

Broadform Liability

Insurance Policy



Broadform Liability Insurance Policy

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About this booklet

This booklet contains two separate parts: General Information and the Policy Terms and Conditions.

General information

This part of the booklet contains information you need to know before you take out a Policy. Please read it carefully before taking out this insurance.

Policy terms and conditions

The Policy part of this booklet contains the Policy Terms and Conditions, which detail all the terms, conditions and exclusions relating to the Policy. It forms part of your legal contract with us.

If we issue you with an insurance Policy, you will be given a Policy Schedule. The Policy Schedule sets out the specific terms applicable to your cover and should be read together with the Policy Terms and Conditions.

The Policy Terms and Conditions and the Policy Schedule we send to you form your legal contract with us so please keep them in a safe place for future reference.

If you require further information about this product, please contact your Financial Services Provider.

About Vero Insurance

Vero Insurance is a member of the Suncorp Group. In Australia Vero Insurance can trace its origins back to 1833. Since then we have successfully protected our customers personal and business assets by operating with a depth of knowledge and a reputation for promises kept. Built on these solid foundations, Vero Insurance now provides dynamic and forward thinking solutions for all our customers. The Vero Insurance brand is based upon a simple premise – to provide our customers with certainty and peace of mind, through innovative, specialised and expert insurance offerings.

About Austbrokers

This Insurance Policy is distributed by insurance brokers who are licensed members of Austbrokers Holding Limited ABN 60 000 000 715.

The Austbrokers Network was established in 1985 to give individual general insurance brokers the opportunity to enjoy the benefits of a larger group, yet still maintain that all import feel of independence. With a total turnover of over 1 billion dollars in general insurance premiums, the Austbrokers Network ranks with the top general insurance broking groups in Australia.

Austbrokers Holding Limited ("Austbrokers") has entered into an arrangement with Vero Insurance to develop financial products and services that are distributed by Austbrokers members.

For further information about Austbrokers Network please visit www.austbrokers.com.au

Important information about Austbrokers' advice

Any advice Austbrokers gives about this policy does not take into account any of your particular objectives, financial situation or needs. For this reason, before you act on Austbrokers advice, you should consider the appropriateness of the advice taking into account your own objectives, financial situation and needs. Before you make any decisions about whether to acquire this policy we recommend you should read this insurance policy.

General information for Broadform Liability Policy

The information contained in this part is general information only and does not form part of your contract with us. The Policy Terms and Conditions in the rest of this booklet contain details of your contract.

Duty of disclosure

Before you enter into a contract of general insurance with an insurer, you have a duty, under the Insurance Contracts Act 1984, to disclose to the insurer every matter that you know, or could reasonably be expected to know, is relevant to the insurer's decision whether to accept the risk of insurance, and if so, on what terms.

You have the same duty to disclose those matters to the insurer before you renew, extend, vary or reinstate a contract of general insurance.

Your duty, however, does not require disclosure of any matter:

- ▼ that diminishes the risk to be undertaken by the insurer;
- ▼ that is of common knowledge;
- ▼ that your insurer knows or, in the ordinary course of his business, ought to know, or
- ▼ as to which compliance with your duty is waived by the insurer.

Non-disclosure

If you fail to comply with your duty of disclosure, the insurer may be entitled to reduce its liability under the contract in respect of a claim, refuse to pay the claim or may cancel the contract. If your non-disclosure is fraudulent, the insurer may also have the option of avoiding the contract from its beginning.

Privacy statement

AAI Limited trading as Vero Insurance is the insurer and issuer of your commercial insurance product, and is a member of the Suncorp Group, which we'll refer to simply as "the Group".

Why do we collect personal information?

Personal information is information or an opinion about an identified individual or an individual who is reasonably identifiable. We collect personal information so that we can:

- ▼ identify you and conduct appropriate checks;
- ▼ understand your requirements and provide you with a product or service;
- ▼ set up, administer and manage our products and services and systems, including the management and administration of underwriting and claims;
- ▼ assess and investigate any claims you make under one or more of our products;
- ▼ manage, train and develop our employees and representatives;
- ▼ manage complaints and disputes, and report to dispute resolution bodies; and
- ▼ get a better understanding of you, your needs, your behaviours and how you interact with us, so we can engage in product and service research, development and business strategy including managing the delivery of our services and products via the ways we communicate with you.

What happens if you don't give us your personal information?

If we ask for your personal information and you don't give it to us, we may not be able to provide you with any, some, or all of the features of our products or services.

How we handle your personal information

We collect your personal information directly from you and, in some cases, from other people or organisations. We also provide your personal information to other related companies in the Group, and they may disclose or use your personal information for the purposes described in 'Why do we collect personal information?' in relation to products and services they may provide to you. They may also use your personal information to help them provide products and services to other customers, but they'll never disclose your personal information to another customer without your consent.

Under various laws we will be (or may be) authorised or required to collect your personal information. These laws include the Anti-Money Laundering and Counter-Terrorism Financing Act 2006, Personal Property Securities Act 2009, Corporations Act 2001, Autonomous Sanctions Act 2011, Income Tax Assessment Act 1997, Income Tax Assessment Act 1936, Income Tax Regulations 1936, Tax Administration Act 1953, Tax Administration Regulations 1976, A New Tax System (Goods and Services Tax) Act 1999 and the Australian Securities and Investments Commission Act 2001, as those laws are amended and includes any associated regulations.

We will use and disclose your personal information for the purposes we collected it as well as purposes that are related, where you would reasonably expect us to. We may disclose your personal information to and/or collect your personal information from:

- ▼ other companies within the Group and other trading divisions or departments within the same company (please see our Group Privacy Policy for a list of brands/companies);
- ▼ any of our Group joint ventures where authorised or required;
- ▼ customer, product, business or strategic research and development organisations;
- ▼ data warehouse, strategic learning organisations, data partners, analytic consultants;
- ▼ social media and other virtual communities and networks where people create, share or exchange information;
- ▼ publicly available sources of information;
- ▼ clubs, associations, member loyalty or rewards programs and other industry relevant organisations;
- ▼ a third party that we've contracted to provide financial services, financial products or administrative services – for example:
 - ▼ information technology providers,
 - ▼ administration or business management services, consultancy firms, auditors and business management consultants,
 - ▼ marketing agencies and other marketing service providers,
 - ▼ claims management service providers
 - ▼ print/mail/digital service providers, and
 - ▼ imaging and document management services;
- ▼ any intermediaries, including your agent, adviser, a broker, representative or person acting on your behalf, other Australian Financial Services Licensee or our authorised representatives, advisers and our agents;
- ▼ a third party claimant or witnesses in a claim;
- ▼ accounting or finance professionals and advisers;
- ▼ government, statutory or regulatory bodies and enforcement bodies;

- ▼ policy or product holders or others who are authorised or noted on the policy as having a legal interest, including where you are an insured person but not the policy or product holder;
- ▼ in the case of a relationship with a corporate partner such as a bank or a credit union, the corporate partner and any new incoming insurer;
- ▼ the Financial Ombudsman Service or any other external dispute resolution body;
- ▼ credit reporting agencies;
- ▼ other insurers, reinsurers, insurance investigators and claims or insurance reference services, loss assessors, financiers;
- ▼ legal and any other professional advisers or consultants;
- ▼ hospitals and, medical, health or wellbeing professionals;
- ▼ debt collection agencies;
- ▼ any other organisation or person, where you've asked them to provide your personal information to us or asked us to obtain personal information from them, eg your mother.

