

Policy Wording



BusinessGuard™ Liability



Bring on tomorrow



Policy Wording

BusinessGuard™ Liability

This Policy is issued / insured by AIG Australia Limited, ABN 93 004 727 753 AFSL 381686, Level 12, 717 Bourke Street, Docklands VIC 3008

Issuing Office:

This document contains your Insurance Policy terms, Provisos, Exclusions and Conditions. It is important that you read and understand it and retain it in a safe place.



Privacy notice

This notice sets out how AIG collects, uses and discloses personal information about:

- **you, if an individual; and**
- **other individuals you provide information about.**

Further information about our Privacy Policy is available at www.aig.com.au or by contacting us at australia.privacy.manager@aig.com or on 1300 030 886.

How we collect your personal information

AIG usually collects personal information from **you** or **your** agents.

AIG may also collect personal information from:

- **our** agents and service providers;
- other insurers;
- people who are involved in a claim or assist **us** in investigating or processing claims, including third parties claiming under **your** policy, witnesses and medical practitioners;
- third parties who may be arranging insurance cover for a group that **you** are a part of;
- providers of marketing lists and industry databases; and
- publically available sources.

Why we collect your personal information

AIG collects information necessary to:

- underwrite and administer **your** insurance cover;
- maintain and improve customer service; and
- advise **you** of **our** and other products and services that may interest **you**.

You have a legal obligation under the Insurance Contracts Act 1984 to disclose certain information. Failure to disclose information required may result in AIG declining cover, cancelling **your** insurance cover or reducing the level of cover, or declining claims.

To whom we disclose your personal information

In the course of underwriting and administering **your** policy **we** may disclose **your** information to:

- entities to which AIG is related, reinsurers, contractors or third party providers providing services related to the administration of **your** policy;
- banks and financial institutions for policy payments;
- assessors, third party administrators, emergency providers, retailers, medical providers, travel carriers, in the event of a claim;
- other entities to enable them to offer their products or services to **you**; and
- government, law enforcement, dispute resolution, statutory or regulatory bodies, or as required by law.

AIG is likely to disclose information to some of these entities located overseas, including in the following countries: United States of America, United Kingdom, Singapore, Malaysia, the Philippines, India, Hong Kong, New Zealand as well as any country in which **you** have a claim and such other countries as may be notified in **our** Privacy Policy from time to time.



You may request not to receive direct marketing communications from AIG.

Access to your personal information

Our Privacy Policy contains information about how **you** may access and seek correction of personal information **we** hold about **you**. In summary, **you** may gain access to **your** personal information by submitting a written request to AIG.

In some circumstances permitted under the Privacy Act 1988, AIG may not permit access to **your** personal information. Circumstances where access may be denied include where it would have an unreasonable impact on the privacy of other individuals, or where it would be unlawful.

Complaints

Our Privacy Policy also contains information about how **you** may complain about a breach of the applicable privacy principles and how **we** will deal with such a complaint.

Consent

If applicable, **your** application includes a consent that **you** and any other individuals **you** provide information about consent to the collection, use and disclosure of personal information as set out in this notice.



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Policy Wording

BusinessGuard™ Liability

This policy incorporates the Policy Schedule, Cover, Definitions, Conditions, Exclusions, Endorsements and any other terms attached which are to be read together. Any word or expression to which a specific meaning has been given in any part of this policy shall bear this meaning whenever it may appear unless such meaning is inapplicable to the context in which the word or expression appears.

Throughout this policy the words "**we**," "**us**" and "**our**" refer to AIG Australia Limited.

Words and phrases that appear in **bold** print have special meaning as detailed under Definitions of the policy.

Definitions

1.1 Aircraft

Aircraft means a **Vehicle** designed to be used primarily in the air and to be supported by the dynamic reaction of the air upon the **Vehicle's** wings or rotor-blades, and/or by the **Vehicle's** buoyancy in the air. The term **Aircraft**, however, excludes missiles, spacecraft and the ground support or control equipment used therewith.

1.2 Aircraft Products

Aircraft Products means:

- a) **Aircraft** and any ground support or control equipment used therewith;
- b) any **Insured Product** furnished by the **Insured** and installed in **Aircraft** or used in connection with **Aircraft**;
- c) any tooling used for the manufacture of (a) or (b) above;
- d) any ground handling tools and equipment used in connection with (a) or (b) above including training aids, navigational aids, instruction or manuals;
- e) blueprints, engineering or other data furnished by the **Insured** in connection with (a), (b), (c) or (d) above;
- f) any advice, service and/or labour furnished by the **Insured** in connection with (a), (b), (c), (d) or (e) above.

1.3 Business

Business means all usual **Market Operator**, **Stallholder** or **Pop-Up Shop** activities and operations of the **Named Insured** set forth in Item 2 in the Policy Schedule, including but not limited to the ownership, tenancy or occupation of premises of the **Named Insured** that is owned, leased or occupied for the purposes of conducting such activities and operations.

1.4 Claim

Claim means a written demand, notice or other written communication received by the **Insured** seeking a remedy and/or alleging liability or responsibility on the **Insured's** part for an **Occurrence**.

1.5 Deductible

Deductible means the uninsured first portion of each and every **Claim** that the **Insured** must pay. The amount of the **Deductible** is shown in item 5 of the Policy Schedule.

1.6 Employee

Employee means:

- a) any person under a contract of service or apprenticeship with the **Named Insured**;
- b) any person hired or borrowed by the **Named Insured** from another employer under an agreement by which the person is deemed to be employed by the **Named Insured**;
- c) any person under a work experience or similar scheme while engaged and working under the direction and control of the **Named Insured** in connection with and in the course of the **Business**.



1.7 Financial Loss

Financial Loss means a pecuniary or economic loss or expense.

1.8 Grounding

Grounding means the withdrawal of one or more **Aircraft** from flight operations or the imposition of speed, passenger or load restrictions on such **Aircraft**, by reason of the existence of or alleged or suspected existence of any defect, fault or condition in such **Aircraft** or any part thereof sold, handled or distributed by the **Insured** or manufactured, assembled or processed by any other person or organisation according to the **Insured's** specifications, plans, suggestions, orders or drawings or with tools, machinery or other equipment furnished to such persons or organisations by the **Insured**, whether such **Aircraft** so withdrawn are owned or operated by the same or different persons, organisations or corporations. A **Grounding** will be deemed to commence on the date of an **Occurrence** which discloses such condition or on the date an **Aircraft** is first withdrawn from service on account of such condition, whichever occurs first.

1.9 Hovercraft

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

1.10 Incidental Contracts

Incidental Contracts means:

- a) any written agreement or lease of real or personal property which does not impose upon the **Named Insured**:
 - i. An obligation to insure such property; or
 - ii. Any liability regardless of fault;
- b) any written contract with any entity for the supply of water, gas or electricity but only to the extent of indemnifying any such entity in respect of liability arising out of the **Business** other than contracts for the performance of work or provision of services by the **Named Insured**.

1.11 Insured

Insured means:

- a) the **Named Insured** as listed in the Policy Schedule;
- b) any organisation in which the **Named Insured** maintains an interest of more than fifty percent (50%) as of the effective date;
- c) if the **Named Insured** is an individual, the **Named Insured's** spouse, but only with respect to the conduct of a **Business** of which the **Named Insured** is the sole owner;
- d) if the **Named Insured** is an individual and dies, the **Named Insured's** legal representative but only with respect to the legal representatives duties in administering or undertaking the **Named Insured's Business**;
- e) the **Named Insured's** partners, executive officers, **Employees**, directors, shareholders or volunteers while acting within the scope of their duties on behalf of the **Named Insured's Business**;
- f) any person or organisation to whom the **Named Insured** is obligated by a written **Insured Contract** to provide insurance, but only with respect to their liability arising out of operations conducted by the **Named Insured** or on their behalf and not to any greater extent than required by the contract or agreement; and
- g) any office bearer or member of social and/or sporting clubs formed with the written consent of the **Named Insured** in respect of **Claims** arising from duties connected with activities of any such club. Cover shall not apply to **Personal Injury** to or **Property Damage** of any participants of any game, match, race, practice or trial.

1.12 Insured Contract

Insured Contract means that part of any contract or agreement pertaining to the **Named Insured's Business** under which the **Named Insured** assumes the tort liability of another party to pay for **Personal Injury** or **Property Damage** to a third person or organisation.

However, the **Personal Injury** or **Property Damage** must arise out of an **Occurrence** that takes place subsequent to the execution of the **Insured Contract**. Tort liability means a liability that would be imposed by law upon the other party in the absence of any contract or agreement.

