

machinery

insurance policy



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About CGU

CGU Insurance Limited is the underwriter of this insurance policy. Our Australian Business Number is 27 004 478 371. Our Australian Financial Services Licence Number is 238291.

Intermediary Remuneration

CGU Insurance Limited pays remuneration to insurance intermediaries when we issue, renew or vary a policy the intermediary has arranged or referred to us. The type and amount of remuneration varies and may include commission and other payments. If you require more information about remuneration we may pay your intermediary you should ask your intermediary.

General Insurance Code of Practice

The purpose of the Code is to raise standards of practice and service in the general insurance industry.

The objectives of the Code are:

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

Our commitment to you

We have adopted and support the Code and are committed to complying with it.

Please contact us if you would like more information about the Code.

How to resolve a complaint or dispute

1. Talk to us first

If you have a complaint, the first thing you or your insurance adviser should do is speak to one of our staff. If your complaint relates specifically to a claim, speak with the claims officer managing your claim.

If the staff member or claims officer are unable to resolve the matter for you, you or your insurance adviser may speak to a manager. The manager will usually provide you with a response to your complaint within 15 business days. If the timeframe is impractical for any reason such as the need for more information or further investigation, they will discuss with you alternative timeframes. If you are not satisfied with our response or we cannot agree with you on alternative timeframes, you can go to step 2.

2. Seek a review

If the matter is still not resolved the manager will refer you or your insurance adviser to the relevant dispute handling department or area who will conduct a review of your dispute and will usually provide you with a response to your dispute within 15 business days. If the timeframe is impractical, we will discuss with you alternative timeframes.

If you are still not satisfied with our response to your dispute or we cannot agree on alternative timeframes, you can go to step 3.

3. Seek an external review

You are entitled to seek an external review of our decision. We will provide you with information about options available to you, including, if appropriate, referring you to the external dispute resolution scheme administered by the Financial Ombudsman Service Limited (FOS).

You will not be able to have your dispute resolved by the FOS if you are not eligible under the FOS's Terms of Reference.

Further information about our complaint and dispute resolution procedures is available by contacting us.

Our Service Commitment

CGU Insurance is proud of its service standards and supports the General Insurance Code of Practice. In an unlikely event that you are not satisfied with the way in which we have dealt with you, as part of our commitment to customer service, we have an internal dispute resolution process in place to deal with any complaint you may have. Please contact your nearest CGU Insurance office if you have a complaint, including if you are not satisfied with any of the following:

- ◆ one of our products;
- ◆ our service;
- ◆ the service of our authorised representatives, loss adjusters or investigators; or
- ◆ our decision on your claim.

Our staff will help you in any way they can. If they are unable to satisfy your concerns, they will refer the matter to their supervisor or manager. If the manager cannot resolve the matter, the manager will escalate the matter to our Internal Dispute Resolution Department.

Brochures outlining our internal dispute resolution process are available from your nearest CGU Insurance office.

Extract from the Insurance Contracts Act 1984

Under the terms of the Act, We must advise You about the following:

Your 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 the insurance and, if so, on what terms.

You have that 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 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,
- ◆ 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 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.

Important notices

1. Claims

This policy does not provide cover in relation to events that occurred before the contract was entered into.

2. Excess

An excess is the amount shown in the Schedule that You will bear for each Loss.

3. Liability assumed under Agreement

This policy does not cover liability which You have agreed to accept unless You would have been so liable in the absence of such agreement.

4. Acceptance of the Application

This insurance will not be in force until the completed Application has been received and the risk accepted by Us. We reserve the right to decline any Application.

Machinery Insurance

The Agreement

In return for you having paid or agreed to pay the premium to Us, then, subject to the terms, conditions and exclusions contained in, or endorsed on, or otherwise expressed in this policy or the Schedule, We will insure You against physical loss or damage or liability as described in the policy occurring during the period of insurance stated in the Schedule and any future period for which We may accept payment of premium.

You are covered for each section where a Type of Cover appears in the Schedule or which is indicated as being operative in the Schedule.

The policy, Schedule (which expression includes any Schedule substituted for the original Schedule) and endorsements (if any), are to be read together and any word or expression to which a specific meaning has been given bears that meaning wherever the word or expression appears.

