

# Contractors Machinery and Plant

## Engineering Insurance Policy



## About this booklet

This booklet contains 2 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 QBE Australia

QBE Insurance (Australia) Limited is a member of the QBE Insurance Group (ASX: QBE). QBE Insurance Group is Australia's largest international general insurance and reinsurance group, and one of the top 25 insurers and reinsurers worldwide. The company has been operating in Australia since 1886 and continues to provide industry-leading insurance solutions that are focused on the needs of intermediaries and their clients.

QBE is a household name in Australian insurance, backed by sizeable assets, and well known as a strong and financially secure organisation.

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## GENERAL INFORMATION FOR CONTRACTORS MACHINERY AND PLANT 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 – What you must tell us

Under the Insurance Contracts Act 1984 (the Act), you have a Duty of Disclosure. You are required before you enter into, renew, vary, extend or reinstate your Policy, to tell us everything you know and that a reasonable person in the circumstances could be expected to know, is a matter that is relevant to our decision whether to insure you, and anyone else to be insured under the Policy, and if so, on what terms.

- **You do not have to tell us about any matter**
  - that diminishes the risk
  - that is of common knowledge
  - that we know or should know in the ordinary course of our business as an insurer, or
  - which we indicate we do not want to know.
- **If you do not tell us**

If you do not comply with your Duty of Disclosure we may reduce or refuse to pay a claim or cancel your Policy. If your non-disclosure is fraudulent we may treat this Policy as never having worked.

### Privacy

Privacy legislation regulates the way private sector organisations can collect, use, keep secure and disclose personal information. We are bound by the Privacy Act 1988 (Cth.), when collecting and handling your personal information. QBE has developed a privacy policy which explains what sort of personal information we hold about you and what we do with it.

We will only collect personal information from or about you for the purpose of assessing your application for insurance and administering your insurance policy, including any claims you make. We will only use and disclose your personal information for a purpose you would reasonably expect.

We may need to disclose personal information to our reinsurers, (who may be located overseas), insurance intermediaries, insurance reference bureaux, credit reference agencies, our advisers and those involved in the claims handling process (including assessors and investigators), for the purposes of assisting us and them in providing relevant services and products, or for the purposes of litigation. We may disclose personal information to people listed as co-insured on your policy and to family members or agents authorised by you. We may also disclose information to organisations which conduct customer service surveys on our behalf. We will request your consent to any other purpose.

By providing your personal information to us, you consent to us making these disclosures. Without your personal information we may not be able to issue insurance cover to you or process your claim.

You also have the opportunity to find out what personal information we hold about you and, when necessary, correct any errors in this information. Generally we will do this without restriction or charge. For further information about our Privacy Policy or to access or correct your personal information, please contact The Compliance Manager, QBE Insurance (Australia) Limited, GPO Box 82 Sydney NSW 2001. Telephone: (02) 9375-4656, Fax: (02) 8275-9022 or Email: [compliance.manager@qbe.com](mailto:compliance.manager@qbe.com)

### The General Insurance Code of Practice

QBE Insurance (Australia) Limited is a signatory to the General Insurance Code of Practice. The Code aims to:

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

### Dispute resolution

We will do everything possible to provide a quality service to you. However, we recognise that occasionally there may be some aspect of our service or a decision we have made that you wish to query or draw to our attention.

We have a Complaints and Dispute Resolution Procedure which undertakes to provide an answer to your complaint within 15 working days.

If you would like to make a complaint or access our internal dispute resolution service please contact your nearest QBE office and ask to speak to a dispute resolution specialist.

### Cooling-off Information

If you want to return your insurance after your decision to buy it, you may cancel it and receive a full refund. To do this you may notify your Financial Services Provider electronically or in writing within 21 days from the date the Policy commenced.

This cooling-off right does not apply if you have made or are entitled to make a claim. Even after the cooling-off period ends, you still have cancellation rights however your Financial Services Provider may deduct certain amounts from any refund for administration costs or any non-refundable taxes.

# POLICY TERMS AND CONDITIONS FOR CONTRACTORS MACHINERY AND PLANT POLICY

## Insurer

The Policy is underwritten by QBE Insurance (Australia) Limited, ABN 78 003 191 035, AFS Licence No. 239545 of 82 Pitt Street, Sydney.

## 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, Section 1 for claims occurring and Section 2 for claims made, respectively during the period of insurance shown on your Policy Schedule or any renewal period.

The excesses set out in the section headed 'What you must pay if you make a claim – Deductible' apply to all claims except where otherwise stated. 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 types of cover.