We'll use a variety of methods to collect your personal information from, and disclose your personal information to, these persons or organisations, including written forms, telephone calls and via electronic delivery. We may collect and disclose your personal information to these persons and organisations during the information life cycle, regularly, or on an ad hoc basis, depending on the purpose of collection.

Overseas disclosure

Sometimes, we need to provide your personal information to – or get personal information about you from – persons or organisations located overseas, for the same purposes as in 'Why do we collect personal information?'

The complete list of countries is contained in our Group Privacy Policy, which can be accessed at www.vero.com.au/privacy, or you can call us for a copy.

From time to time, we may need to disclose your personal information to, and collect your personal information from, other countries not on this list. Nevertheless, we will always disclose and collect your personal information in accordance with privacy laws.

How to access and correct your personal information or make a complaint

You have the right to access and correct your personal information held by us and you can find information about how to do this in the Suncorp Group Privacy Policy.

The Policy also includes information about how you can complain about a breach of the Australian Privacy Principles and how we'll deal with such a complaint. You can get a copy of the Suncorp Group Privacy Policy. Please use the contact details in **Contact Us**.

Contact us

For more information about our privacy practices including accessing or correcting your personal information, making a complaint, or obtaining a list of overseas countries you can:

- ▼ Visit www.vero.com.au/privacy.
- ▼ Speak to us directly by phoning one of our Sales & Service Consultants on: 1300 888 073 or by
- ▼ Email us at claims@vero.com.au

General Insurance Code of Practice

We support and adhere to the General Insurance Code of Practice. By incorporating these standards into our business, we are committed to providing the highest level of service to our customers, every time. Access a copy of the Code at <http://www.codeofpractice.com.au/> or alternatively, contact the Insurance Council of Australia on 02 9253 5100.

Claims made and notified basis of coverage

Additional Benefit 6.2 – ‘Errors or Omissions coverage in connection with Your Products’ is issued on a ‘claims made and notified’ basis. This means that coverage under this extension only responds to:

- (a) claims first made against you during the Period of Insurance and notified to the insurer during the Period of Insurance, provided that you were not aware at any time prior to the policy inception of circumstances which would have put a reasonable person in your position on notice that a claim may be made against you; and
- (b) written notification of facts pursuant to section 40(3) of the Insurance Contracts Act 1984. The facts that you may decide to notify, are those which might give rise to a claim against you. Such notification must be given as soon as reasonably practicable after you become aware of the facts and prior to the policy period expiring. If you give written notification of facts the policy will respond even though a claim arising from those facts is made against you after the policy has expired. For your information, s40(3) of the Insurance Contracts Act 1984 is set out below:

‘Where the insured gave notice in writing to the insurer of facts that might give rise to claim against the insured as soon as was reasonably practicable after the insured became aware of those facts but before the insurance cover provided by the contract expired, the insurer is not relieved of liability under the contract in respect of the claim when made by reason only that it was made after the expiration of the period of the insurance cover provided by the contract.’

When the period of insurance expires, no new notification of facts can be made on the expired policy even though the event giving rise to the claim against you may have occurred during the period of insurance.

Our complaints handling procedures

Resolving your complaints

If you think we have let you down in any way, or our service is not what you expect (even if through one of our agents or representatives), please tell us so we can help. You can tell us by phone, in writing or in person.

Should you tell us in writing it will help to send us the full details of your complaint together with any supporting documents and an explanation of what you want us to do. If you would like to come in to talk to us face to face, please call and we will arrange an appointment for a meeting.

What we will do to resolve your complaint

When you first let us know about your complaint or concern the person trying to resolve your complaint will listen to you, consider the facts and contact you to resolve your complaint as soon as possible, usually within 24 hours.

If you are not satisfied with this person’s decision on your complaint, then it will be referred to the relevant operational manager, who will contact you within 5 working days.

Should you not be satisfied with the operational manager’s decision, then it will be referred to the general manager (or their delegate). We will send you our final decision within 15 working days from the date you first made your complaint.

What if you are not satisfied with our final decision?

We expect our procedures will deal fairly and promptly with your complaint. However if you are not satisfied with our final decision there are external dispute remedies such as mediation, arbitration or legal action.

Policy terms and conditions for Broadform Liability Policy

Your policy

Your Broadform Liability Policy consists of the policy terms and conditions in this booklet and the Policy Schedule we give you. Please read your Policy carefully, and satisfy yourself that it provides the cover you require.

If you want more information about any part of your Policy, please ask your Financial Services Provider.

You should keep your Policy Booklet and Policy Schedule together in a safe and convenient place for future reference.

Policy Terms and Conditions for Broadform Liability Policy

Insurer

AAI Limited ABN 48 005 297 807 trading as Vero Insurance is the insurer and issuer of the Policy and issuer of this PDS.

Our agreement with you

This Policy is a legal contract between You and Us. You pay Us the premium, and We provide You with the cover You have chosen as set out in the Policy, occurring during the Period of Insurance shown on Your Policy Schedule or any renewal period.

Words importing persons shall include corporations and other legal entities. The singular includes references to the plural and vice versa. Headings, wherever appearing in this Policy, have been included for ease of reference and shall not be used for interpretation purposes.

You (being the insured party named first in the Policy Schedule) having submitted information for the purpose of obtaining this insurance and having paid or agreed to pay the premium specified in the Policy Schedule, We agree, subject to the terms, provisions, limitations, exclusions, and conditions contained in or endorsed on or otherwise expressed in the Policy, to provide insurance in the manner and to the extent hereinafter provided.

The amount of any Deductible that applies to Your Policy will be shown on Your Policy Schedule.

The exclusions in the section(s) headed 'When you are not covered' and conditions in the section headed 'General Conditions' apply to all sections of this Policy.

Other party's interests

You must tell Us of the interests of all parties (e.g. financiers, owners, lessors) who will be covered by this insurance. We will protect their interests only if You have told us about them and We have noted them on Your Policy Schedule.

Preventing our right of recovery

If You have agreed not to seek compensation from another person who is liable to compensate You for any loss, damage or liability which is covered by this Policy, We will not cover You under this Policy for that loss, damage or liability except where We agree otherwise under exclusion 5.4 (Contractual Liability), definition 4.11 (Incidental Contracts) or condition 7.16 (Subrogation Waiver) or in writing.

How Goods and Services Tax affects any payments we make

The amount of premium payable by You for this Policy includes an amount on account of the GST on the premium.