The policy, Schedule, application and endorsements together form the agreement.

Definitions applicable to Sections 1 and 2

Breakdown means sudden and unforeseen physical destruction or physical damage:

1. to Machinery and Pressure Equipment which requires repair or replacement to enable normal working to continue;
2. caused by flying fragments of the Machinery and Pressure Equipment to other property belonging to You or property for which You are legally responsible or have assumed a responsibility to insure.

Cold Chamber means the cold storage chamber including all parts of the refrigeration or controlled atmosphere gas generating and scrubbing plant system including the controlling switchgear necessary for the purpose of maintaining the temperature or gas concentration in the cold storage chamber at the situation.

Collapse means the sudden distortion, bending or crushing of the permanent structure of Pressure Equipment caused by force of steam, gas or fluid pressure or vacuum, including damage caused by overheating resulting from insufficiency of water.

Deterioration means putrefaction, decay or contamination of refrigerated Goods within Cold Chambers as specified in the Schedule caused by a rise or fall in temperature due to:

1. Breakdown of Cold Chamber Machinery for which a claim has been admitted under this policy, or would have been admitted other than for the application of the Excess.
2. A change in the concentration of gases in the Cold Chamber caused by Breakdown.
3. Contamination of Goods caused directly by contact with refrigerant gas or liquid leaking from the insured Machinery.
4. Failure of thermostats or operation or failure of pressure controls or other limiting devices. This will not include loss due to the manual operation of switches or valves.
5. Failure of the public electricity supply at the terminal point of the supply authority's feed to the Situation caused by:
 - (a) a Breakdown of the supply authority's system; or
 - (b) a scheme of rationing necessitated solely by Breakdown of a part of the supply authority's system; or

- (c) a deliberate act of the supply authority performed for the sole purpose of safeguarding life or protecting a part of the supply authority's system.

Excess means the amount shown in the Schedule that You will bear for each loss.

Explosion means sudden and violent rending of the permanent structure of the Pressure Equipment by force of internal steam, gas or fluid pressure (including pressure of ignited flue gases) causing displacement of any part of the Pressure Equipment, together with forcible ejection of its contents.

Goods means the perishable Goods including their packaging material specified in the Schedule belonging to You or for which You are liable.

Machinery means the Machinery belonging to You or for which You are legally responsible or have assumed a responsibility to insure, and specified in the Schedule and whilst at the Situation but does not include:

1. Reticulated wiring of electric lighting or electric power circuits.
2. Electronic apparatus other than control equipment associated exclusively with and forming part of, an insured item (unless such apparatus is specifically noted in the Schedule)
3. Any Mobile Machinery, vessel, craft or thing made or intended to fly, float or travel, or stored in or mounted upon such Mobile Machinery, vessel, craft or thing.
4. Pressure Equipment.
5. Coin or card operated machines unless specifically listed on the policy Schedule.

Mobile Machinery means any property on wheels, on skis or self laid tracks, designed to be moved other than by manual or animal power.

Pressure Equipment means those parts of the permanent structure of a boiler, pressure vessel, economizer or super heater and attaching pipe systems which are subject to steam, gas or fluid pressure or vacuum all belonging to You or for which You are legally responsible or have assumed a responsibility to insure and are specified in the Schedule and whilst at the Situation.

Schedule means the schedule to this Policy.

Situation means the location or locations referred to in the Schedule.

We, Us, Our, Company means the insurance company named in the Schedule.

You, Your, Insured means a partnership, company, or a person named as Insured in the Schedule.

Section 1

Machinery, Pressure Equipment, Goods in Cold Chamber Cover

Cover

We will cover You in the event of physical destruction, or physical damage to insured items at the Situation, and which have been commissioned, for the Type of Cover specified in the Schedule.

Basis of loss settlement

In the event of a claim for:

1. Breakdown

In respect of Breakdown of Machinery and Pressure Equipment We will at Our option, repair or replace the damaged items or pay the monetary equivalent of such repair or replacement. If it is necessary to replace parts which are unavailable or obsolete we will not pay more than the estimated cost of similar parts for similar type of Machinery and Pressure Equipment currently available. If similar parts are found to be unobtainable We shall not pay more than the manufacturer's or supplier's most recent list price.