1.13 **Insured's Products**

Insured's Products means any goods or products (after they have ceased to be in the **Insured's** possession or under the **Insured's** control) which is or is deemed (whether by law or otherwise) to have been manufactured, constructed, grown, extracted, treated, imported, exported, produced, processed, assembled, erected, installed, repaired, serviced, treated, sold, supplied or distributed by the **Insured**. **Insured Products** includes any packaging or containers, designs, formulae or specifications thereof, directions, instructions or advice given or omitted to be given in connection with such things other than a **Vehicle** or vending machine.

1.14 **Legal Proceedings**

Legal Proceedings means litigation, arbitration, mediation, adjudication or any other process of dispute resolution.

1.15 **Market Operators**

Market Operators means organisation, management or operation of any:

1. Art & Craft Fairs
2. Exhibitions and/or Expos
3. Car Boot Sales
4. Farmers Markets
5. Festivals
6. Flea Markets
7. Food Markets
8. Indoor Markets
9. Outdoor Markets
10. School Fetes
11. Shows
12. Trash & Treasure Markets

for the purchase and sale of goods.

1.16 **Medical Persons**

Medical Persons means medical doctor, medical nurses, dentists and first aid attendants.

1.17 **Named Insured**

Named Insured means the entity set forth in Item 1 in the Policy Schedule.

1.18 **Occurrence**

Occurrence means an event, including continuous or repeated exposure to substantially the same general conditions, which results in **Personal Injury** or **Property Damage** neither expected nor intended from the **Insured's** standpoint.

All events of a series consequent on or attributable to one source or original cause shall be deemed one **Occurrence**.

1.19 **Personal Injury**

Personal Injury means:

- a) death, injury, sickness or disease or death sustained by a person resulting from such injury, sickness or disease and shall include mental injury, mental anguish and shock

- b) false arrest, false imprisonment, wrongful eviction, wrongful detention, malicious prosecution and humiliation.
- c) libel, slander, defamation of character or invasion of privacy; and
- d) assault and battery not committed by or at the direction of the **Insured** unless committed for the purpose of preventing or eliminating danger to persons or property.

1.20 Policy Period

Policy Period means the period set forth in Item 3 of the Policy Schedule, or any shorter period arising as a result of Cancellation of this Policy.

1.21 Pollutants

Pollutants means but is not limited to any solid, liquid, biological, radiological, gaseous or thermal irritant or contaminant whether occurring naturally or otherwise, including but not limited to, smoke, vapour, soot, fibres, mould, spores, fungus, germs, fumes, acids or alkalis of any sort, chemicals and waste. Waste includes but is not limited to, material to be recycled, reconditioned or reclaimed.

1.22 Pop-Up Shop

Pop-Up Shop means organisation, management or operation of any temporary lock-up retail store occupied for up to a 90 day period.

1.23 Products Hazard

Products Hazard means **Personal Injury** or **Property Damage** arising out of the **Insured's Products** or reliance upon a representation or warranty made at any time with respect thereto, but only if the **Personal Injury** or **Property Damage** occurs away from premises owned by, leased to, rented to or occupied by the **Insured** and after physical possession of such products has been relinquished to others.

1.24 Property Damage

Property Damage means:

- a) physical injury to or destruction of tangible property including the loss of use thereof at any time resulting therefrom; or
- b) loss of use of tangible property which has not been physically injured or destroyed provided such loss of use is caused by physical injury to or destruction of other tangible property.

1.25 Stallholder

Stallholder means organisation, management or operation of any temporary stand, booth or compartment for the sale of goods at any:

1. Art & Craft Fairs
2. Exhibitions and/or Expos
3. Car Boot Sales
4. Farmers Markets
5. Festivals
6. Flea Markets
7. Food Markets
8. Indoor Markets
9. Outdoor Markets
10. School Fetes
11. Shows
12. Trash & Treasure Markets



for the purchase and sale of goods and excludes wholesale activities and lock up retail space

1.26 Territorial Limits

Territorial Limits means anywhere in the Commonwealth of Australia

1.27 Tool of Trade

Tool of Trade means any **Vehicle** which has attached as an integral part of such **Vehicle** any equipment for mechanical digging, scraping, grading, slashing, mowing, drilling, lifting or levelling, whilst such equipment is being used for the purpose for which it was designed.

1.28 Vehicle

Vehicle means any type of machine on wheels or on caterpillar tracks made or intended to be propelled other than by manual or animal power.

1.29 Watercraft

Watercraft means any vessel or craft made to or intended to float on or in or travel on or through or under water.



Cover

Subject to all provisions, terms, exclusions, and conditions of this Policy **we** agree to indemnify the **Insured** for all amounts which the **Insured** shall become legally liable to pay as a result of **Claims** or **Legal Proceedings** for **Personal Injury** or **Property Damage** happening during the **Policy Period** and caused by an **Occurrence** within the **Territorial Limits** and arising from and within the course of the **Business** and provided that the **Claim** or **Legal Proceedings** are brought against the **Insured** in a court of law within the **Territorial Limits**.

Defence Provisions

- 3.1 **We** shall defend at **our** cost any **Claim** or **Legal Proceeding** against the **Insured** that seeks compensation covered by this Policy, even if the **Claim** or **Legal Proceeding** is groundless, false or fraudulent.
- 3.2 In the defence of any **Claim** or **Legal Proceeding** against the **Insured** that seeks compensation covered by this Policy, **we** will:
- a) investigate, negotiate and settle the **Claim** or **Legal Proceeding** as **we** deem expedient; and
 - b) pay the following supplementary payments:
 - i. all costs taxed against the **Insured** in the **Claim** or **Legal Proceeding**;
 - ii. pre-judgement interest awarded against the **Insured** on that part of the judgement **we** pay;
 - iii. post-judgement interest that accrues after entry of judgement and before **we** have paid, offered to pay or deposited in court that part of the judgement that is within the applicable Limits of Liability; and
 - iv. the **Insured** expenses incurred at **our** request or with **our** written consent (including actual loss of wages or salary, but not loss of other income).

Notwithstanding, **we** will only be liable for the amount of damages and claimants' costs and expenses arising from an **Occurrence** that is in excess of the **Deductible**. The **Deductible** amount shall be borne by the **Insured** and shall remain uninsured, with regard to all payments for which the **Insured** shall be liable.

- 3.3 **We** may undertake investigations, conduct negotiations and with the written consent of the **Insured** settle any **Claim** or **Legal Proceedings** where settlement has been agreed to by the parties being indemnified or has been recommended by a Senior Counsel. If consent to such settlement is still withheld by the **Insured** then **our** liability on account of that **Claim** or **Legal Proceeding** shall not exceed the amount for which **we** could have settled the **Claim** or **Legal Proceeding** plus the costs and expenses incurred to the date such settlement was recommended in writing to the **Insured**.
- 3.4 **We** will not defend any **Claim** or **Legal Proceeding** or investigate any **Claim** or **Legal Proceeding** after the exhaustion of the applicable Limits of Liability of this section by the payment of loss.



Limits of Liability

- 4.1 **Our** liability in respect of any one **Occurrence** shall not exceed the Limit of Liability as set forth in item 4 (i) of the Policy Schedule. All **Personal Injury** and **Property Damage** arising out of continuous or repeated exposure to substantially the same general conditions shall be construed as arising out of one **Occurrence**.
- 4.2 **Our** total aggregate liability during any one **Policy Period** for all **Occurrences** involving the **Products Hazard** shall not exceed the Limit of Liability as set forth in item 4(ii) of the Policy Schedule.
- 4.3 Expenses incurred to defend or investigate any **Claim** or **Legal Proceeding** will be in addition to the applicable Limits of Liability.
- 4.4 The Limits of Liability apply separately to each **Policy Period** as shown in the Policy Schedule.



Exclusions

This policy excludes all liability for:

5.1 Aircraft, Hovercraft and Watercraft

Personal Injury or Property Damage caused by or arising out of the ownership, possession, maintenance, operation or use by or on behalf of the **Insured**:

- a) of any **Aircraft** or Hovercraft; or
 - b) any **Watercraft** or vessel exceeding eight (8) metres in length.
- Provided that this Exclusion 5.1 (b) shall not apply with respect to:

- i. operations by independent contractors;
- ii. **Watercraft** owned by others and used by the **Insured** for entertainment purposes related to the **Business**; or
- iii. hand propelled or sailing craft.

This proviso 5.1 (b) (i), (ii) and (iii) shall only apply where such **Watercraft** are sailing or operating in Australian territorial or inland waters.