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

- ▼ not registered for GST, the amount We pay is the Limit of Liability or the other limits of insurance cover including GST.
- ▼ registered for GST, We will pay the Limit of Liability or the other limits of insurance and where You are liable to pay an amount for GST in respect of an acquisition relevant to Your claim, We will pay for the GST amount.

We will reduce the GST amount We pay for by the amount of any input tax credits to which You are or would be entitled if You made a relevant acquisition. In these circumstances, the input tax credit may be claimable through Your business activity statement (BAS). You must advise Us of Your correct Australian business number and taxable percentage.

Any GST liability arising from Your incorrect advice is payable by You. Where the settlement of Your claim is less than the Limit of Liability or the other limits of insurance cover, We will only pay an amount for GST (less Your entitlement for input tax credit) applicable to the settlement. This means that if these amounts are not sufficient to cover Your loss, We will only pay the GST relating to Our settlement of the claim.

We will (where relevant) pay You on Your claim by reference to the GST-exclusive amount of any supply made by any Business of Yours which is relevant to Your claim.

GST, input tax credit (ITC), business activity statement (BAS) and acquisition have the same meaning as given to those expressions in A New Tax System (Goods and Services Tax) Act 1999 and related legislation as amended from time to time.

Taxable percentage is Your entitlement to an input tax credit on Your premium as a percentage of the total GST on that premium.

1. What you are insured against

1.1 Liability

We will cover You for Your legal liability to pay all sums by way of compensation, and all charges, expenses and legal costs recoverable from or awarded against You in respect of:

- ▼ Personal Injury
- ▼ Property Damage
- ▼ Advertising Liability

happening during the Period of Insurance and caused by an Occurrence within the Territorial Limits in connection with Your Business and Your Products.

1.2 Additional payments

If We agree to cover You We will:

- (a) defend in Your name and on Your behalf any claim or legal action against You seeking damages for Personal Injury, Property Damage or Advertising Liability even if the action is groundless, false or fraudulent, and We will investigate, negotiate and settle any claim or legal action as We see fit;
- (b) pay all legal costs and expenses incurred by Us and all interest accruing after entry of judgement until We have paid, tendered or deposited in court such part of the judgement as does not exceed the Limit of Liability;
- (c) reimburse You for all reasonable expenses including loss of salaries and wages incurred by You with Our consent which shall not be unreasonably withheld in connection with the defence of a claim or legal action;
- (d) pay all legal costs incurred by You with Our consent for any solicitor, defence counsel or the equivalent thereof for representation at any inquest, fatal inquiry or criminal proceedings relating to an Occurrence which may give rise to a claim for compensation under this Policy;
- (e) pay premiums on:
 - (i) bonds to release attachments for amounts not exceeding the applicable Limit of Liability of this Policy but We shall have no obligation to apply for or furnish any such bond;
 - (ii) appeal bonds and/or security for costs required in any suit but We shall have no obligation to apply for or furnish any such bonds and/or security for costs;
- (f) pay reasonable expenses incurred by You for first aid to others at the time of Personal Injury caused by an Occurrence (other than medical expenses prohibited by Section 126 of the Health Insurance Act 1973);
- (g) pay all costs incurred by You for temporary repairs, shoring up or protection of property of others that has been damaged as a result of an Occurrence which may be the subject of indemnity under this Policy.

We will do this, provided that:

- (h) We will not be obliged to pay any claim or judgment or to defend any claim or legal action after the Limit of Liability has been exhausted by payment of judgments or settlements;
- (i) if a payment exceeding the Limit of Liability has to be made to dispose of a claim, Our liability to pay any costs, expenses and interest under clauses 1.2 (a) to (g) in 'Additional Payments' above will be limited to that proportion of those costs, expenses and interest as the Limit of Liability bears to the amount paid to dispose of the claim.

Any amount We pay as an Additional Payment, other than payments in settlement of claims, suits and all costs awarded against You, is payable by Us in addition to the Limit of Liability set out in the Policy Schedule.

2. What we will pay

2.1 Limit of liability

Subject to clauses 1.2 and 2.2:

- (a) Our maximum liability in respect of any claim or any series of claims for Personal Injury, Property Damage and/or Advertising Liability caused by or arising out of one Occurrence will not exceed the Limit of Liability shown on Your Policy Schedule.
- (b) Our total aggregate liability during any one Period of Insurance for all claims arising out of Your Products will not exceed the Limit of Liability shown on Your Policy Schedule.

The applicable Limit of Liability will not be reduced by the amount of any Deductible paid by You.

2.2 Claims preparation expenses

In addition to the Limits of Liability shown in clause 2.1 We will also pay up to \$25,000 for reasonable professional fees and other expenses incurred by You in the preparation of Your claim following an Occurrence covered by this Policy.

3. What you must pay if you make a claim

3.1 Deductible

For claims You make on this Policy, You will have to pay the Deductible which is shown on Your Policy Schedule. If more than one Deductible is payable under this Policy for any claim or series of claims arising from the one Occurrence You must pay the highest Deductible, but You pay only one Deductible.

4. Definitions

Some key words and terms used in this Policy have a special meaning. Wherever the following words or terms are used in the Policy, they mean what is set out below:

4.1 Act of Terrorism

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

4.2 Advertising Liability or Advertisement

liability arising out of one or more of the following in advertising Your Products or services:

- (a) defamation;
- (b) infringement of copyright, title or slogan;
- (c) unfair competition, misappropriation of advertising ideas or style of doing Business;
- (d) any breach of the misleading or deceptive conduct provisions of the Competition and Consumer Act 2010 (Cwth) or any amendment thereto or any Fair Trading or similar legislation of any Country, State or Territory;
- (e) invasion of privacy;

committed or alleged to have been committed in any Advertisement and arising out of any advertising activities conducted by You or on Your behalf, in the course of carrying out Your Business.

For the purposes of this definition 4.2, 'Advertisement' means any manner of communication given to the public including by way of any form of print media, publication, telecommunication, radio or television broadcast, electronic mail, internet, world wide web or exhibit.

4.3 Aircraft

any vessel, craft or thing made or intended to fly or move through the atmosphere or space other than model aircraft or unmanned inflatable balloons used for advertising or promotional purposes.

4.4 Business

the business described in the Policy Schedule including:

- (a) ownership or occupation of premises and the repair or maintenance of property owned or for which such responsibilities exist, the installation and maintenance of plant and equipment and all other activities incidental to the conduct of Your occupation or trade;
- (b) any prior operations or activities which have ceased or have been disposed of but for which You may retain legal liability;
- (c) participation in exhibitions;
- (d) construction, erection, demolition, alteration or addition, not exceeding in cost the sum of \$500,000, of or to buildings owned by You;
- (e) the provision and management of canteens, social, sports and welfare organisations primarily for the benefit of Your Employees, first aid, fire and ambulance services;
- (f) private work undertaken by any Employee of Yours, for any of Your directors or senior executives;
- (g) hire or loan of plant, equipment or goods to other parties;
- (h) conducted tours of Your Premises; and
- (i) the erection, use and/or maintenance by You or on Your behalf of advertising and directional signs, their frames, supports and appurtenances.

