limit of Indemnity for the relevant Policy Section shown as insured on the Schedule.

Your Policy sets out the cover we provide. You need to decide if the limits, type and level of cover are appropriate for you and will cover your potential loss. If they are not, you may be underinsured and may have to bear part of any loss yourself.

You should also read the GST Notice in the “General conditions” to understand how GST is applied to a claim.

2. whether any standard terms need to be varied (this may be by way of an endorsement);
3. the Period of Insurance;
4. your premium – the base premium we charge varies according to a number of factors, such as your risk profile (e.g. where the property insured is situated, the type of property being insured, the cover required, other persons being insured and your insurance history etc). In some cases discounts may apply if you meet certain criteria we set. You will also have to pay any compulsory government charges (e.g. Stamp Duty and GST) and Fire Services Levy (where applicable). In some cases a service fee will apply where you select to pay your premium by instalments.

We tell you the total amount payable when you apply and when and how it can be paid. This is confirmed in the Schedule we issue to you.

If you pay your premium by instalments, refer to the “General conditions” section for important details on your and our rights and obligations. Note that an instalment premium outstanding for 14 days may result in our refusal to pay a claim.

The above details are recorded in the Schedule we issue to you after cover is entered into.

Cooling off and cancellation rights

You have cooling off and cancellation rights (see “General conditions”).

Basis on which we insure you

We agree to insure you:

1. based on the information provided in your Proposal and subject to payment of the required premium by the required date;
2. in accordance with your Policy terms and conditions – your Policy is made up of your Proposal, this Policy Document, the Schedule and any written endorsements we issue to you. You should carefully read all of these as if they are one document and keep them in a safe place.

If you require further information about your Policy or wish to confirm a transaction, call us on 13 2664.

Your Duty of Disclosure

Before you enter into an insurance contract with us and the Insurance Contracts Act 1984 applies, you have a duty to tell us before the Policy is entered into, every matter known to you which:

1. you know, or
2. a reasonable person in the circumstances could be expected to know,

is relevant to our decision whether to insure you and whether any special conditions need to apply to your Policy.

This duty applies when you renew, extend, vary or reinstate the Policy.

What don't you need to tell us?

You do not need to tell us about any matter:

1. that diminishes our risk;
2. that is of common knowledge;
3. that we know or should know as an insurer; or
4. that we tell you we do not need to know.

Who must tell us?

Everyone who is an insured under the Policy must answer the questions in this way.

What happens if you or they do not comply with this duty?

If you or they do not answer the questions in this way, we may cancel the Policy or reduce the amount we pay if you make a claim. If fraud is involved, we may treat the Policy as if it never existed, and pay nothing.

Evidence of value and loss

You should keep evidence of your ownership and the value of all property covered under this Policy as well as evidence of the amount of any accidental loss, damage or destruction. This will help you establish your right to claim and ensure claims are processed promptly.

Privacy Act 1988 – Information

The Privacy Act 1988 contains National Privacy Principles which require us to tell you that as an insurer we collect, handle, store and disclose your personal and sensitive information in order to:

1. decide whether or not to issue a policy;
2. determine the terms and conditions of your Policy;
3. compile data; and
4. handle claims.

Sensitive information includes, amongst other things, information about an individual's health, membership of professional associations and criminal records. You have given

us your consent to collect your personal and sensitive information in order to issue you with your Policy.

We disclose personal information to third parties who we believe are necessary to assist us and them in providing the relevant services and products. For example, in handling claims, we may have to disclose your personal and other information to third parties such as other insurers, reinsurers, loss adjusters, investigators, agents and others involved in the claims handling process, or as required by law. We limit the use and disclosure of any personal information provided by us to them for the specific purpose for which we supplied it.

You have the right to seek access to your personal and sensitive information and to correct it at any time. Allianz Australia aims to ensure that your personal information is accurate, up to date and complete. Please contact us on 1300 360 529 EST 9am-5pm, Monday to Friday if you would like to seek access to, or revise, your personal information or feel that the information we currently have on record is incorrect, incomplete or believe that the privacy of your personal information at Allianz Australia has been interfered with. In these cases you are entitled to raise your concerns. Your complaint will be managed and resolved through our internal Privacy Complaint Procedure.

Should you wish to obtain more information about Allianz' privacy policies, please contact us and ask for a copy of our booklet called "General Insurance Information Privacy Code".

From time to time we may advise, or offer you, information on other Allianz products or services that may be relevant and of interest to you. If you do not wish to receive these offers or information, please call the Allianz Direct Marketing Privacy Service Line – Freecall 1800 000 284 EST 9am-5pm, Monday to Friday or indicate your decision in the appropriate area of the Privacy Section of our website at www.allianz.com.au.

General Insurance Code of Practice

The General Insurance Code of Practice was developed by the Insurance Council of Australia to further raise standards of practice and service across the insurance industry.

We keenly support the standards set out in the Code.

You can obtain more information on the Code of Practice and how it assists you by contacting us. Contact details are provided on the back cover of your Policy.

Dispute resolution process

Our dispute resolution process is designed to help you solve any problems.

Complaints or disputes are not an everyday occurrence at Allianz. We strive to do things the right way and keep our customers happy.

Sometimes though, complaints or disputes do occur and when this happens, our objective is to resolve any disagreement as amicably and as quickly as possible. We believe the best way to achieve this is to provide you with an opportunity for an unbiased review of the issue.

Here is what to do if a complaint or dispute arises

Regardless of whether the complaint or dispute involves our staff, an agent, loss adjuster, assessor, investigator or the service we provide, simply contact 13 1000; speak to one of our call centre operators and provide them with the details of the issue concerning you. They will attempt to resolve the complaint or dispute, if they are unable to do so they will log it and refer it to the appropriate business unit for resolution.

Within our organisation we have established a complaints and disputes resolution process. This is a free service. It is a system designed to log, track, escalate and monitor complaints received from clients and customers about our services and products. A staff member involved in the complaints and disputes resolution process will write to you within 15 working days advising the outcome of the review and reasons for their decision. We do not consider a complaint or dispute to be resolved until a proposed resolution or solution has been communicated to you and you have accepted the resolution or solution.

If you are not satisfied with the outcome of this process

If we are unable to resolve the complaint or dispute we will offer you the option of referring the matter to the insurance industry's external independent complaints scheme subject to eligibility.

The scheme will only review complaints or disputes if they have gone through our internal complaints and disputes resolution process.

Information on this Product Disclosure Statement (PDS)

Your Policy provides a number of covers which may or may not be provided to you as a retail client under the Corporations Act 2001 (Cth) (the Act) depending on your circumstances. Only the parts of your Policy Document relevant to cover provided to you as a retail client and any other documents we tell you are included, make up the PDS for the purposes of the Act. It is important that you read this document and all other Policy documentation we provide to ensure you are happy with the cover you choose. Ask us if you have any concerns.

Information in the PDS may need to be updated from time to time. You can obtain a paper copy of any updated information without charge by calling us on the telephone number provided on the back cover of your Policy Document. If the update is to correct a misleading or deceptive statement, or an omission, that is materially adverse from the point of view of a reasonable person deciding whether to acquire the cover, we will provide you with a new PDS or a supplementary PDS.

Preparation Date 2/8/2004.

General definitions

These definitions have special meaning and apply to all Sections of your Policy, unless they are defined differently in the relevant Section.

"Bailee" means an individual who has temporary rightful possession of another's property.

"Bailment" means the transference of physical property (but not the legal ownership of the property) from a bailor to a Bailee. **"Bailed"** has a corresponding meaning to Bailment.

"Basis of Settlement" means the method by which a claim is met. This will be either Reinstatement and Replacement or Indemnity according to the method you have selected in those Sections where a choice is available and specified in the Schedule, or otherwise as stated in the appropriate Section.

"Building(s)" mean the building(s) at the Situation, including outbuildings, underground services, walls, gates and fences, signs, landlord's fixtures and fittings of every kind and description and additions forming part of the building complex.

"Claim" in Section Thirteen means:

- a. a written or verbal demand for compensation made against you; or

- b. a civil proceeding seeking compensation or damages; or
- c. a criminal proceeding commenced by a summons or charge.

“Contents” means contents of every description not otherwise excluded but does not mean Stock in Trade or Customers’ Goods.

“Customers’ Goods” means goods and/or merchandise, including Vehicles, held by you in trust or on commission.

“Damage(d)” means physical loss, destruction or damage.

“Dealership Business” means, and is limited to, your ownership and/or operation of a Vehicle dealership which includes:

- a. the sale of used Vehicles;
- b. the provision of services in respect of the products of a financial institution or general insurer (or their agents) which you sell concurrently with or as an incidental part of the sale of a Vehicle.
- c. the inspection of Vehicles, provision of advice as to the road worthiness of Vehicles, the recommendation as to repairs and/or parts required to/for a Vehicle;
- d. the service and repair of Vehicles;
- e. the issuance of documentation to facilitate the registration of Vehicles or transfer of title;
- f. the ownership and/or occupation of the Situation(s);
- g. other activities incidental to your ownership and/or operation of a Vehicle dealership.

Your Dealership Business does not include any other commercial operations you may have unless specifically noted on the Schedule.

“Defined Event” means an event shown in the relevant individual Section under the heading “Defined Events”.

“Directors' and Employees' Personal Property” means tools, clothing and personal effects, belonging to your directors and employees.

“Documents” means records, computer tapes or disks, written or printed books, letters, certificates, written or printed documents or forms of any nature (excluding Money) you own or are responsible for.

“Excess” means either the amount of money specified in the Schedule or otherwise stated in your Policy for each applicable Section that you must contribute as the first payment for each claim, or the period specified in the Schedule or otherwise stated in your Policy for which no payment will be made by us.

“Family Member” means any person who is or was:

- a. your spouse, de facto spouse, domestic partner or domestic companion;
- b. a parent, sibling or child of you or the person in a. above,

provided that such person ordinarily resides or resided with you.

A “de facto spouse” means a person whether of the same sex or not, who ordinarily lives with you in a genuine personal and domestic relationship similar to the relationship of husband and wife.

“Flood” means the inundation of normally dry land by water overflowing from the normal confines of any natural watercourse or lake, whether or not altered or modified, or of any reservoir, canal or dam.

“Hail” means precipitation (falling) of particles of ice (hailstones) from clouds either separately or collected into irregular lumps.

“Indemnity” or “Indemnify” means that if there is Damage directly caused by any of the covered events, we will at our option:

- a. pay to you the actual value of the Damaged Property Insured up to the Limit of Indemnity; or
- b. pay to you the cost of replacing or repairing the Damaged Property Insured; or
- c. repair or replace the Damaged Property Insured, and we may deduct a reasonable allowance for depreciation, age, wear and tear before making any payment.

“Limit of Indemnity” means the relevant amount(s) specified in the Schedule as the Limit of Indemnity or Sum Insured which will be the maximum amount that we will pay for any one loss or series of losses arising out of a covered event which may be determined after consideration of any Sub limit contained either in the applicable Section or sub section or as shown against an item in the Schedule. The relevant Excess(s) will apply to the Limit of Indemnity but the Limit of Indemnity will only be applied in excess of the relevant Excess(s).

“Market Value” means the amount we determine represents the cost to replace the Property Insured with a similar item of the same make, model, age and condition as the Property Insured immediately prior to the loss or damage.

“Money” means current coin, bank notes, currency notes, cheques, credit card sales/service vouchers, postal orders, money orders, negotiable and non-negotiable securities and valuable documents, promissory notes, the unused value of postage stamps, revenue stamps, instant lottery tickets, metropolitan transport tickets, phone cards, credit cards, stored-value cards, travellers cheques, bearer bonds, coupons and the contents of franking machines.

“Optional benefit” means the optional benefit described as being available in certain Sections of your Policy. Optional benefits that are covered are shown as being operative in the Schedule.

“Parts and Accessories” means replacement parts for Vehicles and Vehicle accessories.

“Period of Insurance” means the period commencing on the Effective Date and ending on the Expiry Date as shown in the Schedule.

“Policy” means this document and any endorsement, specification, attachment or memoranda affixed (or intended to be affixed) to it, the Schedule and the Proposal.

“Proposal” means the application form completed by you or on your behalf in which you provided the information upon which we relied to enter into your Policy.

“Premises” means within the confines of the Building(s) at the Situation.

“Property Insured” means all real and tangible personal property shown as insured in the Schedule in respect of each Section and not otherwise excluded which belongs to you, or for which you are legally responsible, or have assumed responsibility to insure prior to the occurrence of any Damage.

“Reinstatement” means the cost necessary to repair or rebuild the Property Insured to a condition substantially the same as, but not better or more extensive than, its condition when new.

“Replacement” means the cost necessary to replace the Property Insured with property substantially the same as, but not better or more extensive than, its condition when new.

“Reinstatement and Replacement” means, Reinstatement and/or Replacement where relevant.

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

“Schedule” means the most recently dated Schedule to your Policy we have provided to you which is relevant to a particular claim and specifies important information such as your Policy number, Situation(s), Excess(s), premium of those Sections and Optional benefits that are in force, the details of the Property Insured and the Limits of Indemnity. The Schedule includes endorsements we provide in writing during the Period of Insurance.

“Situation(s)” means the Situation(s) stated in the Schedule.

“Stock Card” means 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 Vehicle.

Note: we are entitled to inspect the invoices used to prepare your Stock Cards and make any adjustment to the Stock Card value to the extent that your Stock Card differs from the actual invoices.

“Stock in Trade” means:

- a. stock in trade (including your Stock of Vehicles), boats, trailers, caravans, jet skis, motorcycles, farm machinery, merchandise or raw materials, including the value of work done, containers and packaging materials;
- b. Customers’ Goods and items held in trust or on commission for which you are liable;
- c. stock of Parts and Accessories.

“Stock of Vehicles” means your stock of Vehicles held at the Situation(s) for the purpose of resale in the course of your Dealership Business.

“Sub limit” means an amount shown in the Schedule which corresponds to a particular item within a Basis of Settlement, Exclusion, Additional benefit or Optional benefit. We will not pay more than the Sub limit shown in the Schedule for the relevant item within the Basis of Settlement, Exclusion, Additional benefit or Optional benefit. If more than one Sub limit applies, the greater amount shall be payable. Each Sub limit will not increase our liability beyond the relevant Limit of Indemnity. The Excesses will apply to the Sub limit(s) but the Sub limit(s) will only be applied in excess of the relevant Excesses.

“Total loss” means your Property Insured is lost or stolen and not recovered within a reasonable period of time or where it is Damaged and we consider the cost of repairing it is uneconomical or greater than the Limit of Indemnity, Market Value or Stock Card value, whichever is the lesser.

Only in relation to claims under:

- a. Section One – Industrial Special Risks: Material Damage;
- b. Section Three – Industrial Special Risks: Crime and Contingencies; or
- c. Section Six – Commercial Motor;

at your option, we will consider a Vehicle a Total Loss if:

- d. the pre accident value is \$50,000 or less and the Damage exceeds 30% of Stock Card value; or
- e. the pre accident value is between \$50,001 and \$100,000 inclusive and the Damage exceeds 25% of Stock Card value; or
- f. the pre accident value exceeds \$100,000 and the Damage exceeds 20% of Stock Card value.

“Territorial limits” means anywhere within Australia.

“Vehicle(s)” means any type of machine on wheels or on self-laid tracks made or intended to be self propelled by other than manual or animal power and any trailer or other attachment made or intended to be drawn by such machine.

Vehicle does not include any machine, trailer or attachment that is made to travel, move, operate or be drawn on, rail tracks or a pulley, conveyor or cable system, including but not limited to gondolas and chairlifts.

“we”, “us”, “our”, “Allianz”, “Insurer” means Allianz Australia Insurance Limited ABN 15 000 122 850 AFS Licence No. 234 708 of 2 Market Street, Sydney, NSW, 2000.

“you”, “your(s)”, “Insured” means either the person or the entity named as The Insured in the Schedule.

General exclusions

These General exclusions are applicable to all Sections of your Policy.

1. Your Policy does not cover loss, Damage or liability:
 - a. **War**
caused by or arising from any war, whether war be declared or not, hostilities or rebellion, civil war, revolution, insurrection, military or usurped power, invasion, act of foreign enemy;
 - b. **Nuclear**
caused by or arising from ionising radiation or contamination by radioactivity from:
 - i. any nuclear fuel or from any nuclear waste; or
 - ii. from the combustion of nuclear fuel (including any self-sustaining process of nuclear fission or fusion);
 - iii. nuclear weapons material;
 - c. **Lawful seizure**
caused directly or indirectly by the lawful seizure, detention, confiscation, nationalisation or requisition of the Property Insured;
 - d. **Wilful acts**
caused directly or indirectly by any actual or alleged:
 - i. dishonest, fraudulent, criminal or malicious act;
 - ii. wilful breach of any statute, contract or duty;
 - iii. conduct intended to cause loss, Damage or liability with reckless disregard for the consequences;by or of you or any person acting with your knowledge, consent or connivance;
 - e. **Territorial limits**
occurring or arising outside the Territorial limits except as specifically stated otherwise in the appropriate Section.
2. **Consequential loss, legal liability and defects**
Except as specifically provided otherwise, we will not pay for:
 - a. consequential loss of any kind including loss resulting from delay or lack of performance, loss of contract or depreciation in value of any undamaged Property Insured;

- b. legal liability of whatsoever nature;
- c. Damage caused by faults or defects known to you or any employee whose knowledge in law would be deemed to be yours and not disclosed to us at the time your Policy was entered into.

3. Computer technology

Your Policy does not cover any loss or damage to any appliance, machinery, equipment or other property which is a computer or which contains or comprises any computer technology (including computer chip or control logic) and which fails to perform or function in the precise manner for which it was designed for any reason arising from the performance or functionality of such computer technology (including computer chip or control logic).

4. Information Technology Risk Exclusion

Your Policy does not cover claims arising directly or indirectly out of or in any way connected with your Internet Operations.

Internet Operations includes but is not limited to, the following:

- a. Use of electronic mail systems by you or your employees, including part-time and temporary staff, and others acting on behalf of you;
- b. Access through your network to the world wide web or a public internet site by you or your employees, including part-time and temporary staff, and others acting on your behalf;
- c. Access to your intranet (meaning internal company information and computing resources) which is made available through the world wide web for your customers or others outside your organisation; and
- d. The operation and maintenance of your web site.

Nothing in this exclusion shall be construed to extend coverage under your Policy to any liability which would not have been covered in the absence of this exclusion.

5. Terrorism Exclusion

Notwithstanding any provision to the contrary within your Policy or any endorsement thereto, your Policy excludes and does not cover death, injury, illness, loss, damage, liability, cost or expense directly or indirectly caused by, contributed to by, resulting from or arising out of or in connection with any act of terrorism, as defined herein, regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

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

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

Your Policy also excludes and does not cover death, injury, illness, loss, damage, cost or expense directly or indirectly

caused by, contributed to by, resulting from, or arising out of or in connection with any action in controlling, preventing, suppressing, retaliating against, or responding to any act of terrorism.

6. Absolute Asbestos Exclusion

Notwithstanding any provision to the contrary within Sections Five and Thirteen of your Policy or any endorsement to them, your Policy shall not apply to and does not cover any actual or alleged liability whatsoever for any claim or claims in respect of loss or losses directly or indirectly arising out of, resulting from or in consequence of, or in any way involving asbestos, or any materials containing asbestos in whatever form or quantity.

7. Electronic Data Exclusion

Notwithstanding any provision to the contrary in Sections One, Two, Three and Four of your Policy or any endorsement thereto:

- a. Your Policy does not insure:
 - i. total or partial destruction, distortion, erasure, corruption, alteration, misinterpretation or misappropriation of Electronic Data;
 - ii. error in creating, amending, entering, deleting or using Electronic Data; or
 - iii. 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.

"Electronic Data" means facts, concepts and information converted to a form useable for communications, display, distribution, interpretation, or processing by electronic or electromechanical data processing or electronically controlled equipment and includes programs, software and other coded instructions for such equipment.

- b. However, in the event that a peril listed below (being a peril insured by your Policy but for this exclusion) is caused by any of the matters described in paragraph a. above, your Policy, subject to all its provisions, will insure:

- i. physical loss of or damage or destruction to Property Insured directly caused by such listed peril, and/or
- ii. consequential loss insured by your Policy.

Further, this exclusion does not apply in the event that a peril listed below (being a peril insured by your Policy but for this exclusion) causes any of the matters described in paragraph a. above fire, lightning, thunderbolt, explosion, implosion, earthquake, subterranean fire, volcanic eruption, impact by aircraft or aerial object dropped therefrom, impact by road Vehicle or animal, sonic boom, theft which is a consequence of theft of any computer and/or computer hardware and/or firmware and/or microchip and/or integrated circuit and/or similar device containing such Electronic Data, breakage of glass, the acts of persons taking part in riots or civil commotions or of strikers or of locked out workers or of persons taking part in labour disturbances, storm and/or tempest and/or rainwater and/or wind and/or Hail, water and other liquids and/or substances discharged and/or overflowing and/or leaking from any apparatus and/or pipes at the Premises.

- c. For the purposes of the Basis of Settlement provisions in your Policy, computer systems records includes Electronic Data as defined in paragraph a. above.

The terrorism exclusion in your Policy prevails over this exclusion.

General conditions

These general conditions are applicable to all Sections of your Policy. Each Section of your Policy also contains specific conditions which are applicable to that Section. In some cases further specific conditions may be included in the Schedule and/or in an endorsement we issue to you.

If you do not meet the applicable general conditions and specific conditions (other than the cancellation condition), we may cancel your Policy and/or reduce or refuse to pay a claim, to the extent permitted by law.