5.2 Aircraft Products

The supply, distribution, sale or manufacture of **Aircraft Products** or reliance upon any representations or warranties made by the **Insured** with respect to **Aircraft Products** or arising out of the **Grounding** of any **Aircraft**.

5.3 Asbestos

Mesothelioma, asbestosis or for any death, disease, loss of use of property, or damage to property (including consequential loss) arising directly or indirectly out of or in connection with or in consequence of:

- a) inhaling, ingesting or physical exposure to asbestos or goods or products containing asbestos; or
- b) the use of asbestos in constructing or manufacturing any good, product or structure; or
- c) the removal of asbestos from any good, product or structure; or
- d) the manufacture, sale, transportation, storage or disposal of asbestos or goods or products containing asbestos; or
- e) the presence of asbestos in any building.

5.4 Contractual Liability

Personal Injury or Property Damage:

- a) where the **Insured** assumes liability under any contract or agreement.
But this Exclusion 5.4 a) shall not apply to those written contracts:
 - i. designated under item 6 of the Policy Schedule;
 - ii. where such liability would have been implied by law;
 - iii. where the **Insured** assumes liability under a warranty of fitness or quality as regards the **Insured's Products**;
 - iv. to **Incidental Contracts** entered into by the **Named Insured**;
 - v. to **Insured Contracts** entered into by the **Named Insured** where the **Named Insured** is obligated to provide insurance as is afforded to any person or organisation, but only with respect to their liability arising out of operations conducted by the **Named Insured** or on their behalf and not to any greater extent than required by the contract or agreement;
- b) where the **Insured** has waived any rights, which but for the existence of such waiver would accrue to the **Insured**.

5.5 Expected or Intended

Personal Injury or Property Damage expected or intended from the standpoint of the **Insured**. However, this exclusion does not apply to:

- a) **Personal Injury or Property Damage** resulting from the use of reasonable force to protect persons or property; or
- b) liability of the **Insured** for compensation as the result of an act committed by the **Insured's Employee(s)** which results in **Personal Injury or Property Damage** expected or intended from the standpoint of the **Insured's Employee(s)**, provided such act was not committed at the direction of the **Insured**.

5.6 Financial Loss

Financial Loss, unless such loss is a direct result of **Personal Injury or Property Damage** for which indemnity is provided by this Policy.

5.7 Fines, Penalties, Punitive, Aggravated, Exemplary Damages & Taxes

- a) fines, penalties (civil or criminal), liquidated, punitive, aggravated or exemplary damages;
- b) taxes;
- c) non-pecuniary relief;
- d) matters which may be deemed uninsurable under the law pursuant to which this policy shall be construed.

5.8 Libel and Slander

Personal Injury or Property Damage arising out of a libel or slander:

- a) made prior to the effective date of this insurance; or
- b) made by or at the **Insured's** direction with knowledge of the falsity or defamatory character thereof; or
- c) related to advertising, broadcasting, publishing or telecasting activities including Internet activity, conducted by the **Insured** or on the **Insured's** behalf.

5.9 Loss of Use

Loss of use of any tangible property which has not been physically injured or destroyed resulting from:

- a) a delay in or lack of performance by the **Insured** or on the **Insured's** behalf of any contract or agreement; or
- b) the failure of the **Insured's** Products to meet the level of performance, quality, fitness or durability expressly or implied, warranted or represented by the **Insured**.
Provided that this Exclusion 5.10 (b) does not apply to loss of use of other tangible property resulting from the sudden and accidental physical injury to or destruction of the **Insured's** Products after such products have been put to use by any person or organisation other than the **Insured**.

5.10 Nuclear Liability

Claims or Legal Proceedings of whatsoever nature, directly or indirectly, caused by or contributed by or arising from:

- a) ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel;
- b) the radioactive, toxic, explosive or other hazardous properties of any nuclear assembly or nuclear component thereof.

5.11 Damage to Own Products

Property Damage to the **Insured's Products**.

5.12 Product Recall

Any cost or expense incurred or claimed for the withdrawal, inspection, repair, replacement, or loss of use of the **Insured's Products** or of any property of which such products form a part, if such products or property are withdrawn from the market or from use because of any known or suspected defect or deficiency therein.

5.13 Professional Liability

Personal Injury or **Property Damage** arising out of the rendering of or failure to render professional advice or service by the **Insured**, or any error or omission arising from the rendering of professional advice, design specification or service for a fee.

Provided that this Exclusion 5.14 does not apply to the rendering of or failure to render professional medical advice by **Medical Persons** employed by the **Insured** to provide first aid and other medical services on the **Insured's** premises.

5.14 Property Owned or in the Insured's Physical or Legal Control

Property Damage to:

- a) property owned by, leased or rented to the **Insured**; or
- b) property belonging to the **Insured** or in the care, custody or control of the Insured or any **Employee** of the **Insured** other than:
 - i. premises which are leased or rented to the **Insured**; or
 - ii. premises and their contents not belonging to, leased or rented to the **Insured** at which the **Insured** is undertaking work in connection with the **Business**.
 - iii. **Vehicles** and their contents (not belonging to or used by or on behalf of the **Insured**) in the **Insured's** physical or legal control where such **Property Damage** occurs while any such **Vehicle** is in a car park owned or operated by the **Insured**; Cover under this section 5.15 (b) (iii) does not apply if the **Insured** as part of the **Business** owns or operates a car park for reward;
 - iv. goods, equipment, merchandise and property other than real property subject to cover being limited to a maximum of \$100,000 each **Occurrence** and in the aggregate during any one **Policy Period** for such **Property Damage**.
- c) that particular part of any real property on which the Insured or any contractors working directly or indirectly on the Insured's behalf are performing operations if the Property Damage arises out of those operations.

5.15 Pollution

Personal Injury or **Property Damage** directly or indirectly arising out of:

- a) **Pollutants** directly or indirectly caused by or contributed to by or arising from the discharge, dispersal, release or escape of smoke, vapours, soot, fumes, acids, alkalis, toxic chemicals, liquids or gases, waste materials or other irritants, contaminants or **Pollutants** into or upon land the atmosphere or any watercourse or body of water;
- b) the cost of removing, monitoring, testing, containing, treating, detoxifying, neutralizing, nullifying or cleaning up smoke, vapours, soot, mould, fungus, fumes, acids, alkalis, toxic chemicals, liquids or gases, waste materials or other irritants, contaminants or **Pollutants** discharged, dispersed, released or escaped into or upon and, the atmosphere or any watercourse or body of water;
- c) fines, penalties, punitive, exemplary or multiple damages relating to the circumstances detailed in 5.16 (a) above;
- d) the cost of preventing the escape of **Pollutants**.

5.16 Silica

Claims or **Legal Proceedings** directly or indirectly caused by or alleged to be caused by or contributed to, in whole or in part, by or arising out of the presence, ingestion, inhalation or absorption of or exposure to silica products, silica fibers, silica dust or silica in any form, or to any obligation of the **Insured** to indemnify any party because of **Personal Injury** or **Property Damage** arising out of the presence, ingestion, inhalation or absorption of or exposure to silica products, silica fibers, silica dust or silica in any form.

5.17 Terrorism

Personal Injury or **Property Damage** arising directly or indirectly as a result of or in connection with Terrorism including, but not limited to, any contemporaneous or ensuing **Personal Injury** or **Property Damage** caused by fire, looting or theft.

Terrorism means the use or threatened use of force or violence against person or property, or commission of an act dangerous to human life or property, or commission of an act that interferes with or disrupts an electronic or communication system, undertaken by any person or group, whether or not acting on behalf of or in connection with any organisation, government, power, authority or military force, when the effect is to intimidate or coerce a government, the civilian population or any segment thereof, or to disrupt any segment of the economy.

Terrorism shall also include any act which is verified or recognised by the government of any country in which the **Insured** operates or exports products into, as an act of terrorism.

5.18 Vehicles

Personal Injury or **Property Damage** caused by or arising out of the use of or operation by the **Insured** of any **Vehicle** which is registered or in respect of which insurance is required by virtue of any legislation.

Provided that this Exclusion 5.19 shall not apply to the **Insured's** liability for **Personal Injury** or **Property Damage**:

- a) arising from the actual loading, unloading, delivery or collection of goods to or from any **Vehicle**;
- b) arising from the use of any **Tool of Trade** either on any site where the **Insured** are undertaking work or at the **Insured's** premises.

This proviso 5.19 (b) does not extend cover to the use of any **Tool of Trade**, either on any site where the **Insured** is undertaking work or at the **Insured's** premises, whilst in transit or whilst being used for transport or haulage.