The amount payable will include the cost of transport, labour and the onsite cost of parts.

We will not be responsible for the costs of any alterations, improvements, maintenance or overhauls carried out on the occasion of the repair or replacement.

2. Explosion or Collapse

In respect of Explosion or Collapse of Pressure Equipment, We will, at Our option, repair or replace the damaged items or pay the monetary equivalent of such repair or replacement as follows:

- (a) in the case of repairable damage, We will pay the cost of repairs necessary to restore the Pressure Equipment to its condition immediately before the Explosion or Collapse.
- (b) in the case where the Pressure Equipment cannot be repaired at a cost less than the value of a new equivalent unit, We will pay the cost of installing and commissioning replacement Pressure Equipment of equivalent quality and size. If the Pressure Equipment is replaced with one that is of a better kind, quality or size, We will pay the cost that would have been incurred if an exact replacement had been installed.
- (c) if the repair or replacement is not effected within 12 months of the Explosion or Collapse, We will only pay the market value of the

Pressure Equipment immediately prior to the Explosion or Collapse.

The amount payable will include the costs of transport, labour and the on-site cost of parts.

We will not be responsible for the costs of any alterations, improvements, maintenance or overhauls carried out on the occasion of the repair or replacement.

3. Deterioration

In respect of Deterioration of Goods in Cold Chambers We will at Our option either:

- (a) replace the Deteriorated Goods; or
- (b) pay the actual replacement cost price of the Deteriorated Goods,

however, We will not pay any Deteriorated Goods that have passed their 'use by' dates.

In respect of each settlement option above for which a claim is made under this policy, We will deduct the Excess and the value of any salvage obtained following repair or replacement. We will not pay for any increase in the cost of repair or replacement necessitated by compliance with any ordinance or law regulating repair, alteration, construction, installation or operation of the insured Machinery or Pressure Equipment.

Additional Benefits

1. Increased costs of working

Following a claim for Breakdown, Explosion or Collapse which has been admitted under this policy and in addition to the amount payable under the Basis of Loss Settlement, We will also pay the following reasonable expenses for:

- (a) Temporary Repairs
- (b) Hiring of Temporary Machinery or Pressure Equipment
- (c) Reprogramming of data, to computer-controlled machinery
- (d) Overtime
- (e) Express freight including overseas airfreight.

We **will not** pay:

- (a) expenses for specialists or consultants to travel from outside Australia;
- (b) for air freight by aircraft specifically chartered for the purpose;
- (c) for overtime charges which exceed 50 per cent (50%) of the cost of carrying out the repairs at ordinary rates;

- (d) for any repairs or replacement of plant which has been hired or is on loan to You from a third party.

Our total liability under this Additional Benefit is limited to \$30,000 in total any one claim or 20 per cent (20%) of the Limit of Liability for the Type of Cover shown on the Schedule, whichever is the lesser.

2. Insulating Oil or Refrigerant Cost

Following a claim for Breakdown that has been admitted under this policy, We will pay the cost of liquids or refrigerant gas for air conditioning or refrigeration units. We will also pay the cost of insulating oil from transformers or capacitors. Our total liability in respect of the claim will not exceed the Limit of Liability for the Type of Cover shown on the Schedule.

3. Automatic Reinstatement of Sum Insured – Goods

Following payment of a Deterioration of Goods in Cold Chamber claim under this policy, We will reinstate the sum insured, provided You pay the additional premium that may be required by Us.

4. Loss Minimisation – Goods

If the Sum Insured for Deterioration of Goods is not exhausted and Deterioration of Goods occurs, or is likely to occur, We will pay any reasonable expense incurred by You to prevent or minimise the loss of insured Goods:

- (a) if, as a result, Our Liability is reduced; or
- (b) if the expenses were incurred with Our consent; or
- (c) if You reasonably considered it expedient to incur these expenses, but were not able to obtain Our consent.

5. Automatic Cover for Additional Machinery and Pressure Equipment

Cover is extended to include additional Machinery and Pressure Equipment installed after the inception of this policy at any of the Situations described in the Schedule excluding items hired by You.