1. Reasonable care and maintenance

You must take all reasonable care:

- a. to prevent loss, Damage or liability;
- b. to maintain the Property Insured and Premises and Situation in sound condition, in particular to minimise or avoid theft, loss, damage or liability;
- c. to comply with all statutory obligations, by-laws, regulations, public authority requirements and safety requirements;
- d. to minimise any loss, Damage or liability;
- e. to only employ competent employees and ensure they meet the requirements specified in a. to d. above.

2. Cooling off and Cancellation rights

- a. You may cancel your Policy at any time by notifying us in writing;
- b. We have the right to cancel your Policy where permitted by law. For example, the Insurance Contracts Act permits us to cancel in a number of situations, including but not limited to:
 - i. if you failed to comply with your duty of disclosure; or
 - ii. where you have made a misrepresentation to us during negotiations prior to the issue of your Policy; or
 - iii. where you have failed to comply with a provision of your Policy, including the term relating to payment of premium; or
 - iv. where you have made a fraudulent claim under your Policy or under some other contract of insurance that provides cover during the same period of time that your Policy covers you.
- c. If we decide to cancel your Policy we will give written notice to you personally or by post to your last known address. Such notice will be effective from 4pm on the third business day after the day it is given to you, unless it specifies a later date. Note: A posted notice is deemed given to you at the time it would have been delivered in the ordinary course of the postal service.
- d. If you or we cancel your Policy we may deduct a pro rata proportion of the premium for time on risk, 10% of the annual premium as administrative costs related to the acquisition and termination of your Policy and any government taxes or duties we cannot recover.
- e. In the event that you have made a claim under your Policy and we have agreed to pay the full Limit of Indemnity for your Property Insured, no return of premium will be made for any unused portion of the

premium for the Sections under which the full Limit of Indemnity has been paid.

3. Non Payment of Premium by Instalments – Right to refuse a claim

Where you pay your premium by instalments, you must ensure that they are paid on time because if an instalment has remained unpaid for a period of at least 14 days, we may refuse to pay a claim. We will notify you if an instalment has not been paid.

4. Alteration to risk

If you become aware of any changes to the facts or circumstances to those which existed when this insurance commenced that changes the nature of the risk (for example, the nature, or type, of your Dealership Business), other circumstances that affect the Situation or Property Insured in a way that would increase the risk of loss, damage or liability, you must notify us in writing.

If we agree to the change we will do so in writing and you must pay us any additional premium we require.

5. Unoccupancy

If your Building is not, or will not be, occupied for any period in excess of 60 consecutive days, we will not pay for Damage to Property Insured otherwise covered under:

- a. Section One – Industrial Special Risks:
 - i. fire;
 - ii. explosion;
 - iii. leakage of water or liquid;
 - iv. malicious acts;
 - v. accidental Damage;
- b. Section Three – Industrial Special Risks: Crime & Contingencies;
- c. Section Eight – Machinery Breakdown;
- d. Section Nine – Computer/Electronic Equipment; unless you have our prior agreement in writing and you agree to pay an additional premium we may require.

6. Waiver of subrogation rights

We may not be liable to pay for loss, Damage or liability if you agree, or have agreed, to limit or exclude any right of recovery against any third party who would be liable to compensate you with respect to that loss, Damage or liability.

7. Other insurance

You must give us written notice of any insurance or insurances already effected, or which may be subsequently effected covering, whether in whole or in part, the subject matter of the various Sections of your Policy.

8. Claims preparation expenses

Except where otherwise specifically provided in a Section of this Policy, we will pay for costs necessarily and reasonably incurred for the preparation of a valid claim under your Policy. The most we will pay is \$10,000 in total or 25% of the amount otherwise payable, whichever is the lesser.

9. Claims procedure

- a. As soon as you become aware of anything happening which may result in a claim under your Policy you must, at your own expense (unless the expense is covered under “8. Claims preparation expenses” above):
 - i. immediately inform the police of any malicious Damage, theft, fraudulent conduct, attempted theft or loss of property;

- ii. advise us as soon as possible by telephone or facsimile telling us how the loss, Damage or liability occurred;
 - iii. take all reasonable action to recover lost or stolen property and minimise the claim;
 - iv. as far as possible preserve any products, appliances, plant or other items which might prove necessary or useful as evidence until we have had an opportunity of inspecting them;
 - v. give us all the information, proof and assistance we may require to prosecute, defend or settle your claim including details of any other insurance effected by you or on your behalf;
 - vi. as soon as reasonably practicable after the loss, Damage or relevant event (or any further time which we may allow in writing) deliver to us a written claim containing as detailed an account as is reasonably practicable of the circumstances surrounding the loss, damage or event and the amount claimed. If we ask you to provide us with a Statutory Declaration you must provide it;
 - vii. immediately send us any claim, writ, summons, or full details of any relevant legal or other proceedings such as an impending prosecution or inquest you receive or of which you become aware;
 - viii. at all times give us all the information and assistance we may reasonably require;
- b. You must not:
- i. admit liability for, or offer, or agree to settle any claim without our written consent;
 - ii. authorise the repair or replacement of anything without our agreement unless for safety reasons or to minimise or prevent further imminent loss, Damage, liability or injury;
- c. After you have advised us of any loss, Damage or liability as set out in this general condition:
- i. you must comply with all the terms of the general and special specific conditions before we will meet any claim under your Policy;
 - ii. we have the right to recover from any person against whom you may be able to claim any money paid by us and we will have full discretion in the conduct, settlement or defence of any claim in your name. The amount recovered will be applied first to reducing the amount by which your loss exceeds the payment made by us plus any Excess applied. Any balance remaining after you have been fully compensated for your loss, up to the amount we have paid to you to settle your claim (including our legal fees for recovery), will be retained by us;
 - iii. we may take over and conduct, in your name, the defence or settlement of any claim and we will have full discretion in the conduct of any proceedings in connection with the claim;
 - iv. we may pay you the Limit of Indemnity under the applicable Section or any lesser amount for which a claim or claims under that Section may reasonably be settled. After we have paid you, we will no longer be liable for the claim(s) (or future conduct of the claim(s)) except for costs and expenses incurred up until the time we pay you that we previously agreed to pay;
- v. If you recover or find any lost or stolen Property Insured for which we have paid a claim, you must:
 - tell us immediately; and
 - give us the recovered or found Property Insured if we request you to do so;
- d. If you advise us of loss or damage to Property Insured, as set out in this general condition:
- i. we may, or anybody we appoint may:
 - enter, take or keep possession of the Buildings where destruction or damage has happened;
 - take or keep possession of such of the Property Insured as we may reasonably require for the purposes of our investigations; and
 - if we accept liability, sell such Property Insured or dispose of it in a reasonable manner;
 but you are not entitled to abandon such Buildings or Property Insured to us. If we enter, take or keep possession of the Buildings or the Property Insured it will not be an admission of liability nor will it affect any of your obligations under your Policy;
 - ii. if we elect or become bound to reinstate or replace any Property Insured, you must at your own expense produce and give us all such plans, documents, books and information as we reasonably may require;
 - iii. we will not be bound to reinstate exactly or completely, but only in a reasonable manner in all the circumstances. In no case will we be bound to pay in respect of any of the Property Insured more than the Limit of Indemnity.
- 10. Reinstatement of Limit of Indemnity**
 In the event of Damage insured under Section One – Industrial Special Risks: Material Damage, Section Two – Industrial Special Risks: Business Interruption, Section Three – Industrial Special Risks: Crime and Contingencies and Section Twelve – Transit, of your Policy, the amount by which the Limit of Indemnity is reduced as a consequence of the loss or damage will be automatically reinstated as from the date of loss or damage provided that:
- a. there is no written request from you or written notice by us to the contrary;
 - b. the Section is an operative Section of your Policy; and
 - c. you pay the premium which we require for the reinstatement.
- 11. One event for Earthquake – Section One**
 Only for the purpose of the application of any Excess, all Damage caused by earthquake, volcanic eruption, subterranean fire or atmospheric condition occurring during each period of 72 consecutive hours will be considered as one event, whether any of these causes is continuous or sporadic in its sweep and/or scope and the Damage was due to the same seismological or atmospheric conditions. Each event will be considered to have commenced on the first happening of any such Damage not within the period of any previous event.
- 12. Actions of parties other than the insured**
 The acts or omissions of:
- a. a tenant of yours; or
 - b. the owner of or another tenant in the Building or Situation;
- which breach any provision of your Policy will not affect your entitlement to cover provided that:

- c. the act or omission was committed without your prior knowledge; and
- d. you notify us of the happening or existence of the act or omission as soon as you become aware of it; and
- e. you pay any reasonable extra premium which we require.

13. GST Notice

Your Policy has a GST provision in relation to premium and our payment to you for claims. It may have an impact on how you determine the amount of insurance you need. Please read it carefully. Seek professional advice if you have any queries about GST and your insurance.

a. Sums insured / Limit of Indemnity

All monetary limits in your Policy may be increased for GST in some circumstances (see below).

b. Claim settlements – Where we agree to pay

When we calculate the amount we will pay you, we will have regard to the items below:

- i. Where you are liable to pay an amount for GST in respect of an acquisition relevant to your claim (such as services to repair a Damaged item insured under your Policy) we will pay for the GST amount.

We will pay the GST amount in addition to the Sum Insured/Limit of Indemnity or other limits shown in your Policy or in the Schedule.

If your Sum Insured/Limit of Indemnity is not sufficient to cover your loss, we will only pay the GST amount that relates to our settlement of your claim.

We will reduce the GST amount we pay by the amount of any input tax credits to which you are or would be entitled.

- ii. Where we make a payment under your Policy as compensation instead of payment for a relevant acquisition, we will reduce the amount of the payment by the amount of any input tax credit that you would have been entitled to had the payment been applied to a relevant acquisition.
- iii. Where your Policy insures business interruption, we will (where relevant) pay you on your claim by reference to the GST exclusive amount of any supply made by your Dealership Business that is relevant to your claim.

c. Disclosure – Input tax credit entitlement

If you register, or are registered, for GST you are required to tell us your entitlement to an input tax credit on your premium. If you fail to disclose or understate your entitlement, you may be liable for GST on a claim we may pay. Your Policy does not cover you for this GST liability, or for any fine, penalty or charge for which you may be liable.

14. Interests of other parties

- a. The insurable interest of only those lessors, financiers, trustees, mortgagees, owners and all other parties having a legal interest or charge over the Property Insured and who are specifically noted in your records, shall be automatically included as third party beneficiaries without notification or specification. The nature and extent of such interest is to be disclosed to us in the event of Damage. Any other persons not in this category or not named on the Proposal or Schedule are not covered and cannot make a claim. All third

party beneficiaries must comply with the terms and conditions of your Policy.

- b. Where the protection provided by your Policy covers the interest of more than one party, any act or omission of an individual party will not prejudice the rights of the remaining parties, subject to:
 - i. the Wilful act General exclusion; and
 - ii. provided the remaining parties must, immediately on becoming aware of any act or omission that increases the risk of loss, damage, liability, injury or sickness, give notice in writing to us and on demand pay such reasonable additional premium as we may require.

15. Multiple Excesses

If a claim is made in relation to an event where more than one Excess applies within one Section, you only have to pay the highest applicable Excess(s) under that Section, except where that Section specifies that the Excesses are cumulative.

16. Governing law and jurisdiction

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

17. More Specific Policy Section

We will not indemnify you or pay for any claim under more than one Section of your Policy for the same loss, Damage or liability.

Where more than one Section of your Policy covers or would have covered the claim had you selected or bought it, the Section that is more specifically designed to cover the relevant claim applies and we will not pay anything under the least specific Section(s), unless specifically provided for otherwise within the Policy.

For example, if while reversing a customer's Vehicle the customer's Vehicle collides with another stock Vehicle, you are entitled to claim under Section One – Industrial Special Risks: Material Damage only as it most specifically deals with Accidental Damage at the Situation. In this circumstance, we will not admit a claim under either Section Five – Public and Products Liability or Section Six – Commercial Motor.

18. Confidentiality

In respect of Section Thirteen, you, your Directors and your Officers must not disclose, either personally or through any person or entity acting on your or their behalf or at your or their direction, to any third party:

- a. the existence of your Policy; or
- b. the nature of the liability indemnified; or
- c. the Limit of Indemnity; or
- d. the amount of premium paid.

However, you and your Directors or Officers may disclose the above matters to the extent that:

- e. you or your Directors or Officers are required to do so by the law; or
- f. we consent to the disclosure in writing.

19. Headings

Headings have been included for ease of reference only. The provisions of this Policy are not to be construed or interpreted by reference to such headings.

Section One – Industrial Special Risks: Material Damage

The cover

Where this Section is shown as insured on the Schedule, we will pay you in accordance with the applicable Basis of Settlement if any of the Property Insured shown in the Schedule under this Section is Damaged at the Situation(s) by any sudden or unexpected or unforeseen event not otherwise excluded occurring during the Period of Insurance.

Definitions

“Accidental Damage” means Damage, other than by fire, Flood, lightning, thunderbolt, explosion, implosion, earthquake, subterranean fire, volcanic eruption, impact, aircraft and/or other aerial devices and/or articles dropped therefrom, sonic boom, the acts of persons taking part in riots or civil commotions or of strikers or locked-out workers or of persons taking part in labour disturbances or of malicious persons or the acts of any lawfully constituted authority in connection with the foregoing acts or in connection with any conflagration or other catastrophe, storm and/or tempest and/or rainwater and/or wind and/or hail, water or other liquids or substances discharged, overflowing or leaking from apparatus, appliances, pipes or any other system at the Situation(s) or elsewhere.

“Debris” means:

1. the residue of Damaged Property Insured; or
2. materials deposited on the Situation as a result of Damage covered by this Section;

excluding any material which can cause Pollution or Contamination and which is deposited beyond the boundaries of the Situation.

“Declared Values” are the values of Property Insured at each Situation declared by you and calculated as applicable in accordance with the Basis of Settlement. You shall complete a statement of Declared Values at the commencement of the Period of Insurance and as at the end of the Period of Insurance.

“Pollution” or **“Contamination”** means Damage or loss arising out of the discharge, dispersal, release or escape of smoke, vapours, soot, fumes, acids, alkalis, toxic chemicals, liquids or gases, waste materials or other irritants, contaminants or pollutants into or upon any property, land, atmosphere or any watercourse or body of water (including groundwater).

“Sea” means all oceans, seas, bays, ports or tidal waters.

“Water” includes snow, sleet or Hail.

Basis of Settlement

1. The Basis of Settlement will be:
 - a. on Buildings and Contents (other than those specified below), Reinstatement and Replacement, as set out in 2. to 6. below where applicable, unless stated as Indemnity in the Schedule;
 - b. on Total Loss of Vehicles, the Market Value of the Vehicle but not exceeding your actual purchase cost plus the improvements as shown on your Stock Card.
 - c. on partial loss of Vehicles and customers' Vehicles, at our option:
 - i. the cost of repairs as assessed by a licensed assessor appointed by us. However where the repairs are

carried out in your workshop the cost of parts will not exceed your direct cost plus 15%; or

- ii. the cost of repairs based on our approved labour rate prevailing at the time of loss, plus parts at your direct cost plus 15%, or
 - iii. where the Vehicle is not repaired but sold in a Damaged condition, the assessed cost of repairs.
- d. on Total Loss of Parts and Accessories and Stock in Trade other than Vehicles, the Replacement cost at the time of Damage.
 - e. on computer systems records, documents, deeds, wills, agreements, manuscripts, specifications, plans, drawings, designs, business books and other records of every description, the cost of reinstating, replacing, reproducing or restoring them, including information contained in them or on them, but excluding the value to you of that information; or, if this is not required, the Replacement cost of materials as blank stationery at the time and place of the Damage.

The maximum amount we will pay in respect of any one event is \$10,000 unless such other amount is specified in the Schedule against the Sub limit “Rewriting of Records”.

- f. on directors' and employees' personal property (other than tools of trade), the Reinstatement and Replacement cost at the time of Reinstatement or Replacement.

The maximum amount we will pay in respect of any one event is \$5,000 for any one person and \$10,000 for any one event unless such other amount is specified in the Schedule against the Sub limit “Directors' and Employees' Personal Property”.

- g. on employees' tools of trade, the Reinstatement and Replacement cost at the time of Replacement or Replacement.

The maximum amount we will pay in respect of any one employee per event is \$5,000 and \$10,000 in total for any one event unless such other amount is specified in the Schedule against the Sub limit “Employees' Tools”.

- h. on empty Premises awaiting demolition, the salvage value of building materials, fixtures and fittings.
- i. on storm, tempest, rainwater and Hail Damage to hail nets, textile canopies, awnings and blinds, the Replacement cost less 10% for each 12 month period or part thereof that has elapsed since installation. An Excess of 1% of the Replacement cost of the affected hail nets, textile canopies, awnings and blinds for each 12 months or part thereof since installation or \$500, whichever is the greater, applied to each and every claim.

For the purpose of determining the classification under which any Property Insured falls, we agree to accept the designation applied to such property by you in your records, providing such property is not specifically excluded by this Section and falls within any relevant definition.

2. For the purpose of this Section the terms Reinstatement and Replacement will apply as follows:

Reinstatement and Replacement: (Applicable to Buildings and Contents in 1.a. of the Basis of Settlement).

The amount payable will be the cost of Reinstatement and Replacement of the Damaged Property Insured at the time

of its Reinstatement and Replacement, subject to the following provisions and subject also to the terms, conditions and Limits of Indemnity in this Section.

“Reinstatement” will mean:

- a. where Property Insured is wholly destroyed, in the case of a Building, the rebuilding of it, or in the case of property other than a Building, the Replacement of it with similar property; in either case in a condition equal to, but not better or more extensive than its condition when new;
- b. where Property Insured is Damaged in part only, the repair of the Damage and the restoration of the Damaged portion of the Property Insured to a condition substantially the same as, but not better or more extensive than its condition when new, and including demolition or destruction of sound property necessary for the purpose of Reinstatement or Replacement;

Provided that:

- c. the work of rebuilding, replacing, repairing or restoring as the case may be (which may be carried out upon any other site and in any manner suitable to your requirements, but subject to our liability not being increased), must be commenced and carried out within a reasonable period, failing which we will not pay more than the Indemnity value of the Damaged Property Insured at the time of the happening of the Damage;
- d. when any Property Insured to which this clause applies is Damaged in part only, our liability will not exceed the sum representing the cost which we could have been called upon to pay for Reinstatement if the Property Insured had been wholly destroyed.

3. Extra cost of Reinstatement: (Applicable to Buildings, machinery and plant under item 1.a.).

Where Reinstatement and Replacement Basis of Settlement is shown in the Schedule, this Section extends to include the extra cost of Reinstatement (including demolition or dismantling) of Damaged Property Insured necessarily incurred to comply with the requirements of any Act of Parliament or Regulation made under an Act or any By-law or the regulation of any Municipal or other statutory authority, subject to the following provisions and subject also to the terms, conditions of this Section and Sub limit against this item.

Provided that:

- a. the work of Reinstatement, must be commenced and carried out within a reasonable period, failing which we will not pay more than the amount which would have been payable under your Policy if this additional coverage had not been included;
- b. the work of Reinstatement may be carried out wholly or partially upon any other site, if the requirements of the Act, Regulation or By-law necessitate it, subject to our liability not being increased;
- c. all other fire and perils insurances covering the Property Insured effected by you or on your behalf are on a similar basis;
- d. if the cost of Reinstatement of Damaged Property Insured is less than 50% of that which would have been the cost of Reinstatement if the Property Insured had been totally destroyed, the amount we will pay will be limited to the greater of:
 - i. the extra cost necessarily incurred in reinstating only that portion Damaged; or

- ii. the sub-limit shown in the Schedule against Extra Costs of Reinstatement (if stated in the Schedule);
- e. our total liability will not exceed 50% of the Declared Value specified in the Schedule for the relevant Property Insured;
- f. we will not pay for the additional costs incurred in complying with any Act, regulation, By-law or requirement which you had been required to comply with prior to the happening of the Damage.

4. Floor space ratio index (plot ratio)

Where Reinstatement and Replacement is shown on the Schedule and the Buildings are Damaged and the cost of Reinstatement is more than 50% of the cost of Reinstatement if the Building had been totally destroyed and Reinstatement of the Damage is limited or restricted by:

- a. any Act of Parliament or Regulation under an Act; or
- b. any By-law or Regulation of any Municipal or other Statutory Authority;

resulting in the reduction of the floor space ratio index (plot ratio) of the site, then we will pay in addition to any amount payable on Reinstatement of these Buildings, the difference between:

- a. the actual costs incurred in Reinstatement subject to the reduced floor space ratio index (plot ratio), and
- b. the estimated cost of Reinstatement at the time of Damage had the reduced floor space ratio index (plot ratio) not applied.

5. Undamaged foundations

If, where a Building is destroyed but the foundations are not, and, due to the exercising of statutory powers and/or Authority by any government department, local government or other statutory authority, Reinstatement of the Building has to be carried out upon another site then the abandoned foundations will be considered to be destroyed.

Provided that if the presence of the abandoned foundations increases the resale value of the original Building site then the increase in resale value will be regarded as salvage and be payable to us.

6. Abandoned undamaged portion of a Building

If Building(s) are Damaged and due to the exercise of statutory powers or delegated legislation or authority by any government department, local government or other statutory authority, Reinstatement of such Building is carried out upon another site, then the abandoned undamaged portion of such Building shall be deemed to have been destroyed, provided that if the presence of such abandoned undamaged portion of the Building increases the sale value of the original site, the increase in sale value shall be regarded as salvage and the amount thereof shall be payable to us by you upon completion of any sale of the site or shall be deducted from the total amount otherwise payable by us under your Policy, whichever shall occur later.