5.19 War

Personal Injury or **Property Damage** directly or indirectly caused by or in consequence of war, invasion, act of foreign enemy, hostilities (with or without the declaration of war), civil war, civil commotion, factional civil commotion, rebellion, revolution, insurrection, military or usurped power

5.20 Workers Compensation and Employers Liability

- a) **Personal Injury** sustained by an **Employee** which arises out of or in the course of their employment by the **Insured**;
- b) **Claims** or **Legal Proceedings** arising from provisions imposed by:
 - i. workers' compensation legislation or any similar legislation;
 - ii. accident compensation legislation or any similar legislation;
 - iii. any industrial award, agreement or determination.
- c) any obligation for which the **Insured** may be held liable under any Worker's Compensation Law or under any similar law.



Conditions

6.1 Alteration of Risk

The **Named Insured** shall notify **us** in writing within thirty (30) days of any material changes to the **Business** description as stated in the Policy Schedule. **We** reserve the right to accept or deny coverage at the time of such notification and to establish a separate rate and premium for any such change in **Business** description as stated in the Policy Schedule.

6.2 Assignment

This policy and any rights hereunder cannot be assigned without **our** prior written consent.

6.3 Assistance and Co-operation

The **Insured** shall co-operate with **us** in all matters relating to this insurance. This may include, but is not limited to, attending hearings and trials, securing and giving evidence, obtaining the attendance of witnesses, assisting in effecting settlements, and in conducting litigation, arbitration, or other proceedings.

6.4 Audit

We may audit and examine the **Named Insured's** books and records as they relate to this policy at any time during the **Policy Period** or anytime after the expiration or termination of this Policy.

6.5 Cancellation

The Policy may be cancelled at any time at the written request of the **Named Insured** in which case **we** shall retain the customary short rate proportion of the premium. **We** may cancel the Policy in accordance with Sections 59 and 60 of the Insurance Contracts Act 1984 (Cth) in which case **we** shall be entitled to retain the pro-rata proportion of the premium. However, if any **Claims** or **Legal Proceedings** have been notified to **us** during the relevant **Policy Period** and prior to the date of cancellation, no refund of premium shall be made to the **Named Insured**.

6.6 Changes

This policy can be changed only by a written endorsement that **we** make to this policy.

6.7 Choice of Law and Forum

This policy shall be governed by and construed in accordance with the laws of the Commonwealth of Australia and the Courts of the said Commonwealth shall have exclusive jurisdiction in any dispute arising hereunder.

6.8 Cross Liability

If the **Insured** comprises more than one party, **we** will provide indemnity to each in the same manner and to the same extent as if a separate policy had been issued to each, provided that **our** total liability for liability sustained by any or all of the **Insureds** shall not exceed the Limit of Liability stated in the Policy Schedule.

6.9 Currency

All premiums and payments made on **Claims** or losses are payable at the place and in the currency of the country where the policy was issued, unless otherwise agreed in writing by **us** or an authorised representative of **us**.

6.10 Duties in the Event of an Occurrence, Claim or Legal Proceeding

Upon the happening of an **Occurrence** which may give rise to a **Claim** or **Legal Proceeding** under this Policy the **Insured** must:

- a) as soon as reasonably practicable:

- i. notify **us** of such **Occurrence**;
- ii. provide in writing as required all particulars and information as **we** may request;
- b) immediately:
 - i. on receipt forward to **us** every letter, **Claim**, writ of **Legal Proceedings** or other document served on the **Insured** or their representative;
 - ii. notify **us** of any impending prosecution, inquest, fatal inquiry or proceedings in any court;
- c) as **we** may require-
 - i. retain anything connected therewith;
 - ii. provide all assistance;
- d) Promptly take at the **Insured's** own expense, all reasonable steps to prevent other **Personal Injury or Property Damage** arising out of the same conditions, but such expense shall not be recoverable under this Policy.

The **Insured** shall not:

- a) make any admission of liability;
- b) take any action which may be construed as an admission of liability;
- c) repudiate or settle any **Claim** or **Legal Proceeding**; or
- d) waive any rights of recovery without **our** prior written consent.

We have the right to:

- a) defend any **Claim** or **Legal Proceeding** against the **Insured**;
 - i. take over and conduct the defence or settlement of any **Claim** or **Legal Proceeding**;
 - ii. prosecute for its own benefit any **Claim** or **Legal Proceeding** for indemnity or damages or otherwise in the name of the **Insured**;
- b) have subrogation of all the **Insured's** rights of recovery against any person or organisation, whether before or after indemnification by **us**;
- c) exercise full discretion in the conduct of any **Legal Proceedings** and in the settlement of any **Claim** or **Legal Proceeding**, whether before or after indemnification by **us**.

6.11 Fraudulent Claim

If the **Insured** shall make any application for indemnity under this policy or submit any initial or final statement of loss or **Claim** knowing that such application or such initial or final statement of loss or **Claim** is false or fraudulent, **we** shall refuse to indemnify the **Insured** for any loss **Claim** relating to or consequent upon or established by such application or such initial or final statement of loss or **Claim**.

6.12 Headings

The descriptions in the headings of this policy are solely for convenience and form no part of the terms and conditions of coverage. Words and expressions in the singular include the plural and vice versa. Words that are bolded with the exception of headings have special meaning and are defined. Words that are not specifically defined in the policy have the meaning normally attributed to them.

6.13 How the Insurance Contracts Act may effect this Policy

Any terms and conditions of this Policy which are invalid, illegal or unenforceable as a result of the operation of the Insurance Contracts Act 1984 (as amended or modified from time to time or any other legislation enacted in substitution or replacement thereof) shall be ineffective only to the extent of the invalidity, illegality or unenforceability without invalidating the remainder of such term or condition or the remaining terms and conditions of this Policy.

6.14 Inspection

We have the right, but are not obligated, to inspect the **Insured's** premises and operations at any time without prior notice to the **Insured** subject to which **we** will use reasonable endeavours to give the **Insured** reasonable notice of any intended inspection. **Our** inspections are not safety

inspections. They relate only to the insurability of the **Insured's** premises and operations and the premiums to be charged. The **Insured** will allow **us, our** agents, representatives, employees or consultants (hereinafter referred as the "Surveyor"):

- a) access to its premises and other places of **Business**; and
- b) to conduct such enquiries as the Surveyor deems necessary, including (without limitation) by way of interviews with **Employees**; and generally
- c) provide all reasonable cooperation and assistance as **we** or the Surveyor may require in a conduct of the Survey.

We may give the **Insured** reports on the conditions that **we** find. **We** may also recommend changes. **We** do not, however, undertake to perform the duty of any person or organisation to provide for the health or safety of the **Insured's Employees** or the public. **We** do not warrant the health and safety conditions of the **Insured** or **Insured's** premises or operations or represent that the **Insured** or **Insured's** premises or operations comply with laws, regulations, codes or standards.

6.15 Notice and Authority

It is agreed that the **Named Insured** acts on behalf of all **Insured's** with respect to the exercise of all their rights and the discharge of all their duties in respect of this policy, including but not limited to:

- a) negotiating the terms and conditions of cover;
- b) binding over;
- c) the notification of a **Claim, Legal Proceeding**;
- d) the giving and receiving of any notice of cancellation;
- e) the payment of premium and the receipt of any refund of premium that may become due;
- f) the payment of the **Deductible**;
- g) the negotiation and receipt of any endorsement;
- h) the appointment of lawyers to defend a **Claim** or Legal Proceeding or ;
- i) the receipt of amounts payable by **us** under this policy.

6.16 Notices

Except as indicated to the contrary herein, all notices, applications, demands or requests provided for in this policy will be in writing and will be given to or made upon either party at its address shown in the Policy Schedule.

6.17 Observance

By accepting this Policy the **Named Insured** agrees that the statements in the Proposal, broker submission, and any attachments are accurate and complete and acknowledges that **we** have issued this Policy in reliance upon those representations.

6.18 Occurrence or Claim within the Deductible

We have the right to assume the defence of any **Claim** or **Legal Proceedings** whether or not the **Claim** is considered to fall within the **Deductible** by the **Insured**.

6.19 Premium

Unless otherwise provided the premium for this policy is a flat premium and is not subject to adjustment except as provided in Condition 6.19 herein. If this policy is subject to audit adjustment, the premium may be based upon the rating basis as agreed prior to the **Policy Period**. Upon expiration of this policy or its termination during the **Policy Period**, or at the end of each policy year, the earned premium shall be computed as shown in the Policy Schedule. If the earned premium is more than the deposit premium paid, the **Named Insured** shall pay the excess to **us**. If less, **we** shall return to the **Named Insured** the unearned portion, subject to the annual minimum premium set forth in item 10 of the Policy Schedule for each twelve months of the **Policy Period**.