- (a) Such additions must be of a similar type and class as described in the Schedule.
- (b) Such additions must be free from known defects and comply with any statutory requirements.
- (c) Cover will not attach until such additions have become Your responsibility and have been commissioned at the Situation and in continuous operation for not less than eight (8) hours.

- (d) Policy limits and Excesses will remain the same for such additions.
- (e) You must notify Us of such additions in writing as soon as is practicable and in any event within 90 days of the commencement of such additions.

6. Disposal Costs:

Following a claim for Deterioration of Goods which has been admitted under this policy, We will pay any reasonable costs you incur for charges to dispose of the damaged goods, subject to our prior consent. Provided that this cost is limited to \$2,000 for each event.

Limitation

Our total payment arising out of one event or series of events arising directly or indirectly from one source or cause will not exceed:

1. in respect of Breakdown or Explosion and Collapse, the Limit Any One Loss; or
2. in respect of Deterioration of Goods during any one Period of Insurance, the Sum Insured;

shown in the Schedule, including any Additional Benefits less the Excess.

Special Clauses

1. Sum Insured – Goods

The sum insured for the Goods in the Schedule will be the value declared by You to be the maximum replacement cost of the goods in cold chambers at peak time.

Seasonal increase.

The sum insured for Deterioration of Goods in Cold Chambers will automatically increase by 30 per cent (30%) during the following two periods:

- a) 60 days before New Years Day and 10 days following New Years Day.
- b) 30 before Good Friday and 10 days following Good Friday.
- c) Or as otherwise indicated on the schedule.

2. Pressure Equipment Inspection

Where Pressure Equipment is not inspected by the relevant statutory authority, the insured item must be inspected by a competent and suitably qualified person, comply with Australian Standard AS3788 as amended and must conform with all other applicable Australian standards and laws.

Exclusions applicable to Section 1

We will not pay for:

1. Consequential financial loss, loss of use, or other indirect loss.
2. Liquidated damages or penalties for delay or detentions or in connection with guarantees of performance or efficiency.
3. Repair or replacement necessitated by:
 - (a) wasting or wearing out of any parts caused by, or resulting from, ordinary use or working or gradual deterioration;
 - (b) rust, corrosion, cavitation, erosion, oxidation, deposits of scale, sludge or other sediment;
 - (c) any direct consequences of progressive or continuous influences from working or atmospheric or chemical action, other than accidental contact with acids or other corrosive substances, causing damage which manifests itself within 24 hours of such accidental contact;
 - (d) rusting or scratching of painted or polished surfaces,but We will be liable for other physical damage to Machinery or Pressure Equipment insured by this policy, resulting from such causes.
4. The cost of removal of Machinery from a borehole and subsequent replacement.
5. Machinery and Pressure Equipment that has not been commissioned, or if commissioned, has operated continuously for a period of less than eight (8) hours.

Machinery

1. In respect of Machinery **We will not** pay for loss destruction or damage directly or indirectly caused by, or arising from, or in consequence of:
 - (a) Fire resulting from explosion (except caused by overheating of boilers) or otherwise, lightning, thunderbolt, spontaneous combustion, fermentation, heating or any process involving the direct application of heat.
 - (b) Aircraft or other aerial devices or articles dropped therefrom, sonic boom.
 - (c) Earthquake, subterranean fire, volcanic eruption.

- (d) Storm, tempest, rainwater, wind, hail, water from or action of the sea, tsunami, tidal wave, high water and flood.
- (e) Water, liquids, or substances discharged, overflowing or leaking from apparatus, appliances, pipes or other Reticulation systems, unless such apparatus, appliances, pipes or other Reticulation systems form part of the Machinery.
- (f) Riots, civil commotions, strikes or locked out workers or persons taking part in labour disturbances or acts of vandalism or the acts of any lawfully constituted authority in connection with the foregoing, cessation of work (whether total or partial).
- (g) Explosion of Pressure Equipment, unless specified in the Schedule.
- (h) Chemical Explosion.
- (i) Attempts by civil authorities to prevent the spread of fire.
- (j) Theft, or attempted theft.
- (k) Unexplained inventory shortages or disappearances.
- (l) Unloading on delivery to, or loading prior to dispatch from, the Situation.
- (m) Incorrect siting, demolitions ordered by Government or Public or Local Authorities.
- (n) Erosion, subsidence, or collapse or any other movement of earth.
- (o) Testing and commissioning, intentional overloading or experiments.
- (p) 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 this insurance was arranged.
- (q) Any process of heat treatment, welding, grinding, cutting, drilling, shaping or the application of tools to the property other than for the purpose of lifting the insured machine/item.
- (r) Damaged or faulty doors, lids, catches, latches, locks or any door lid closing or securing mechanism or device of a Cold Chamber.
- (s) Loss of liquid or refrigerant gas resulting from leakage of glands, seals, shaft seals, gaskets, joints or from fatigue fractured pipes.