All differences relating to the amount of such increase in site value shall forthwith be referred to the decision of two registered valuers; one to be appointed by each of the parties to this Policy.

If the two valuers do not agree, their differences shall be referred to the decision of a third valuer, appointed by the President of the Australian Institute of Valuers, as an expert, whose decision shall be binding.

7. Special conditions applying to Basis of Settlement

- a. until you actually incur the cost of Reinstatement we will not pay any more than we would be required to pay to Indemnify you;
- b. the amount recoverable will not include any cost incurred in complying with any Act, Regulation, By-law or requirement with which you had been required to comply before the happening of the Damage.

Limit of Indemnity

Our liability arising from any one event, or series of events arising from any one originating source or cause, will not exceed in aggregate the Limit of Indemnity stated in the Schedule in respect of the Property Insured that is the subject of the claim.

Excess

You must bear the Excess shown in the Schedule for this Section.

Additional benefits

Consequent upon a claim being admitted under this Section, we will pay for the reasonable and necessary costs that are incurred for the following Additional benefits.

Our liability for these Additional benefits will be limited to:

- a. the amount shown in the Schedule against the relevant Additional benefit; or
- b. if no amount is shown then the amounts shown below,

subject to the extent that the Declared Value at the Situation on Buildings, Contents or Stock in Trade (whichever is applicable) is not otherwise exhausted.

1. Removal of Debris

- a. The removal, storage and/or disposal of Debris or the demolition, dismantling, shoring up, propping, underpinning or other temporary repairs of any Property Insured;
- b. The removal, storage and/or disposal of Debris from premises, roadways, services, railways or waterways owned by any other person or entity where you are required by law to remove, store or dispose of such Debris as a result of Damage, providing such liability has not arisen as a result of any agreement made by you after the commencement of the Period of Insurance unless liability would have attached in the absence of such agreement;
- c. The demolition and removal of any Property Insured belonging to you, providing such demolition and removal is necessary for the purpose of the Reinstatement or Replacement.

Provided that such costs are incurred following our written consent. The maximum amount we will pay in respect of any one event is \$20,000 or 10% of the Declared Value, whichever is the greater unless such other amount is specified in the Schedule.

2. Fire extinguishment costs

The reasonable costs, not exceeding \$5,000 (unless such other amount is specified in the Schedule) in respect of any one event, necessarily incurred by you in the extinguishment of any fire at your Situation, or any fire which threatens your Property Insured.

This will include the wages of employees necessarily and reasonably incurred in extinguishing the fire and the cost of replenishing fire fighting appliances.

3. Temporary protection

Temporary protection and safety of Property Insured pending replacement or repair of Damage covered by this Section, to a maximum of \$10,000 per event unless such other amount is specified in the Schedule.

4. Professional fees

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 in consequence of Damage to Property Insured but not costs, fees and salaries for preparing any claim under your Policy.

Provided that:

- a. such costs are incurred following our written consent;
- b. the maximum amount we will pay in respect of any one event is the greater of \$10,000 or 10% of the Declared Value on Buildings unless such other amount is specified in the Schedule.

5. Government fees

Any fee, contribution or other impost payable to any government, local government or other statutory authority where payment of the fee, contribution or impost is a condition precedent to the obtaining of consent to reinstate any Property Insured, provided that we will not be liable for payment of any fines and/or penalties imposed upon you by any such authorities.

The maximum amount we will pay in respect of any one event for this Additional benefit is \$2,000 unless such other amount is specified in the Schedule.

6. Liability to make enquiries

The costs and expenses incurred in respect of your legal liability to make enquiries, consequent upon Damage to the Property Insured, limited to \$10,000 in respect of any one event unless such other amount is specified in the Schedule.

7. Cost of clearing drains

The cost of clearance of drains, including expenses necessarily incurred in clearing and/or replacing drains, gutters, sewers and the like, at or in the vicinity of the Situation, limited to \$10,000 in respect of any one event unless such other amount is specified in the Schedule.

In addition to the Declared Values by Situation, we will also:

8. Expediting Expenses

Cover 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 the Property Insured, limited to \$5,000 in respect of any one event unless such other amount is specified in the Schedule.

9. Capital additions

Cover as Property Insured, alterations and additions during the Period of Insurance to the Property Insured, other than Stock in Trade, to an amount not exceeding 10% of the Declared Value for such property or \$100,000 (unless such other amount is specified in the Schedule), whichever is the lesser.

10. Temporary removal

Cover Property Insured while temporarily removed to other premises within the Territorial limits.

Provided that:

- a. in respect of Vehicles, this Additional benefit will apply to Vehicles temporarily removed from the Situation for the purposes of service and/or repair and/or the fitting

of Parts and Accessories. This Additional benefit is extended to Vehicles removed from the Situation for the purpose of temporary and incidental storage, display or sale but does not provide cover while Vehicles are being driven under their own power;

- b. In respect of Contents and Stock in Trade other than Vehicles, the maximum we will pay for this Additional benefit will be \$10,000 unless such other amount is specified in the Schedule;
- c. this Additional benefit will not apply to any Property Insured which has been removed for a period greater than 90 days without our prior written consent;
- d. while Property Insured (other than Vehicles) temporarily removed is in transit, cover is limited to Damage arising out of:
 - i. fire;
 - ii. lightning or thunderbolt;
 - iii. explosion;
 - iv. earthquake;
 - v. aircraft or other aerial devices or articles dropped therefrom;
 - vi. riot, civil commotion, strikers, locked out workers;
 - vii. malicious Damage;
 - viii. storm and/or tempest;
 - ix. water bursting, overflowing or discharging or leaking from water tanks, pipes or apparatus;
 - x. sprinkler leakage;
 - xi. impact by a Vehicle.

11. Documents

Cover Documents anywhere within the Territorial limits up to a limit of the lesser of 5% of the Contents Declared Value or \$10,000 whilst:

- a. in the actual possession of any of your partners, directors or authorised employees including whilst held in their private residence;
- b. in the actual possession of any other person with whom the Documents have been entrusted to or deposited with in the normal course of business; but excluding:
 - c. Documents in transit by courier or post;
 - d. theft whilst in an unattended Vehicle, unless consequent upon forcible and violent entry into the Vehicle.

12. Exploratory costs

Cover the reasonable costs of identifying and locating the source of the Damage for which a claim is payable, where such Damage is caused by the discharge, overflowing or leakage from fixed apparatus, fixed appliances, fixed pipes or other systems used to hold or convey liquid of any kind but we will not pay for the repair or replacement of such apparatus, appliances, pipes or other systems which give rise to the Damage.

The maximum amount we will pay under this Additional benefit is limited to \$10,000, unless such other amount is specified in the Schedule, for any one loss or series of losses arising out of any one event.

13. Landscaping

Cover the reasonable cost of landscaping, which term includes trees, shrubs, plants and lawns but not roadways and paths. Specific exclusions 1.i. and 1.j. will not apply to this Additional benefit.

We will pay for Damage to landscaping caused by storm, tempest or Water but subject to an Excess of \$1,000 per event.

The maximum amount we will pay under this Additional benefit is limited to \$10,000, unless such other amount is specified in the Schedule, for any one loss or series of losses arising out of any one event.

Optional benefits

1. Fusion

When this Optional benefit is noted as insured in the Schedule, we will cover you against Damage to any part or parts of the electrical, electromechanical and electronic machines, switchboards, installations or apparatus forming part of the Property Insured (excluding rectifiers, radio, television or amplifying equipment of any description) caused by the actual burning out of such part or parts by the electric current therein.

We will not pay under this Optional benefit for:

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

We will not pay more than the limit specified in the Schedule against Fusion for any one loss or series of losses arising out of any one original source or cause at any one Situation.

Specific exclusions

1. Property exclusions

We will not pay for Damage to:

- a. property undergoing construction, erection, alteration or addition when the value of work exceeds 10% of the Declared Value on Buildings at the Situation;
- b. vacant Premises undergoing demolition;
- c. property whilst in transit, other than:
 - i. during the incidental movement of the property within Situations occupied by you, and/or
 - ii. as provided under Additional benefit 11. Temporary removal and Additional benefit 12. Documents;
- d. Money;
- e. jewellery, furs, bullion, precious metals or precious stones unless they are on the Premises at the Situation at the time of the Damage and then limited to an amount not exceeding \$2,000 in total unless such other amount is specified in the Schedule;
- f. works of art, antiques and curios unless they are on the Premises at the Situation at the time of the Damage and then limited to an amount not exceeding \$2,000 in total unless such other amount is specified in the Schedule;
- g. any locomotive, rolling stock, or aircraft, including their accessories and/or parts;
- h. Vehicles or trailers, watercraft, caravans or motor cycles, other than for your Stock in Trade and Customers' Goods whilst at or parked immediately adjacent to the Situation or as allowed for in Additional benefit 11 – Temporary Removal. This exclusion will not apply to unregistered fork lifts used by the Insured at the Situation.

- i. livestock, animals, birds or fish;
- j. standing timber, growing crops and pastures;
- k. land, provided that this exclusion will not apply to structural improvements that are not otherwise excluded in this Section;
- l. bridges, canals, roadways, tunnels, railway tracks, dams and reservoirs (other than tanks) and their contents;
- m. docks, wharves, piers and pontoons or similar structures not forming part of any Building;
- n. mining property located beneath the surface of the ground unless otherwise stated in this Section;
- o. retaining walls caused by wind and/or Water;
- p. property in the open air, unless such property comprises or forms part of a permanent structure designed to function without the protection of walls or roof caused by wind and/or Water. This exclusion will not apply to display and promotional items, your Stock in Trade and Customers' Goods;
- q. glass, other than breakage by fire, subterranean heat, lightning, explosion, implosion, Flood, earthquake, impact by Vehicles or animals, aircraft and other aerial devices and/or articles dropped therefrom.

2. Perils exclusions

We will not pay for Damage caused directly or indirectly by or in connection with or arising from or occasioned through:

- a. the incorrect siting of buildings as a result of error in architectural design or specification, faulty workmanship or non-compliance with the requirements of any government, local government or statutory authority;
- b. demolition ordered by any government, local government or statutory authority as a result of your or your agent's failure to comply with any lawful requirement;
- c. unexplained or inventory shortage or disappearance resulting from clerical or accounting errors or shortage in the supply or delivery of materials to or from you;
- d. spontaneous combustion, fermentation or heating or any process involving the direct application of heat, provided that this exclusion will be limited to the item or items immediately affected and will not extend to other property Damaged as a result of such spontaneous combustion, fermentation or heating;
- e. Pollution or Contamination except loss or destruction of or damage to Property Insured at your Situation caused by:
 - i. Pollution or Contamination at the Situation which itself results from fire, lightning, explosion, aircraft or other aerial devices or articles dropped therefrom, riot, civil commotion, strikers, locked out workers, persons taking part in labour disturbances, malicious damage, earthquake, storm, bursting, overflowing discharging or leaking of water tanks, apparatus or pipes, sprinkler leakage or impact by any vehicle or animal;
 - ii. Any of the perils listed in i. above which itself results from Pollution or Contamination;

We will not pay for Damage caused by or occasioned through:

- f. mechanical, hydraulic, electrical or electronic breakdown, failure, malfunction or derangement of any machine or electrical or electronic device;

- g. Accidental Damage, unless specified in the Schedule as insured and then only up to the Sub limit specified in the Schedule;
- h. Flood, unless specified in the Schedule as insured and then only up to the limit specified in the Schedule;
- i. Water from or action by the sea, tidal wave or high water;
- j. erosion, subsidence, earth movement or collapse, unless Damage is caused by or results from an earthquake or seismological disturbance;
- k. the actions of birds, vermin, moths, termites, or other insects, mildew, mould, disease, wet or dry rot, change of colour, evaporation, dampness of atmosphere or variations in temperature;
- l. wear and tear, corrosion, rust, or oxidation, fading, chipping, scratching or marring, gradual deterioration or developing flaws, normal upkeep or making good;
- m. error or omission in design, plan or specification or failure of design;
- n. normal settling, seepage, shrinkage or expansion in Buildings or foundations, walls, pavements, roads and other structural improvements;
- o. faulty materials or faulty workmanship;
- p. creeping, heaving or vibration;
- q. inherent vice or latent defect;
- r. change in texture or finish;
- s. smut or smoke from industrial operations;
- t. the roots of trees or other plants;
- u. kidnapping, bomb threat, hoax, extortion or any attempt thereat;
- v. any breach by you or with your consent, of any law, by-law, government, local government, statutory authority, or other legally constituted public body's regulation dealing with the storage of hazardous goods;
- w. access by persons not authorised by you to your computer systems and records;
- x. the explosion, implosion, rupture, collapse, bursting, cracking or overheating of any boiler (other than a boiler used for domestic purposes), economiser or other pressure vessel, including pipes, valves and other apparatus forming part of any of these and in respect of which a certificate is required to be issued under terms of any statute or regulation. This exclusion shall be limited to the items immediately affected. The provisions of this Exclusion shall not apply to Section 2 of this Policy;
- y. fraud or dishonest acts, embezzlement, forgery, erasure, counterfeiting and fraudulent misappropriation by electronic means or otherwise;
- z. the cessation of work whether total or partial or the cessation, interruption or retarding of any process or operation as a result of any industrial dispute. This exclusion shall not apply to any Damage caused directly by persons participating in an industrial dispute;
- aa. theft;
- bb. Hail Damage to Vehicles.

We will pay for Damage to Property Insured caused directly by any circumstances not excluded under this Section, notwithstanding that these circumstances may in turn have been caused by any of the circumstances referred to in Specific exclusions 2.f. to 2.bb.

Specific conditions

1. Hazardous goods

Unless otherwise specifically provided for elsewhere in this Section, the storage and use of hazardous goods usual to your Dealership Business is allowed in quantities and manner as permitted by the relevant law, by-law or regulation of any government, local government, statutory authority or other legally constituted public body.

2. Contractual agreements

Where you enter into a lease for occupancy of any Building and the terms of the lease contain a disclaimer clause in favour of the lessor or you have been required by contractual agreement to release railways, local governments, governments or semi-government authorities from liability arising from Damage covered under this Section, this insurance will not be prejudiced by you agreeing to such disclaimers or agreements.

3. Underinsurance

In the event of Damage to the Property Insured we will be liable for no greater proportion of the Damage than the Declared Value bears to 85% of:

- a. where the Basis of Settlement is Reinstatement and Replacement, the relevant Reinstatement or Replacement cost of the Property Insured;
- b. where the Basis of Settlement is Indemnity, the value of the Property Insured;

on the day of commencement of the Period of Insurance.

Underinsurance will not apply if the amount of the Damage is less than 5% of the Declared Value.

Every Situation insured and Property Insured type is separately subject to this clause. If you have more than one Situation, we will make reasonable allowance for the normal movements of Stock in Trade between your Situations.

The Underinsurance Clause does not apply to each of the Additional benefits or Optional benefit 1. Fusion.

The Underinsurance Clause does not apply to Basis of Settlement 3. Extra Costs of Reinstatement.

4. Automatic sprinklers, alarms and/or chemical extinguishers

If an installation of automatic sprinklers and/or an automatic external alarm signal connected with a fire brigade station, and/or fully charged portable chemical extinguishers of approved design as permitted by the local fire authority having jurisdiction, is in or on any Building insured under this Section, then you must use due diligence in maintaining all such equipment in good working order.

Written notice of all alterations and additions to any such installations whether in Buildings owned by you or not must be given by you to us without delay and if, in the exercise of due diligence in the proper maintenance of the automatic sprinkler equipment, it becomes necessary:

- a. to disconnect any water supply to the sprinkler installation; or
- b. to remove any sprinkler; or
- c. to render any automatic alarm inoperative;

in any portion of any Building under your control for any period exceeding 24 hours in all, spread over the hours of daylight of not more than 3 consecutive days, notice of it must be given by you to us beforehand, except in cases of

emergency or impracticability only, when such notification must be given with the least possible delay.

In the event of any failure by you to comply with the above, we will not be liable for Damage to any Property Insured caused or contributed to by such disconnection, removal or rendering inoperative.

5. Adjustment of premium

The premium paid for this Section specified in the Schedule is provisional and is calculated on the Declared Values of the Property Insured when you apply. You undertake to declare to us within a reasonable time after expiry of the Period of Insurance the values of Property Insured on the day of expiry of the Period of Insurance calculated in accordance with the Basis of Settlement.

The provisional 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 at the expiry of the Period of Insurance and at commencement of the Period of Insurance.

The declaration made at the expiry of the Period of Insurance will not be reduced as a result of any claim paid or payable under your Policy.

Section Two – Industrial Special Risks: Business Interruption

The cover

Where this Section is shown as insured on the Schedule, we will indemnify you, in accordance with the Basis of Settlement, against loss resulting from interruption of or interference with the Dealership Business in consequence of Damage occurring during the Period of Insurance:

1. for which you are insured by us or would have been had there not been an Excess, under Section One – Industrial Special Risks: Material Damage and Section Three – Industrial Special Risks: Crime and Contingencies;
2. to any boiler, pressure vessel, compressor or economiser at the Situation for which a certificate is required to be issued under the terms of any statute or regulation;
3. to other property, which, had it been insured under your Policy, would have resulted in an admissible claim under Section One – Industrial Special Risks: Material Damage and Section Three – Industrial Special Risks: Crime and Contingencies or 2. above, and which occurs:
 - a. within 5 kilometres of your Situation which prevents the use of or access to the Situation; and
 - b. at any electricity station or substation, gas works or water works of a public supply undertaking from which you obtain electric current, gas or water, provided that where the public supply undertaking is not at or immediately adjacent to your Situation, the interruption of supply extends for greater than 48 hours;

We will not pay more than the amount shown in the Schedule against the Sub limit “Public Utilities”.
4. arising from closure or evacuation of the whole or part of the Situation by order of a competent public authority as a result of:
 - a. infectious or contagious disease manifested by any person while at the Situation;
 - b. vermin or pests or defects in the drains or other sanitary arrangements at the Situation;
 - c. poisoning directly caused by the consumption of food or drink provided at the Situation;
 - d. murder or suicide occurring in or at the Situation; provided that the maximum combined amount we will pay for losses arising from closure or evacuation is \$50,000.

Definitions

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

“**Gross Profit**” means the amount by which the sum of the Turnover and the amount of the closing stock and work in progress exceeds the sum of the amount of the opening stock and work in progress and the amount of the Uninsured Working Expenses. The amounts of the opening and closing stock and work in progress will be arrived at in accordance with your normal accountancy methods, due provision being made for depreciation.

“**Declared Values**” are the values of Gross Profit and Payroll declared by you and calculated as applicable in accordance with the Basis of Settlement. You shall complete a statement of Declared Values at the commencement of the Period of Insurance and at the end of the Period of Insurance.

“**Indemnity Period**” means the period beginning with the occurrence of the Damage and ending not later than the number of months specified in the Schedule thereafter during which the results of the Dealership Business are affected in consequence of the Damage.

“**Payroll**” means the remuneration (including but not limited to payroll tax, bonuses, holiday pay, workers' compensation insurance premiums and/or accident compensation levies, superannuation and pension fund contributions and the like) of all your employees.

“**Rate of Gross Profit**” means the proportion that the Gross Profit bears to the Turnover during the financial year immediately before the date of the Damage.

“**Rate of Payroll**” means the proportion that the Payroll bears to the Turnover during the financial year immediately before the date of the Damage.

“**Shortage in Turnover**” means the amount by which the Turnover during a period, in consequence of the Damage, falls short of the part of the Standard Turnover for that period.

“**Standard Turnover**” means the Turnover during the period in the 12 months immediately before the date of the Damage that corresponds with the Indemnity Period (appropriately adjusted where the Indemnity Period exceeds 12 months).

“**Turnover**” means the money (less discounts, if any allowed) paid or payable to you for goods sold and delivered and for services rendered in course of the Dealership Business at the Situation.

“**Uninsured Working Expenses**” means those expenses you chose not to insure as shown in your Proposal.

When calculating Rate of Gross Profit, Annual Turnover, Standard Turnover and Rate of Payroll such adjustments will be made:

- a. as may be necessary, to provide for the trend of the Dealership Business; and
- b. for variations in or special or other circumstances affecting the Dealership Business;

either before or after the Damage or which would have affected the Dealership Business had the Damage not occurred, so that the adjusted figures represent as nearly as may be reasonably practicable the results that but for the Damage would have been obtained during the relative period after the Damage.

Basis of Settlement

We will pay you:

1. Gross Profit

the actual loss of Gross Profit due to reduction in Turnover and increase in cost of working, and the amount payable will be:

- a. in respect of reduction in Turnover:

the sum produced by applying the Rate of Gross Profit to the Shortage in Turnover;
- b. in respect of increase in cost of working:

the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in Turnover that, 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 so avoided;

- c. less any sum saved during the Indemnity Period in respect of the charges and expenses of the Dealership Business payable out of Gross Profit that cease or are reduced in consequence of the Damage.

2. Payroll

loss in respect of Payroll is limited to loss due to reduction in Turnover and increase in cost of working, and the amount payable will be:

- a. in respect of reduction of Turnover:
 - i. during the part 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 that part of the Indemnity Period less any saving during that part of the Indemnity Period, through reduction in the amount of Payroll paid in consequence of the Damage;
 - ii. during the remaining part of the Indemnity Period: the sum produced by applying the Rate of Payroll to the Shortage in Turnover during that part less any saving during that part, through reduction in the amount of Payroll paid in consequence of the Damage; but not exceeding the amount produced by applying the percentage of the Rate of Payroll specified in the Schedule to the Shortage in Turnover during the remaining part of the Indemnity Period, increased by such amount as is deducted for savings under the terms of Clause 2.a.i.;
- b. in respect of increase in cost of working: so much of the additional expenditure described in Clause 1.b as exceeds the amount payable under that Clause, but not more than the additional amount that would have been payable in respect of reduction in Turnover under the provisions of Clauses 2.a.i. and 2.a.ii. had such expenditure not been incurred.