6.20 Reasonable Care

The **Insured** shall take all reasonable care to prevent injury or loss or damage and to maintain the premises, plant and all other **Business** assets in good repair, and to comply with all statutory obligations and regulations.

The **Insured** shall make good or remedy any defect or danger and take such additional precautions as may be required as soon as possible after discovery but such expenses shall not be recoverable under this policy.

6.21 Reference to Statute

In this Policy references to any statutory provision are to be construed as references to that statutory provision as amended, supplemented, re-enacted, or replaced from time to time and are to include any orders, regulations, instruments or other subordinated legislation made under or deriving validity from that statutory provision.

6.22 Severability, Construction and Conformance to Statute

- a) If any provision contained in this policy is, for any reason, held to be invalid, illegal or unenforceable in any respect, it is hereby deemed to be severed and to have no effect on any other valid, legal and enforceable provision of this policy.
- b) If any provision contained in this policy is for any reason held to be invalid, illegal or unenforceable, it will be construed by limiting it so as to be valid, legal and enforceable to the extent compatible with applicable law.
- c) Any provisions of this Policy which are in conflict with the statutes or regulations of the state or country wherein this Policy is issued are hereby amended to conform to such statutes or regulations.

6.23 Statutory Requirements

The **Insured** will take all reasonable measures to comply with all statutory obligations and regulations imposed by any statutory or governmental authority.

6.24 Subrogation

If any payment is made in respect of a **Claim** or **Legal Proceedings** we shall be subrogated to all rights of recovery of the **Insured**, and we shall be entitled to pursue and enforce such rights in the name of the **Insured** who shall provide us with all reasonable assistance and co-operation including the execution of any necessary instruments and papers. The **Insured** shall do nothing to prejudice these rights. Any such amount recovered in excess of our total payment shall be restored to the **Insured** less the cost to us of such recovery.

Authorised Signatory



Standard Endorsement 1 – Executive Accidental Death Cover

1. Insuring Clause

It is hereby noted and agreed that, subject to the provisions set out in this Endorsement and all the terms and conditions of the policy, **we** will pay \$50,000 to the **Named Insured** in the event of the **Accidental Death** of an **Insured Executive** during the **Policy Period**.

2. Definitions applicable to this Executive Accidental Death Cover only

In addition to all of the other Definitions contained in this policy the following apply to this Endorsement only:

2.1 **Accidental Death** means:

- (i) death resulting from an accident caused by sudden, violent, external and visible means and occurring solely and directly and independently of any other cause including any pre-existing physical or congenital condition;
- (ii) death resulting from exposure to the elements.

Accidental Death does not mean death arising out of sickness or disease.

2.2 **Insured Executive** means any natural person who:

- (i) is aged between 18 years and 75 years; and
- (ii) is a validly appointed member of the board of the **Named Insured**; at the time of their **Accidental Death**.

3. Extension

Disappearance of an Insured Executive

If an **Insured Executive** disappears during the **Policy Period** and after 12 months it is reasonable for **us** to believe that the **Insured Executive** has suffered an **Accidental Death**, **we** will pay to the **Named Insured** the benefit specified under the above Insuring Clause, subject to receiving a signed undertaking from the **Named Insured** that any such compensation shall be refunded to **us** if it is later demonstrated that the **Insured Executive** did not in fact suffer **Accidental Death**.



4. Exclusions applicable to this Executive Accidental Death Cover only

We will not be liable for the **Accidental Death** of an **Insured Executive** which arises out of the **Insured Executive**:

- (a) engaging in any aerial activity, except as a passenger (and not as a pilot or crewmember) in any aircraft licensed to carry passengers;
- (b) committing suicide or criminal or illegal act;
- (c) being pregnant, giving birth or having a miscarriage;
- (d) having Acquired Immune Deficiency Syndrome (A.I.D.S.) disease or Human Immunodeficiency Virus (H.I.V.) infection;
- (e) training for or participating as a professional in any sport;
- (f) racing in or on any motor powered device;
- (g) being in control of any motor powered device whilst having a blood alcohol level over the prescribed legal limit or being under the influence of any other drug, unless it was prescribed by a legally qualified medical practitioner;
- (h) being exposed to radioactive materials in any form whatsoever whether occurring naturally or otherwise; or
- (i) being in any way involved, directly or indirectly, in war or any consequence of war (whether declared or not), invasion, civil war or act of terrorism.

5. Conditions

5.1 Aggregate Limit

The total amount payable by **us** under Insuring Clause 1 of this Endorsement during the **Policy Period** shall not exceed \$50,000 in the aggregate. This amount is payable in addition to the policy **Limits of Liability** available.

5.2 Individual Terminations

Cover under this Endorsement in respect of any **Insured Executive** will immediately terminate during the **Policy Period** in the event that the **Insured Executive**:

- (a) resigns or is dismissed from the board of the **Named Insured**; or
- (b) attains the age of 75 years.

5.3 Claims Procedure

The **Named Insured** must give written notice of a claim under this Endorsement (including proof of identity and supporting medical evidence in the form required by **us**) within 30 days of the **Accidental Death** of an **Insured Executive** or as soon thereafter as is reasonably possible.



Standard Endorsement 2 – Extortion Cover

1. Cover

We will indemnify the **Named Insured** for **Consultants & Advisors Costs** arising from an **Extortion** occurring during the **Policy Period**, reported to **us** pursuant to the provisions of this Endorsement and which the **Named Insured** first had knowledge of the occurrence of the **Extortion** during the **Policy Period**.

2. Exclusions

In addition to all of the other Exclusions contained in this policy, **we** will not be liable for **Consultant & Advisors Costs** related to any **Extortion** cause by or resulting either directly or indirectly from:

- 2.1 the fraudulent, dishonest or criminal acts of any **Insured** or any person authorised by the **Insured** to have custody of **Ransom Monies**. This exclusion does not apply to the payment of **Ransom Monies** by the **Named Insured** in a situation where local authorities have declared such payment to be illegal.
- 2.2 actual **loss** of or damage to property of any description, including intellectual property, as a result of an **Insured Event** or the carrying out of a **Property Damage Extortion** threat.

3. Definitions

In addition to all of the other Definitions contained in this policy the following apply to this Endorsement only:

3.1 Computer Virus

Computer Virus means a set of unauthorised instructions, programmatic or otherwise, that are maliciously introduced into and propagate themselves throughout the **Named Insureds Computer System** and/or networks.

3.2 Computer System

Computer System includes a computer and all input, output, processing, storage and communication facilities that are connected to the computer including off-line media libraries.

3.3 Confidential Information Extortion

Confidential Information Extortion means any threat or connected series of threats for the purpose of demanding **Ransom Monies** communicated to the **Named Insured** to reveal a **Trade Secret** or other **Proprietary Information** of the **Named Insured**.

3.4 Consultants and Advisor Costs

Consultant and Advisor Costs means fees and costs of security or public relations consultants or advisors hired with the Company's prior written consent to assist the **Insured** in responding to an **Insured Event**.

3.5 Cyber Extortion

Cyber Extortion means any threat or connected series of threats for the purpose of demanding **Ransom Monies** communicated to the **Named Insured** to:

- (i) damage physically, pollute, corrupt or take control of (including by **Computer Virus**) any **Computer System** and/or **Electronic Data** owned by the **Named Insured**, leased by the **Named Insured** or for which the **Named Insured** is legally liable;
- (ii) reveal **Electronic Data** which is unique to the **Named Insured** and which has been obtained by illegal access to the **Named Insured's Computer System**.

3.6 Electronic Data

Electronic Data means facts or information converted to a form usable in a **Computer System** and which is stored on **Electronic Data Processing Media** for use by computer programs.

3.7 Electronic Data Processing Media

Electronic Data Processing Media means the punched cards, magnetic tapes, punched tapes or magnetic disks or other bulk media on which **Electronic Data** is recorded.

3.8 Extortion

Extortion means only **Property Damage Extortion**, **Confidential Information Extortion**, or **Cyber Extortion**.

3.9 Insured Person

Insured Person means any director, officer or employee of the **Named Insured**.

3.10 Premises

Premises means that portion of any building occupied by the **Named Insured** as a place to conduct business or a residence occupied by any **Insured Person**.

3.11 Product Tampering

Product Tampering means any actual or threatened, intentional, malicious and wrongful alteration or contamination of any goods or products manufactured, handled or distributed by the **Named Insured**.