## Your Policy

Your 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 us, or your Financial Services Provider.

The address and telephone number of your QBE branch are on your Policy Schedule.

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

## 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.

## Paying your premium

You must pay your premium by the due date. If we do not receive your premium by this date or your payment is dishonoured this Policy will not operate and there will be no cover.

## 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.

## 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:

- (a) not registered for GST, the amount we pay is the sum insured/limit of liability or the other limits of insurance cover including GST.
- (b) registered for GST, we will pay the sum insured/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 (such as services to repair a Damaged item insured under the Policy) 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 sum insured/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.



## Words with special meanings – definitions which apply to all Sections of this Policy

Some key words and terms used in this Policy have a special meaning.

If words and terms are only used in just one Section of the Policy, we will describe their special meaning in that Section.

Wherever the following words or terms are used in the Policy, they mean what is set out below:

Word or term	Meaning
Business	your business or trade as specified in the Schedule.
Dry hire	hire of a machine excluding the costs of delivery, set up and pick up, operator costs and consumables.
Excess	the amount(s) shown in the Schedule that you shall first contribute towards each claim or series of claims resulting from the one original source or cause.
Indemnity period	the period: (a) beginning with the occurrence of Insured Damage and (b) ending on the earlier of: (i) three (3) months thereafter, or (ii) the date on which the results of the business are no longer affected by the Insured Damage.
Machine	where referred to in this Policy either a Static Machine or a Mobile Machine.
Market value	the cost to buy an equivalent Static or Mobile Machine of the same age, condition, model and make; as assessed by us.
Mobile machine	any mechanically propelled vehicle specified in the Schedule (excluding vehicles predominantly used to carry people or goods) including any trailer intended to be attached to such a machine including, whilst attached to or within the machine: (a) standard accessories, standard tools, standard appliances and standard options (b) built in radio receiver, cassette player, compact disc player and air-conditioning (c) alarms and other security devices; (d) gates, tarpaulins and chains (e) any additional equipment or accessories including those fitted by the manufacturer or dealer, but only if they are shown on the Schedule (f) sign writing or fixed advertising signs or materials forming a permanent part of your Mobile Machine at the time of loss or damage up to \$500 in total (g) non-standard tools and spare parts for your Mobile Machine up to \$250 in total.

Word or term	Meaning
Period of insurance	the Period specified in the Schedule.
Policy Schedule	includes any Schedule issued by us or renewal Schedule or endorsement and forms part of this policy.
Revenue	the money received or receivable by you in the conduct of your business under agreements which have been concluded by specific written contracts or are subject to a written offer prior to the Insured Damage.
Static machine	any item of machinery and plant specified in the Schedule, including manufacturers accessories but does not include a 'Mobile Machine'.
Sum insured	the sum specified in the Schedule.
Time excess	the number of days as specified in the Schedule during which you must bear the loss for any increased cost of working or loss of revenue.
We/our/us	QBE Insurance (Australia) Limited, ABN 78 003 191 035
You/your/insured	the person(s), company(s) or firm(s) named in the Schedule together with specified subsidiary companies individually named in the Schedule or any attachment thereto.

## Section 1 – Material Damage

### 1. Definitions applying to Section 1 and all Extensions

- 1.1 'Insured Damage' means sudden and unforeseen physical loss of or damage to a Machine which occurs during the Period of Insurance and requires immediate repair or replacement to allow continuation of use.
- 1.2 'Location' means any place where work is performed by the operation of a Machine(s).
- 1.3 'Electronic Data' means any facts, concepts and/or information converted to a form usable for communications and/or displays and/or distribution and/or processing by electronic and/or electromechanical data processing and/or electronically controlled equipment which includes but is not limited to programs and/or software and/or other coded instructions for such equipment.

### 2. Scope of cover

We will cover you for Insured Damage to a Machine whilst it is located and in use in the manner in which it was designed to be used, or in transit by land, sea or air between locations, anywhere within the geographical area referred to in the Schedule and whether at work, at rest, being dismantled for the purpose of cleaning or overhauling, in the course of these operations, or in the course of subsequent re-assembly, but only after successful initial commissioning.

#### 2.1 Removal of debris

We will also indemnify you for costs, charges and expenses necessarily and reasonably incurred to clean up and remove any debris resulting from an accident involving your Mobile Machine or caused by or arising from goods falling from it to an amount not exceeding \$5,000 for any one claim.

#### 2.2 Interested parties

Indemnity against Insured Damage is extended to include any person, company or firm who has a financial and insurable interest in your Machine.