3. Claims preparation expenses

in addition to the amount payable under Clause 1. Gross Profit, the costs of such reasonable professional fees as may be payable by you, and such other reasonable expenses necessarily incurred (with our consent) by you and not otherwise recoverable, for preparation of claims under this Section and Section One – Industrial Special Risks: Material Damage of this Policy.

Limit of Indemnity

Our liability under this Section will not exceed the lesser of the Limit of Indemnity or Declared Value stated against each item in the Schedule.

Optional benefits

When the applicable Optional benefit is shown as operative in the Schedule and consequent upon a claim being admitted under this Section, we will also pay you up to the amount shown in the Schedule for the relevant Optional benefit for:

1. Additional increase in cost of working

the increase in cost of working (not otherwise recoverable under your Policy) necessarily and reasonably incurred during the Indemnity Period in consequence of the Damage for the purpose of avoiding or diminishing reduction in Turnover and/or resuming and/or maintaining normal Dealership Business operations and/or services.

2. Loss of rent receivable

loss of rent receivable and loss of amounts due for services rendered and/or recoverable expenses. We will pay the amount by which rent and amounts for services rendered and/or recoverable expenses received or receivable during the Indemnity Period falls short of the amount that it may be reasonably estimated would have been received during that period had the Damage not occurred (including the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the loss of rent and loss of amounts for services rendered and/or recoverable expenses) less any sum saved during that period in respect of the charges or expenses payable out of rent that cease or are reduced in consequence of the Damage.

3. Accounts receivable

all sums due to you from customers that you are unable to collect because of Damage to records of accounts receivable. We will also pay collection expenses in excess of normal collection costs made necessary because of the Damage as well as interest charges at the ruling rate of your bank on any loan to offset impaired collections pending repayment of such sums made uncollectible by such Damage. If you cannot accurately establish the total amount of accounts receivable outstanding as at the date of loss, the amount will be computed as follows:

- a. determine the amount of all outstanding accounts receivable at the end of the same fiscal month in the year immediately preceding the year in which the loss occurs;
- b. calculate the percentage of increase or decrease in the average monthly total of accounts receivable for the year immediately preceding the month in which the loss occurs, as compared with such average for the same months of the preceding year;
- c. the amount determined under a., increased or decreased by the percentage calculated under b. above, will be the agreed total amount of accounts receivable as of the last day of the fiscal month in which said loss occurs;
- d. the amount determined under c. above, will be increased or decreased in conformity with the normal fluctuation in the amount of accounts receivable during the fiscal month involved, consideration being given to the experience of the Dealership Business since the last day of the last fiscal month for which statements have been rendered less:
 - i. the amounts of such accounts evidenced by records not suffering Damage or otherwise established or collected by you;
 - ii. an amount to allow for probable bad debts that would normally have been uncollectible by you;
 - iii. all unearned interest and service charges; and
 - iv. settlement or term discounts normally allowed.

Additional benefit

1. Computer

This Section extends to include loss (not otherwise recoverable) resulting from interruption of or interference with the Dealership Business occasioned by Damage to computer installations, including ancillary equipment and data processing media utilised by you anywhere in Australia.

Specific conditions

1. Adjustment of premium

In the event of the Gross Profit earned (or a proportionately increased multiple of it when the Indemnity Period exceeds 52 weeks) during the accounting period of 12 months most nearly concurrent with any Period of Insurance, as certified by your auditors, being less than the Declared Values in this Section, a pro-rata return of premium not exceeding 50 per cent of the premium paid for the Period of Insurance will be made in respect of the difference. If any Damage has occurred giving rise to Indemnity under this Section, the return will be made in respect only of so much of that difference as is not due to that event.

2. Underinsurance

If the Declared Values for Gross Profit at the commencement of each Period of Insurance is less than the sum produced by applying the Rate of Gross Profit to 85% of the Annual Turnover, (or its proportionately increased multiple of it, where the Indemnity Period exceeds 52 weeks) the amount payable under this Section will be proportionately reduced.

If the Declared Value for Payroll at the commencement of each Period of Insurance is less than the amount produced by applying the Rate of Payroll to 85% of the Annual Turnover (or its proportionately increased multiple, where the Indemnity Period exceeds 52 weeks) the amount payable will be proportionately reduced.

This condition will not apply if the amount of the claim does not exceed 5% of the Declared Values for this Section.

3. Consolidated period (Payroll)

At your option, the number of weeks referred to in Clause 2.a.i. of the Basis of Settlement may be increased to the number of weeks specified in the Schedule under the heading "Consolidated Period";

Provided that the amount arrived at under the provisions of Clause 2.a.i. will not exceed the amount that is deducted under Clause 2.a.i. for savings effected during the increased number of weeks.

4. Departmental clause

If your Dealership Business is conducted in departments and the trading results of each department can be determined independently then Clauses 1.a. and 1.b. of the Basis of Settlement will apply separately to each department affected by the Damage.

5. Salvage sale clause

If following Damage giving rise to a claim under this Section you hold a salvage sale during the Indemnity Period, Clauses 1.a. and 2.a. of the Basis of Settlement are amended to read as follows:

1.a. in respect of reduction in Turnover:

the sum produced by applying the Rate of Gross Profit to the Shortage in Turnover (less the Turnover for the period of the salvage sale) from which shall be deducted the Gross Profit actually earned during the period of the salvage sale.

2.a. in respect of reduction in Turnover:

i. during the part 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 that part of the Indemnity Period (less the

Turnover for the period of the salvage sale) less any saving during that part of the Indemnity Period, through reduction in the amount of Payroll paid in consequence of the Damage;

ii. during the remaining part of the Indemnity Period: the sum produced by applying the Rate of Payroll to the Shortage in Turnover during that part (less the Turnover for the period of the salvage sale) less any saving during that part, through reduction in the amount of Payroll paid in consequence of the Damage; but not exceeding the amount produced by applying the percentage of the Rate of Payroll specified in the Schedule to the Shortage in Turnover during the remaining part of the Indemnity Period, increased by such amount as is deducted for savings under the terms of Clause 2.a.i.;

iii. the amount of insured Payroll recovered from the Turnover during the period of the salvage sale shall be deducted from the amount otherwise payable under the Basis of Settlement Clauses 2.a.i. and 2.a.ii..

6. Alterations and forfeiture

We will not pay any claim under this Section if the Dealership Business is wound up or carried on by a liquidator, administrator or a receiver or is permanently discontinued.

7. Turnover elsewhere after Damage

If during the Indemnity Period you or others on your behalf operate the Dealership Business from a situation other than those specified in the Schedule then the Turnover from that situation will be taken in to account when calculating the Turnover.

8. Books of account

Any particulars or details contained in your books of account or other business books or documents that may be required by us for investigating or verifying any claim made under this Section may be produced and certified by your auditors and their certificate will be prima facie evidence of the particulars and details to which the certificate relates.

The words and expressions used in this Section will have the meanings usually attached to them in your books and accounts unless otherwise defined in your Policy.

9. New business

In the event of Damage occurring at the Situation before the completion of the first year's trading of the Dealership Business, the terms "Rate of Gross Profit", "Annual Turnover", "Standard Turnover" and "Rate of Payroll" shall have the following meanings wherever they appear in this Section:

"Rate of Gross Profit" means the proportion that the Gross Profit bears to the Turnover during the period between the date of commencement of the Dealership Business and the date of the Damage.

"Annual Turnover" means the actual Turnover achieved during your first year of operations, from the commencement of the Dealership Business to the date of the Damage, converted to a 12 month equivalent figure.

"Standard Turnover" means the Turnover achieved between the date of commencement of the Business and the date of the Damage, converted to the selected Indemnity Period.

“Rate of Payroll” means the proportion that the Payroll bears to the Turnover during the period between the date of commencement of the Dealership Business and the date of the Damage.

When calculating Rate of Gross Profit, Annual Turnover, Standard Turnover and Rate of Payroll such adjustments will be made:

- a. as may be necessary, to provide for the trend of the Dealership Business; and
- b. for variations in or special or other circumstances affecting the Dealership Business; and

which affect the Dealership Business either before or after the Damage or which would have affected the Dealership Business had the Damage not occurred, so that the adjusted figures represent as nearly as may be reasonably practicable the results that but for the Damage would have been obtained during the relative period after the Damage.

Section Three – Industrial Special Risks: Crime & Contingencies

The cover

Where this Section is shown as insured on the Schedule, we will pay you in accordance with the Basis of Settlement if any of the Property Insured shown in the Schedule under this Section is Damaged at the Situation by a Defined Event occurring during the Period of Insurance.

Definitions

“Glass” means fixed external glass, fixed internal glass, fixed and hanging mirrors, washbasins, lavatory pans and cisterns, belonging to you or for which you are legally responsible or have assumed responsibility before the Defined Event.

Defined Events

1. Theft

- a. Theft following forcible and violent entry to the Premises or any attempt at theft;
- b. Theft or any attempt at theft by a person feloniously concealed on the Situation;
- c. Theft following assault or violence or threat of immediate assault or violence to you, your employees or your customers occurring at the Situation;
- d. Theft following armed hold up occurring at the Situation;
- e. Theft or attempted theft of your Stock in Trade in the open air;
- f. Theft from within buildings during normal business hours;
- g. Damage to a Vehicle subsequent to its theft if the Vehicle is located and returned.

2. Money

Loss of and/or Damage to:

a. Combined

- i. Money in transit to or from the Premises while in your personal custody or the custody of persons that you have authorised;
- ii. Money while contained in the nightsafe of any bank at which you normally transact business provided that our liability for Money in nightsafes will cease at bank closing time on the next business day following deposit;
- iii. Money at the Premises during business hours;
- iv. Money at the Premises outside business hours in a securely locked safe or securely locked strongroom;
- v. Money in your personal custody or the custody of persons that you have authorised while contained in your/their private residences but our liability will cease at bank closing time on the next bank business day or after 48 hours, whichever is the later, following the day on which the Money was taken into custody;
- vi. safes or strongrooms at the Premises caused by unauthorised persons attempting to gain entry to the safe or strongroom,

b. Outside Business Hours

- i. Money outside business hours not in a securely locked safe or securely locked strongroom.

3. Glass

Loss of or Damage to glass at the Premises from any cause not otherwise excluded.

Basis of Settlement

The Basis of Settlement will be as follows:

1. Theft

In respect of Theft:

- a. Buildings and Contents (other than those specified below), Reinstatement and Replacement or Indemnity as specified in the Schedule;
- b. on Total Loss of Vehicles, the Market Value of the Vehicle but not exceeding your actual purchase cost, plus the improvements as shown on your Stock Card.
- c. on partial loss of Vehicles:
 - i. the cost of repairs as assessed by a licensed assessor appointed by us. However where the repairs are carried out in your workshop the cost of parts will not exceed your direct cost plus 15%; or
 - ii. the cost of repairs based on our approved labour rate prevailing at the time of loss, plus parts at your direct cost plus 15%, or
 - iii. where the Vehicle is not repaired but sold in a Damaged condition, the assessed cost of repairs.
- d. on Total Loss of Parts and Accessories and other stock (other than Vehicles), the Replacement cost at the time of Damage;
- e. on computer systems records, documents, deeds, wills, agreements, manuscripts, specifications, plans, drawings, designs, business books and other records of every description, the cost of Reinstating and Replacing, reproducing or restoring them, including information contained in them or on them, but excluding the value to you of that information; or, if this is not required, the Replacement cost of materials as blank stationery at the time and place of the Damage.

The maximum amount we will pay in respect of any one event is \$10,000 unless such other amount is specified in the Schedule against the Sub limit "Rewriting of Records";
- f. on directors' and employees' personal property (other than tools of trade), the Reinstatement and Replacement repair or Replacement cost at the time of replacement.

The maximum amount we will pay in respect of any one event is \$5,000 for any one person and \$10,000 for any one event unless such other amount is specified in the Schedule against the Sub limit "Directors' and Employees' Personal Property";
- g. on employees' tools, the repair or Replacement cost at the time of replacement.

The maximum amount we will pay in respect of any one event is \$5,000 for any one person and \$10,000 for any one event unless such other amount is specified in the Schedule against the Sub limit "Employees' Tools";
- h. vacant Premises awaiting demolition, the salvage value of building materials, fixtures and fittings.

2. Money

In respect of Money:

- a. we will Indemnify you if any of your Money suffers loss or Damage by a Defined Event;
- b. we will not pay more than the limit stated against each item in the Schedule except as provided for in the Additional benefit;

3. Glass

- a. on Glass (other than illuminated signs), the value of insured Glass being the purchase price of Glass of similar manufacture and quality, or the manufacture and quality that are necessary to comply with the requirements of any statutory authority, whichever is higher, including the cost of installation;
- b. on illuminated signs, the cost of repairing or replacing them. Where they are not repaired or replaced, we will pay to you the value of them at the time and place of the Damage. We will not pay more than the amount shown against illuminated signs in the Schedule.

Limit of Indemnity

We will not pay more than the Limit of Indemnity stated in the Schedule for Theft and Money.

Excess

You must bear the Excess shown in the Schedule for this Section.

Additional benefits

Following a claim being admitted under this Section, we will pay for the reasonable and necessary costs that are incurred for the Additional benefits listed below.

In respect of Defined Event 1. Theft, our liability for these Additional benefits will be:

- a. limited to the Sub limit shown in the Schedule; or
- b. if no amount is shown in the Schedule, the amount shown below,

subject to the extent that the Sub limit is not otherwise exhausted.

1. Damage to the Building at the Situation

Damage to the Building and/or its fixtures and fittings caused by forcible and violent entry to or exit from the Building.

2. Temporary protection

Temporary protection of Property Insured pending repair or replacement following Damage by a Defined Event, to a maximum of \$5,000 for any one event unless such other amount is specified in the Schedule.

3. Replacement keys and locks

For:

- a. replacing locks and/or keys and/or combinations including locks and keys of your Stock of Vehicles and/or the cost of opening safes, where, if because of a Defined Event the keys and/or combinations are stolen, or if there are reasonable grounds to believe the keys may have been duplicated;
- b. replacing and developing security film where it is exposed because of a Defined Event;

up to a maximum of \$5,000 for any one event unless such other amount is specified in the Schedule.

4. Temporary removal

Property Insured while temporarily removed to other Premises within the Territorial limits.

Provided that:

- a. in respect of Vehicles, this Additional benefit will apply to Vehicles temporarily removed from the Situation for the purposes of service and/or repair and/or the fitting of Parts and Accessories. This Additional benefit is extended to Vehicles removed from the Situation for the purpose of temporary and incidental storage, display or sale but does not provide cover while Vehicles are being driven under their own power;
- b. in respect of Contents and Stock in Trade other than Vehicles, the maximum we will pay for this Additional benefit will be \$10,000 unless such other amount is specified in the Schedule;
- c. this Additional benefit will not apply to any Property Insured which has been removed for a period greater than 90 days without our prior written consent.

In respect of Defined Event 3 – Glass, our liability for the following Additional benefits will be limited to \$2,000 for each Additional benefit unless such other amount is specified in the Schedule:

5. Frames, Tiles and Stock

The cost of repairing Damage to window or door frames, tiled shop fronts and Stock in Trade;

6. Illuminated signs

The cost of repairing Damage to illuminated signs including perspex and plastic signs;

7. Temporary shuttering

The cost of temporary shuttering and security, signwriting, ornamentation, reflective materials and alarm tapes.

8. Customers' Vehicles

Loss or Damage to customers' Vehicles whilst at the Situation up to \$50,000 unless such other amount is specified in the Schedule.

Specific exclusions

1. Theft

In respect of Defined Event 1 – Theft, we will not pay for:

- a. loss or Damage arising from or connected in any way with theft or any attempt at theft, to:
 - i. Money;
 - ii. jewellery, furs, bullion, precious metals or precious stones for an amount in excess of \$2,000 in total;
 - iii. works of art, antiques and curios for an amount in excess of \$2,000 in total;
 - iv. live animals, birds or fish or any other living creature; or
 - v. plants, shrubs, landscaping or growing crops, pastures or standing timber;unless specified in the Schedule.
- b. loss or Damage arising from or connected in any way with theft or any attempt at theft committed by:
 - i. any Family Member;
 - ii. any persons while lawfully on the Premises;
 - iii. the collusion of or the fraudulent embezzlement by or the fraudulent misappropriation by you or any person employed by you.
- c. loss or Damage arising from or connected in any way with fire.

- d. loss or Damage to glass or the cost of replacing sign writing, ornamentation, reflective materials and burglar alarm tapes and connections attached to the glass.
- e. loss or Damage arising from or connected in any way with your relaxing or changing any security precaution that affects its efficiency without our consent.
- f. loss or Damage to vehicles, other than your customers' Vehicles and your Stock in Trade.
- g. loss or Damage arising from or connected in any way with theft or any attempt at theft of Property Insured from a safe, strongroom or security enclosure opened by a key or by use of the details of a combination either of which has been left on your Premises while closed for business.
- h. loss or Damage arising from or connected in any way with the dishonest manipulation of any database or computer system.
- i. Vehicles stolen resulting from or involving the use of the Vehicle's own key. Provided that this exclusion will not apply where:
 - i. the Vehicle's key is locked within:
 - a steel key cabinet which we approve of which is securely affixed to the Building; or
 - a safe; and
 - ii. the Vehicle's key is obtained by violence or force, or threat of violence or force, to you, a Bailee, your employee or customer.
- j. loss through theft by a trick or by false pretences or a loss by theft committed by a Bailee or a loss by fraudulent conversion.

2. Money

In respect of Defined Event 2 – Money, we will not pay for:

- a. loss or Damage due to shortages arising from or connected in any way with clerical or accounting errors or loss due to errors in receiving or paying out;
- b. loss or Damage not discovered within 5 working days of the event;
- c. loss or Damage by or through the collusion of or the fraudulent embezzlement by or the fraudulent misappropriation by you or any person employed by you;
- d. loss of or Damage to Money carried by professional money carriers, collectors or professional carriers or common carriers;
- e. loss from an unattended Vehicle;
- f. loss from a Safe or Strongroom opened by a key or by use of details of a combination either of which has been left on your Premises while closed for business.

3. Glass

In respect of Defined Event 3 – Glass, we will not pay for:

- a. any disfiguration or Damage to Glass other than a fracture extending through its entire thickness;
- b. breakage arising directly or indirectly from or in consequence of fire, subterranean heat, lightning, explosion, implosion, Flood, earthquake, impact by Vehicles or animals, aircraft and other aerial devices and/or articles dropped therefrom;
- c. cracked, chipped or imperfect Glass;
- d. Glass when in transit or while being fitted into position or removed from its fitting.

Specific condition

1. Burglar alarms

If a burglar alarm system is installed in the Premises the following conditions apply:

- a. the burglar alarm must be well maintained and in good working condition at all times;
- b. the burglar alarm must be made operative whenever the Premises are left unoccupied;
- c. if the burglar alarm system relies upon either electricity or communication services to operate in the correct manner, electricity and communication services must be connected to the burglar alarm and operational at all times unless the power supply has failed due to unforeseen circumstances beyond your control.

Section Four – General Property

The cover

Where this Section is shown as insured on the Schedule, we will pay you in accordance with the Basis of Settlement if any of the Property Insured as shown in the Schedule is Damaged by a Defined Event occurring during the Period of Insurance.

Defined Events

Any sudden or unexpected or unforeseen occurrence not otherwise excluded.

Basis of Settlement

The Basis of Settlement will be:

1. Where Damage to Property Insured can be repaired, the reasonable costs of restoring the Damaged item to its former working order. If you complete the repairs in your own workshop we will pay the reasonable cost of materials and wages as well as a reasonable allowance to cover the overheads.
2. Where a Damaged item is not repaired:
 - a. for items that could not be repaired, the actual value of the item immediately before the Damage; or
 - b. for items that could be repaired but have been replaced, the estimated cost that would have been incurred for necessary repairs to return the Damaged item to its former state of serviceability.

We will not pay more than \$2,000 for any one item insured under “Unspecified items of tools of trade” unless specified otherwise in the Schedule.

Limit of Indemnity

We will not pay more than the Limits of Indemnity shown in the Schedule for this Section for any one event.

Excess

You must bear the Excess shown in the Schedule for this Section.