4.5 Deductible

the amount You first bear in relation to each Occurrence. The Deductible applies to all amounts payable under this Policy including the indemnity provided under 'Additional Payments'.

4.6 Electronic Data

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

4.7 Employee

any person engaged under a contract of service or apprenticeship with You, but does not include any person employed under such contract who is excluded from the definition of 'worker' under any workers' compensation legislation while working for You in connection with the Business.

4.8 Employment Practices

any wrongful or unfair dismissal, denial of natural justice, defamation, misleading representation or advertising, harassment or discrimination directly or indirectly related to or in respect of employment or prospective employment of any person or persons by You.

4.9 Endorsement

any document so designated and issued to You, that amends the Policy wording or any details specified in the Policy Schedule.

4.10 Hovercraft

any vessel, craft or thing made or intended to float on water and travel over water or land supported on a cushion of air.

4.11 Incidental Contracts

- (a) any written agreement for the lease and/or hire of real property and/or personal property which does not impose upon You as lessee or hirer an obligation to insure such property;
- (b) any written contract with any public supplier of water, gas, electricity, fuel, sewerage or waste removal services, telephone and communications services or other essential services, except contracts with such suppliers for the performance of work by You; and
- (c) any written contract with any railway authority, railway company or other independent carrier for the loading, unloading and/or transport of Your Products, including any such contracts relating to the operation of railway sidings.

4.12 Information

Information as well as any other application, statement or document submitted to Us by You or on Your behalf when applying for this insurance upon which We relied when agreeing to grant this insurance cover.

4.13 Limit of Liability

the applicable limit of liability specified in the Policy Schedule.

4.14 Medical Persons

qualified medical practitioners, nurses, dentists and first aid attendants.

4.15 North America

North America means:

- (a) the United States of America and Canada
- (b) any state or territory incorporated in or administered by, the United States or America or Canada;
- (c) any other country or territory subject to the laws of the United States of America or Canada.

4.16 Occurrence

an event which results in Personal Injury, Property Damage or Advertising Liability, neither expected nor intended from Your standpoint. All Personal Injury or Property Damage arising out of continuous or repeated exposure to substantially the same general conditions will be construed as arising out of one Occurrence.

All Advertising Liability arising out of the same injurious material or act (regardless of the frequency or repetition thereof, the number and kind of media used, or the number of claimants) shall be deemed to be one Occurrence.

4.17 Period of Insurance

the period shown in the Policy Schedule or any renewal period, during which the insurance by this Policy is in force.

4.18 Personal Injury

- (a) bodily injury (and this expression includes death, disease and illness), disability, shock, fright, mental anguish, mental injury or loss of consortium;
- (b) false arrest, wrongful detention, false imprisonment, malicious prosecution or humiliation;
- (c) discrimination as a result of race, religion, sex, marital status, age, intellectual impairment, disability or otherwise (unless insurance thereof is prohibited by law) not committed by You or at Your direction;
- (d) wrongful entry upon, wrongful eviction from or other invasion of right to private occupancy of property;
- (e) defamation arising out of the publication or utterance of defamatory or disparaging material, other than in connection with the advertising activities of the Business; and
- (f) assault and battery not committed by You or at Your direction unless reasonably committed for the purpose of preventing or eliminating danger to persons or property.

Personal Injury, if relating to a latent injury, a latent illness, a latent disease or a latent disability, shall be deemed to have happened at the time when such injury, illness, disease or disability was first medically diagnosed.

4.19 Policy

this Policy wording, Your Information, the Policy Schedule and any Endorsements We issue to You which amend this Policy wording or the Policy Schedule.

4.20 Policy Schedule

the document so designated that We issue to You, whether for the first Period of Insurance or on any renewal of the contract or variation by way of Endorsement, that specifies the Policy number and other details of the cover provided by this Policy.

4.21 Pollutants

- (a) any solid, liquid, gaseous or thermal irritant or contaminant, including but not limited to smoke, vapour, soot, fumes, acids, alkalis, chemicals and waste. Waste includes material to be recycled, reconditioned or reclaimed.

4.22 Property Damage

- (a) physical damage to or loss or destruction of tangible property including any resulting loss of use at any time of that property; or
- (b) loss of use of tangible property which has not been physically damaged, lost or destroyed provided such loss of use is caused by an Occurrence.

4.23 Subsidiary

- (a) any entity which by virtue of any applicable legislation or law is deemed to be Your Subsidiary (where You are a company);
- (b) any entity over which You (where You are a company) are in a position to exercise effective direction or control.

4.24 Territorial Limits

anywhere in the world subject to exclusion 5.18 (Territorial Limits).

4.25 Vehicle

any type of machine on wheels or self laid tracks or on skis, made or intended to be propelled by other than manual or animal power and any trailers or other attachment made or intended to be drawn by any such machine.

4.26 Watercraft

any vessel, craft or thing made or intended to float on or in, or travel on or through , or under water.

4.27 We, Our, Us

AAI Limited ABN 48 005 297 807 trading as Vero Insurance.

4.28 Worksite

any premises or site where work is performed by You in connection with the Business and includes any surrounding area or premises used by you to undertake such work.

4.29 You, Your, Yours, Insured

- (a) the person(s), companies or firms named on the current Policy Schedule as the Insured
- (b) all the Subsidiary companies (including subsidiaries thereof) and/or controlled corporations (including subsidiaries thereof) of the parties shown in definition 4.29(a), now or subsequently constituted, provided their places of incorporation are within Australia or any Territory of Australia;
- (c) every past, present or future director, executive officer, Employee, partner, shareholder or voluntary worker of parties shown in definitions 4.29(a) and 4.29(b) above (including the spouse or family member of any such person performing a designated role in connection with the Business) while acting within the scope of their duties in such capacity;
- (d) every principal, in respect of that principal's vicarious liability for the acts or omissions of the parties shown in definitions 4.29(a) and 4.29(b) in the performance by them of work for that principal, but subject always to the extent of coverage and the Limit of Liability provided by this Policy;
- (e) each partner, joint venturer, co-venturer or joint lessee of the Insured named in the Policy Schedule but only if We agree to insure them and the Insured named in the Policy Schedule agrees to pay the premium We require;
- (f) every office bearer or member of social and sporting clubs, canteen and welfare organisations and first aid, fire and ambulance services formed with Your consent (other than one of the parties shown in definitions 4.29 (c) or 4.29(d) above) in respect of claims arising from their duties connected with the activities of any such club, organisation or service;
- (g) any director or senior executive or partner of the parties shown in definitions 4.29 (a) and 4.29(b) above in respect of private work undertaken by an Employee of those parties for such director or senior executive;

- (h) if a party named in the Policy Schedule as an insured party is an individual, the personal representative of that individual in the event of the death of that individual, but only in respect of liability incurred by that individual;
- (i) any person whilst working for a party any organisation or entity designated in definitions 4.29(a) and 4.29(b) of this definition, for the purpose of gaining work experience.