- (t) The cost of any modification or replacement to Insured plant due to legal requirement relating to the use of ozone-depleting refrigerant gases. This exclusion applies regardless of whether insured damage has occurred.
2. In addition, **We will not** pay for the loss of or physical destruction or damage caused to:
 - (a) Bits, drills, knives, saw blades, heating elements, fuses, electronic valves and tubes, Magnetron units, contacts which spark or arc.
 - (b) Dies, moulds, patterns, blocks, stamps, punches.
 - (c) Coating or engraving on cylinders and rolls.
 - (d) Crushing, hammering or grinding surfaces, wear plates, screens, tyres, batteries, burner jets or other parts which by their use and nature suffer a high rate of wear, tear or gradual deterioration.
 - (e) Sieves, seals, shaft seals, joints, gaskets or seams, packing materials, filters, ropes, chains, belts, cables (other than electrical conductors) brushes, refractory materials, fire bars, unless as a result of Breakdown.
 - (f) Fuels, chemicals, filter substances, heat transfer media, cleansing agents, lubricants, oils, catalysts or other operating materials unless as a result of Breakdown.
 - (g) Materials in the course of or undergoing processing.
 - (h) Foundations and masonry, unless as a result of Breakdown.
 - (i) Any unattended engine unless such engine is fitted with an effective, operational automatic safety engine monitoring device and such device stops the engine in the event of a lubricating or cooling fault or failure.

Pressure Equipment

1. In respect of Pressure Equipment, **We will not** pay for repair or replacement caused by:
 - (a) wasting or wearing away whether by leakage, corrosion or by the action of the fuel or otherwise;
 - (b) slowly developing deformation or distortion;
 - (c) cracks, fractures, blisters, lamination separation, flaws or grooving which have not penetrated the entire thickness of the material, although repair or replacement may be necessary at some time in the future.

However exclusions (a), (b) and (c) will not apply to subsequent Explosion or Collapse.

2. In addition, **We will not** pay for repair or replacement caused by Explosion or Collapse of any Pressure Equipment if at the time of such Explosion or Collapse:
 - (a) The pressure on the pressure limiting device(s) upon the particular Pressure Equipment was in excess of that permitted in the applicable Australian Standards, codes and laws.
 - (b) Any pressure limiting device was removed or rendered inoperative.
3. **We will not** pay for loss, destruction or damage to Pressure Equipment:
 - (a) where such equipment is operated in an unsafe condition; or
 - (b) where such equipment does not comply with Australian Standards, codes or laws; or
 - (c) where such equipment has not been inspected in accordance with Australian Standard AS3788 as amended, and any other applicable Australian Standards, codes or laws.

Section 2 Pressure Equipment Liability

Cover

Definitions

Occurrence means Personal Injury or Damage to Property that:

1. is neither expected nor intended from the standpoint of a reasonable person in Your position; and
2. is caused by an Explosion or Collapse, as defined in Section 1, of Pressure Equipment, insured under Section 1 against Explosion or Collapse.

Personal Injury means bodily injury, death, sickness, disease, disability, shock, fright, mental anguish.

Damage to Property means:

1. physical damage to Property;
2. physical destruction of Property; or
3. loss of use of Property as a result of physical damage to, or physical destruction of, Property.