Specific exclusions

We will not pay for:

1. Damage to Property Insured outside the Territorial limits.
2. Damage caused by arising from or connected in any way with:
 - a. spontaneous combustion, fermentation, heating or any process involving the direct application of heat, deterioration and putrefaction of refrigerated goods;
 - b. action of the sea, tsunami (tidal wave);
 - c. theft of property in the open air;
 - d. fraud or dishonest acts, embezzlement, forgery, erasure, counterfeiting and fraudulent misappropriation by electronic means or otherwise;
 - e. unexplained inventory shortages or disappearances;
 - f. shortage in the supply or delivery of materials to or from you;
 - g. loss induced by deception;
 - h. loading or unloading, delivery or dispatch;
 - i. demolition;
 - j. testing, intentional overloading or experiments;
 - k. any process of heat treatment, welding, grinding, cutting, drilling, shaping or the application of tools to the Property Insured;

- l. Damaged or faulty doors, lids, catches, latches, locks or any door lid closing or securing mechanism or device;
 - m. faulty packing, storage, inherent defect or disease;
 - n. mechanical, hydraulic, electrical or electronic breakdown, failure, malfunction or derangement of any machine or electrical or electronic device or temperature controlling equipment;
 - o. moths, termites or other insects, vermin, rust or oxidation, mildew, mould, contamination or pollution, wet or dry rot, corrosion, change of colour, dampness, light, variations in or extremes of temperature, evaporation, disease, inherent vice, latent defect, change in flavour, texture or finish, or smut or smoke from industrial operations;
 - p. wear and tear, fading, scratching or marring, chipping or denting, gradual deterioration, developing flaws, normal up keeping or making good; or
 - q. data processing or media failure or breakdown, or malfunction of a processing system, including operator error or omission, or computer virus.
3. Damage caused to:
- a. Vehicles, caravans, trailers, motorcycles, watercraft, aircraft or aerial devices or their accessories;
 - b. Property Insured during the course of and as the result of its processing;
 - c. Property Insured in the course of construction, erection, renovation or demolition;
 - d. glass or items of a brittle nature;
 - e. Money, jewellery, furs, bullion, precious metals or precious stones;
 - f. curios or works of art;
 - g. mobile phones, photographic equipment, computer equipment unless specified in the Schedule;
 - h. any guns, sporting equipment or musical instruments while they are in use;
 - i. Property Insured in the open air caused by wind, rainwater or Hail unless such property is designed to function without the protection of walls or roofs;
 - j. Property Insured should it be lost or Damaged during use or recovery whilst in use underground, underwater or within inaccessible locations;
 - k. livestock, animals, birds, fish, land, standing timber or growing crops and pastures.

Section Five – Public and Products Liability

The cover

Where this Section is shown as insured on the Schedule, Your Policy insures all amounts which you become legally liable to pay as compensation (excluding punitive, exemplary and aggravated damages) for Personal Injury and/or Property Damage occurring within the Territorial limits as a result of an Occurrence in connection with your Dealership Business, up to the Limit of Indemnity.

Definitions

“Aircraft” means any vessel, craft or device made or intended to fly or move in or through the atmosphere or space.

“Employment Practices” means any wrongful or unfair dismissal, failure to promote, negligent reassignment, negligent disciplinary action, denial of natural justice, refusal to employ, demotion, negligent evaluation, harassment, invasion of privacy, defamation, misleading representation or advertising, sexual harassment or discrimination in respect of employment by you.

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

“Incidental Contracts” means:

- a. any written rental agreement or lease of real property which does not impose on you:
 - i. an obligation to insure such property; or
 - ii. any liability regardless of fault;
- b. any written contract with any public authority for the supply of water, gas or electricity but only to the extent of indemnifying any such authority in respect of liability arising out of your Dealership Business and excepting contracts for the performance of work or provision of services by you.

“Limit of Indemnity” means the amount stated in the Schedule. This is the maximum amount we will pay in respect of any one Occurrence provided that, for all legal liability directly or indirectly arising out of your Products, our total aggregate liability during any one Period of Insurance will not exceed the Limit of Indemnity. The Limit of Indemnity is inclusive of and not additional to any applicable Excess.

“Medical Persons” means legally qualified, enrolled and registered medical practitioners, legally qualified registered nurses, dentists and first aid attendants.

“Non-manual Salesmen” means your agents, servants or employees who are involved solely in the marketing of your Products, but does not mean any such person who undertakes the manufacture, maintenance or repair of your Products, whether or not such activities are incidental to marketing of your Products.

“Occurrence” means an event or a series of events consequent upon or attributable to one source or originating cause, including continuous or repeated exposure to substantially the same general conditions, which results in Personal Injury or Property Damage neither expected nor intended by you.

“Personal Injury” means:

- a. death, bodily injury, sickness, disease, disability, shock, fright, mental anguish and mental injury;
- b.
 - i. false arrest, wrongful detention or imprisonment, malicious prosecution;
 - ii. wrongful entry or eviction;
 - iii. assault or battery;
 - iv. libel, slander, defamation of character or invasion of right of privacy;which occurs during the Period of Insurance.

In the event of Personal Injury claims arising from latent injury, latent disease, latent sickness or latent disability, such injury, disease, sickness or disability in respect of each claim shall be deemed to have occurred on the day such injury, disease, sickness or disability was first medically diagnosed.

“Pollutants” means any solid, liquid, gaseous or thermal irritant or contaminant, including but not limited to smoke, vapour, soot, fumes, acids, alkalis, chemicals or waste. Waste includes material to be recycled, reconditioned or reclaimed.

“Property Damage” means:

- a. physical Damage to, physical loss of or physical destruction of tangible property that occurs during the Period of Insurance including any resultant loss of use; or
- b. loss of use of tangible property that has not been physically Damaged physically lost or physically destroyed provided such loss of use is caused by physical Damage to, physical loss of or physical destruction of other tangible property that occurs during the Period of Insurance.

“Territorial limits” means:

- a. anywhere within Australia or its external territories;
- b. elsewhere in the world but only in respect of:
 - i. travelling executives or Non-manual Salesmen who are normally resident in Australia;
 - ii. your Products exported to anywhere in the world except the United States of America or Canada or any country, territory or protectorate to which the laws of the United States of America or Canada apply.

“Tool of Trade” means a Vehicle which has any tool or plant forming part of or attached to or used in connection with it while such tool or plant is in operation for the purpose of the Dealership Business, but does not include:

- a. Vehicles while in transit to or from or within any place of work; or
- b. Vehicles used for transport or haulage.

“Watercraft” means any vessel, craft or thing (other than a Hovercraft) made or intended to float on or in or travel on or through water.

“Worker” means any person employed by you or deemed to be employed by you pursuant to any law.

“Workers' Compensation Law” means any law relating to compensation for injury to Workers or employees.

“you”, “your”, “yours” means:

- a. the Insured shown in the Schedule;
- b. any subsidiary companies of (a) above, existing at the commencement date of the Period of Insurance as

shown in the Schedule, whose place of incorporation is within Australia or its external territories;

- c.
 - i. any company acquired by, and whose operations are controlled and managed by you or a company referred to in b. above during the Period of Insurance as a result of consolidation, merger or purchase;
 - ii. any subsidiary company that is incorporated by you or by a company referred to in b. above, during the Period of Insurance;

Provided that:

- i. any such acquisition or incorporation is notified to us within 90 days;
- ii. the newly acquired or incorporated company conducts the same type of business as your Dealership Business; and
- iii. the newly acquired or incorporated company is incorporated within Australia or its external territories;
- d.
 - i. any director, executive officer, employee or partner of you or a company referred to in b. or c. above, but only while acting within the scope of their duties in such capacity; and
 - ii. any shareholder of a company referred to in a., b. or c. above, but only while acting within the scope of their capacity as shareholders of such company;
- e. any principal in respect of the liability of such principal arising out of the performance by you or a company referred to in b. or c. above, of any contract or agreement for the performance of work for such principal but only to the extent required by such contract or agreement, and limited always to the extent of cover and Limit of Indemnity provided in your Policy;
- f. any office bearer or member of a social and/or sporting club, canteen, welfare or child care organisation or first aid, fire or ambulance service, formed with the consent of any of the parties in a., b., c. or d. above and which is incidental to your Dealership Business.

“your Products” means anything (after it has ceased to be in your physical possession or under your control) manufactured or deemed to have been manufactured, constructed, grown, extracted, produced, processed, assembled, erected, installed, repaired, serviced, treated, sold, supplied (including services) or distributed by you including any container (other than a Vehicle).

Excess

You must bear the Excess shown in the Schedule for this Section.

Supplementary payments

Subject to the provisos below, in addition to the Limit of Indemnity, we will also make the following supplementary payments:

- a. all charges, expenses and legal costs incurred by us and/or by you with our prior written consent in the investigation, reporting, settlement or defence of any claim or suit for compensation for which:
 - i. you are entitled to cover under your Policy; or

- ii. you would be entitled to cover under your Policy if such claim or suit were to be sustained;
- b. all legal costs taxed against you in any such suit or claim and all interest on the judgment or settlement amount accruing after the entry of judgement against you until we have paid, tendered or deposited in court such part of the judgement as does not exceed the Limit of Indemnity;
- c. all expenses incurred by you for providing first aid to others for Personal Injury for which you are covered by your Policy (other than medical expenses prohibited by law);

Provided that:

- a. if a payment exceeding the Limit of Indemnity has or is required to be made to dispose of a claim, our liability to make supplementary payments will be limited to the proportion of the supplementary payments as the Limit of Indemnity bears to the amount paid or required to be paid to dispose of the claim. Where the application of this Clause means that you are liable to repay supplementary payments to us, we may set off the amount that you owe us against any other entitlements you have under your Policy;
- b. supplementary payments in connection with claims made and/or actions instituted against you within the United States of America or Canada or claims and actions to which the laws of the United States of America or Canada apply will form part of the Limit of Indemnity and not be additional to it.

Specific exclusions

Your Policy does not cover any liability:

1. Aircraft, Hovercraft

directly or indirectly arising out of or in any way connected with:

- a. the ownership, possession, maintenance, repair, operation or use by you or on your behalf; or
- b. any of your Products which are incorporated into the structure, machinery or controls;

of any Aircraft or Hovercraft.

2. Asbestos

General exclusion 7. Absolute Asbestos Exclusion applies.

3. Assault and battery

directly or indirectly arising out of or in any way connected with assault and/or battery committed by you or at your direction.

This Exclusion 3 will not apply when such assault and/or battery is committed for the purpose of preventing Personal Injury or Property Damage or eliminating danger to a person.

4. Contractual liability

assumed under any contract or agreement.

This Exclusion 4 does not apply to:

- a. liability that would have been implied by law in the absence of such contract or agreement;
- b. liability assumed by you under a warranty of fitness or quality regarding your Products;
- c. those written contracts shown in the Schedule;
- d. liability assumed under Incidental Contracts.

5. Defamation, libel and slander

directly or indirectly arising out of or in any way connected with, the publication or utterance of any libellous, slanderous, defamatory or disparaging material:

- a. made prior to the commencement of the Period of Insurance;
- b. made at your direction or with your authority and with knowledge of its falsity; or
- c. related to advertising, broadcasting, telecasting or publishing activities conducted by you or on your behalf.

6. Defect in design

directly or indirectly arising out of or in any way connected with, any defective design or error in specification or formula in any of your Products.

7. Employer's liability

- a. for Personal Injury to any Worker.
If you are 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
- b. 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, agreement or determination;
 - iii. any law relating to Employment Practices.

8. Erections, alterations and additions

directly or indirectly arising out of or in any way connected with, the construction, erection, alteration, demolition of and/or addition to Buildings by you or on your behalf.

This Exclusion 8 will not apply to alteration of or addition to Buildings owned and/or occupied by you where the cost of such alterations or additions does not exceed \$500,000 unless such other amount is specified in the Schedule.

9. Faulty workmanship

for the cost or expenses incurred in performing, re-performing, completing, re-completing, correcting or improving any work or service undertaken or provided by you or on your behalf.

When shown in the Schedule, your Policy is extended to include the wholesale cost of parts plus net labour costs required to perform or re-perform in whole or in part work on any property which you, prior to the occurrence of the event causing Damage, had contracted to perform and the performance or re-performance of which is made necessary by the said event but limited to the Limit of Indemnity shown in the Schedule as "Cost of Rectifying Faulty Workmanship". This is in addition to any insured losses provided for in this Section of your Policy in respect of "resultant Damage" caused by faulty workmanship, subject to the Limit of Indemnity not being otherwise exhausted.

10. Loss of use

for loss of the use of tangible property (not having been physically Damaged or destroyed) directly or indirectly arising out of or in any way connected with:

- a. a delay in or lack of performance by you or on your behalf in relation to 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.
This Exclusion 10 b. does not apply to the 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.

11. More specific Policy Section

for which Indemnity is provided (whether you have selected that Section or not), or would have been provided but for any applicable deductible or Excess, under a more specific Policy Section shown as such in the Schedule.

12. Participation

for Personal Injury to any person or Property Damage to the property of any person directly or indirectly arising out of or in any way connected with, the actual participation of such person in any sport, exercise or activity such as but not limited to rally driving, motor racing, any Vehicle activity on a race track, competitive motor sports, aerobics, athletics, football, aquatic, aerial or equestrian activity.

The term Participation as used in this exclusion includes the participation, training or practice for, supervision or control of such activities.

This Exclusion 12 does not apply to Personal Injury or Property Damage, caused by any fault or defect in equipment provided by you at any Situation owned and/or occupied by you for the purpose of your Dealership Business.

13. Penalties, liquidated damages, punitive, exemplary and/or aggravated damages

for fines or penalties imposed by law or liquidated damages or punitive, exemplary and/or aggravated damages.

14. Pollution

directly or indirectly arising out of or in any way connected with:

- a. the actual, alleged or threatened discharge, dispersal, release or escape of Pollutants;
This Exclusion 14.a. will not apply to liability for Personal Injury or Property Damage where such discharge, dispersal, release or escape is caused by a sudden, identifiable, unintended and unexpected happening which takes place in its entirety at a specific time and place;
- b. testing, monitoring, clean-up, removal, containment, treatment, detoxifying or neutralising of Pollutants whether or not any of the foregoing are or should be performed by you or by others;
- c. the actual, alleged or threatened discharge, dispersal, release or escape of Pollutants caused by any Products that have been discarded, dumped, abandoned or thrown away by others; or
- d. the actual, alleged or threatened discharge, dispersal, release or escape of Pollutants in the United States of America or Canada or in any country to which the laws of the United States of America or Canada apply.

15. Product defect

for damage to your Products if such damage directly or indirectly arises out of or is in any way connected with:

- a. any defect in them or their harmful nature;
- b. their unsuitability for the purpose for which they were intended; or
- c. their inherent vice or inefficiency or ineffectiveness.

16. Product recall

directly or indirectly arising out of or in any way connected with, the removal, withdrawal, recall, inspection, repair, reconditioning, replacement or loss of use of your Products or any property of which such Products form a part if they are withdrawn from the market or from use because of any known or suspected defect or deficiency in them.

17. Professional liability

directly or indirectly arising out of or in any way connected with the provision by you, or any one on your behalf, of professional advice or any error or omission connected therewith.

This Exclusion 17 does not apply to the rendering of or failure to render medical advice by Medical Persons employed by you to provide first aid and other medical services on your Premises, other than where your Dealership Business involves the provision of professional medical services or advice (which includes dental and veterinary services and advice) and the provision or sale of medication or other medical equipment, prosthetics, aids or devices of any description.

18. Property in physical or legal control

for Property Damage to:

- a. property owned by or leased or rented to you;
- b. property in your physical or legal control.

Provided that this Exclusion 18 will not apply to liability for damage to:

- i. Buildings which are leased or rented to you;
- ii. Buildings, including their contents, not owned, leased or rented to you but temporarily occupied by you for the purpose of carrying out work in connection with your Dealership Business, but we will not pay for Damage to that part of the property on which you are or have been working which arises out of such work;
- iii. Vehicles (not belonging to or used by you or on your behalf) in your physical or legal control where such damage occurs while any such Vehicles are:
 - in a car park which is not owned or operated for reward by you as part of your Dealership Business;
 - at the Situation for service or repair;
- iv. property belonging to visitors or your employees; or
- v. property in your physical or legal control (except while undergoing any process or being worked upon) for which you have not assumed any responsibility to obtain insurance.

Our liability under proviso iii. and v. will be limited to \$20,000 in the aggregate in respect of any one Period of Insurance, unless such other amount is specified in the Schedule, and will be subject to the Excess shown in the Schedule against Property in physical or legal control.

19. Smoking

for any Personal Injury directly or indirectly arising out of or in any way connected with, the inhalation or ingestion of or exposure to:

- a. tobacco or tobacco smoke; or
- b. any ingredient or additive present in any articles, items or goods which contain or include tobacco.

20. Vehicles

directly or indirectly arising out of or in any way connected with, the ownership, possession, operation, use or legal control by you or on your behalf of any Vehicle:

- a. which is registered or is required under any legislation to be registered;

This Exclusion 20.a. will not apply to:

- i. liability for Personal Injury or Property Damage arising beyond the limits of any carriageway or thoroughfare or caused by the loading or unloading of any Vehicle or trailer;
- ii. liability for Personal Injury and/or Property Damage arising from the use of any Vehicle as a Tool of Trade;

- b. where such liability is required by virtue of any legislation to be insured under a policy of bodily injury insurance.

21. Theft of a Customer's Vehicle using a key

directly or indirectly arising out of or in any way connected with the theft, Damage or destruction to Vehicles in your physical or legal control involving or resulting from the use of the Vehicle's key. This exclusion will not apply if:

- a. the Vehicle's key is locked within:
 - i. a steel key cabinet securely affixed to the Building; or
 - ii. a safe; andis obtained by violent and forcible means; or
- b. the Vehicle's key is obtained by violence or force, or threat of violence or force, to you, a Bailee, your employee or customer.

22. Watercraft

directly or indirectly arising out of or in any way connected with:

- a. the ownership, possession, operation or use by you or on your behalf; or
- b. any of your Products which are incorporated into the structure, machinery or control;

of any Watercraft, the hull of which exceeds 8 metres in length.

23. Welding and allied processes

directly or indirectly arising out of or in any way connected with, you or other persons working on your behalf not having strictly complied with the Australian Standard 1674.1-1997 "Safety in welding and allied processes - Fire precautions" as set out in the Standard or as amended when involved in welding, thermal or oxygen cutting or heating or other related heat producing or spark producing operations.

Specific conditions

1. Cross liability

Where you are comprised of more than one entity, the term "you" will be considered as applying to each entity in the same manner as though a separate Policy had been issued to each entity, provided that our Limit of Indemnity and liability to make supplementary payments will apply as though there were not separate policies issued to each entity.

2. Discharge of liabilities

We may at any time pay to you or on your behalf in respect of all claims against you:

- a. the amount of the Limit of Indemnity (after deduction of any sum or sums already paid by us); or

- b. any lesser sum for which the claim or claims may be settled.

Upon such payment we will relinquish conduct or control of the defence of all claims against you and be under no further liability under your Policy in connection with such claim or claims.

Provided that we will pay for costs, charges and expenses recoverable from you in respect of the period prior to the date of such payment (whether or not this is pursuant to an order made subsequently) or incurred by us or by you with our written consent prior to the date of such payment.

3. Premium adjustment

If the premium for your Policy has been calculated on any estimates given by you, you must keep accurate records containing all relevant particulars and at any reasonable time allow us to inspect such records.

Following the expiry of each Period of Insurance you must supply us with such records as we may reasonably require so that the premium for that period may be calculated. Subject to any minimum premium applicable, the difference must be paid by or will be allowed to you as the case may be.

4. Reasonable care and maintenance

You must:

- a. take reasonable precautions to prevent the manufacture, sale or supply of defective products;
- b. at your expense, take reasonable action to trace, recall or modify any products containing any defect or deficiency which defect or deficiency you have knowledge of or have reason to suspect.

If you do not meet the above condition, we may cancel your Policy and or reduce or refuse to pay a claim.

5. Applicable law

Any phrase or word in this Section and Schedule will be interpreted in accordance with the law of Australia.

Section Six – Commercial Motor

The cover

Where this Section is shown as insured on the Schedule, we will pay you in accordance with the Basis of Settlement set out below in:

1. Part A – Loss or Damage; and
2. Part B – Liability to Third Parties.

Definitions

“Accidental Damage” means Damage which occurs by accident. An “accident” is an unforeseen and unintended happening.

“Costs and Expenses” means all legal and other costs and expenses reasonably incurred in the investigation, defence or settlement of any claim covered by your Policy.

“Malicious Damage” means intentional Damage done to your Vehicle by someone else without your consent.

“Substitute Vehicle” means a Vehicle not belonging to you which is used by you with the consent of the owner whilst your Vehicle cannot be used because it is undergoing repair or service.

“Vehicle” means:

1. all:
 - a. registered motor vehicles; and
 - b. vehicles displaying a trade plate number; and
 - c. vehicles for which you are legally responsible; including motorcycles, mobile machines, trailers and caravans that are yours or for which you are legally responsible; and
2. any other motor vehicle specifically mentioned in the Schedule; and
3. any manufacturers tools, accessories, equipment and options fitted to the vehicles in 1. or 2. above.

Excesses applicable to Part A and Part B

1. Basic Excess

The Basic Excess is shown in the Schedule and is the first amount you must bear on each claim.

2. Age Excess

If your Vehicle was being driven by or was in the charge of a driver under the age of 25, in addition to the Basic Excess, you must bear the Age Excess shown in the Schedule.

3. Inexperienced driver Excess

If your Vehicle was being driven by or was in the charge of a driver aged 25 years or over but who has held an Australian licence for less than 2 years, in addition to the Basic Excess, you must bear the “Inexperienced driver Excess” shown in the Schedule.

You will not have to bear the Age Excess or Inexperience driver Excess if you are claiming for:

- a. windscreen or window glass Damage only;
- b. theft;
- c. Hail, storm or Flood Damage;
- d. Malicious Damage; or
- e. Damage to your Vehicle while parked.

Part A – Loss or Damage to Vehicles

Defined Events applicable to Part A

1. Accidental Damage, including Damage caused by fire, Hail, Flood, storm or earthquake;
2. loss by theft and not found;
3. Malicious Damage.

Basis of Settlement applicable to Part A

If during the Period of Insurance a Defined Event occurs to your Vehicle, we will at our option:

1. on Total Loss of:
 - a. Vehicles that you own, pay you the Market Value of your Vehicle but not exceeding your actual purchase cost plus the improvements as shown on your Stock Card;
 - b. all other Vehicles, pay you the Market Value.
2. on partial loss of Vehicles:
 - a. replace, reinstate or repair the Vehicle;
 - b. pay you the cost to replace, reinstate or repair the Vehicles based on our approved labour rate prevailing at the time of loss, plus parts at your direct cost plus 15%;
 - c. where the Vehicle is not repaired but sold in a Damaged condition, we will pay the assessed cost of repairs.