However, 'You/Your' does not include the interest of any other person other than as described in this definition.

4.30 Your Product

anything (after it has ceased to be in Your possession or under Your control), which is or is deemed to have been manufactured, grown, extracted, produced, processed, imported, exported, constructed, assembled, erected, installed, repaired, serviced, renovated, treated, sold, supplied or distributed by You or on Your behalf (including Your predecessors in the Business) including labels, packaging or any container thereof the design, specification or formula of the products and directions, instructions or advice given or omitted to be given in connection with such products and anything which by law or otherwise You are deemed to have manufactured in the course of the Business including discontinued products.

Provided that for the purpose of this insurance, the term 'Your Product' shall not be deemed to include food and beverages:

- (a) sold or supplied by You or on Your behalf from any canteen or vending machine primarily for use by Your Employees; or
- (b) served in any dining room or at any function to Employees or guests for consumption at Your premises;

and any claims for compensation against You for compensation arising out of any Occurrence shall be deemed to be General Liability claims to which the Limit of Liability specified in clause 2.1(a) of the Policy shall apply.

5. When you are not covered

The following exclusions will apply to this policy.

This policy does not cover:

5.1 Advertising liability or advertisement

Claims for Advertising Liability caused by or resulting from

- (a) circumstances where the acts committed or alleged to have been committed occurred prior to the inception date of this Policy;
- (b) statements made at Your direction with knowledge that such statements are false;
- (c) failure of performance of contract. However this exclusion 5.1(c) shall not apply to claims for unauthorised appropriation of advertising ideas contrary to an implied contract;
- (d) any incorrect description of Products or services;
- (e) any mistake in advertised price of Products or services;
- (f) the failure of Your Products or services to conform with advertised performance, quality, fitness or durability;
- (g) liability incurred by You if Your Business is Advertising, broadcasting, publishing or telecasting.

5.2 Aircraft, aircraft products, watercraft and hovercraft:

Claims arising out of:

- (a) the ownership, maintenance, operation, possession or use by You of any Aircraft;
- (b) the ownership, operation or use by You of any Watercraft or Hovercraft exceeding 15 metres in length, while such Watercraft or Hovercraft is on, in or under water.

Provided that exclusion 5.2(b) does not apply to claims arising out of:

- (i) Watercraft used in operations carried out by independent contractors for whose conduct You may be held liable;
- (ii) Hovercraft owned or operated by others and used by You for Business entertainment;
- (iii) Watercraft owned by others and used by You for Business entertainment;
- (iv) Sailing craft or other non-powered craft exceeding 15 metres in length while in Australian territorial waters
- (c) Your Products that are Aircraft or Aircraft component parts used for maintaining an Aircraft in flight or moving upon the ground or used in the construction of an Aircraft hull or machinery which to Your knowledge are incorporated in an Aircraft.

5.3 Asbestos:

Any liability for

- (a) Personal Injury arising directly or indirectly out of or in any way connected with the inhalation of, or fears of the consequences of exposure to or inhalation of, asbestos, asbestos fibres or derivatives of asbestos;

- (b) that part of any loss, cost or expense for the cost of cleaning up or removal of any asbestos, asbestos fibres or any derivatives of asbestos; or
- (c) damage to or loss of use of property arising directly or indirectly out of or in any way connected with asbestos, asbestos fibres or derivatives of asbestos.

For the purpose of exclusion 5.3(c):

‘damage’ means physical damage, loss or destruction and resultant loss of use, and property means any tangible or intangible property.

5.4 Contractual liability:

Any liability expressly assumed by You under a contract, warranty or unless such liability would have attached to You notwithstanding such contract, warranty or agreement.

This exclusion 5.4 does not apply to:

- (a) liability under any warranty of goods implied by law or liability assumed by You under a warranty of fitness or quality as regards Your Products;
- (b) liabilities assumed by You under Incidental Contracts;
- (c) liabilities assumed by You under those written contracts specified in the Schedule.

5.5 Defamation:

The publication or utterance of defamatory or disparaging material:

- (a) made prior to the effective date of this Policy; or
- (b) made by You or at Your direction with knowledge of its falsity; or
- (c) any liability incurred by You if Your Business is advertising, broadcasting, publishing or telecasting.

5.6 Electronic data exclusion

Claims arising out of:

- (a) communication, display, distribution or publication of Electronic Data; however this exclusion 5.6(a) does not apply to:
 - (i) Personal Injury or Advertising Liability resulting from any of them; or
 - (ii) Property Damage arising out of any material already in print by the manufacturer in support of its Product which is reproduced on its site or liability for Property Damage which arises independently of Your internet operations;
 - (b) total or partial destruction, distortion, erasure, corruption, alteration, misinterpretation or misappropriation of Electronic Data
 - (c) error in creating, amending, entering, deleting or using Electronic Data; or
 - (d) 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 contributing cause or event whenever it may occur.

5.7 Employment liability:

- (a) Personal Injury to any of Your Employees arising out of, or in the course of their employment in Your Business;
- (b) Personal Injury to any person who is deemed to be Your Employee pursuant to any legislation relating to workers’ compensation;
- (c) claims which You are entitled to seek indemnity under any policy of insurance required to be taken out pursuant to any legislation relating to workers’ compensation, whether or not You are a party to such policy of insurance;
- (d) liability imposed by the provisions of any workers’ compensation legislation or any industrial award or agreement or determination;
- (e) any liability howsoever or whatsoever for claims related to or arising from Employment Practices.

Provided that exclusions 5.7(a), 5.7(b) and 5.7(c) do not apply to the extent that Your legal liability would not be covered under any such policy of insurance or fund set up pursuant to or required by any legislation relating to workers compensation had You complied with Your obligations pursuant to such law.

5.8 Faulty workmanship:

The cost of re-performing, correcting or improving any work undertaken by You.

5.9 Fines and penalties:

Fines, penalties or liquidated damages.

5.10 Loss of use:

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

- (a) a delay in or lack of performance by You or on Your behalf of any contract or agreement,
- (b) the failure of Your Products to meet the level of performance, quality, fitness or durability expressly or impliedly warranted or represented by You, but this exclusion 5.10(b) does not apply to the loss of use of other tangible property resulting from the sudden, unexpected and unintended physical damage to or loss or destruction of Your Products or work performed by You or on Your behalf after such Products or work have been put to use by any person or organisation other than You.

5.11 Pollution:

- (a) Personal Injury or Property Damage caused by or arising out of the discharge, dispersal, release, seepage, migration or escape of Pollutants into or upon land, the atmosphere, or any water course or body of water, but this exclusion 5.11(a) does not apply if the discharge, dispersal, release or escape is sudden, identifiable, unexpected and unintended and takes place in its entirety at a specific time and place.
- (b) Any costs and expenses incurred in the prevention, removing, nullifying or clean-up of such contamination or pollution but this exclusion does not apply to clean-up, removal or nullifying expenses only, which are consequent upon a sudden, identifiable, unexpected, unintended happening taking place in its entirety at a specific time and place which results in Personal Injury and/or Property Damage.
- (c) The actual, alleged or threatened discharge, dispersal, release, seepage, migration or escape of Pollutants caused by any Product that has been discarded, dumped, abandoned or thrown away by others.
- (d) The actual, alleged or threatened discharge, dispersal, release, seepage, migration or escape of Pollutants in North America or in any country to which the laws of North America apply.