Property means:

1. physical property not in Your possession or control;
2. premises that You occupy for the purpose of the business; and
3. Vehicles in Your possession or control, while in a car park;
 - (a) owned, occupied, or leased by You; and
 - (b) not forming part of a building construction or work site; and
 - (c) for the use of which You do not charge a fee.

Vehicles means any type of Mobile Machinery.

We will indemnify You against Your legal liability to pay damages for an Occurrence happening at the Situation, during the Period of Insurance.

Additional Benefits

1. Your Legal Costs

(a) In relation to:

- 1) Your legal liability for an Occurrence insured under this Section; or
- 2) claim of such liability being made against You;

We will pay Your Legal Costs.

(b) Your Legal Costs means:

- 1) the legal costs and expenses, that You incur with Our written agreement, in defending a claim made against You; and
- 2) the legal costs and expenses of any claimant against You, which You are liable to pay.

(c) In relation to Your liability subject to or determined by:

- 1) the law outside North America, the indemnity for Your Legal Costs shall not be limited by any Limit of Indemnity.
- 2) the law in North America,

the indemnity for Your Legal Costs shall be limited to the amount by which the applicable Limit of Indemnity is not exhausted by the indemnity for the Public Liability.

2. Cover for Others

Provided that they observe, fulfill and are subject to the definitions, terms, conditions and exclusions of this Section, We will also indemnify, as though they were You, the following that are not named in the Schedule:

- (a) Any party with whom You have entered into an agreement for the purpose of Your business, but only for Occurrences for which You would be liable in the absence of the agreement and only to the extent that the agreement requires You to indemnify that party in relation to that Occurrence.

- (b) Any of Your directors, partners, officers or employees, but only for liability incurred by them while acting within the scope of their duties in such capacity.
- (c) All Your subsidiary companies (and their subsidiaries) and all other organisations whose daily activities and daily decision making You are directly controlling and managing, until they cease to be Yours before the end of the Period of Insurance.

3. Damage to Goods in Your Possession or Control

- (a) We will also indemnify You against Your legal liability for:
 - 1) physical damage to; or
 - 2) physical destruction of;
 goods, that are in Your possession or control, that arises from an Occurrence, as though it were Damage to Property.
- (b) The maximum amount We will pay under this Additional Benefit for all the liability, of all of the parties We are indemnifying, arising during the Period of Insurance shall be \$100,000.

Limit of Indemnity

The Limit of Indemnity for Pressure Equipment Liability shown in the Schedule shall be the maximum amount that We will pay in relation to all the liability, of all of the parties We are indemnifying, for one Occurrence, or number of Occurrences, arising directly or indirectly from one source or cause.

Excess

The Excess shall apply to each Occurrence, or number of Occurrences, arising directly or indirectly from one source or cause.

Exclusions applicable to Section 2

We will not indemnify You against the following:

1. Employer's Liability (Workers' Compensation)

- (a) Liability for Personal Injury to any person arising out of, or sustained in the course of, the employment of such person in Your service, or through the breach of any duty owed to that person, where You:
 - 1) are indemnified or entitled to be indemnified (either in whole or in part) in respect of claims for damages under a policy of insurance (which expression includes arrangements made by You to provide accident insurance for Your workers under a licence to self insure) arranged (whether required by law or not) in accordance with any workers' compensation legislation or accident compensation legislation; or
 - 2) would have been indemnified or entitled to be indemnified had You arranged a policy of insurance as required by such legislation.
- (b) Liability for Personal Injury to any person arising out of, or sustained in the course of, the employment of such person in Your service in Western Australia, other than a person of whom You are deemed to be an employer by reason only of Section 175 of the Workers' Compensation and Rehabilitation Act 1981 (WA).
- (c) Liability for mental anguish suffered by any person arising out of, or in the course of, that person's employment by, or service to, You.
- (d) Liability for Personal Injury arising out of the harassment, libel, slander, defamation or humiliation of, or discrimination against, any person while in Your service or while employed by You.

Special Conditions Applicable to Section 2

(e) Liability of a type in respect of which indemnity previously would have been provided under a policy of insurance arranged in accordance with any workers' compensation legislation or accident compensation legislation, but in respect of which indemnity has been withdrawn or reduced as a consequence of a change to the scope, terms, provisions, or requirements of such legislation made after the commencement of the current Period of Insurance of this Policy.