Limit of Indemnity applicable to Part A

We will not pay more than the Limit of Indemnity or the relevant Stock Card, Bailment or Market Value, which ever is the lesser, in respect of any one Vehicle for any one claim made during the Period of Insurance.

Additional benefits applicable to Part A

The following covers are:

- a. in addition to the lesser of the Limit of Indemnity and the amount payable under the Basis of Settlement applicable to Part A; and
 - b. only available in addition to a claim for loss or Damage covered under this Part A; and
 - c. only available if the loss or Damage exceeds the Excess payable.
1. **Towing**

Following a Defined Event, we will pay the reasonable cost of protection, removal and towing of your Vehicle to the nearest repairer, place of safety or any other place which we agree to.
 2. **Accommodation and Travelling Expenses**

If your Vehicle is on a journey and:

 - a. suffers accidental Damage and is unable to be driven; or
 - b. is lost by theft and not found within a reasonable time; we will pay the reasonable cost for essential temporary accommodation expenses incurred by you to complete the journey or return to the point of departure, up to a maximum of \$500 for any one event unless such other amount is specified in the Schedule.
 3. **Additional accessories**

We will pay for claims for loss of or Damage to any equipment and apparatus of the Vehicle as maintained by you, including radio receivers, tape recorders, compact disc players or telephones built into your Vehicle (but excluding

mobile phones) up to a maximum of \$1,500 any one event unless such other amount is specified in the Schedule.

However, we will not pay for claims for theft of any tarpaulin or gate which are accessories to your Vehicle unless they are lost as a result of theft of your entire Vehicle.

4. Death of your driver

We will pay for funeral expenses following the death of the driver of your Vehicle caused as a direct result of the accident up to a maximum of \$3,000 (unless such other amount is specified in the Schedule) any one event less any amount payable by any accident compensation authority or medical fund.

5. Disability cover

We will pay for costs incurred to modify your Vehicle if its driver is permanently disabled as a direct result of injuries received in the accident up to a maximum of \$3,000 (unless such other amount is specified in the Schedule) each event less any amount payable by any accident compensation authority or medical fund.

6. Marine average

If your Vehicle is being transported by sea between places within Australia or New Zealand during the Period of Insurance we will pay your contribution for general average and salvage charges where such maritime conditions apply up to the Limit of Indemnity or the Vehicle's Market Value whichever is the lesser, whether or not loss or Damage is suffered by your Vehicle by a Defined Event applicable to Part A.

7. Removal of debris

If at the time of the accident your Vehicle is carrying goods, we will pay up to a maximum of \$1,000 to clean up and remove any debris unless such other amount is specified in the Schedule.

8. Signwriting clause

We will pay for any loss of or Damage to signwriting and artwork where reinstatement is required up to a maximum of \$1,000 each event unless such other amount is specified in the Schedule.

9. Vehicle Return

Where your Vehicle is a sedan, station wagon or utility and is Damaged in an accident and unable to be driven we will pay up to a maximum of \$500 each event (unless such other amount is specified in the Schedule) to return your Vehicle to its original destination or point of departure, whichever is required by you.

10. Vehicle being carried

We will pay for loss or Damage where your Vehicle is being transported by road, rail, sea or air between any places within Australia. This cover will not apply where more than one Vehicle is being transported in any one conveyance.

11. Replacement Vehicle

Where your Vehicle is a sedan or station wagon and is declared a Total Loss within one year of its first registration we will at your option (and with the consent of any financier where applicable) replace the Vehicle with a new Vehicle of the same make, model and accessories (subject to local availability) or pay you the Market Value of your Vehicle less any applicable Excesses.

12. Leased Vehicle – Total loss

Where your Vehicle is leased and suffers a Total Loss, we will cover you or the lessor for the difference between the residual value under the lease and Market Value of the

Vehicle up to a maximum of \$5,000 less any payments and interest in arrears at the time of loss, and, less any discount in respect of finance charges and /or interest for the unexpired term of the lease agreement. However we will not pay if we are not required to do so by the lessor.

Specific exclusions applicable to Part A

We will not pay for:

1. Loss of Use

loss or Damage suffered because you cannot use your Vehicle.

2. Wear and Tear and Breakdown

loss or Damage caused by wear and tear, rust, corrosion, depreciation, or mechanical, structural, electrical or computer failures, malfunctions or non-performance.

3. Tyres

Damage to tyres or wheel rims caused by braking, road punctures, cuts or bursts.

4. Old damage

the costs of repairing pre-existing damage, or the costs of fixing faulty repairs which were done before the commencement of your Policy.

5. Intentional damage

loss or Damage intentionally caused by you or a person acting with your express or implied consent.

6. Safeguard of Vehicle

further loss or Damage to your Vehicle following a Defined Event, unless reasonable steps were taken to protect or safeguard your Vehicle after the Defined Event.

7. Test and Demonstration Vehicles

loss or Damage subsequent to theft by a Bailee of a Vehicle, provided that this exclusion will not apply where:

a. Accompanied test drive

a responsible member of your staff accompanies the Bailee and the member of staff does not voluntarily leave or vacate the Vehicle without possession of the Vehicle's keys; or

b. Unaccompanied test drive

a clear photocopy of the Bailee's current and valid driver's licence and at least one other form of identification are made by your staff.

An additional Excess, as specified in the Schedule against "Additional Excess - Test Drives" applies in addition to all other applicable Excesses.

Part B – Liability to Third Parties

Basis of Settlement applicable to Part B

Subject to the applicable Excesses, Conditions, Exclusions and Limit of Indemnity:

1. Property Damage

We will cover your legal liability to pay compensation for loss or Damage to someone else's property caused by a motor Vehicle accident which is partly or fully your fault which occurs during the Period of Insurance.

This cover will apply only if your legal liability for loss or Damage to someone else's property arises out of the use of:

a. your Vehicle; and/or

b. a caravan or trailer towed by your Vehicle.

We will also, in accordance with this Part B.1, cover the legal liability for loss or Damage to someone else's property of:

- a. any person who is driving, using or in charge of your Vehicle with your permission;
- b. a passenger travelling in your Vehicle or who is getting into or out of your Vehicle;
- c. your employer, principal or partner arising from your use of your Vehicle.

We will not cover in accordance with this Part B.1:

- a. when the loss or Damage occurs to your own property, your Family Member's property or to property which is in your possession, custody or control; or
- b. which is insurable under any statutory or compulsory insurance policy or any statutory or compulsory insurance or compensation scheme or fund covering such legal liability.

2. Bodily injury (CTP gap liability)

We will also cover you, or a currently licensed driver of your Vehicle driving the Vehicle with your consent, for legal liability for death or bodily injury caused by or arising out of the use of your Vehicle, if your Vehicle is registered for use on a public road when the liability is incurred, from one or more of the following events:

- a. driving or being in charge of your Vehicle or a Substitute Vehicle;
- b. goods being carried by or falling from your Vehicle or a Substitute Vehicle;
- c. loading or unloading your Vehicle or a Substitute Vehicle.

We will also cover the legal liability of a passenger travelling in or getting into or out of your Vehicle with your permission, or the permission of a currently licensed driver driving or in charge of your Vehicle with your consent.

We will not pay:

- a. if the event or series of related events that gives rise to the legal liability or any part of it is covered or indemnified in any way by any:
 - i. statutory or compulsory insurance policy or any statutory or compulsory insurance; or
 - ii. compensation scheme or fund, even if the amount recoverable is nil.
- b. any amount of a claim over that recoverable under any:
 - i. statutory or compulsory insurance policy or any statutory or compulsory insurance; or
 - ii. compensation scheme or fund.
- c. if the legal liability would have been covered or indemnified in any way if you had not failed to:
 - i. insure your Vehicle;
 - ii. register your Vehicle; or
 - iii. comply with the requirements of any statutory or compulsory insurance policy or any statutory or compulsory insurance or compensation scheme or fund.
- d. for legal liability to any:
 - i. person driving or in charge of your Vehicle;
 - ii. of your employees; or
 - iii. Family Member.
- e. for legal liability in respect of any psychological or psychiatric injury (other than to the extent that it is directly caused by or arises from serious physical bodily injury of the person who suffers the psychological or psychiatric injury).

- f. unless you or the person claiming under this Section have notified us of a claim under this Section within 6 months of you or that person first becoming aware of an intention to make a claim against you or that person.
- g. for legal liability caused by or arising from an intentional act by you or any other person.
- h. any amount of exemplary, punitive or aggravated damages.

Additional benefits applicable to Part B

To the extent that the Limit of Indemnity is not otherwise exhausted, we will cover:

1. Falling Goods

Accidental Damage to someone else's property during the Period of Insurance if caused by goods falling from your Vehicle.

2. Loading and Unloading

Accidental Damage to someone else's property during the Period of Insurance caused by the loading and unloading of your Vehicle.

3. Uninsured Motorists

Damage to your Vehicle during the Period of Insurance caused in an accident with another Vehicle during the Period of Insurance if:

- a. the driver of the other Vehicle was at fault;
- b. the other Vehicle was uninsured; and
- c. you can tell us who the other driver was and identify the other Vehicle.

The amount we will pay is \$3,000 less any applicable Excess unless such other amount is specified in the Schedule.

We will not pay if we admitted a claim under Part A of this Section.

4. Substitute Vehicle

Accidental Damage during the Period of Insurance to someone else's property, caused whilst you are driving a Substitute Vehicle. We will not pay if the Vehicle is subject to a self-drive hire agreement, or for Damage to the Vehicle you are driving.

Specific exclusions applicable to Part B

We will not pay:

1. Unregistered Vehicles

if your Vehicle is unregistered at the time of the event giving rise to the claim.

2. Tool of Trade

for liability for Damage to underground services, pipes, cables or the like caused by or arising out of the use of your Vehicle, or liability in respect of Damage to any land or fixed property arising howsoever from vibration or from the removal or weakening of or interference with support to land, buildings or any other property, arising out of the use of your Vehicle.

If your Vehicle comes into direct contact with overhead cables, wires or conduits, we will pay only for the repair of the direct physical Damage so caused, up to a maximum of \$100,000 each event.

3. Trailers

for Damage caused or contributed to by more than the legally permitted number of trailers being attached to your Vehicle.

- 4. Personal Property/Property in your Custody**
for Damage to property belonging to or in the custody of you or any person entitled to cover under Part B.
- 5. Fines, Penalties, Punitive Damages**
for any fines, penalties, or aggravated, exemplary or punitive damages.
- 6. Dangerous Goods**
if your Vehicle is being used for, or in connection with, the transportation, storage, loading or unloading of Dangerous Goods (as defined in the Australian Dangerous Goods Code). If the method of transportation complies with the Australian Dangerous Goods Code and all other legislative and regulatory requirements, we will pay not more than \$100,000 each event unless such other amount is specified in the Schedule.
- 7. Vehicle used on rails**
if your Vehicle is used on rails or tracks at the time of accident.

Specific exclusions applicable to Part A and Part B

We will not pay if:

- 1. Stock in Trade at the Situation**
The Vehicle forms part of your Stock in Trade and is:
 - a. at or immediately adjacent to the Situation; or
 - b. temporarily removed from the Situation for the purpose of display, service or repair or having options fitted.
 This Exclusion will not apply to any Vehicle being driven on a public thoroughfare.
- 2. Vehicles being towed**
you are towing a vehicle in connection with your Dealership Business.
- 3. Driving Under the Influence of Drugs/Alcohol**
the Damage, loss or injury is caused while your Vehicle is being driven by any person impaired by or under the influence of any drug or alcohol, or by any person with a percentage of drugs or alcohol in their breath or blood in excess of that allowed by law.
However, if you can prove you did not know that the driver of your Vehicle was so affected, we will cover you but not the driver of your Vehicle.
This exclusion shall not apply if it contravenes the law of the State in which your Policy was issued.
- 4. Submitting to Test**
the driver of your Vehicle refuses a request from a person with legal authority to take a breath, blood or other test to determine the percentage of drugs or alcohol in the person's breath or blood.
However, if you can prove you did not know that the driver of your Vehicle refused to submit to the test, we will cover you but not the driver of your Vehicle.
This exclusion shall not apply if it contravenes the law of the State in which your Policy was issued.
- 5. Unlicensed Drivers**
the loss or Damage is caused while your Vehicle is being driven (with your consent) by any person who is not licensed under any relevant law to drive such a Vehicle.
- 6. Overloaded Vehicle**
your Vehicle is used to carry or tow a load or carry passengers greater than that for which your Vehicle was constructed.
- 7. Unroadworthy Condition**
your Vehicle is used in an unroadworthy or unsafe

condition. However, we will cover you if you can prove that the condition could not reasonably have been detected by you or that the loss, Damage or liability was not caused by or contributed to by the unroadworthy or unsafe condition.

- 8. Approved Fuel Systems**
loss or Damage is caused by a fuel system which does not comply with the relevant Australian Standard.
- 9. Tests**
your Vehicle is being tested other than in connection with service or repair by a person who is qualified to carry out the service or repair or who is acting under the supervision of such a person.
- 10. Participation**
your Vehicle is participating in or used in connection with, rally driving, motor racing, any activity on a racetrack, competitive motor sport event, an experiment, contest or other motor sports event.
- 11. Hire or Reward**
your Vehicle is used for carrying passengers for hire or reward, except for a private pooling arrangement or when you receive a travelling allowance from your full time employer.
- 12. Seizure of Vehicle**
your legal interest in your Vehicle ceases, or your Vehicle is seized or taken possession of by any persons lawfully entitled to do so.
- 13. Illegal Purpose**
your Vehicle is used for any illegal purpose with your consent.

Specific conditions applicable to Part A and Part B

- 1. Changes to your Vehicles**
You must advise us immediately if during the Period of Insurance your Vehicle is modified in a manner that affects its value or performance in any way.
When we receive this information, we may:
 - a. alter the terms and conditions of your Policy; or
 - b. charge you additional premium; or
 - c. decide not to offer to renew your Policy.
- 2. Keeping evidence of the value of the insured property**
You should keep evidence of the value of all property covered under this Section of your Policy. You should also keep evidence of the amount of any accidental loss, damage or destruction.
- 3. Prevention of loss or damage**
You must take all reasonable precautions to prevent injury, loss or damage, including securing your Vehicle against unauthorised entry when it is unattended. You must keep your Vehicle in good repair.

Section Seven – Employee Dishonesty

The cover

We will pay you in accordance with the Basis of Settlement for any loss of Property Insured (including Money) occasioned by or arising out of a fraudulent or dishonest act or acts of an Employee, whether acting alone or in collusion with others, provided that:

1. the loss happens during the Period of Insurance;
2. the loss is discovered not later than 12 months after the expiry of the Period of Insurance or not later than 12 months after the termination of the employment of the Employee, whichever occurs first.

Definition

“Employee” means any person who is employed by you in the Dealership Business who you compensate by salary, wages, commission or other benefit and have the right at all times to govern, control and direct in the performance of their work.

An employee does not include:

- a. a partner, director or trustee unless they are acting in their capacity as an employee; or
- b. any broker, factor, consignee or contractor.

Basis of Settlement

We will indemnify you for your loss of Property Insured, provided that:

1.
 - a. we will not pay more than the Limit of Indemnity shown in the Schedule for any one Employee and for any loss that arises out of the act or acts of any one Employee or for which that Employee is concerned or implicated by acting in concert with any other person. The Limit of Indemnity for any one Employee shown in the Schedule under this Section will be reduced by the total of any claims payable by us for losses resulting from the fraudulent or dishonest conduct of that Employee in any period before the current Period of Insurance;
 - b. for all losses suffered during the Period of Insurance, we will not pay in total more than the Limit of Indemnity shown in the Schedule for all Employees.
2.
 - a. for Property Insured other than Money, after payment for any lost property, that property, if recovered will belong to us subject to your right to reclaim it upon repayment of any amount paid by us;
 - b. for Money, any recovery made either by you or by us after settlement of the claim will first be applied to any uninsured loss borne by you.

Excess

You must bear the Excess shown in the Schedule for this Section.

Specific exclusions

We will not pay for any:

1. loss or part of a loss the proof or quantification of which depends upon any shortage revealed by or inconsistency in any accounting records, an inventory computation or enumeration, a comparison of inventory records with an actual physical count, or a profit and loss computation;
2. loss arising from the conduct of an Employee if you had knowledge or information of any prior act of fraud or dishonesty by that Employee;

3. loss arising from a failure to make payment of or default under any loan or credit transaction obtained from or made by you whether authorised or unauthorised unless there is fraud or dishonesty by an Employee;
4. loss arising out of a change or variation in the method of conducting the Business that results in information furnished to us in any Proposal or application for this insurance or any supporting documentation being different in some material degree;
5. consequential loss (for example loss of use of the Property Insured) or other loss of any kind not specifically referred to in this Section;
6. any loss of Property Insured owned, managed, held in trust for or controlled by a superannuation fund.

Specific conditions

1. Checks and precautions

You must perform all checks or precautions described by you in any Proposal for this insurance or any documentation supporting the Proposal.

2. Change in Business arrangements

You must inform us immediately in writing and obtain our written consent if there has been any change in:

- a. the method of conducting the Dealership Business to make the facts differ in some material degree from those described in the Proposal for this insurance or any supporting documentation;
- b. the ownership of the Dealership Business without our prior written consent.

3. Claims against employees

In the event of any loss being discovered you must, to the extent allowed by law, retain all salary, commission moneys or assets that are the property of the Employee in respect of whose conduct a claim is made and which are or may come within your control and you must apply them towards making good the amount of the loss.

4. Dishonest employee

You must give to us written notice immediately upon the discovery of any conduct that is fraudulent or dishonest by any Employee or of reasonable cause for suspicion as to any such conduct or of any lack of integrity by an Employee whether giving rise to a claim or not. We will not pay for any loss occurring after the date of discovery of such conduct.

5. Dual signed cheques

All cheques, account withdrawal or funds transfer forms drawn to a sum in excess of \$5,000 must be counter signed by another authorised officer who must, independently of your Employee(s) drawing the cheque, accounts withdrawal or funds transfer form, examine the supporting vouchers or requisitions or check against an authorised payment list prepared and checked independently of the drawer of the cheque, accounts withdrawal or funds transfer form.

It is a further condition of cover provided in this Section that arrangements be in place with your bank or financial service provider to not honour cheques, accounts withdrawal or funds transfer forms drawn to a value in excess of \$5,000 that have not been counter signed by your authorised officer.

6. Key Security

Vehicle keys must be securely locked inside an approved key cabinet or safe whilst the Premises are unoccupied.

Section Eight – Machinery Breakdown

The cover

Where this Section is shown as insured on the Schedule, we will pay you in accordance with the Basis of Settlement for Breakdown of the Property Insured occurring during the Period of Insurance.

Definitions

“**Blanket Machinery**” means all the machinery at the Situation other than Specified Machinery and machinery items excluded under the definition of Property Insured below up to the amount stated as the Limit Any One Loss in the Schedule.

“**Breakdown**” means unforeseen and sudden Damage from any cause not excluded which necessitates the Property Insured’s repair or replacement before it can be used again.

“**Property Insured**” means Specified Machinery and/or Blanket Machinery comprising of:

- a. electrical, electronic and mechanical machinery including their interconnecting cabling and piping; and/or
- b. boilers and pressure vessels,
but excluding:
 - a. any item exceeding \$100,000 new replacement value;
 - b. research, electro-medical and diagnostic equipment (other than diagnostic equipment used for Vehicles);
 - c. refrigeration or display cabinet housing;
 - d. submersible pumps and bore pumps, turbine pumps, or helical rotor pumps;
 - e. vehicles of any kind including Vehicles or mobile or portable machinery;
 - f. electronic equipment other than electronic scales, electronic cash registers, check-out scanners, or control equipment used exclusively and solely with an insured item;
 - g. domestic items in residential quarters;
 - h. vending or amusement machines or any coin operated machine;
 - i. lawn maintenance equipment;
 - j. lifts and escalators;
 - k. hand dryers;
 - l. portable hand held tools other than vacuum cleaners;
 - m. reticulating electrical wiring, liquid or gas piping.

“**Specified Machinery**” means machinery shown in the Schedule as Specified Machinery.

Basis of Settlement

The basis of settlement will be:

1. where Damage to Property Insured can be repaired, the reasonable costs of:
 - a. restoring the Damaged item to its former working order;
 - b. dismantling and re-erecting and removal of debris necessary to complete the repairs;
 - c. ordinary freight costs to and from a repair shop;
 - d. any customs duties;
 - e. charges for overtime and work on public holidays limited to 25% of the limit for the item.

If you complete the repairs yourself we will pay the reasonable cost of materials and wages as well as a

reasonable allowance to cover overheads.

2. where Damage to Property Insured is not repaired:
 - a. for Property Insured that could not be repaired, the actual value of the Property Insured immediately before the Damage;
 - b. for Property Insured that could be repaired but has been replaced, the estimated cost that would have been incurred for necessary repairs to return the Damaged Property Insured to its former state of serviceability.

Limit of Indemnity

We will not pay more than the Limit of Indemnity shown in the Schedule for:

- a. each item of Specified Machinery,
- b. the limit for any one loss for any one item for Blanket Machinery,

for any one event.

Excess

You must bear the Excess shown in the Schedule for this Section.

Additional benefits

When we have agreed to pay a claim under this Section, we will also pay:

1. **Hire of temporary machinery and expediting costs**
the following reasonable and necessary costs of hiring temporary machinery and expediting the repair of the Damage. The cost of:
 - a. hiring the temporary machinery for use at the Situation;
 - b. effecting temporary repairs to the Damaged Property Insured that will form part of the final repairs;
 - c. overtime or air freight within Australia (but not on a specifically chartered aircraft), necessary to expedite permanent repairs to the Damaged Property Insured;
 - d. consultants’ fees in connection with the hire and repair of the Damaged Property Insured if you have obtained our approval.
2. **Insulating oil and refrigerant gas or liquid**
the reasonable cost of cleaning, storing, recycling and replacing:
 - a. insulating oil in transformers, capacitors or switch gear; and
 - b. refrigerant gas or liquid in air-conditioning or refrigeration units.