5.12 Product defect:

Property Damage to Your Products if the damage is attributed to any defect in them or to their harmful nature or unsuitability.

This exclusion 5.12 only applies to the defective or harmful or unsuitable part of a damaged Product and does not apply to any resultant damage caused to the remainder of the Product.

5.13 Product recall:

Claims arising out of or resulting from any loss, cost or expense incurred by You for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of Your Products or of any property of which they form a part, if such Products or property are withdrawn from the market or from use because of any known or suspected defect, deficiency, inadequacy or dangerous condition in them.

This exclusion 5.13 does not apply to coverage provided under Additional Benefit 6.3 – Product Recall Expense Coverage.

5.14 Professional liability:

The rendering of or failure to render professional advice or service by You, but this exclusion 5.14 does not apply to:

- (a) the rendering of or the failure to render professional medical advice by Medical Persons employed by You to provide first aid and other medical services on Your premises;
- (b) Personal Injury or Property Damage arising from the rendering of or failure to render professional advice or service, providing such professional advice or service is not given for a fee;
- (c) advice given in respect of the use or storage of Your Products;
- (d) coverage provided under Additional Benefit 6.2 – Errors or Omissions coverage in connection with Your Products.

5.15 Property in custody or control:

Property Damage to property owned by or leased or rented to You, or property in Your physical or legal control but this exclusion 5.15 does not apply to liability for Property Damage to:

- (a) premises or part of premises (including landlord's fixtures and fittings) which are leased, rented or loaned to You for the purposes of the Business;
- (b) premises (or their contents) not owned or leased by or rented to You but temporarily occupied by You for the purpose of carrying out work, and other property (including products previously sold, supplied, delivered, installed or erected by You) temporarily in Your possession for work thereon;
- (c) Vehicles (including the contents, spare parts and accessories while they are in or on any such Vehicle) not belonging to or used by You while the Vehicles are in a car park owned or operated by You, provided You do not own or operate the car park for reward as a principal part of Your Business;
- (d) the property of an Employee of the parties shown in definitions 4.29(a) and 4.29(b) ('You', 'Your' or 'Insured');
- (e) other property temporarily in Your physical or legal control provided no indemnity is granted for liability in respect of physical damage to or destruction of that part of any property upon which You are or have been working and Our limit under this exclusion 5.15(e) does not exceed \$500,000 (unless a different amount is stated in the Policy Schedule) for any one Occurrence and in the aggregate for any one Period of Insurance.

5.16 Punitive damages:

Punitive damages, exemplary damages, aggravated damages and any additional damages resulting from the multiplication of compensatory damages.

5.17 Radioactivity

Claims arising directly or indirectly caused by, contributing to or arising from:

- (a) ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the Combustion of nuclear fuel. For the purpose of this exclusion 5.17 only, 'Combustion' shall include any self-sustaining process of nuclear fission;
- (b) the radioactive, toxic, explosive or other hazardous properties of any nuclear assembly or nuclear component thereof.

This exclusion 5.17 shall not apply to liability arising from radio-isotopes, radium or radium compounds when used away from the place where such are made or produced and when used exclusively incidental to ordinary industrial, educational, medical or research pursuits.

5.18 Territorial limits:

- (a) Claims made or actions instituted within any country, state or territory (outside Australia) that requires insurance of the same kind as provided by this Policy to be arranged or secured with an insurer or organisation licensed in that country, state or territory to grant such insurance.
- (b) Claims made and actions instituted within North America or any other territory coming within the jurisdiction of the courts of North America.
- (c) Claims and actions to which the laws of North America apply.

Provided that:

- (d) exclusions 5.18(b) and 5.18(c) above do not apply to claims and actions arising from:
 - (i) the presence outside Australia of any of Your Employees and/or directors, partners or proprietors who are normally resident in Australia and who are not undertaking manual work or supervision of work of any kind while in North America;
 - (ii) Products exported to North America without Your knowledge, other than where cover is included in respect of Additional Benefit 6.1.

The Limit of Liability in respect of coverage provided under exclusion 5.18(d) is inclusive of all costs, expenses and interest as set out in 'Additional Payments' of this Policy.

5.19 Terrorism

Loss, damage, liability, cost or expense of any nature directly or indirectly caused by, resulting from or in connection with any Act of Terrorism, regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

This exclusion 5.19 also excludes loss, damage, liability, cost or expense of any nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to any Act of Terrorism.

5.20 Vehicle:

Personal Injury or Property Damage arising out of the ownership, possession, or use by You of any Vehicle:

- (a) which is registered or which is required under any legislation to be registered, or
- (b) in respect of which compulsory liability insurance or statutory indemnity is required by virtue of any legislation (whether or not that insurance is effected).

Exclusions 5.20(a) and 5.20(b) above do not apply to claims:

- (c) for Personal Injury where:
 - (i) that compulsory liability insurance or statutory indemnity does not provide indemnity; and
 - (ii) the reason or reasons why that compulsory liability insurance or statutory indemnity does not provide indemnity do not involve a breach by You of legislation relating to Vehicles;
- (d) arising out of and during the loading or unloading of goods to or from any Vehicle;
- (e) caused by or arising from the operation or use of any Vehicle which is designed primarily for lifting, lowering, loading, unloading, while being operated or used by You or on Your behalf within the confines of Your premises;
- (f) caused by or arising out of the use of:
 - (i) any Vehicle whilst being used as a tool; or
 - (ii) plant forming part of any Vehicle being used as a tool within the confines of Your premises or at any worksite; or
- (g) for Property Damage arising out of the movement by You or by any Employee(s) of Yours of any Vehicle or trailer not belonging to You which is interfering with access to or from Your premises or any site where You are carrying out work;
- (h) for Property Damage caused by or arising out of the movement of any Vehicle (which is required to be Conditionally Registered in accordance with the law of any State or Territory in Australia) in the event of Your inadvertent and unintentional failure to effect Conditional Registration.

5.21 War

War, invasion, acts of foreign enemies, hostilities or war-like operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power, confiscation or nationalisation or requisition or destruction or damage to property by or under the order of any government or public or local authority.

6. Additional benefits

Cover is extended to include the following 'Additional Benefits', subject to the terms, conditions, exclusions and definitions of the Policy unless otherwise stated below.

6.1 Exports to North America

We will cover You for Your legal liability to pay all sums by way of compensation, and all charges, expenses and legal costs recoverable or awarded against You within North America in respect of Personal Injury, Property Damage and/or Advertising Liability happening during the Period of Insurance caused by an Occurrence in connection with Your Products knowingly exported to North America.