3.12 Property Damage Extortion

Property Damage Extortion means any threat or connected series of threats for the purpose of demanding **Ransom Monies** communicated to the **Named Insured** to:

- (i) damage physically or pollute any **Premises** or other real or personal property owned by the **Named Insured**, leased by the **Named Insured**, or for which the **Named Insured** is legally liable, including fixtures, machinery, equipment or electronic data located therein, livestock, fine art; and/or
- (ii) commit a **Product Tampering**.

3.13 Proprietary Information

Proprietary Information means any confidential, private or secret information unique to the **Named Insured** or the **Named Insured's** business.



3.14 Ransom Monies

Ransom Monies means any monies which the **Named Insured** has paid or lost as a direct result of an **Extortion** which is covered under this Endorsement. The term monies as used

herein includes cash, monetary instruments, bullion or the fair market value of any securities, property or services.

3.15 Trade Secret

Trade Secret means a secret process, formula, tool, mechanism, or compound known to the **Named Insured**, but not patented, which is used directly to produce some article of trade having a commercial value.

4. Conditions

4.1 Confidentiality

The **Named Insured** will use all reasonable efforts not to disclose the existence of this Endorsement. This condition also applies to any insurance in excess of this Endorsement or any other insurance.

4.2 Crisis Consultants

In the event of an incident, situation or occurrence which may give rise to an **Extortion**, then as part of the Policy coverage and under a special arrangement with **us**, **we** will:

- (a) make available on a priority basis, specialist crisis management and/or crisis communications consultants nominated by **us** or, if requested by the **Named Insured**, consultants of the **Named Insured's** choice who **we** provide **our** prior written consent to use, to advise, inform and assist the **Named Insured**; and
- (b) pay the reasonable and necessary fees and expenses of the said consultant/s.

As part of this special arrangement, **we** have dedicated a 24-hour crisis response contact telephone number which the **Named Insured** may contact in the event of an incident, situation or occurrence which may give rise to an **Extortion**, as follows:

<u>INTERNATIONAL ACCESS CODE</u>	<u>COUNTRY CODE</u>	<u>AREA CODE</u>	<u>LOCAL NUMBER</u>
FROM AUSTRALIA - 0011	1	713	260 5500

This number is a dedicated crisis response contact and should only be used for notification of an incident, situation or occurrence which may give rise to an **Extortion**. Callers will speak directly to or receive an immediate call back from **our** experienced consultants who are available to nominate specialist external crisis management or crisis communications consultants or consider any request (to be confirmed in writing) by the **Named Insured** concerning the use of the **Named Insured's** preferred consultants. Following notification of an incident, situation or occurrence which may give rise to an Insured Event, the consultants will be available to be with the **Named Insured** as soon as travel time permits.

Notwithstanding anything to the contrary or endorsed thereon, in the event of an incident, situation or occurrence which may give rise to an Insured Event, the **Named Insured** shall provide immediate notification to:



The Claims Manager

AIG Australia Limited
Level 19,
2 Park Street
Sydney, NSW, 2000, Australia
Telephone: 02 9240 1711

It is understood and agreed that:

- (a) the crisis management consultant will be appointed to perform crisis management services and/or the crisis communications consultant will be appointed to perform public relations services;
- (b) the consultants are retained to advise, inform and assist the **Named Insured** in the event of a crisis incident, situation or occurrence which may give rise to an **Extortion** and to enable the **Named Insured** to manage and respond to the said crisis;
- (c) the consultants role is limited to providing immediate assistance and guidance to the **Named Insured** to enable the **Named Insured** to manage and minimise the effects of a crisis incident, situation or occurrence which may give rise to an **Extortion**;
- (d) the consultants have no authority on behalf of **us** to make any admissions which may prejudice **our** rights or to deal with matters concerning policy coverage or the application of any facts and circumstances of any crisis incident, situation or occurrence which has been notified and which may give rise to an **Extortion** to the policy terms, conditions and exclusions;
- (e) the consultants shall give such information and assistance to **us** as **we** may reasonably require to enable **us** to investigate and determine **our** liability to indemnify under the Policy;
- (f) the provision and/or the use of these services is not, is not intended to be and shall not be regarded as an admission of or an acceptance by **us** of any liability to indemnify the **Named Insured** under the Policy and is without prejudice to all of **our** rights under the terms, conditions and exclusions of the Policy;
- (g) notification to the dedicated crisis response contact number of an incident, situation or occurrence which may give rise to an **Extortion** does not constitute a notification under the Policy and the **Named Insured** must comply with the policy terms and conditions concerning Notice of Loss in Condition 4.6 of this Endorsement.
- (h) upon notification to the **Named Insured** by **us** that liability to indemnify is not accepted, **we** will no longer have any liability under this endorsement and **we** will not pay any fees or expenses of the said consultant/s which are incurred after such notification is given.

4.3 Deductible

Except as stated to the contrary, the Deductible stated in Item 5 of the Schedule will apply to each and every loss. The Deductible is to be borne by the **Named Insured** and remain uninsured.

4.4 Limits of Liability

For all **Consultants & Advisor Costs** during the **Policy Period** the maximum limit and aggregate limit of **our** liability will not exceed \$50,000 any one Extortion and in the annual aggregate. All Losses will be deemed to have been incurred during the **Policy Period** in which the Insured Event occurred.



4.5 Non-Accumulation of Liability

Regardless of the number of years this policy will continue in force, and of the number of premiums, which will be payable or paid or of any other circumstances whatsoever, the liability of **us** under this policy with respect to any loss(es) will not be cumulative from year to year or period to period. When there is more than one **Named Insured**, the aggregate Limit of Liability of **us** for loss(es) sustained by any or all of them will not exceed the amount for which **we** would be liable if all loss(es) were sustained by any one of them.

4.6 Notice of Loss

The **Named Insured** shall give written notice to **us** immediately after the **Named Insured** becomes aware of an **Extortion** or of any incident which may give rise to an **Extortion** whichever is the sooner.

4.7 Recoveries

In the event of any payment under this policy, all recoveries, net of the actual cost to **us** of recovery, will be distributed firstly to **us** for all amounts paid by **us** under this policy and any remainder will be paid to the **Named Insured**.

4.8 Statement of Loss

The **Named Insured** will file a detailed, written and sworn statement of Loss with **us** as soon as possible after the date of loss.

4.9 Subrogation

In the event of any payment under this policy, **we** will be subrogated to the **Named Insured's** or **Insured Person's** rights of recovery. The **Named Insured** or **Insured Person** will execute all documents required and will do everything necessary to secure and preserve such rights including the execution of any documents necessary to enable **we** effectively to bring suit in the name of the **Named Insured**.



Standard Endorsement 3 – Kidnap & Ransom Cover

1. Cover

We will indemnify the **Named Insured** for Covered Losses due to **Kidnapping** of an **Insured Person**, first commencing during the **Policy Period** and reported to **us** in writing during the **Policy Period** pursuant to the provisions of this Endorsement.

2. Covered Losses

We will indemnify the **Named Insured** for the following Covered Losses:

- 2.1. **Ransom Monies Paid**
- 2.2. **In-Transit/Delivery**
- 2.3. **Extra Expenses**
- 2.4. **Consultants & Advisor Costs**

3. Territory

This endorsement applies to incidents anywhere in the world except Iraq, Iran, Myanmar (Burma), Sudan, Cuba, Mexico, the Philippines or South America.

4. Exclusions

In addition to all of the other Exclusions contained in this policy, **we** will not be liable for loss caused by or resulting either directly or indirectly from or involving:

- 4.1. the fraudulent, dishonest, or criminal acts of the **Named Insured**, any **Insured Person**, or any person authorized by the **Named Insured** to have custody of **Ransom Monies**. This exclusion will not apply to the payment of **Ransom Monies** by the **Named Insured** or **Insured Person** in a situation where local authorities have declared such payment illegal;
- 4.2. monies or property surrendered away from the **Premises** in any face to face encounter involving the use or threat of force or violence unless surrendered by a person in possession of such monies at the time of such surrender for the sole purpose of conveying it to pay a demand for **Ransom Monies** previously communicated to the **Named Insured** or **Insured Person**;
- 4.3. monies or property surrendered on the **Premises**;
- 4.4. any medical or ancillary expenses, the payment of which would constitute “health insurance business” as defined under the National Health Act, 1953 (Cth).



5. Definitions

In addition to all of the other Definitions contained in this policy the following apply to this Endorsement only:

5.1 Consultants and Advisor Costs

Consultant and Advisor Costs means fees and costs of security or public relations consultants or advisors hired with **Our** prior written consent to assist the **Named Insured** in responding to a **Kidnapping**.