The most we will pay for these additional benefits will be the lesser of \$10,000 or 50% of the normal cost of the repair of the Damaged item.

Specific exclusions

We will not pay for:

1. Damage directly or indirectly arising out of or in any way connected with fire, extinguishing a fire, demolition following a fire, smoke, soot, lightning, chemical explosion, impact of vehicles, aircraft or watercraft, earthquake, subterranean fire, volcanic eruption, land slip, subsidence, riot, strike, lockout, civil commotion, malicious damage, wind and water, Flood, inundation, water discharged or leaking from any pipe or water system, theft or attempted theft;

2. Damage to belts, ropes, wires, chains, rubber tyres, dies or exchangeable tools, engraved cylinders, objects made of glass or porcelain, ceramics, refractory linings, felt sieves or fabrics, jointings or packings (including lubrication, oil, fuel, catalysts or refrigerants) unless specially shown as insured in the Schedule;
3. wasting or wearing away or wearing out of any part of an insured item caused by or naturally resulting from ordinary use or working, gradual deterioration including erosion, rust, corrosion, boilers, scale or oxidation (due to normal atmospheric conditions or otherwise), Damage due to pitting, scratching of painted or polished surfaces, adjustment or cleaning;
4. the cost of converting refrigeration and/or airconditioning units from the use of C.F.C. (chlorofluorocarbon) refrigerant gas to any other type of refrigerant gas;
5. any costs associated with submersible pumps or well casings unless specifically shown in the Schedule;
6. the cost of any:
 - a. alterations, additions, improvements or overhauls;
 - b. temporary repairs unless those temporary repairs form part of the final repairs and do not increase the final repair costs;
7. Damage due to any act of the power supplier, including withholding, restricting or load shedding the supply of electricity;
8. Damage arising:
 - a. out of the machinery being subjected to tests involving abnormal stresses or arising out of machinery being intentionally overloaded; or
 - b. prior to successful initial commissioning or during test or experimentation;
9. Damage due to faults or defects known to you;
10. Damage due to failure to comply with statutory requirements relating to safeguarding or operation of the machinery or electronic equipment;
11. the costs for repairing or replacing if the manufacturer, supplier, agent or any other person is responsible under the terms of a maintenance agreement;
12. consequential loss of any kind (for example loss of use of the Property Insured) or any other type of loss not specifically covered in this Section;
13. Damage to computers and/or ancillary equipment including, but not limited to, electronic data processors, printers, modems, servers, disc drives, visual display units, telecommunication equipment or software.

Specific conditions

1. Inspection

Our representatives will have the right to inspect and examine the Property Insured at any reasonable time.

2. Claims procedure

Once you have advised us that you intend to make a claim, you may commence necessary repairs to mitigate your loss provided you keep any Damaged or replaced parts for our inspection.

We will not be liable to make any payment under this Section unless you have produced to our reasonable satisfaction all accounts, estimates, invoices, receipts and other documentation showing that repairs have been affected or replacement has taken place, as the case may be.

Section Nine – Computer / Electronic Equipment Breakdown

The cover

Where this Section is shown as insured on the Schedule, we will pay you in accordance with the Basis of Settlement for Breakdown of the Property Insured occurring during the Period of Insurance.

Definitions

“**Breakdown**” means a sudden and unforeseen Damage caused by mechanical, electrical or electronic malfunction or failure which becomes apparent at the time it occurs and requires immediate repair or replacement to enable normal operation to continue.

“**Property Insured**” means the computer and/or electronic equipment specified in the Schedule.

Basis of settlement

The basis of settlement will be:

1. Where an equivalent make and model or all parts necessary for repairs are obtainable from the manufacturer or its agent at listed prices and the Property Insured is:
 - a. Damaged beyond repair, we will replace the Property Insured with new or equivalent makes and models;
 - b. Damaged, but the Damage is repairable, we will restore the Damaged portion to a condition substantially the same as but not better or more extensive than its condition when new, provided that the work is carried out within a reasonable period.
2. Where an equivalent make and model or all parts necessary for repairs are not obtainable from the manufacturer or its agent at listed prices and the Property Insured is:
 - a. Damaged beyond repair, we will replace the Property Insured with the nearest equivalent replacement based on make, model and configuration of your existing systems and programs;
 - b. Damaged, but the Damage would have been repairable had all parts necessary for repairs been obtainable from the manufacturer or its agent at listed prices, we will pay an amount equal to the cost of repair to the nearest equivalent of current manufacture had all the parts been obtainable from the manufacturer or its agent.

Limit of Indemnity

We will not pay more than the Limit of Indemnity stated in the Schedule for any computer or item of electronic equipment.

Excess

You must bear the Excess shown in the Schedule for this Section.

Optional benefits

The following optional benefits are operative only when included as covered in the Schedule:

Following a claim being admitted under this Section, we will also pay for:

1. Restoration of data

the costs incurred for the purpose of restoring data lost as a result of Damage covered under this Section to a condition equivalent to that existing prior to the Damage, including the cost of overtime necessarily incurred, provided that:

- a. the data is backed up daily and precautions existing or agreed to for its safeguarding and retention are maintained and observed at all times;
- b. except as provided in optional benefit 1.d. below, we will not pay more than the limit shown in the Schedule for this optional benefit;
- c. we will not pay for any loss of or Damage to records caused by access to your computer systems and records by people not authorised by you;
- d. we will pay no more than \$1,000 or the Limit of Indemnity shown in the Schedule for this optional benefit, whichever is the lesser, for any loss of or Damage to your records, data, or software caused by computer virus, being an executable program or computer code segment that is self-replicating, requires a host program or executable disc segment in which it can be contained, and which destroys or alters the host program or other computer code or data, causing undesired program or computer system operation.

2. Increased cost of working

the increased cost of working incurred during a period not exceeding three (3) months from the date that increased working costs are first incurred, following interruption to the normal operation of an insured item for which we have agreed to meet a claim under this Section, provided that:

- a. the cost is proved to have been necessarily and reasonably incurred during the period, over and above the normal expenses you would have incurred during the period in respect of the operation of the item;
- b. we will not pay for more than the costs actually incurred by you; and
- c. we will not pay more than the Limit of Indemnity shown in the Schedule for this optional benefit.

Excess applicable to Optional benefit 2

A two (2) day Excess applies to this Optional benefit unless stated otherwise in the Schedule. The amount of the Excess will be two (2) days multiplied by the average daily increased cost of working for the period of interruption.

Specific exclusions applicable to Optional benefit 2

We will not pay for:

1. any expenses incurred during:
 - a. periods of interruption due to alterations, improvements or additions to the insured items;
 - b. periods of interruption due to the need for cleansing, adjustment, inspection, maintenance or overhaul.
2. more than four (4) weeks extension of interruption due to delays in the repair or restoration of items of foreign manufacture where such delays result from one or more of the following:
 - a. restrictions, measures or regulations imposed by any government authority;
 - b. the time required to obtain replacement component parts or complete items overseas;
 - c. the time required to transport parts or complete items between the Situation and the overseas place of repair or restoration;
 - d. the time required to engage and transport overseas specialists or consultants to attend local repairs.
3. any increase in cost of working occurring as a result of loss of or Damage to your records, data, or software caused by computer virus, being an executable program or computer

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

Specific condition applicable to Optional benefit 2

We will not be liable to make any payments under this Optional benefit unless you have produced to our reasonable satisfaction all accounts, invoices, receipts and other documentation substantiating that the expenditure has been incurred.

Specific exclusions

We will not pay for:

1. Breakdown caused by atmospheric moisture or temperature unless directly resulting from Damage to or malfunction of air-conditioning equipment.
2. the cost of:
 - a. replacement of Damaged, worn or spent batteries, belts, chains, tapes, ribbons, filters, fuses, electric heating elements or electrical contacts;
 - b. replacement of component parts worn through normal use or operation, unless Damaged because of loss or Damage insured by your Policy;
 - c. preventative maintenance work;
 - d. alterations, additions, improvements or overhauls whether carried out in the course of indemnifiable repairs or as a separate operation;
 - e. replacement or restoration following gradual deterioration (including rust, corrosion, erosion, oxidation or scale formation);
 - f. temporary repairs unless such repairs constitute part of the final repairs and do not increase the total repair costs.
3. Breakdown occurring to an insured item during any period when it is out of your possession on hire, rental, lease or loan.
4. Breakdown which is covered under a service or warranty agreement except where the amount paid under such an agreement is less than the total cost of repair. In this event we will, subject to any exclusion and Excess which may apply, indemnify you for the difference.
5. Breakdown due to access by people not authorised by you to your computer systems and records.
6. Damage arising:
 - a. out of the machinery being subjected to tests involving abnormal stresses or arising out of machinery being intentionally overloaded; or
 - b. prior to successful initial commissioning or during test or experimentation.
7. Damage due to faults or defects known to you.
8. Damage due to failure to comply with statutory or other legal requirements relating to safeguarding or operation of the machinery or electronic equipment.
9. the costs for repairing or replacing if the manufacturer, supplier, agent or any other person is responsible under the terms of a maintenance agreement.
10. consequential loss of any kind (for example loss of use of the Property Insured) or any other type of loss not specifically covered in this Section.

Specific conditions

1. Maintained and serviced

All Property Insured shown in the Schedule which is insured under this Section must be maintained and serviced in accordance with the manufacturer's specifications. We will not be liable if you do not comply with this condition.

2. Underinsurance

If, at the time of the Damage, an item of Property Insured is of greater value than the limit (also taking price changes into consideration), then you shall be deemed to be your own insurer for the difference and shall bear a proportionate share of the loss or Damage accordingly.

Section Ten – Hail

The cover

Where this Section is shown as insured on the Schedule, we will indemnify you in accordance with the Basis of Settlement for the Damage to your Stock of Vehicles caused by Hail occurring at the Situation(s) during the Period of Insurance.

The cover or any alteration or change to the cover under this Section will not commence until 48 hours after 4pm on the day we agree to enter into this cover with you or we agree to make any alteration or change to the cover.

Definitions

“Exposed” means not within the confines of building(s) having permanent fixed walls and roofing at the Situation(s).

Basis of Settlement

The Basis of Settlement will be:

1. on Total Loss of Vehicles, the Market Value of the Vehicle but not exceeding your actual purchase cost, plus the improvements as shown on your Stock Card.
2. on partial loss of Vehicles:
 - a. the cost of repairs as assessed by a licensed assessor appointed by us. However where the repairs are carried out in your workshop the cost of parts will not exceed your direct cost plus 15%; or
 - a. the cost of repairs based on our approved labour rate prevailing at the time of loss, plus parts at your direct cost plus 15%; or
 - b. where the Vehicle is not repaired but sold in a Damaged condition, the assessed cost of repairs.
3. we will not pay to repair any Damage not directly caused by Hail.

Limit of Indemnity

The Limit of Indemnity is the maximum we will pay in respect of any one event during the Period of Insurance. The Limit of Indemnity for this Section is stated in the Schedule.

Excess

You must bear the Excess shown in the Schedule for this Section as the Excess for Damage to each Vehicle.

Specific conditions

1. One event for Hail

Any one event or series of events within a seventy-two (72) hour period will be classified as a single event except as otherwise defined by the Australian Bureau of Meteorology as separate events.

2. Underinsurance

We will be liable for no greater proportion of the Damage than the declared value bears to the sum representing the actual value of all Stock of Vehicles insured and exposed to Hail at such Situation(s).

Provided that this clause shall not apply if the amount of Damage does not exceed 5% of the Limit of Indemnity stated in the Schedule.

Section Eleven – Tax Audit

The Cover

Where this Section is shown as insured on the Schedule, we will pay you for the Professional Fees you reasonably and necessarily incur within Australia in connection with a Tax Audit which commences during the Period of Insurance.

Definitions

“**Auditor**” means an officer of a statutory authority who is properly authorised to conduct the Tax Audit.

“**Professional Fees**” means:

- a. fees paid to registered tax agents, financial advisers, financial institutions, company auditors, accountants and solicitors who are not your employees or Family Members, for the preparation of evidence to be submitted to the Auditor;
- b. overtime paid by you to your employees to prepare for or represent you in any Tax Audit;
- c. travelling and accommodation expenses incurred by you or your employees.

“**Tax Audit**” means the investigation of your Dealership Business’ current and prior years’ financial affairs by an Australian statutory authority following the lodgement of your return and the making of an assessment (including a self-assessment) in regard to your obligation to pay:

- a. income tax;
- b. fringe benefits tax;
- c. capital gains tax;
- d. wholesale and sales tax;
- e. payroll tax;
- f. goods and services tax; or
- g. superannuation contributions tax.

For the purpose of this Section, the Tax Audit commences at the time you first receive notice that the Auditor proposes to conduct a Tax Audit, and is completed when the Auditor:

- a. has given written notice to you to that effect;
- b. notifies you that they have made findings in connection to a Tax Audit and notified you of those findings and/or the actions the Auditor proposes to take in connection with those findings; or
- c. has issued an assessment or amended assessment as to your liability to pay an amount under any relevant legislation.

“**you**” and “**your**” are as defined in the General definitions but extended to include your directors and their Family Members.

Limit of Indemnity

We will pay no more than the Limit of Indemnity as specified in the Schedule for this Section. This is the maximum we will pay in respect of any one Tax Audit or related Tax Audits during the Period of Insurance.

Excess

You must bear the Excess shown in the Schedule for this Section.

Specific exclusions

We will not pay:

1. for any legal liability, court costs, fines, penalties, tax, penalty tax or interest;
2. in relation to routine enquiries or enquiries from an Auditor which are not identified as being either preliminary to or relating to a Tax Audit;
3. for Professional Fees incurred:
 - a. prior to the commencement of the Tax Audit;
 - b. after the Tax Audit has been completed;
 - c. due to your improper, unwarranted or unjustified refusal or failure to comply with any lawful request made by an Auditor for the production of documents or the supply of information. Refusal or failure to comply will not be deemed to be improper, unwarranted or unjustified if you refuse or fail to comply upon the written advice of your accountant or solicitor;
 - d. from audits or investigations under customs legislation;
 - e. from Tax Audits which you were notified of or knew of prior to the Period of Insurance;
 - f. from Tax Audits of income received or earned, or where the source of income is, outside of Australia or where the services giving rise to the Tax Audit are performed by persons or entities ordinarily resident outside of Australia;
 - g. from any fraudulent act or omission committed by you or on your behalf or by your employee;
 - h. which are ordinarily associated with the maintenance and upkeep of your Dealership Business accounts, returns, taxation and financial records and the preparation prior to lodgement of your accounts, returns, taxation and financial records as required by any relevant legislation;
 - i. more than twelve months after the commencement of the Tax Audit, unless you can show that completion of the Tax Audit has been delayed as a result of the conduct of the Auditor;
 - j. if the return in relation to which the Tax Audit is proposed to be conducted was not reviewed by a registered tax agent prior to despatch;
 - k. if you have not maintained and kept all records that you are required to maintain and keep or should or would maintain and keep in the ordinary course of your Dealership Business.
 - l. in respect of your directors for any personal matter or any commercial activity other than matters which solely and directly relate to their performance of duties in respect of your Dealership Business.

Specific conditions

1. Errors

If you or any person acting on your behalf becomes aware of any error in any return of income or other documents supplied to a statutory authority, you must notify that statutory authority without delay.

2. Tax returns

You must submit all returns and documents within the time limits prescribed by the relevant statutory authority or within any extensions of time as lawfully granted by the relevant statutory authority.

3. Income disclosure

You must make a full, complete and accurate disclosure of all income (including capital gains), turnover and expenses required by any tax legislation.

4. Conduct during the Tax Audit

You agree to:

- a. keep us fully informed of all material matters in relation to the Tax Audit;
- b. send us copies of all correspondence in relation to your Tax Audit within 5 working days of receiving them;
- c. instruct your accountants and solicitors to provide us with all relevant documents and information in relation to your Tax Audit;
- d. permit us, when necessary, to instruct your accountants and solicitors in matters relating to your Tax Audit. When we do this, the Professional Fees will include the fees payable to your accountants and solicitors arising from our instruction of your accountants and solicitors. This does not mean that we will take over or represent you during the Tax Audit. We or our duly appointed agent may conduct our own investigation into any matter which is or may be the subject of the Tax Audit.

Section Twelve – Transit

The Cover

When this Section is shown as insured in the Schedule, we will pay you in accordance with the Basis of Settlement if any of the Property Insured shown in the Schedule under this Section is Damaged whilst in Transit anywhere within the Territorial limits by a Defined Event occurring during the Period of Insurance.

Definitions applicable to this Section

“Property Insured” means Stock of Vehicles, Parts and Accessories, owned by you and for which you have acquired an insurable interest.

“Transit” means the period during which the Property Insured is being transported by road, rail sea, air parcel post or courier:

1. from the time the loading of the Property Insured onto the Conveyance at the warehouse or place of storage commences; and
2. for the commencement of transportation and ending on delivery:
 - a. to the consignee’s or other final warehouse or place of storage at the destination; or
 - b. to any other warehouse or place of storage whether prior to, or at the destination which you elect to use either:
 - i. for storage other than in the ordinary course of transit; or
 - ii. for allocation or distribution; whichever shall first occur;unless, due to circumstances beyond your control:
 - c. the contract of carriage is terminated at a place other than the destination, or
 - d. the transit is otherwise terminated before delivery of the goods as provided for in b.i. or ii. above, in which case this cover will remain in force for a period of up to seven (7) days at the place of termination, subject to prompt notice being given to us.

“Conveyance” means the vehicle, vessel, aircraft or train by which the Property Insured is being transported.

Defined Events

Part A

Where “Part A – Fire, Collision and Overturning” is shown as insured on the Schedule, the Defined Event will be:

Damage to any Property Insured following fire, Flood, lightning, earthquake, riots, strikes, civil commotion, collision and/or overturning of the Conveyance; or

Part B

Where “Part B – Fire, Collision and Overturning and Theft” is shown as insured on the Schedule, the Defined Event will be:

Damage to any Property Insured following fire, Flood, lightning, earthquake, riots, strikes, civil commotion, collision and/or overturning of the Conveyance or theft from a locked vehicle following forcible and violent entry.

Basis of Settlement

1.
 - a. for Vehicles, the invoice value plus any freight charges payable;
 - b. for Parts and Accessories, the invoice value plus any freight charges payable.
2. Where Property Insured has been damaged and can be economically repaired, we will pay the cost necessary to reinstate or repair the Damaged property to a condition substantially the same as, but not better or more extensive than, its condition at the time of the Damage.

For each category of Property Insured in 1. or 2., we will also pay the cost of freight where that cost has not already been included in the calculated settlement values.

Limit of Indemnity

We will not pay more than the per Conveyance Limit shown in the Schedule for any one event.

Excess

We will not pay the amount of the Excess shown in the Schedule for this Section.

Specific Exclusions applicable to this Section

We will not pay for any Damage arising directly or indirectly out of or in any way connected with:

1. ordinary leakage, ordinary loss in weight or volume, or ordinary wear and tear of the Property Insured;
2. Damage caused by insufficiency or unsuitability of packing or preparation of the Property Insured (including stowage in a container or lift-van, but only when such stowage is carried out prior to the commencement of cover under this Section by you or your employees);
3. Damage or expenses caused by inherent vice or nature of the Property Insured;
4. Damage or expense due to delay, (including delays caused by a Defined Event, other than expenses payable for general average and salvage charges), loss of market, depreciation or deterioration;
5. Damage or expense arising from insolvency or financial default of the owners, managers, charterers, or operators of the Conveyance;
6. loss, Damage or expense arising from:
 - a. unseaworthiness of the vessel or craft; or
 - b. unfitness of any other Conveyance, container or liftvan for the safe carriage of the Property Insured.

We will pay if you are able to prove that you or your employees did not know of the unseaworthiness or unfitness of the Conveyance, at the time the Transit commenced;

7. capture, seizure, arrest, restraint or detention (piracy excepted), and the consequences thereof of any attempted threat;
8. the Conveyance being driven by any person whose faculties are impaired by any drug or intoxicating liquor or by any person who is convicted of driving, at the time the Damage occurs, under the influence of intoxicating liquor or by any person with a percentage of alcohol in their breath or blood in excess of the percentage permitted by law. However, we will pay if you are able to prove that you did not know that the driver of the Conveyance was so affected;

9. theft unless there has been visible proof of forcible and violent entry;
10. any unexplained shortage or disappearance;
11. any loss from an unattended motor vehicle:
 - a. left overnight unless within securely locked premises;
 - b. otherwise unless securely locked;
12. Damage to Money, jewellery, watches, furs, antiques, paintings, works of art, precious metals, precious stones or articles composed of any of them, explosives, petroleum products in bulk or gas in bulk, livestock, cigarettes, tobacco, wines, spirits or other alcoholic beverages, unless specifically covered in the Schedule;
13. goods carried by you for payment or reward.

Specific conditions applicable to this Section

If you do not meet the following conditions, we may reduce or refuse to pay a claim.

1. Claims Procedure

In the event of Damage to Property Insured under this Section you and your agents must:

- a. claim immediately on the carrier;
- b. give immediate notice to us or our agents;
- c. not give clean receipts where goods are in doubtful condition, except under written protest;
- d. take such measures as may be reasonable for the purpose of averting or minimising such loss; and
- e. ensure that all rights against carriers, bailees or other third parties are properly preserved and exercised.