(f) Any other liability imposed by the provisions of any workers' compensation legislation or accident compensation legislation or any industrial award, agreement or determination.

2. Waiver of Rights

Liability in respect of all or part of which You, by an agreement, have released or waived Your right to recover indemnity or contribution from another.

3. Intentionally or recklessly caused Personal Injury or Damage to Property

Liability in connection with Personal Injury or Damage to Property intentionally or recklessly caused by You or the risk of which You deliberately courted.

4. Earthquake, civil commotion, etc

Liability in connection with:

- (a) earthquake, subterranean fire, or volcanic eruption; or
- (b) riot, strike, or civil commotion.

5. Asbestos

Liability caused by, arising out of or in connection with the use or presence of asbestos.

6. Fines and punitive damages

Liability for fines or penalties, or punitive, exemplary or aggravated damages.

7. Investigation Costs

The costs and expenses for the investigation, by You, into the cause of any defect or event giving rise to a claim.

1. Reasonable care

You shall:

- (a) take all reasonable precautions to prevent Explosion or Collapse of Pressure Equipment;
- (b) comply with, and ensure that Your employees, servants and agents comply with, all laws, bylaws, regulations or recognised standards for the safety of persons or property;
- (c) ensure that only competent employees use, operate, maintain and service Pressure Equipment;
- (d) maintain all Pressure Equipment in sound condition; and
- (e) ensure that all Pressure Equipment is inspected in accordance with Australian Standard AS3788 as amended, and any applicable Australian Standard, codes or laws.

2. Conduct of Your Defence

When You make a claim for indemnity against Your liability under this Section, We shall have the right to conduct Your defence, to instruct lawyers to provide advice as to Your liability and to represent You.

3. Payment of Limit of Indemnity

We may at any time pay to you the appropriate Limit of Indemnity (after deducting from it any amounts already paid) or any lesser amount for which a claim or claims may be settled. In doing so We will relinquish the conduct of, and shall be under no further liability in connection with, such claim or claims except for costs and expenses incurred before We made such payment.

General Exclusions Applicable to Sections 1 and 2

We **will not** pay for:

1. Any consequence of war, invasion, act of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power or confiscation or nationalisation or requisition or destruction of, or Damage to, Property by or under the order of any government or public or local authority.
2. Any loss of destruction of, or Damage to Property, consequential loss, liability of whatsoever nature, directly or indirectly caused by, or contributed to by, or arising from, ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste.
3. Loss, destruction, damage or liability directly or indirectly caused by, contributed to, or arising from, nuclear weapons or material.
4. Claims arising out of liability assumed by You by contractual agreement, unless such liability would have attached to You notwithstanding such contract or agreement.

Special exclusion applicable to Sections 1 and 2

Date Recognition

There is no insurance under this policy in respect of any claim of whatsoever nature which consists of, or arises directly or indirectly out of, or in conjunction with the failure or inability of any:

1. electronic circuit, microchip, integrated circuit, microprocessor, embedded system, BIOS or other instruction set, hardware, software, firmware, program, computer, data processing equipment or systems, or any similar device; or any
2. media or systems used in connection with any of the foregoing, whether the property of the insured or not, at any time to achieve fully and successfully any or all of the purposes and consequential effects intended by the use of any numbers, symbol or word to denote, represent or express a date including, but without being limited to, any failure or inability to recognise, capture, save, retain or restore and/or correctly to manipulate, interpret, transmit, return, calculate or process any date, data, information, command, logic or instruction as a result of or in connection with:
 - (a) anything referred to in 1. or 2. recognising, using or adopting any date, day of the week or period of time, otherwise than as, or other than, the true or correct date, day of the week or period of time; or
 - (b) the operation of any command or logic which has been programmed or incorporated into any anything referred to in 1. or 2. above.