### 3. Basis of settlement

In the event of Insured Damage to any Machine we will pay:

- 3.1 in the case of Insured Damage which can be repaired, the cost of repairs necessary to restore the Machine to its condition immediately before the Insured Damage including:
- (a) the cost of dismantling and re-assembly incurred for the purpose of effecting the repairs
  - (b) charges for overtime and work on public holidays where necessarily and reasonably incurred; limited to 25% of the cost of the normal repair or \$10,000 whichever is the lesser
  - (c) an amount not exceeding 5% of the Sum Insured for the Machine for the costs of recovery, handling and transportation of the Machine, its components or replacement parts to and from places of repair and freight within the Australia including transportation as freight by any recognised scheduled service

- (d) overseas air freight by any recognised scheduled service and or overseas labour but only if specified in the Schedule, and
- (e) customs duties and dues, if any, to the extent such expenses have been included in the Sum Insured

however, only to the extent to which the costs claimed have to be borne by you.

In the event of any part of an Insured Machine and/or its accessories becoming unobtainable in Australia it is agreed that you will undertake to obtain such parts and that we will undertake to reimburse you, in accordance with the basis of settlement under this clause, but we will be liable in respect of freight charges, other than within Australia only where this provision is noted in the Schedule.

- 3.2 in the case where we in our sole discretion accept that there has been a total loss of a Machine

- (a) the Sum Insured for the Machine as specified in the Schedule
- (b) for a Machine less than two (2) years old from the date of commissioning, the cost of replacement of the Machine by a Machine of similar function, type, capacity and quality and in a condition equal to but not better than the condition of the Machine when new, or
- (c) for a Machine two (2) years or older the actual current Market Value of the Machine immediately prior to the Insured Damage.

Our liability will be the lesser of 3.2(a), 3.2(b) or 3.2(c) less the applicable Excess.

- (d) our liability under any part of clause 3 will not exceed in respect of any loss the Sum Insured stated in the Schedule.

### 4. Exclusions

Applying to Section 1 and all extensions, we will not pay for:

- 4.1 Insured Damage due to faults or defects known to you or any of your employees at the time of arrangement of this insurance and not disclosed to us
- 4.2 consequential loss of any kind or description whatsoever
- 4.3 Insured Damage caused by wear and tear, corrosion, oxidation, or deterioration due to lack of use or atmospheric conditions
- 4.4 the cost of any provisional repairs unless such repairs constitute part of the final repairs and do not increase the total repair cost
- 4.5 the cost of any alterations, additions and improvements carried out to a Machine
- 4.6 the cost of repairs or replacement due to:
  - (a) electrical, electronic or mechanical breakdown, failure, breakage or malfunction
  - (b) freezing of coolant or other fluid
  - (c) defective lubrication or lack of oil or coolant

- (d) explosion of any internal combustion engine or of any boiler or pressure vessel subject to internal gas, liquid or fluid pressure.

If as a result of the foregoing, Insured Damage occurs, the resultant damage will be covered.

- 4.7 the cost of replaceable parts and attachments of a Machine such as bits, drills, knives, discs or other cutting edges, blades, dies, moulds, patterns, hammers, pulverising and crushing surfaces, screens and sieves, belts, chains elevator and conveyor bands, batteries, tyres, electrical connecting wires and cables, flexible pipes, jointing and any packing material which is regularly replaced unless damaged as a result of Insured Damage.
- 4.8 Insured Damage to any ropes other than complete severance to wire ropes within a Machine that is used as a crane or lifting device
- 4.9 damage to tyres caused by application of brakes or by road cuts, punctures or bursts not arising from an accident
- 4.10 Insured Damage to a Mobile Machine after a fire or accident unless reasonable steps have been taken to protect or safeguard the Machine
- 4.11 Insured Damage to any waterborne vessels, aircraft or aerial devices
- 4.12 Insured Damage to any Mobile Machine running on rails
- 4.13 unreported theft or loss of a machine where such loss is discovered only at the time an inventory is taken
- 4.14 Insured Damage to any Machine which is on Dry Hire, except when covered under Optional Extension 14 Dry Hire and nominated in the Schedule
- 4.15 Insured Damage to any Machine(s) which is working underground, except where we have agreed to cover such Machine(s) working underground and they are nominated in the Schedule
- 4.16 Recovery costs, except where covered under Optional Extension 16 Recovery costs and nominated in the Schedule.
- 4.17 to electronic data provided this exclusion does not apply to Insured Damage arising out of fire, lightning, thunderbolt, explosion, implosion, earthquake, subterranean fire, volcanic eruption, impact, aircraft and/or other aerial device and/or articles dropped therefrom, sonic boom, theft which is a consequence of theft of any computer and/or computer hardware and/or firmware and/or microchip and/or integrated circuit and/or similar device containing such Electronic Data, breakage of glass, the acts of persons taking part in riots or civil commotions or of strikers or of locked out workers or of persons taking part in labour disturbances which do not assume the proportions of or amount to an uprising, storm and/or tempest and/or rainwater and/or wind and/or hail, water and/or other liquids and/or substances discharged and/or overflowing and/or leaking from any apparatus and/or appliance and/or pipes.