5.2 Extra Expenses

Extra Expenses means any reasonable and necessary expenses incurred and paid by the **Named Insured** or an **Insured Person** solely and directly as a result of a **Kidnapping** covered under this policy, and is limited to:

- a) the amount paid by the **Named Insured** or **Insured Person** as reward to an **Informant** for information relevant to any **Kidnapping**;
- b) interest costs for a loan from a financial institution made to the **Named Insured** or **Insured Person** for the purpose of paying **Ransom Monies**;
- c) costs of travel and accommodations as follows:
 - i. costs incurred by the **Named Insured** or **Insured Person** while attempting to negotiate an incident covered under a **Kidnapping**;
 - ii. travel costs of a **Victim** to join their immediate family upon their release, and the travel costs of an employee to replace the **Victim**; and
 - iii. travel costs to evacuate, or hotel costs of, an **Insured Person** and/or **Relatives** living in the same household as the **Insured Person** who is the **Victim**;
- d) salary, which shall mean the following:
 - i. the amount of remuneration previously paid by the **Named Insured** at an annual rate including but not limited to average bonuses, commissions, cost of living adjustments or foreign tax reimbursements the **Insured Person** would normally receive, including contributions to pension and benefit programs (at the level in effect on the date of the **Kidnapping**) which the **Named Insured** continues to pay to or on behalf of the **Insured Person** for the duration of the **Kidnapping**. Salary will be paid until the earliest of the following:
 1. up to thirty (30) days after the release of the **Insured Person** if the **Insured Person** has not yet returned to work; or
 2. discovery of the death of the **Insured Person**; or
 3. one hundred and twenty (120) days after we receive the last credible evidence that the **Insured Person** is still alive; or
 4. sixty (60) months after the date of the **Kidnapping**;
 - ii. the amount of remuneration, paid by the **Named Insured** at an annual rate, of an individual newly hired to conduct the specific duties of the **Insured Person** while he/she is absent due to a **Kidnapping**, for so long as the **Insured Person's** own salary under (i.) above is covered;
- e) medical services and hospitalization costs, to the extent that the payment of same does not constitute "health insurance business" as defined in the *National Health Act, 1953 (Cth)* which are incurred by an **Insured Person** and paid by the **Named Insured** as the result of

- a **Kidnapping** within thirty-six (36) months of the release of the **Victim**. These include but are not limited to any costs for treatment by a neurologist or psychiatrist, costs for cosmetic surgery, and expense of confinement for such treatment. Coverage under this paragraph is also extended to other persons involved in the handling or negotiation of a **Kidnapping**;
- f) fees and expenses of independent forensic analysts engaged by the **Named Insured**;
 - g) personal financial loss suffered by an **Insured Person** solely and directly as the result of their physical inability to attend to personal financial matters while a **Victim** of a **Kidnapping**, (or while involved with the handling or the negotiation of the same). Coverage will include but not be limited to loss which results from the person's failure to renew insurance contracts, failure to exercise stock options, failure to respond to margin or loan calls by financial institutions and failure to pay off personal loans or a mortgage. Claims will be payable to the **Named Insured** where it has indemnified the **Insured Person** for these Losses;
 - h) fees and expenses of a qualified interpreter assisting the **Named Insured** or **Insured Person** in the event of a **Kidnappings**;
 - i) increased costs of security due to a **Kidnapping** including but not limited to hiring of security guards, hiring of armoured vehicles and overtime pay to existing security staff, for a period of up to 90 days, provided however that a specialist consultant has specifically recommended such security measures;
 - j) rest and rehabilitation expenses, including travel, lodging, meals and recreation of the **Victim** and a spouse and/or children;
 - k) job retraining costs for the **Victim**, including but not limited to salary (as defined in d) above) of the **Victim** while being retrained and costs of external training courses.

The expenses covered by this policy shall be the net expenses incurred and paid by the **Named Insured** after subtracting any input tax credit to which the **Named Insured** is or shall become entitled to after incurring the expense.

5.3 Informant

'**Informant**' means any person, other than an **Insured Person**, providing information not otherwise obtainable, solely in return for a reward offered by the **Named Insured**.

5.4 Insured Person

'**Insured Person(s)**' means the **Named Insured** listed in Item 1 of the Schedule, any director, officer or employee of the **Named Insured** including a **Relative** of any aforementioned director, officer or employee.

5.5 In-Transit/Delivery

In-Transit/Delivery means Loss due to destruction, disappearance, confiscation or wrongful appropriation of **Ransom Monies** while being delivered to person(s) demanding the **Ransom Monies** by anyone who is authorized by the **Named Insured** or an **Insured Person** to have custody of them; provided, however, that the **Kidnapping** which gave rise to the delivery is covered under this Policy.



5.6 Kidnapping

'**Kidnapping**' means any event or connected series of events of seizing, detaining or carrying away by force or fraud, of one or more **Insured Persons** (except a minor by his or her parent) for the purpose of demanding **Ransom Monies**.

5.7 Named Insured

'**Named Insured**' means any natural or legal person, sole proprietorship, partnership or corporation stated in Item 1 of the Schedule.

5.8 Policy Period

'**Policy Period**' means the period stated in Item 3 of the Schedule.

5.9 Premises

'**Premises**' means that portion of any building occupied by the **Named Insured** as a place to conduct business or a residence occupied by any director, officer or employee of the **Named Insured** who is listed in Item 1 of the Schedule.

5.10 Ransom Monies

'**Ransom Monies**' means any monies which the **Named Insured** or an **Insured Person** has paid (or lost in-transit/delivery) as a direct result of a **Kidnapping** or alleged **Kidnapping** of an **Insured Person**. The term 'Monies' includes cash, monetary instruments, bullion, or the fair market value of any securities, property or services.

5.11 Ransom Monies Paid

Ransom Monies Paid means **Ransom Monies** paid with **our** written consent by the **Named Insured** or an **Insured Person** resulting directly from a **Kidnapping** occurring during the **Policy Period**.

5.12 Relative

'**Relative**' means a spouse or defacto partner, child, step-child, legally adopted child, foster child, spouse or defacto partner of a child, grandchild, sister, brother, parent, parent-in-law, grandparent or grandparent-in-law, adoptive parent, step-parent, or sibling of any **Insured Person**.

5.13 Victim

'**Victim**' means an **Insured Person** who is the subject of a **Kidnapping**

5.14 Words implying the singular shall include the plural and vice versa, as the context requires.



6. Conditions

In addition to all of the other Conditions contained in this policy the following Conditions apply to this Endorsement only:

6.1 Action Against Company

No suit, action or proceeding for recovery of any loss under this policy will be sustainable in any court of law, equity or other tribunal unless all the requirements of this policy are complied with and it is commenced within twelve (12) months after a statement of Loss has been filed with **us** by the **Named Insured**.

6.2 Confidentiality

The **Named Insured** will use all reasonable efforts not to disclose the existence of this Endorsement. This condition also applies to any insurance in excess of this Endorsement or any other insurance.

6.3 Crisis Consultants

In the event of an incident, situation or occurrence which may give rise to a **Kidnapping**, then as part of the Policy coverage and under a special arrangement with **us**, **we** will:

- (a) make available on a priority basis, specialist crisis management and/or crisis communications consultants nominated by **us** or, if requested by the **Named Insured**, consultants of the **Named Insured's** choice who **we** provide **our** prior written consent to use, to advise, inform and assist the **Named Insured**; and
- (b) pay the reasonable and necessary fees and expenses of the said consultant/s.

As part of this special arrangement, **we** have dedicated a 24-hour crisis response contact telephone number which the **Named Insured** may contact in the event of an incident, situation or occurrence which may give rise to a **Kidnapping**, as follows:

<u>INTERNATIONAL ACCESS CODE</u>	<u>COUNTRY CODE</u>	<u>AREA CODE</u>	<u>LOCAL NUMBER</u>
FROM AUSTRALIA - 0011	1	713	260 5500

This number is a dedicated crisis response contact and should only be used for notification of an incident, situation or occurrence which may give rise to a **Kidnapping**. Callers will speak directly to or receive an immediate call back from **our** experienced consultants who are available to nominate specialist external crisis management or crisis communications consultants or consider any request (to be confirmed in writing) by the **Named Insured** concerning the use of an **Named Insured's** preferred consultants. Following notification of an incident, situation or occurrence which may give rise to a **Kidnapping**, the consultants will be available to be with the **Named Insured** as soon as travel time permits.