2. Pairs and Sets

in the event of Damage to Property Insured forming part of a pair or set (caused by a Defined Event), we will not pay any more than the value of the part which is lost or Damaged;

3. No cover for carrier

cover will not be provided for the benefit of the carrier or other bailee;

4. Waiver

measures taken by you or by us with the object of saving, protecting or recovering the Property Insured will not be considered as a waiver or acceptance of abandonment or otherwise prejudice the rights of either party;

5. Action within reasonable time

you will act within a reasonable time with regard to all circumstances within your control;

6. Records

you will keep an accurate record of sales turnover and allow us reasonable access to inspect those records;

7. Constructive Total Loss

we will not pay your claim for constructive total loss unless the Property Insured is reasonably abandoned:

- a. due to their actual total loss appearing to be unavoidable, or
- b. the cost of completing the Transit of the Property Insured (including recovery, reconditioning and forwarding) would exceed the value of the Property Insured on arrival.

8. Loading and Unloading Clause

This cover attaches from the time the Property Insured is lifted from the ground or loading dock immediately adjacent to the Vehicle or conveyance for the purpose of loading for commencement of transit.

9. Termination of conveyance

Cover terminates once the goods have been lifted from the Vehicle or conveyance at the final destination and placed on the ground or loading dock immediately adjacent thereto.

10. General Average Clause

For the purpose of claims for general average contributions and salvage charges recoverable hereunder, the interest shall be deemed to be insured for its full contributory value and irrespective of any Excess or deductible.

11. Debris Removal Clause

In the event of Damage to the Property Insured caused by a Defined Event and notwithstanding our liability to pay a Total Loss, we agree that your Policy is extended to pay all costs and expenses incurred in unloading and/or removal and/or disposal of the Property Insured subject to a maximum of 10% of the consignment limit stated in the schedule or \$50,000 whichever is the lesser. Provided always that such costs and expenses are not recoverable by you under any other policy of insurance.

Section Thirteen – Professional Indemnity

Important Notice: 'Claims Made' Cover

This Section provides a 'claims made' cover and will only respond to Claims first made against you during the Period of Insurance.

The Cover

Where this Section is shown as insured on the Schedule, we will indemnify you for all sums which you are legally liable to pay, arising out of a Breach of Professional Duty, as compensation for any Claim first made during the Period of Insurance.

We will also pay for the Costs and Expenses that we incur or that you incur with our written permission.

Definitions

"Breach of Professional Duty" means a breach of a duty owed by you or your Employee in a professional capacity, arising out of any negligent advice, negligent act, negligent error or negligent omission in the conduct of your Dealership Business.

"Costs and Expenses" means all legal and other costs and expenses reasonably incurred in the investigation, defence or settlement of any Claim covered by this Section of your Policy.

"Employee" means:

1. any person currently or formerly employed by you;
 2. your current and former directors and/or principals;
- but excludes independent contractors, any employees of independent contractors, any contract worker or any temporary worker.

"Faulty Workmanship" means your Breach of Professional Duty arising out of any act, error or omission in relation to:

1. work you undertake;
 2. work which you fail, omit or neglect to undertake;
- on property entrusted to you for repair, service, refuelling, maintenance, alteration, inspection, valuation, testing, cleaning, painting, storage, delivery sale or display.

Limit of Indemnity

The Limit of Indemnity is the amount stated in the Schedule. This is the maximum we will pay in respect of any one Claim made during the Period of Insurance under this Section. The Limit of Indemnity is inclusive of all Costs and Expenses including any costs and expenses awarded against you.

The Aggregate Limit of Indemnity is the maximum we will pay in respect of all Claims made during the Period of Insurance under this Section. The Aggregate Limit of Indemnity is equal to the Limit of Indemnity or such other amount if stated in the Schedule.

Excess

You must bear the Excess shown in the Schedule for this Section.

Additional benefits

To the extent that the Limit of Indemnity is not otherwise exhausted, we will also indemnify you for:

1. Trade Practices Act

Any Claim, first made during the Period of Insurance, made under the terms of the Trade Practices Act 1974 (Commonwealth), Fair Trading Act 1987 (NSW), the Fair

Trading Act 1985 (Victoria) or similar legislation enacted by the states or territories of Australia arising out of the conduct of your Dealership Business.

Provided that we will not pay for:

- a. Claims arising under the penal or criminal provisions of any of those statutes;
- b. Claims made as a result of intentionally misleading or deceptive conduct by you or any person for whom you are responsible.

An Excess will apply as specified in the Schedule.

2. Consultants, Sub-contractors and Agents

any Claim, first made during the Period of Insurance, made against you arising from conduct or alleged conduct on the part of any consultant, sub-contractor or agent for whose acts, errors or omissions you are legally liable to the same extent as conduct or alleged conduct of an officer or Employee, provided that we will not indemnify any such consultant, sub-contractor or agent.

Specific exclusions

We will not pay for any Claim:

1. Jurisdiction

brought in a court of law or arbitral tribunal outside of Australia.

2. Assumed duty or obligation

arising directly or indirectly out of any liability, duty or obligation assumed under any contract or agreement but this exclusion does not apply to liability that would have been implied by law in the absence of such contract or agreement.

3. Workers' Compensation and CTP

arising from liability ordinarily insured or insurable under any statutory workers' compensation insurance, compulsory third party motor vehicle insurance.

4. Related and Family Members

brought or maintained by or on behalf of:

- a. You; or
- b. your Family Members.

5. Fines and Penalties

arising under the penal or criminal provisions of any of statute, nor will we pay for fines or penalties or any portion of a judgement or award that represents aggravated, punitive or exemplary damages.

6. Prior or pending Claims

- a. made, threatened or intimated against you prior to the Period of Insurance.
- b. directly or indirectly based upon, attributable to, or in consequence of any fact or circumstance:
 - i. of which written notice has been given, or could reasonably have been given, under any previous policy; or
 - ii. of which you first became aware prior to the Period of Insurance and which you knew or ought reasonably to have known might give rise to a Claim of the kind covered under this Section.

We will not pay for any Claim arising directly or indirectly out of or in any way connected with:

7. Territorial Limit

a Breach of Professional Duty committed or alleged to have been committed by you outside of Australia.

8. Assault

assault or battery committed by you or at your direction

unless committed for the purpose of preventing or eliminating danger to persons or property.

9. Criminal matters

the penal or criminal provisions of any law or statute.

10. Dishonest acts

- a. any actual or alleged dishonest, fraudulent, criminal, illegal or malicious advice act or omission by you or your Employees, consultants, sub-contractors or agents; or
- b. any advice, error, act or omission by you or your Employees, consultants, sub-contractors, or agents committed or alleged to have been committed with a reckless disregard for the consequences thereof; or
- c. any wilful breach of any statute, contract or duty by you or your Employees, consultants, sub-contractors or agents.

11. Employer's liability

personal injury to any Employee or damage to or destruction of property of any Employee (including loss of use of such property) arising out of or in the course of such Employee's employment by you.

12. Faulty Workmanship

Faulty Workmanship.

13. Outside Financing Arrangements

any financing or credit arrangement (whether by way of loan, lease, hire purchase or otherwise) in respect of any property unless:

- a. you are or were the owner or Bailee of such property; and
- b. the arrangement is or was in relation to the sale of such property by you.

14. Libel and Slander

libel or slander.

15. Molestation

the sexual molestation of, interference with or harassment of any person (whether a minor or an adult) by you, any officer, any Employee or any person performing volunteer services for or on your behalf.

16. Privacy

the invasion of rights of privacy.

17. Property in Physical or Legal Control

property which is owned by or leased or rented to you or property in your physical or legal control.

18. Prosecution/Imprisonment

false arrest, false imprisonment, wrongful detention, malicious prosecution or humiliation.

19. Public Office/Other Activities

any conduct whilst engaged in the performance of duties for an outside body or organisation.

20. Trading Debts

any trading debt incurred by you or any guarantee given by you for a debt.

21. Vehicles and Watercraft

the ownership, operation or use by you or on your behalf of any vehicle or watercraft, except in the conduct of your Dealership Business.

22. Wrongful Entry/Eviction

wrongful entry or eviction.

23. Insurer or Insurance Intermediary Insolvency

the insolvency of any insurance company (other than us), underwriting agency or any other insurance intermediary.

24. Personally Completed Proposals

the completion of insurance or finance proposals or signatures on these proposals by you on behalf of any other person or entity.

25. Personal Advice

giving Personal Advice in relation to a Financial Product. “Personal Advice” and “Financial Product” have the same meaning as defined the Corporations Act 2001 (Cth).

Specific conditions

1. Multiple Claims

All causally connected or interrelated advices, acts, errors or omissions shall be deemed to jointly constitute a single advice, act, error or omission.

If a single Breach of Professional Duty, advice, act, error or omission gives rise to more than one Claim, all such Claims shall jointly constitute one Claim for the purposes of this Section and only one Excess and one Limit of Indemnity shall be applicable in respect of such Claim.

2. Claims Reporting

You must notify us in writing of any Claim made against you during the Period of Insurance and as soon as practically possible after the Claim is made.

3. Defence/Settlement

You agree not to settle any Claim, incur any Costs and Expenses, make any admission, offer or payment or otherwise assume any contractual obligation with respect to any Claim without our written consent. Such consent shall not be unreasonably withheld. We will not pay for any settlement, Costs and Expenses, admission, offer, payment or assumed obligation to which we have not consented.

We shall be entitled at any time to conduct in your name the defence or settlement of any Claim and any recovery action.

We may, if we believe that any Claim will not exceed the Excess, instruct you to conduct the defence of the Claim. In such situation, we will still indemnify you in accordance with this Section in respect of any balance after such Excess has been paid by you.

4. Dispute as to Contest/Settlement

If we recommend settlement in respect of any Claim and you do not agree that such Claim should be settled, you may elect to contest such Claim. If you make such election, our liability in connection with such Claim shall not exceed the amount for which the Claim could have been so settled plus the Costs and Expenses incurred with our written consent up to the date of such election.

We shall not require you to contest any Claim unless a senior counsel (appointed by us) advises that such Claim should be contested. In determining such advice the senior counsel shall take into consideration the economic viability of such a course, the damages and costs likely to be recovered by the claimant, the prospects of a successful defence and the likely Costs and Expenses. The cost of the senior counsel’s advice is to be treated as being part of the Costs and Expenses.

Risk Management Manual (Not forming part of the Policy)

Implementing and maintaining risk management procedures can significantly reduce the incidence of loss and therefore assist in controlling your insurance premiums.

We encourage dealers to adopt risk reduction as a principle, put procedures in place, educate staff on their use and respond to changes needed. Allianz encourages you to apply these to all situations you own or from which you operate.

Maintenance programs over all your physical assets can be to your advantage.

This Manual does not form part of the Policy and is not designed to be all encompassing and address every potential exposure that a dealership may encounter but does include many typical hazards and risk management practices common to dealerships. Each dealer should consider which of these recommendations are appropriate to its operations. Where necessary, the information in this Risk Management Manual should be supplemented where necessary with advice or other information from your insurance intermediary, specialist risk management consultants and/or government authorities.

Vehicles - Test Drive Procedures

- a. A copy of the driver's licence and one other form of identification should be made prior to all test drives. Please ask your insurance intermediary for an Allianz approved Loan Agreement that may be used to facilitate. Customers who are unwilling to provide such identification present an unacceptably high risk and should never be allowed to test-drive a vehicle. Allianz' insurance policies will not pay for theft by the test driver unless the required identification has been collected.
- b. Staff should wherever possible accompany prospective customers during test drives. Keys should never be left in the ignition or with the test driver whilst the salesman is not in the vehicle. Staff accompanying a test drive should always carry a mobile phone.
- c. The Loan Agreement contains a condition that the test-driver is responsible for the insurance Excess in the event of damage, or even that all damage be paid for in the event of a breach of Loan Agreement condition. The dealership should consider whether a credit card imprint should be taken prior to the commencement of the test drive to facilitate the collection of the Excess in the event of damage.

Key Security

A major area of loss for dealerships is that of vehicle theft subsequent to the thief being able to access the vehicle's own keys. Modern vehicles are increasingly difficult to steal without the vehicle's keys and therefore key security is of primary importance to dealerships, even in country areas:

Adequate key security consists of:

- a. good key handling procedures,
- b. key cabinets; and
- c. Alarmed offices.

Insurer approved Security Key Cabinets have the majority of the following characteristics:

- a. They are self-latching on closing;
- b. They have a door ajar alarm;

- c. They have a daytime general staff lock as well as a manager's key lock to provide additional protection overnight;
- d. They have a minimum of 3 points of locking;
- e. There is no access to hinges;
- f. They have a minimum aggregate steel wall thickness of 3mm;
- g. They have been demonstrated to resist physical attack using hand tools for a period of at least 10 minutes; and
- h. They are fixed in position through the entire thickness of a building wall.

Unfortunately, the majority of key cabinets available do not meet Allianz' minimum requirements. If you are unsure, please contact your intermediary who can arrange for an Allianz Risk Consultant to verify the status of any key cabinet you have or key cabinets you are anticipating purchasing.

All key cabinets can be breached if the thief is allowed sufficient time to gain entry. Therefore key cabinets should be located within areas monitored by security alarm systems (See the section within this Risk Management Manual that addresses security alarms).

Security can be enhanced if the keys' identification tags do not include the vehicle's registration number but some less obvious form of identification, such as a cross reference number to the stock identification number.

Most dealerships will require several key cabinets to appropriately secure the Situation.

Vehicles in Transit

You should be aware of who is responsible for vehicles whilst they are in transit. If you are responsible for the vehicles whilst in transit, then ensure that you have the appropriate cover for the vehicles or that the carrier has the appropriate cover in place.

If the carrier is insured, it is likely to be one of the following types:

- a. Legal liability. This is a very limited cover and will only indemnify you for the negligence of the carrier and will not ordinarily provide you with adequate protection for damage to your vehicles.
- b. Fire, flood, collision or overturning (or may be described as Institute Cargo Clause C). This will provide you with protection in the event that the conveying vehicle has a collision or overturns, catches fire or is damaged in a flood.
- c. Institute Cargo Clause A. This is the highest level of cover and will indemnify you for most forms of damage to vehicles.

You should also check the consignment notes to ensure that you are aware of any special conditions that are imposed upon you by the carriers.

You should also have procedures in place to check that the vehicles are delivered in perfect condition. If there is any damage to a vehicle when received, the detail of the damage must be noted on the consignment notice.

Housekeeping / Rubbish Removal

Excess rubbish can present a slip/trip hazard to customers and staff as well as presenting attractive entertainment for youth with a box of matches.

- a. The risk of fire is dramatically reduced if rubbish is regularly removed.
- b. Combustible material and industrial waste bins should be kept well away from external building walls or the lids of bins be locked overnight.
- c. Spilt oil presents a significant hazard if not cleaned up quickly.

Fire Protection

Fire protection is an important means of reducing the risk of serious fire.

- a. Fire hose reels should be installed to ensure that all parts of the building can be reached.
- b. Fire extinguishers should be matched to the fire hazards where the extinguisher is to be located, eg oil fire, plastics fire, thinners, electrical etc.
- c. Smoke detection systems are vital for early warning and these should be remotely monitored by the Fire Brigade or linked to the security alarm system, particularly at high value locations or where hazardous materials are being stored in bulk.
- d. Maintaining all such equipment and ensuring your staff know how to use it ensures you can benefit.
- e. Ensuring all 'Hot Work' is undertaken with suitable protection and in accord with rules reduces likelihood of major problems.

Promotional Displays

Displays should also be well maintained and checked to ensure that they can't easily fall over and that no part of the display could be dislodged, particularly if say a small child was to climb on the display.

Accounting Practices

Good accounting practices are essential to prevent fraud and enable the early detection of theft etc.

- a. Procedures should be in place to ensure that cheques and EFT payments of \$5000 value or more must be counter signed. Arrangements should be made with your bank that they not process cheques or EFT requests unless two authorised staff have validated the cheque or EFT request.
- b. Weekly or monthly stock takes of vehicles should be performed. Parts stock takes may be performed quarterly to annually depending upon the size of the dealership.
- c. Accounting records should be kept up to date and bank reconciliations performed daily or weekly for larger dealerships and no less than monthly for smaller dealerships.
- d. Recommendations made by your accountant or auditor should be attended to promptly.

Finance and Insurance

- a. Applicants for finance and insurance MUST sign the application forms. In no circumstance should the dealership's own staff (or contractors) be permitted to complete finance or insurance applications on behalf of the applicants.
- b. Outside financing (where finance is arranged for third party dealerships or for individuals who have purchased a vehicle elsewhere) presents an unacceptably high risk of fraud and should not be permitted. Allianz' Professional Indemnity Policy will not cover the

dealerships for outside financing unless you have make prior arrangements with us.

- c. Dealerships should ensure that they have adequate Professional Indemnity insurance in place for their Finance and Insurance operations.
- d. Dealerships who use subcontracted Finance and Insurance specialists should ensure that the contractors maintain their own Professional Indemnity insurance.

Contractual agreements

You should review all contracts they are asked to enter into and avoid any waivers or hold-harmless clauses. Your Allianz policy limits what you may recover should limits be agreed to.

Perimeter Security

Preventing unwelcome guests from accessing the property and the prevention of removal of stock, computers, tools, customers' goods and other valuables is critical to loss reduction.

- a. Bollards at all entry and exit points will further hinder vehicles from being removed. Bollards used in conjunction with low brick fences are particularly effective at preventing loss of vehicles.
- b. Perimeter fencing will help reduce unwelcome entry to the Situation and significantly reduce the likelihood of malicious damage (scratching and denting etc).

Security Alarms

There are many forms of alarms available in the Australian market, below is an overview of the technologies available for remote monitoring of security alarm systems.

Digital Dialler

Is the standard type of "back to base" monitoring which uses a normal telephone line to automatically dial a call to the security monitoring company. Unfortunately, offenders can easily circumvent Digital Diallers and therefore Allianz does not generally recommend this type of security alarm.

Dual Path GSM

This type of alarm is similar to a Digital Dialler, but incorporates a GSM (mobile phone) back-up that will automatically be used if there is a problem with the normal phone line. Allianz considers this to be the base level of security alarm system for dealerships.

Securitel

This type of security alarm is checked every 23 seconds to ensure that the alarm is fully operational and that the telephone line has not been disabled. Allianz strongly recommends this type for dealerships carrying high value stock or where the dealership is located in low thoroughfare or known high theft areas. Considering the on-going phone call and monitoring costs, Securitel is not significantly more expensive than Digital Dialler alarms and therefore Allianz recommends Securitel alarms for all new installations.

General Liability

Incidents arise in many ways but we encourage you to focus on:

- a. Outside contractors used for example, such things as auto-electrical work;
- b. Workplace safety – slip and fall potential;
- c. Quality control – avoiding faulty work;
- d. Service Workshop controls over vehicles;

- e. Product recommendations and suitability;
- f. Contractual agreements which may impose liability, or limit recovery potential, on you.

Hail

- a. Hail nets are a valuable protection against hail events. We encourage you to consider the benefit they can provide as any interruption is an un-welcome impact on your trading.
- b. Catastrophic hail loss can result in total loss to all vehicles on a yard. You should ensure that you have full value cover for all vehicles on the lot. If you intend to insure for a lower limit than full value, you should check that you are not breaching a condition of your financing facility.

Your workers

As well as applying appropriate procedures for dealing with workplace injuries, it is also advisable to maintain your industrial relations policies to not only achieve the workplace objectives but also so that disputes and terminations do not result in damage or interruption to your business.

Care needs to be exercised so that your workplace is free of harassment, discrimination, invasion of privacy, poor supervisory and performance practices.

This means having suitable procedures in place for selection, induction, training, conduct of work, counselling and performance management.

Workers' Compensation and your workplace

It is important that you understand your roles and responsibilities under the relevant workers' compensation legislation applicable to your state. It is important to have policies and procedures in place to assist in minimising the human and financial impact of workplace injuries.

The following should be implemented to manage your workplace injuries:

- a. Maintain an incident and hazard register in each workplace as a record.
- b. Ensure early reporting of all workplace injuries to your workers' compensation insurer, to facilitate timely commencement of the return to work and injury management process.
- c. Wherever possible, offer light duties to your injured employees to assist them in returning to work.
- d. Check the legislation applicable to your state to ensure that you have an appropriately trained Return to Work Coordinator. Your workers' compensation insurer and/or state WorkCover websites can offer advice to this requirement.
- e. Develop return to work plans in consultation with key stakeholders in the return to work process.
- f. Display in the workplace the name of the person to contact if a workplace injury does occur, the name and contact details of your workers' compensation insurer and the workers' compensation policy details.

It is a good idea to contact your workers' compensation insurer should additional advice or information be required.

Occupational Health and Safety

You should be aware of your obligations in your particular State for all aspects of OH&S. These are likely to start with having a written OH&S policy and sharing it with all in your workplace.

It should include how to maintain a safe workplace in relation to:

- a. Manual handling
- b. Repetitive tasks
- c. Lifting plant
- d. Machine guarding
- e. Electrical equipment, devices, installations
- f. Hazardous substances and dangerous goods storage, handling, identification
- g. Noise
- h. Lighting
- i. Confined spaces
- j. Working at heights greater than 2 metres
- k. General environment such as sun, rain, hail
- l. General housekeeping.
- m. Safety provisions to be implemented:
- n. First aid and procedures
- o. Trained provider depending on size of organisation
- p. Emergency procedures
- q. Evacuation drills
- r. Consultation arrangements and committee
- s. Incident reporting
- t. Training and induction of staff
- u. Personal protective equipment.

For all enquiries please call
your Insurance Intermediary.