## Section 2 – Legal Liability

(Registered Mobile Machines) including Tool of Trade Cover

### 5. Definitions

- 5.1 'You/your' includes any of your directors, executive officers or employees but only whilst acting within the scope of their duties in such capacity.
- 5.2 'Compensation' means money payable by you by reason of a judgment ordered by a court of competent jurisdiction or by reason of any settlement of any claim negotiated with our consent, but does not include any money payable by way of any fine or penalty or punitive, exemplary or aggravated damages.
- 5.3 'Occurrence' means an event which results in Personal Injury or Property Damage, 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 shall be construed as arising out of one Occurrence.
- 5.4 'Personal Injury' means:
- (a) bodily injury, sickness or disease, including death at any time resulting therefrom, or shock, fright, mental anguish or mental injury
- 5.5 'Property Damage' means:
- (a) physical injury to or loss or destruction of tangible property including the loss of use thereof at any time resulting therefrom;
  - (b) loss of use of tangible property which has not been physically injured or destroyed provided such loss of use is caused by an Occurrence.

### 6. Scope of cover

The cover offered under this Section only applies to a Mobile Machine that is registered under any compulsory statutory insurance scheme or accident compensation scheme and is also insured under Section 1 of this policy.

We will indemnify you for:

- 6.1 Compensation which you shall become legally liable to pay by reason of liability imposed on you by law in respect of Property Damage happening during the Period of Insurance and caused by an occurrence which arises or is caused by:
- (a) the use of a Mobile Machine
  - (b) goods falling from a Mobile Machine
  - (c) the operation of loading and unloading of a Mobile Machine but not the collection or delivery of the load to or from the Machine
  - (d) any person who is driving, using or in charge of a Mobile Machine with your permission as if they were you and provided such cover is not otherwise excluded
  - (e) by pollution or contamination of buildings or other structures or water or land or the atmosphere but the maximum amount we will pay under this Clause is limited to \$250,000.

The amount of each claim otherwise payable will be reduced by the amount of the Excess shown in the Schedule.

6.2 all sums which you or any person driving, using or in charge of a Mobile Machine with your permission may be held legally liable to pay by way of Compensation in respect of Personal Injury happening during the Period of Insurance to persons caused by or arising out of the use of the Machine, however, we will not be liable for any claim

- (a) if you or any person driving, using or in charge of a Mobile Machine with your permission is entitled to be wholly or partly indemnified by or under any compulsory statutory insurance scheme or accident compensation scheme
- (b) if you or any person driving, using or in charge of a Mobile Machine with your permission is not entitled to be wholly or partly indemnified by or under any compulsory statutory insurance scheme or accident compensation scheme only by reason of any excess or deductible applying thereunder
- (c) if indemnity under any compulsory statutory insurance scheme or accident compensation scheme is refused:
  - (i) by reason of your failure to register a Mobile Machine or your failure to apply for cover under such a scheme
  - (ii) by reason of your failure to comply with a term or condition of such a scheme.

6.3 for removal of debris except as provided for in Section 1 – Scope of Cover 2.1 (Removal of debris).

With the exception of Clauses 6.1(e), the maximum amount we will pay under Section 2 in respect of all claims made by you against us arising out of one accident or series of accidents arising out of one cause or event shall not exceed the limit of liability shown in the Schedule.

The amount of each claim otherwise payable shall be reduced by the Excess shown on the Schedule.