Notwithstanding anything to the contrary or endorsed thereon, in the event of an incident, situation or occurrence which may give rise to a **Kidnapping**, the **Named Insured** shall provide immediate notification to:



The Claims Manager
AIG Australia Limited
Level 19,
2 Park Street
Sydney, NSW, 2000, Australia
Telephone: 02 9240 1711

It is understood and agreed that:

- (i) the crisis management consultant will be appointed to perform crisis management services and/or the crisis communications consultant will be appointed to perform public relations services;
- (j) the consultants are retained to advise, inform and assist the **Named Insured** in the event of a crisis incident, situation or occurrence which may give rise to a **Kidnapping** and to enable the **Named Insured** to manage and respond to the said crisis;
- (k) the consultants role is limited to providing immediate assistance and guidance to the **Named Insured** to enable the **Named Insured** to manage and minimise the effects of a crisis incident, situation or occurrence which may give rise to a **Kidnapping**;
- (l) the consultants have no authority on behalf of **us** to make any admissions which may prejudice **our** rights or to deal with matters concerning policy coverage or the application of any facts and circumstances of any crisis incident, situation or occurrence which has been notified and which may give rise to a **Kidnapping** to the policy terms, conditions and exclusions;
- (m) the consultants shall give such information and assistance to **us** as **we** may reasonably require to enable **us** to investigate and determine **our** liability to indemnify under the Policy;
- (n) the provision and/or the use of these services is not, is not intended to be and shall not be regarded as an admission of or an acceptance by **us** of any liability to indemnify an **Named Insured** under the Policy and is without prejudice to all of **our** rights under the terms, conditions and exclusions of the Policy;
- (o) notification to the dedicated crisis response contact number of an incident, situation or occurrence which may give rise to a **Kidnapping** does not constitute a notification under the Policy and the **Named Insured** must comply with the policy terms and conditions concerning Notice of Loss in Condition 6.9 of this Endorsement.
- (p) upon notification to the **Named Insured** by **us** that liability to indemnify is not accepted, **we** will no longer have any liability under this endorsement and **we** will not pay any fees or expenses of the said consultant/s which are incurred after such notification is given.

6.4 Deductible

Except as stated to the contrary, the Deductible stated in Item 5 of the Schedule will apply to each and every loss. The Deductible is to be borne by the **Named Insured** and remain uninsured.

6.5 Kidnapping Conditions

In the event of a **Kidnapping** during the **Policy Period**, and in the case of a **Kidnapping**, prior to the payment of **Ransom Monies**, the **Named Insured** will make every reasonable effort to:

- a) determine that the **Kidnapping** has actually occurred; and
- b) give immediate oral and written notice to **us** with periodic and timely updates concurrent with activity occurring during the incident; and
- c) if it appears to be in the best interest of the **Named Insured** or **Insured Person**, notify the national or other appropriate law enforcement agency having jurisdiction over the matter.



6.6 Limits of Liability

For all Covered Loss during the **Policy Period** the maximum limit and aggregate limit of **our** liability will not exceed \$250,000 any one covered loss and in the annual aggregate. All Covered Losses will be deemed to have been incurred during the **Policy Period** in which the Insured Event occurred.

The Sublimit of liability for the total of all **Ransom Monies Paid** and **In-Transit/Delivery** will be 10% of the Limit of Liability stated in the Schedule. This limitation does not increase the Limit of Liability as stated in the Schedule nor impose any additional Deductible on the Insured.

6.7 Non-Accumulation of Liability

Regardless of the number of years this policy will continue in force, and of the number of premiums, which will be payable or paid or of any other circumstances whatsoever, the liability of **us** under this policy with respect to any loss(es) will not be cumulative from year to year or period to period. When there is more than one **Named Insured**, the aggregate Limit of Liability of **us** for loss(es) sustained by any or all of them will not exceed the amount for which **we** would be liable if all loss(es) were sustained by any one of them.

6.8 Non-employee Directors

In the event that any director of the **Named Insured**, who is not an employee of it, is an **Insured Person** under any other similar policy or policies issued by **us** (or by any other member or affiliated insurance company of the AIG.) and a loss involving that director is reported under this policy and under one or more such other policies, then the aggregate liability of **us** and other member Company(ies) for each loss will not be cumulative and will not exceed the highest Limits of Liability applicable to each loss under any one of the policies.

6.9 Notice and Statement of Loss

The **Named Insured** shall:

- (a) give written notice to **us** immediately after the **Named Insured** becomes aware of a **Kidnapping** or of any incident which may give rise to a **Kidnapping** whichever is the sooner; and
- (b) file a detailed, written and sworn statement of Loss with Company as soon as possible after the date of loss.

Signed for and on behalf of
AIG Australia Limited



Specified Products Liability Exclusion

BusinessGuard™ Liability

Endorsement Number	1
This endorsement, effective	As per schedule
Policy Number	As per schedule
Issued to	As per schedule

By AIG Australia Limited, ABN 93 004 727 753 AFSL 381686, Level 12, 717 Bourke Street, Docklands VIC 3008

Products Liability Exclusion

This endorsement (and any Endorsement issued in substitution and/or any Endorsements hereto) attaches to and forms part of the Policy and any word or expression to which a specific meaning has been attached shall have the same meaning wherever it appears.

This insurance does not provide any coverage for **Personal Injury** or **Property Damage** in connection with **Products Hazard** insofar as such **Personal Injury** or **Property Damage** in connection with such **Product Hazard** is caused by or arising out of the ownership, possession, maintenance, operation or use of the following products or services:

- i. mechanical & electrical goods;
- ii. toys (including board games);
- iii. adult toys;
- iv. medicines, potions, beauty products, nail polish (excluding soap) ;
- v. hazardous, flammable or dangerous goods (excluding candles);
- vi. products that have been dispensed or have been repackaged into smaller containers for retail sales, except where the original product dispensed has not been altered, mixed or blended with any other ingredients or products with clear product labelling of use and ingredients;
- vii. products sold in containers exceeding 5 litres or 5 kilograms;
- viii. explosive tools, fireworks, flammable liquid or bulk pool chemicals
- ix. products intended to be used in connection with the navigation of vehicles, aircraft or watercraft
- x. parts for motor vehicles
- xi. medical equipment
- xii. guns and/or ammunition
- xiii. model aircraft
- xiv. knives, swords or spears (excluding cutlery)
- xv. power tools
- xvi. motorised vehicles
- xvii. animal feed (excluding for domestic pets)
- xviii. gym equipment and bicycles
- xix. preparation of any body part for, or the application of, any tattoo or body piercing item
- xx. massage, chiropractic treatment or similar type treatment;
- xxi. fertilisers
- xxii. tobacco products and nicotine replacements, personal vaporizers products;
- xxiii. silicone and latex products;
- xxiv. essential oils (which is to be used internally or directly on skin);
- xxv. vitamins, herbs, protein powders, nutraceuticals or any health and weight loss products; or



- xxvi. any beauty treatments (excluding hair braiding, face painting using natural/nontoxic paints, henna painting)
- xxvii. any alcohol products

Any and all reference in any section, term, definition and coverage of this Policy which directly or indirectly refers to **Product Hazard** Coverage or directly or indirectly provides coverage for **Product Hazard** are for the purposes of this endorsement deleted and shall not apply in relation to the ownership, possession, maintenance, operation or use of the products or services listed above.

All other terms, conditions and exclusions remain unchanged

**Signed for and on behalf of
AIG Australia Limited**

.....
Authorised Signatory



Sanctions Exclusion

BusinessGuard™ Liability

Endorsement Number	2
This endorsement, effective	as per schedule
Policy Number	as per schedule
Issued to	as per schedule

By AIG Australia Limited, ABN 93 004 727 753 AFSL 381686, Level 12, 717 Bourke Street, Docklands VIC 3008

Sanctions Exclusion

This endorsement (and any Endorsement issued in substitution and/or any Endorsements hereto) attaches to and forms part of the Policy and any word or expression to which a specific meaning has been attached shall have the same meaning wherever it appears.

If, by virtue of any law or regulation which is applicable to **us**, **our** parent company or its ultimate controlling entity, at the inception of this Policy or at any time thereafter, providing coverage to the **Insured** is or would be unlawful because it breaches an applicable embargo or sanction, **we** shall provide no coverage and have no liability whatsoever nor provide any defense to the **Insured** or make any payment of defense costs or provide any form of security on behalf of the **Insured**, to the extent that it would be in breach of such embargo or sanction.

All other terms, conditions and exclusions remain unchanged

Signed for and on behalf of
AIG Australia Limited

.....
Authorised Signatory



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