General conditions

1. Precedent to Liability

(a) Your Duty

The extent of Our liability is conditional upon:

- 1) Payment of the premium. We will not pay any claim until You have paid the premium.
- 2) Notification as soon as possible by You to Us of any change materially varying any of the facts or circumstances existing at the commencement of this Policy or renewal of this Policy.
- 3) You taking all reasonable precautions to prevent destruction, loss or damage to property and complying and ensuring that Your employees, servants and agents comply with all statutory obligations and bylaws or regulations imposed by any public authority for the safety of property or person.
- 4) The observance of the terms of the Policy by You and by any other person entitled to indemnity under this Policy.

(b) Transfer of Interest

No interest in this Policy can be transferred without Our written consent.

(c) Our Rights of Conduct and Recovery

Subject to the provisions of the Insurance Contracts Act 1984, We have the right to recover or obtain contribution from any person against whom You may be able to claim and take action in Your name. We shall have full discretion in the conduct, defence or settlement of any claim and to take action in Your name. You and any other person entitled to benefit under this Policy must not hinder these rights and must give all such information and cooperation as We may require.

2. Cancellation

(a) Under Section 60 of the Insurance Contracts act 1984, We may cancel this Policy or any Section at any time by giving notice in writing to you of the date from which cancellation is to take effect, where You have:

- 1) failed to comply with Your duty of utmost good faith; or
- 2) failed to comply with Your duty of disclosure at the time when the Policy, or any section of the Policy, was entered into, varied, altered, or renewed; or
- 3) made a misrepresentation to Us during this Policy, but before We agreed to issue this Policy, or
- 4) failed to comply with a provision of the Policy, or
- 5) failed to Pay the Premium for the Policy; or
- 6) made a fraudulent claim under this Policy, or any other contract of Insurance (whether with Us or another insurer) that provided cover during any part of the Period of Insurance of this Policy, or
- 7) failed to comply with a requirement in this Policy that You notify Us of an act or omission which occurred after this Policy was entered into; or
- 8) failed to notify Us of any specific act or omission or such notifications as is required under the terms of this insurance Policy.

We may deliver such notice to you personally or by post at Your address last notified to Us.

(b) Under Section 60 of the Insurance Contracts Act 1984, We may cancel this Policy at any time where:

- 1) it is in force by virtue of Section 58 of the Insurance Contract Act 1984; or
- 2) it is an interim contract of general insurance.
- 3) You may cancel this Policy at any time by notifying Us in writing.
- 4) After cancellation, We will retain or be entitled to the premium for the period during which this Policy has been in force.

3. Jurisdiction

Should any dispute arise between You and Us over the application of this Policy, such dispute shall be determined in accordance with the law of Australia and the States and Territories thereof. In relation to any such dispute arising out of or incidental to this contract of insurance, the parties agree to submit to any court of competent jurisdiction in a State or Territory of Australia.

4. Inspection

We have the right to inspect and examine the insured items at all reasonable times.

Claims procedure

1. As soon as possible after the happening of any Occurrence, accident or event which may arise to a claim against Us, you or Your legal representative must:
 - a) Advise details to Us and send written confirmation within 30 days.
 - b) take all reasonable steps to minimize the loss or damage and to prevent any further loss or damage. We will not be liable in respect of any further damage arising out of the continued use of damaged property until such property is repaired to Our satisfaction.
 - c) Take all reasonable precautions to preserve any things which might prove necessary or useful by way of evidence in connection with any claim.
 - d) Take all practical steps to recover any property.
 - e) Retain all damaged property for inspection by Us.
 - f) Advise Us of any impending prosecution or inquest.
2. Where a claim arises You must not authorise repairs to, or arrange replacement of, any of the property relevant to the claim without Our consent.
3. Subject to the provisions of the Insurance Contracts Act 1984, You or any person making a claim under this Policy must not make any admission of liability or payment or promise, or offer of payment in connection with any such claim, without Our written consent.
4. You at Your own expense will furnish Us with:
 - a) a statement in writing containing particulars of the property affected and its value; and
 - b) such books of account and other business books, computer records, vouchers, invoices, balance sheets, and other documents, proofs, information, explanations and other evidence and a statutory declaration as we may require for the purpose of investigating or verifying a claim under this Policy and you and Your accountants must cooperate fully in this regard.
5. You must furnish Us with a statement giving details of the other insurances which may also provide cover on any property hereby insured.



Insurer
CGU Insurance Limited
ABN 27 004 478 371