## 7. Additional payments

If you are entitled to be covered in respect of a claim under this section we will, in addition to our liability in respect of payment of Compensation:

- 7.1 pay all expenses incurred by us and all costs awarded against you in any suit and action, and
- 7.2 reimburse you for all your reasonable expenses, other than loss of earnings incurred in the defence of the action and incurred with our consent

provided however:

- 7.3 our obligation to pay costs and expenses under this Section is limited to the period up to that time when we have paid, tendered or deposited in a court that amount of any judgment or settlement sum which does not exceed the Limit of Liability, and

- 7.4 if a payment greater than the Limit of Liability is made to dispose of a claim against you, which is a claim covered by this Section 2, our liability for additional payments under this Clause 7 is in the same proportion to the total of those additional payments as the Limit of Liability is to the amount payable to dispose of the claim against you ('Proportionate Liability'). You must repay the amount of additional payments under this clause, paid by us, that are in excess of the Proportionate Liability within twenty-one (21) days of notification from us requiring repayment.

## 8. Exclusions

Applying to Section 2 and all extensions, we will not pay for:

- 8.1 any claim for loss of or damage to property belonging to, held in the custody of, or in the control of you or any of your partners or directors
- 8.2 damage to property belonging to, held in the custody of, or in the control of any relative or friend of yours ordinarily residing with you or with whom you ordinarily reside
- 8.3 Personal Injury to:
  - (a) any person employed by you whose claims arise from a liability imposed by an industrial award or agreement of determination, Workers Compensation, Accident Compensation Legislation or Law
  - (b) any member of your family or to any person ordinarily residing with you or with whom you ordinarily reside
- 8.4 Personal Injury or Property Damage caused by or arising directly or indirectly out of or in connection with:
  - (a) the existence, mining, handling, processing, manufacture, sale, distribution, storage or use of asbestos, asbestos products and/or products containing asbestos.
  - (b) the transportation of petroleum products, toxic chemicals, corrosive acids, inflammable liquids, gases, explosives, radioactive materials, inflammable substances or any other substances which form explosive or toxic mixtures with organic or other oxidisable materials
- 8.5 loss, damage or liability in respect of any underground sewers, water pipes, gas pipes, electric wire cables or their supports including any transmission cables and their supports or any other underground pipes or cables or their supports unless you have ascertained the actual position of these underground services from the relevant authorities prior to commencement of any excavation
- 8.6 fines, penalties, exemplary or aggravated damages.



## Optional Extensions

The following Extensions apply where indicated on the Schedule as being operative.

### 9. Dual or multiple lifting

#### 9.1 Scope of cover

Exclusion 17.11(c) is deleted and we will pay for loss, damage or liability as insured under Sections 1 or 2 which is caused by or arises out of the operation of any Machine in connection with dual or multiple lifting. Provided that all such operations are under the direct control of a qualified Engineer and the hoisting or lifting operation including all movements in correct sequence must be rehearsed with out load and under the supervision of the Engineer.

We will not pay for loss or damage or liability if any Machine is:

- (a) being operated with your knowledge or the knowledge of any of your agents or employees or by any person in contravention of any applicable statutory requirement, or
- (b) loaded in excess of 70% of the rated capacity at any given position during the lifting or lowering operation, or
- (c) being operated without radio communication between operators that are dual lifting or sharing loads.

You will be liable for the Excess specified on the Schedule for this Extension.

### 10. Goods lifted

#### 10.1 Scope of cover

Exclusion 8.1 in Section 2 is deleted and we will pay for accidental damage to property in your care, custody or control whilst any such property is being handled by a Machine being used as a crane or lifting device.

We will not pay:

- (a) for damage to property arising from fault in or fragility of such property or its container or packaging
- (b) more than \$50,000 for property belonging to you.

Our total liability will not exceed the amount specified in the Schedule for this Extension.

You will be liable for the Excess specified in the Schedule for this Extension.

### 11. Increased cost of working

#### 11.1 Scope of cover

If the Business carried on by you be interrupted or interfered with in consequence of Insured Damage to a Machine which is covered under Section 1 and for which we have admitted liability, this Extension operates to indemnify you during the Indemnity Period only against the Increase in cost of working resulting from such interruption or interference. Provided that:

- (a) our total liability for any one Period of Insurance, will not exceed the amount specified in the Schedule
- (b) our liability under this Extension is limited to the increase in the Cost of Working and the amount payable thereunder will be limited to the additional expenditure necessarily and reasonably incurred for the sole purpose of minimising interruption to the Business affected by the machine which has suffered Insured Damage
- (c) in the event of a claim being made under this extension you must give us or our representative immediate notification by telephone or facsimile and thereafter by written confirmation within three (3) days of the event
- (d) you will with due diligence do and concur in doing and permit to be done all things which may be reasonably practicable to minimise or avoid or diminish the loss
- (e) we will not be liable for loss, damage or costs incurred by you during the Time Excess
- (f) the amount of each claim otherwise payable will be reduced by the amount of Excess shown in the Schedule
- (g) the Indemnity Period will not exceed three (3) months.