Provided that:

- (a) the value of such Products knowingly exported does not exceed \$1,000,000 in the Period of Insurance in which the Personal Injury, Property Damage or Advertising Liability happens;
- (b) cover is not provided for any claim for compensation if in North America You have:
 - (i) any assets other than Your Products;
 - (ii) a related or Subsidiary company;
 - (iii) any person or entity with power of attorney; and/or
 - (iv) any franchisor or franchisee.
- (c) the cover We provide does not extend to include contract work or services performed by You, Your Employees or agents within North America;
- (d) Exclusion 5.11(d) (Pollution) and condition 7.10 (Jurisdiction) are unchanged and apply to this Additional Benefit 6.1;
- (e) claims under this Additional Benefit 6.1 are subject to the Deductible specified in the Policy Schedule for each Occurrence.

6.2 Errors or omissions coverage in connection with your products

We will cover You for Your legal liability to pay all sums which you become legally liable to pay as compensation in respect of financial loss solely and directly attributable to any negligent act, error or omission committed or alleged to have been committed by You or on Your behalf in connection with Your Products.

Coverage under this Additional Benefit is subject to:

- (a) such act, error or omission occurring after the inception date of this Policy; and
- (b) such act, error or omission occurring within the Territorial Limits; and
- (c) a demand for Compensation being first made against You and notified to Us during the Period of Insurance; and
- (d) Our maximum liability in respect of this extension for all claims payable during the Period of Insurance not exceeding \$500,000.

6.3 Product recall expense coverage

We will pay to You any Product Recall Expense necessary because the use or consumption of Your Product has resulted or may result in bodily injury, death, illness or disability or physical damage to or destruction of tangible property due to:

- (a) the accidental omission of a substance or the accidental introduction or substitution of a harmful or damaging substance in the manufacture of Your Product; or
- (b) any unintentional error or deficiency in the manufacture, design, blending, mixing, compounding or labelling of Your Product; or
- (c) a ruling of a government or other regulatory body requiring You to recall Your Product as a result of any of the matters set out in clauses 6.3(a) and 6.3(b) above.

Coverage under this extension is subject to:

- (i) You first discovering during the Period of Insurance that the use or consumption of Your Product has resulted or may result in bodily injury, death, illness or disability or physical damage to or destruction of tangible property; and
- (ii) the bodily injury, death, illness or disability or physical damage to or destruction of tangible property being indemnifiable in respect of liability arising from Your Product; and
- (iii) Our maximum liability in respect of this extension for all Product Recall Expenses during the Period of Insurance not exceeding \$1,000,000.

Additional exclusion applicable to this additional benefit

We do not cover any liability for Product Recall Expense directly or indirectly caused by or arising from:

- (a) any product of the same trade or brand name but which is of a different batch, code or other identification from Your Product for which Product Recall Expense cover has been provided;
- (b) inherent deterioration or decomposition of Your Product or its packaging;
- (c) loss of customer approval or confidence, or any costs incurred to regain customer approval, or other consequential loss;
- (d) Your knowledge at the inception of this Policy of any pre-existing condition of Your Product that may result in a claim under this Policy;
- (e) mislabelling or non-labelling of Your Product or any container or packaging in relation to a 'use by' or 'best before' date authorised or required by a government agency or other statutory or regulatory authority;
- (f) continued use of materials that have been banned or declared unsafe by a government agency or other responsible body; or
- (g) Your errors or omissions of which Your employees, officers or directors knew or ought to have discovered on reasonable enquiry.

Additional definition

Product recall expense

Product Recall Expense means the reasonable and necessary costs and expenses incurred by You in relation to effecting the recall of a Product for:

- (a) communications to customers and the public, including media announcements;
- (b) external advice to prepare such communications;
- (c) transporting any recalled product to a place designated by You;
- (d) the hiring of necessary additional persons to conduct the duties performed by Your regular employees who are involved in effecting the recall of Your Product, and the hiring of necessary additional storage space;
- (e) additional remuneration paid to Employees (other than salaried Employees);
- (f) expenses incurred by Employees for transport and accommodation; and
- (g) disposing of any recalled product that cannot be reused.

7. General conditions

7.1 Additions and/or alterations to buildings and plant

Where additions and/or alterations to buildings or plant are being performed at the location by any contractor employed by You, notwithstanding definition 4.4 (Business), this Policy extends to indemnify You against any claim for Your legal liability to pay compensation for Personal Injury or Property Damage arising from an Occurrence happening in connection with the conduct of the Business during the period of the contract works, that is independent of the contractor's performance.

Provided also that nothing in this clause will result in an increase in Our Limit of Liability.

7.2 Adjustment of premium

Where the Policy Schedule shows premium for the Policy has wholly or partly been calculated on estimates You must, within sixty (60) days after the expiry of each Period of Insurance, provide to Us such matters, particulars and information relevant to the Policy as We may reasonably require. The premium for the Period of Insurance will then be adjusted and any difference paid by or allowed to You, as the case may be, provided that the adjusted premium will not be less than any minimum premium specified in the Policy Schedule.

You must keep a record of all matters, particulars and information requested by Us and must on reasonable notice allow Us or Our nominee to inspect and make copies of those records.

7.3 Breach of condition or warranty

Your rights under this Policy shall not be prejudiced by any unintentional and/or inadvertent:

- (a) breach of condition or warranty without Your knowledge or consent;
- (b) error in the name or title of any person(s), corporation and/or other organisation which forms part of definition 4.29 (You, Your, Yours, Insured); or
- (c) error in name, description or situation of property; or
- (d) failure to report any property and/or entity and/or insurable exposure in which You have an interest.

Provided always, that upon discovery of any such fact or circumstance referred to above Your officer responsible for insurance matters shall give written notice thereof to Us as soon as reasonably practicable thereafter and You shall (if requested) pay any such reasonable additional premium that We may require.

7.4 Cancelling your policy

How You may cancel this Policy:

- (a) You may cancel this Policy at any time by telling Us in writing that You want to cancel it.
- (b) Where 'You' involves more than one person, We will only cancel the Policy when a written agreement to cancel the Policy is received from all persons named as the Insured.

How We may cancel this Policy:

- (c) We may cancel this Policy in any of the circumstances permitted by law by informing You in writing.

The premium

We will refund to You the proportion of the premium for the remaining Period of Insurance, provided We shall be entitled to retain the agreed minimum premium. When the premium is subject to adjustment, cancellation will not affect Your obligation to supply to Us such information as is necessary to permit the premium adjustment to be calculated and to pay the amount of the adjustment applicable up to the date of cancellation.

7.5 Changes to information previously advised

- (a) You must tell Us as soon as possible if circumstances occur, or if changes or alterations are intended or made which increase the risk of loss, damage or injury.
- (b) You must tell Us immediately in writing of:
 - (i) every Occurrence, claim, writ, summons, proceeding, impending prosecution, and inquest together with all relevant information which may result in a claim under this Policy, whether or not You believe any claim amount might fall below the Deductible; and
 - (ii) every change that comes to Your knowledge which materially varies any of the facts or circumstances existing at the commencement of this Policy.

