

Tools of Trade Insurance

Policy Wording



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Welcome to Zurich

About Zurich

The insurer of this product is Zurich Australian Insurance Limited (ZAIL), ABN 13 000 296 640, AFS Licence Number 232507. In this document, ZAIL may also be expressed as 'Zurich', 'we', 'us' or 'our'.

ZAIL is part of the Zurich Insurance Group, a leading multi-line insurance provider with a global network of subsidiaries and offices. With about 60,000 employees, the Zurich Insurance Group delivers a wide range of general insurance and life insurance products and services for individuals, small businesses, and mid-sized and large companies, including multinational corporations, in more than 170 countries.

Duty of Disclosure

Before you enter into a contract of general insurance with us, you have a duty under the Insurance Contracts Act 1984 (Cth) to disclose to us every matter you know, or could reasonably be expected to know, is relevant to our decision whether to insure you and, if so, on what terms. This applies to all persons to be covered under this contract of insurance.

You have the same duty to disclose those matters to us before they renew, extend, vary or reinstate a contract of general insurance. This duty however, does not require disclosure of a matter that:

- diminishes the risk to be insured;
- is of common knowledge;
- we know or in the ordinary course of our business we ought to know;
- we indicate to you that we do not want to know.

Non-disclosure or Misrepresentation

If you make a misrepresentation to us, or if you do not comply with this duty of disclosure and we issue the policy with terms and conditions that are different to the terms and conditions that would have been issued had there not been any misrepresentation, or the your duty of disclosure had been complied with, then:

- we may reduce the cover provided so that we are placed in the same position as we would have been in, had there not been any misrepresentation and your duty of disclosure had been complied with; and
- we may also cancel the policy; or
- we may treat the policy as if it never existed if the misrepresentation or the non-compliance with your duty of disclosure was fraudulent.

Our contract with you

This policy is a contract of insurance between the insured and Zurich and contains all the details of the cover that we provide.

This policy is made up of:

- the policy wording. It states what is covered, sets out the claims procedure, Exclusions and other terms and conditions of cover;
- the proposal which is the information you provide to us when applying for insurance cover;
- the most current policy schedule issued by us. The policy schedule is a separate document unique to you, which shows the insurance details relevant to you. It includes any changes, Exclusions, terms and conditions made to suit the individual circumstances and may amend the policy; and
- any other written change otherwise advised by us in writing (such as an endorsement). These written changes vary or modify the above documents.

Please note, only those covers shown in the policy schedule are insured. Please keep this policy in a safe place. We reserve the right to change the terms of this product where permitted to do so by law.

Tools of Trade Insurance Policy Wording

Subject to the prior payment of, or your agreement to pay, the premium set out in the schedule, we agree to provide insurance as set out in this policy.

In issuing this policy, we have relied on the information contained in the proposal form and/or any other information given by you or on your behalf.

1. The cover

We will insure the person named as the Insured in the schedule against loss of or damage to items described in the schedule as insured goods while in or on any registered road vehicle (which term includes a trailer whether it is attached to the vehicle or not) caused by any of the following events that happen during the period of insurance within the radius of transit specified in the schedule:

- 1.1 fire, explosion, lightning or flood.
- 1.2 collision of the vehicle carrying the items with an external object, or of the items while on a vehicle carrying them with something not on or part of that vehicle.
- 1.3 overturning or jackknifing of the vehicle carrying the items.
- 1.4 theft while the vehicle is attended.
- 1.5 theft while the vehicle is unattended only if theft follows:
 - 1.5.1 forcible entry into a locked vehicle or carrying compartment or forcible removal, or attempted forcible removal of equipment attached to the vehicle by locking devices;
 - 1.5.2 theft of the entire locked vehicle.

However, during non-business hours the trailer must be kept in a locked garage or behind locked gates and/or fencing at a private residence, business premises or work site.

If there is no locked garage or lockable gates and/or fencing the trailer must be either:

- (a) fitted with a working wheel clamp; or
- (b) fitted with a tow-ball restraint or other similar anti-theft device.

For the purpose of this insurance 'anti-theft device' does not include any combination of padlock, cable and/or chain.

- 1.5.3 any other insured event.

2. Extensions of cover

2.1 Debris

If an event insured against has occurred, the insurance is extended to cover the cost of removal and disposal of damaged, deteriorated or contaminated items, and of the cleaning and decontamination. Our liability is limited to a maximum of \$5,000. It is in addition to our liability for the primary loss.

2.2 Automatic reinstatement

In the event of destruction of, or damage to or loss of, the insured property and in the absence of any written instructions from the Insured to the contrary, the amount of insurance forfeited by the loss is to be automatically reinstated.

3. Optional additional benefit

This optional additional benefit only applies to this insurance if the words 'Static Risk Extension' is shown in the schedule.

Static risk extension

This insurance extends to cover loss or damage to the insured items caused by any of the following risks when the insured items are situated in a fully enclosed building or shipping container:

- 3.1 fire, but excluding whilst the items are in use;
- 3.2 explosion;
- 3.3 earthquake;
- 3.4 impact by any road vehicle, animal, aircraft or other aerial devices or articles dropped therefrom, falling trees or part thereof, but not loss or damage caused by or consequent upon the falling or lopping of trees by or on behalf of the Insured;
- 3.5 theft, consequent upon forcible and violent entry into a locked building or shipping container;
- 3.6 acts of:
 - 3.6.1 strikers or locked out workers or persons taking part in labour disturbances;
 - 3.6.2 malicious persons, other than theft consequent upon forcible and violent entry into a locked building or shipping container, including persons of malicious intent acting on behalf of or in connection with any political organisation;
 - 3.6.3 any lawful constituted authority in connection with any events specially referred to in 3.6.1 and 3.6.2 above where the resulting loss or damage is directly caused thereby.
- 3.7 storm and/or rainwater.