### 12. Loss of revenue

#### 12.1 Scope of cover

If the Business carried on by you be interrupted or interfered with in consequence of Insured Damage to a Machine which is covered under Section 1 and for which we have admitted liability, this Extension operates to indemnify you during the Indemnity Period only against Loss of Revenue and an increase in the cost of working resulting from such interruption or interference, Provided that:

- (a) our total liability for any one Period of Insurance will not exceed the amount specified in the Schedule;
- (b) our liability under this Extension is limited to Loss of Revenue and an Increase in the Cost of Working and the amount payable thereunder will be limited to that portion of the Loss of Revenue and an increase in the Cost of Working affected by the Machine which has suffered Insured Damage
- (c) in the event of a claim being made under this extension you must give us or our representative immediate notification by telephone or facsimile and thereafter by written confirmation within three (3) days of the event
- (d) you will with due diligence do and concur in doing and permit to be done all things which may be reasonably practicable to minimise, avoid or diminish the loss
- (e) we will not be liable for loss, damage or costs incurred by you during the Time Excess
- (f) the amount of each claim otherwise payable will be reduced by the amount of Excess shown on the Schedule

- (g) the Indemnity Period will not exceed three (3) months.

### 13. Lease payment protection

#### 13.1 Scope of cover

It is hereby agreed and declared that we will, subject to the Limit of Indemnity stated in the Schedule and in respect of each item so specified, indemnify you against your obligation to meet payments under the lease agreement directly consequent upon Insured Damage under Section 1 and for which we will have admitted liability. Provided that:

- (a) the indemnity provided by this Extension will cease after twelve consecutive months or on completion of repairs or replacement whichever is the earlier
- (b) you will with due diligence do and concur in doing and permit to be done all things which may be reasonably practicable to minimise or avoid or diminish the loss
- (c) no indemnity will be provided by this Extension unless the period for repair or replacement exceeds seven (7) consecutive days
- (d) no indemnity will be provided by this Extension for any balloon or residual value payments which may be due a repair or replacement period.

#### 13.2 Basis of settlement

The amount payable under this Extension is as follows:

- |  |  |
|--|--|
| (a) where the repair or replacement period exceeds seven (7) days but does not exceed one (1) calendar month | one (1) full monthly payment or its equivalent                                       |
| (b) where the repair or replacement period exceeds one (1) calendar month                                    | payment for the period of repair or replacement calculated on a daily pro-rata basis |
- (c) we will not be liable for any more than the stated Limit of Indemnity in total as specified in the Schedule during the Period of Insurance
  - (d) we will not be responsible for the first ten percent (10)% of each and every admitted and agreed claim under this Extension.

### 14. Dry hire

#### 14.1 Scope of cover

We will pay for the Machines specified in the Schedule for this Extension for Insured Damage to a Machine whilst on hire to another party and you did not supply an operator. We will not pay for claims under this Extension:

- (a) unless you have taken all reasonable steps to ensure that the hirer, or any other person who will operate the Machine is authorised to do so under any relevant legislation
- (b) unless you have provided the hirer with adequate operating instructions and the loss or damage was caused by incorrect operation

- (c) for theft occasioned by any person to whom your Machine is let on hire
- (d) where another Policy has been effected for the loss by a party other than you, however, if such cover is not as extensive as this Policy we will pay for all losses arising from the difference in the cover and conditions subject to the Conditions and Exclusions of this Policy.

### 15. Breakdown

- 15.1 'Breakdown' means sudden and unforeseen physical damage caused by the actual breaking, seizing or burning out of any part of a Machine necessitating repair or replacement before normal working can resume.

#### 15.2 Scope of Cover

Exclusion 4.6(a) in Section 1 is deleted and we will pay for Breakdown (as defined) of those Machines specified in the Schedule for this Extension, Provided that:

- (a) we shall not be liable under this Extension for any more than the manufacturer's or supplier's last published price for any part of any Machine which is no longer available to effect a repair
- (b) our liability under this Extension in respect of any single occurrence of Breakdown will not exceed the Sum Insured shown for each Machine specified in the Schedule.