7.6 Changing your policy

If You want to make a change to this Policy, the change becomes effective when We agree to it in writing,

7.7 Discharge of liabilities

At any time We can pay to You or on Your behalf, for all claims made against You for any one Occurrence:

- (a) the Limit of Liability, after deducting any amounts already paid; or
- (b) any lower sum for which the claim can be settled.

If We do so:

- (c) the conduct of any outstanding claim(s) will become Your responsibility; and
- (d) We will not be liable to pay any further amounts other than costs, charges, or expenses that We agreed to pay before We made the payment referred to above.

7.8 Inspection of property

- (a) We will be permitted but not obligated to inspect Your property and operations at any reasonable time.
- (b) Neither Our right to inspect nor Our failure to inspect nor the making of any inspection nor any report of an inspection may be used by You or others in any action or proceeding involving Us.
- (c) We may examine and audit Your books and records at any time during the Period of Insurance and within one year thereafter but that examination and audit will be restricted to matters which in Our opinion are relevant to the Policy.

7.9 Joint insureds/Cross liability

Where more than one party comprises the Insured each of the parties will be considered as a separate and distinct unit and the words 'You', 'Your', 'Yours' or 'Insured' will be considered as applying to each party in the same manner as if a separate Policy had been issued to each of them, provided that nothing in this clause will result in an increase of Our Limit of Liability.

7.10 Jurisdiction

All disputes arising out of or under this Policy will be subject to determination by any Court of competent jurisdiction within Australia.

7.11 Non-Imputation

Where this insurance is arranged in joint names of more than one Insured, as described in definition 4.29(a) (You, Your, Yours, Insured), it is hereby agreed that:

- (a) each Insured shall be covered as if it made its own proposal for this insurance;
- (b) any declaration, statement or representation made in any proposal shall be construed as a separate declaration, statement or representation by each Insured; and
- (c) any knowledge possessed by any Insured shall not be imputed to the other Insured(s).

7.12 Observance of terms and conditions

Any failure by any of You to observe obligations of disclosure, good faith and/or compliance with the terms and conditions of the Policy shall not prejudice the rights of any other of You under the Policy.

7.13 Other interests

You cannot transfer any interests in this Policy without Our written consent.

Any person whose interests You have told Us about and whom We have noted on Your Policy Schedule is bound by the terms of this Policy.

7.14 Reasonable care

You must:

- (a) exercise reasonable care that only competent Employees are employed and take reasonable measures to maintain all premises, fittings and plant in sound condition;
- (b) take all reasonable precautions to prevent Personal Injury and Property Damage, to prevent the manufacture, sale or supply of defective Products, and to comply with and to ensure that Your Employees, servants and agents comply with all statutory obligations, by-laws or regulations imposed by all relevant public authorities for the:
 - (i) safety of persons or property;
 - (ii) disposal of waste products; and
 - (iii) handling, storage or use of flammable liquids or substances, gases or toxic chemicals; and
- (c) at Your own expense take reasonable action to trace, recall or modify any of Your Products containing any defect or deficiency of which You have knowledge or have reason to suspect, including (but not limited to) any of Your Products subject to governmental or statutory ban.

7.15 Sanctions regulation

Notwithstanding any other terms or conditions under this Policy, We shall not be deemed to provide coverage or will not make payments or provide any service or benefit to any Insured or any other party to the extent that such cover, payment, service, benefit and/or any business activity of the Insured would violate any applicable trade or economic sanctions law or regulation.

7.16 Subrogation waiver

We hereby agree to waive all Our rights of subrogation under this Policy against:

- (a) each of the parties described under definition 4.29 (You, Your, Yours, Insured); and
- (b) any corporation, organisation or person which or who owns or controls the majority of the capital stock of any corporation or organisation to which or to whom protection is afforded under this Policy.

Where such corporation, organisation or person is protected from liability insured against hereunder by any other Policy of indemnity or insurance, Our right of subrogation is not waived to the extent and up to the amount of such other Policy.

8. Claims

8.1 What you must do

If an event happens which may give rise to a claim under this Policy You must:

- (a) tell Us as soon as possible. You will be provided with advice on the procedure to follow;
- (b) supply Us with all information We require to settle the claim;
- (c) send us the details of any verbal or written claims made upon You without delay for Our attention;
- (d) take all reasonable precautions to prevent further loss or damage;
- (e) not negotiate, admit, repudiate or pay any claim by any person;
- (f) co-operate with Us fully in any action We take if We have a right to recover any money payable under this Policy from any other person.

If in doubt at any time, contact Us or Your insurance broker for advice. Your failure to notify Us promptly of personal injuries or damage to the property of others could affect the amount of Your claim.

8.2 What you must not do

You must not:

- (a) admit liability if an incident occurs which is likely to result in someone claiming against You; or
- (b) make any admission of guilt or promise or offer of payment in connection with any such claim, unless We first agree in writing. This applies to You or any other person making a claim under this Policy.

8.3 What we do

We may take over and conduct the defence or settlement of any claim or issue legal proceedings for damages. If We do this We will do it in Your name. We have full discretion in the conduct of any legal proceedings and in the settlement of any claim. You must co-operate by giving Us any statements, documents or assistance We require. This may include giving evidence in any legal proceedings.

Any amount recovered by Us from a third party shall be applied in the following order of priority:

- (a) first to the uninsured proportion of the loss;
- (b) second to reimburse Us to the extent of Our actual payment in respect of the claim, and
- (c) third, to reimburse You for any Deductible borne by You.

The expenses of such recovery proceedings shall be apportioned between You and Us proportionately in accordance with the apportionment formula set out above. If there is no such recovery by Us, the expenses shall be borne by Us.

8.4 What can affect a claim

We will reduce the amount of a claim by the Deductible shown in the Policy Terms and Conditions or on the Policy Schedule. We may refuse to pay a claim or reduce the amount of a claim if You are in breach of Your duty of disclosure or any of the conditions of this Policy, including any Endorsements noted on or attached to the Policy Schedule. We pay only once for loss or damage from the same Occurrence covered by this Policy even if it is covered under more than one section of the Policy. We may be entitled to refuse to pay or to reduce the amount of a claim if:

- (a) it is in any way fraudulent; or
- (b) any fraudulent means or devices are used by You or anyone acting on Your behalf to obtain any benefits under this Policy.

If any liability insured under this Policy arises from a contract or agreement between You and a third party and if the contract or agreement provides for the appointment of an arbitrator, We will be entitled to exercise all of Your rights in the choice of arbitrator and in the conduct of any arbitration proceedings.

An Insured's insolvency or bankruptcy or the insolvency or bankruptcy of an Insured's estate will not relieve Us of any of Our obligations under this Policy.

Insured by:
AAI Limited ABN 48 005 297 807 trading as Vero Insurance

V8133 24/10/14 A