For the purpose of this clause:

storm means violent atmospheric disturbances accompanied by high winds sometimes combined with thunder, heavy falls of rain, hail or snow. Storm does not mean intermittent or persistent rain by itself;

rainwater means water falling from the sky in the form of rain until such time it reaches the ground or falls on the premises in which the items are situated.

4. Exclusions from cover

The insurance does not cover the Insured against loss of or damage to the items, or against any related expense caused by any of the following

- 4.1 delay, loss of market or consequential loss of any description.
- 4.2 mechanical, electrical or electronic breakdown or malfunction of items insured where there is no external evidence that an insured event has occurred.
- 4.3 war or warlike activities which means invasion, act of foreign enemy, hostilities (whether war is declared or not), civil war, rebellion, insurrection or civil strife following any of these.
- 4.4 expropriation which means the lawful seizure, confiscation, nationalisation or requisition of insured items.
- 4.5 anything nuclear or radioactive, meaning the ionising radiations from or the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter or nuclear waste, weapon, device, fuel, installation, reactor, or any component of these. However, this exclusion does not apply to radioactive isotopes carried for agricultural, commercial, medical or scientific purposes.
- 4.6 any chemical, biological, bio-chemical or electromagnetic weapon.

5. Limits on cover

5.1 Subject to clause 6., the insurance is limited to the sum insured for each item insured and total sum insured as stated in the schedule for any one loss or series of losses arising from the same event. If an excess is specified in the schedule the Insured must bear that amount first in respect of a claim under this policy.

5.2 An excess of \$250 applies to each and every claim arising from theft.

6. Coinsurance

This insurance may be subject to coinsurance. If coinsurance applies the Insured will only recover the proportion of the loss that the insured value bears to 80% of the full (actual value) of the insured items. If the items are under insured by more than 20% then the amount we are liable to pay will be reduced by a proportion based on the following formula:

Insured value divided by 80% of actual value multiplied by lost/damaged amount.

For example:

The actual value of the item is \$30,000 but it is only insured for \$20,000 (insured value). Loss or damage of \$10,000 occurs; We will pay \$8,333

$\$20,000 \text{ (insured value)} / \$24,000 \text{ (80\% of } \$30,000 \text{ actual value)} \times \$10,000 \text{ (loss/damaged amount)} = \$8,333$

\$8,333 is the reduced amount we will pay on this claim before the application of any excess noted in the schedule.

Coinsurance will not apply if the insured value exceeds 80% of the actual value, or you suffer a total loss.

7. Valuing the items

7.1 Power tools:

7.1.1 up to three years old - full replacement value (new for old);

7.1.2 between three and four years old, full replacement value less 15 per cent;

7.1.3 between four and five years old, full replacement value less 20 per cent;

7.1.4 between five and six years old, full replacement value less 25 per cent;

7.1.5 over six years old, current market value.

7.2 All other tools

full replacement value (new for old).

7.3 Stock

full replacement value (new for old).

8. Notification of material change

The Insured must notify us as soon as possible of any material change in the risk covered by this policy.

9. Reasonable care

The Insured must take reasonable care to prevent loss or damage covered by this policy.

10. Duties in relation to an event which may give rise to a claim

When an event happens which may give rise to a claim under this policy, the following rules apply:

- 10.1 The Insured must do everything reasonable to prevent anything else happening which may give rise to or increase the amount of the claim.
- 10.2 The Insured must do everything reasonable to make sure that any rights against anyone else in respect to the event are maintained.
- 10.3 If the event involves a vehicle owned or operated by the Insured and either a theft has occurred and the policy covers the Insured against theft, or an accident has occurred involving another vehicle, the Insured must notify the police as soon as possible and, if we require it, obtain a written police report.
- 10.4 The Insured must notify us immediately of what has happened, send us full details of what has happened and of any other insurance over the items within 30 days.
- 10.5 The Insured must not authorise any repairs to the items without our consent.

We will reimburse the Insured for charges reasonably incurred to prevent or minimise an insured loss or to protect rights in relation to the event.

11. Settlement of claims

We have the option of settling a claim by payment, repair, reinstatement or replacement.

- 11.1 If the Insured is liable for Goods and Services Tax (GST) in respect of any goods which are the subject of a claim under this policy, we will pay the Insured for that GST liability. However,
 - 11.1.1 where we make a payment under this policy for the acquisition of goods, services or other supply, we will reduce the amount of the payment by the amount of any input tax credit the Insured is, or will be, or would have been, entitled to under A New Tax System (Goods and Services Tax) Act 1999 in relation to that acquisition whether or not the acquisition is actually made.
 - 11.1.2 where we make a payment under this policy as compensation for the acquisition of goods, services or other supply, we will reduce the amount of the payment by the amount of any input tax credit the Insured would have been entitled to under A New Tax System (Goods and Services Tax) Act 1999 had the payment been applied to acquire such goods, services or supply.

12. Third parties

If anyone else is entitled to make a claim under this policy that person must also comply with its terms.

13. Rights of subrogation

We are entitled to exercise any rights the Insured may have against anyone else in relation to items in respect of which we have paid any amount under this policy. The Insured and anyone else entitled to a claim under this policy, must cooperate fully with us in exercising those rights and must give us any information or assistance it may require.

14. Transfer

The Insured may only transfer a right under this policy with our written consent.

15. Cancellation

The Insured may cancel this policy at any time by giving us notice in writing. We may cancel this contract by giving the Insured 30 days notice in writing. However, it may only do so in the circumstances set out in Section 60 of the Insurance Contracts Act 1984.

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