#### 15.3 Basis of Settlement

In the event of Breakdown to a Machine we will pay the reasonable cost of repair or replacement necessary to return the Machine to its former normal working state, provided that:

- (a) all damage which can be repaired must be repaired, however, should the Machine be uneconomical to repair solely due to the nature of the Breakdown, settlement will be as follows:
  - (i) we will deduct from the delivered cost of the replacement Machine 5% per annum of each year of service of the Machine exceeding two (2) years following initial commissioning or replacement to a maximum of 70%
  - (ii) the amount of each claim otherwise payable will be reduced by the amount of the excess specified in the Schedule.

### 16. Recovery Costs

#### 16.1 Scope of Cover

In the event of any Machine becoming unintentionally immobilised in any physical situation in or about any contract site where you are working for the Business, the necessarily incurred cost of recovery and/or withdrawal will be deemed to be the Insured Damage within the meaning of this Policy,

Provided that:

- (a) our liability in respect of such cost will not exceed \$50,000 during the period of insurance

- (b) you will be responsible for the first 10% with a minimum of \$500 for each and every claim under this endorsement.

## General Conditions and Exclusions applying to both Sections and all Extensions

Unless and to the extent a Section of the policy has specific exclusions and conditions.

### 17. General Exclusions

We will not pay for:

17.1 Insured Damage or liability caused by or contributed to by theft or criminal act by you or any of your partners or directors

17.2 Insured Damage or liability if a Mobile Machine:

- (a) is used in an unsafe or unroadworthy condition unless such condition could not reasonably be detected by you
- (b) is driven by or is in the charge of any person whose faculties are impaired by any drug or intoxicating liquor or by any person who is convicted of driving at the time of the accident whilst being under the influence of intoxicating liquor or driven by or is in the charge of any person who at the time of the accident has a concentration of alcohol in his or her breath or blood in excess of the amount permitted by law subject to any applicable law to the contrary unless you can prove that you did not consent to the Mobile Machine being driven by or being in the charge of the person when such person was so affected

17.3 Insured damage, loss, destruction, death, injury, illness, liability, cost or expense of any nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any of the following, regardless of any other cause or event contributing concurrently or in any other sequence to the loss:

1. 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, or
2. Any act(s) of terrorism

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

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

3. Radioactivity or the use, existence or escape of any nuclear fuel, nuclear material, or nuclear waste or action of nuclear fission or fusion.

This Policy also excludes any loss, destruction, damage, death, injury, illness, liability, cost or expense of any nature directly or indirectly caused by, contributed to by, resulting from or arising out of or in connection with any action taken in controlling, preventing, suppressing, retaliating against, or responding to or in any way relating to 1, 2 or 3 above.

17.4 the amount of the Excess specified in the Schedule;

17.5 Insured Damage to a Mobile Machine due to total or partial immersion in tidal waters

17.6 Insured Damage or liability occurring while any Machine is undergoing a test of any kind or is being used in any manner or for any purpose other than that for which it was designed

17.7 Damage to any land, buildings or other fixed property arising directly or indirectly from the removal, weakening or interference with any support or supports of such land, buildings or other fixed property

17.8 Insured Damage to any concrete agitator, barrel, bowl or pump and/or its fittings caused by, or arising from the hardening or setting of concrete

17.9 Insured Damage or liability whilst any Mobile Machine, at the time of an accident, being driven by or is in the charge of a person who is not authorised, licensed or trained to operate under any relevant law

17.10 Insured Damage or liability if, at the time of an accident, a Machine being used as a crane or lifting device was:

- (a) being operated with your knowledge or the knowledge of any of your agents or employees or by any person in contravention of any applicable statutory requirement, or
- (b) loaded in excess of the safe working load specified by any relevant Statutory Authority; Manufacturers Specification, or
- (c) being used in any raising or lowering operation in which a single load is shared between two or more cranes or lifting devices, unless extension 9 applies
- (d) not in compliance with the relevant Australian standard.

17.11 Insured Damage to any Machine which is or has been operated contrary to the manufacturers guidelines.

## 18. General Conditions

### 18.1 Policy Cancellation

This Policy may be cancelled:

- (a) by you giving written notice to us at any time. Notice will be effective when received by us. We may retain or be entitled to the premium for the period during which the policy was in force plus 10% of the premium for the unexpired Period of Insurance
- (b) by us in accordance with the provisions of the Insurance Contracts Act 1984. You will be entitled to a refund in respect of the unexpired Period of Insurance.

In either event you must provide all information requested by us to enable the calculation and adjustment of the premium.

### 18.2 Automatic Additions and Deletions

We will provide cover for a maximum time of sixty (60) days for newly purchased Machines if they are of a similar kind as those currently Insured by the policy.

The limit of cover for Insured Damage to such Machine will be the current Market Value up to but not exceeding \$50,000 (subject to payment by you of the excess applicable to Machines of a similar kind currently Insured by this Policy) until you have given us notice of its acquisition and value, and have paid any additional premium required.

### 18.3 Return of Machine(s)

Where a Machine is stolen and recovered, we will pay the necessary costs involved in the return of the Machine to the place it is normally garaged.

### 18.4 Hired in Machines

We will cover you for Insured Damage to Machines which you have hired in for use, provided that they have been specified in the Schedule and you have paid any additional premium required.

### 18.5 Assignment

We will in no case be bound to accept notice of the transfer of your interest in this Insurance and nothing contained in this Policy will give any rights under this Policy to any person other than you or a transferee approved by us in writing.

### 18.6 Subrogation

In the event that we have a right to recover any monies payable under this Policy from any other person, you must co-operate with us fully in any proceedings, available to us at law, which we may take.

### 18.7 Minimisation of Loss

You must at your own expense take all reasonable precautions to prevent damage and you must comply with all statutory requirements and manufacturers' recommendations relating to the safeguarding and operation of any Machine and in the event of damage occurring you must do all things necessary and reasonably available to reduce the amount of any damage.

### 18.8 Inspection

You must permit us or our representative at all reasonable times to inspect and examine any Machine.

### 18.9 Claims and Repair Procedure

- (a) in the event of any event which might give rise to a claim under this policy you must notify us immediately and confirm by, facsimile, or in writing full details; preserve the parts affected; and make them available for inspection by us or our representative
- (b) furnish all such information and documentary evidence as we may require
- (c) in the event of loss or malicious damage caused by theft or burglary, inform the police
- (d) upon notification of any Insured Damage being given to us, you may carry out repairs or make good any minor damage, but in all other cases you must give us or our representatives an opportunity to inspect the Insured Damage before any repairs or alterations are effected. If no inspection is carried out by us or on our behalf within a period of time which is reasonable having regard to the location of the risk, weather conditions and or any other relevant factors, you may proceed with such repairs or replacement
- (e) insurance cover will cease for any Machine which has sustained damage and where it is operated without being properly repaired
- (f) on the happening of any event which is likely to give rise to a claim under this policy you must, with due diligence do and concur in doing, and permit to be done, all things which may be reasonably practicable to minimise any interruption of or interference with the Business, or to avoid or diminish the loss, and in the event of a claim being made under these Extensions, you must no later than three (3) days after the expiry of the Indemnity Period, or within such further time as we in writing allow, at your own expense, deliver to us in writing a statement setting out the particulars of your claim, together with details of all other insurances covering the Insured Damage or any part of it, or consequential loss of any kind resulting therefrom
- (g) we will be entitled to take over and conduct in your name the defence or settlement of any claim or to prosecute in your name for indemnity or damages or otherwise and will have full discretion in the conduct of any proceedings or in the settlement of any claim. We may do this before we pay your claim and whether or not you have been fully compensated for your actual loss.
- (h) unless we agree in writing, no person, company or firm making a claim under this Policy will make any admission of guilt or promise or offer of payment in connection with any such claim
- (i) if a Machine is classed as a total loss we will pay out according to the cover provided by this policy and will retain all rights to the Machine and its salvage value.

### 18.10 Reinstatement of Sum Insured (Section 1 only)

Following Insured Damage to any Machine or any part of any Machine, the Sum Insured in respect of the Machine will automatically be reinstated, provided that an additional premium is paid by you as required upon any amount so reinstated. The additional premium will be the same proportion of the premium for that Machine as the amount reinstated bears to the Sum Insured for the Machine reinstated.

18.11 The Schedule identifies the Limits of Indemnity, the Sum Insured and any Excess relating to the Machines covered by this policy. The Limits of Indemnity applying to the cover under this policy apply generally to any claim for loss or damage unless there is an Extension noted on the Schedule which refers to a specific limit of indemnity for a particular Machine or other item covered by this policy. Where there is any conflict between the general limits of indemnity and the specific limit of indemnity, the specific limit will prevail.

### 18.12 Other Insurances

If at the time of any occurrence of any accident or event causing loss, damage or liability which becomes the subject of a claim under this policy there are subsisting insurances required by or under a law of a State or Territory covering the same loss, damage or liability, we will not be liable.

Where you have notified us of other insurances covering the same loss, damage or liability and that other insurance is specified in this Policy, our liability is limited to so much of a loss as is not covered by that other insurance.