

mobile machinery plant and equipment insurance policy



About CGU

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

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

Extract from the Insurance Contracts Act 1984

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

Your duty of disclosure

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

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

Your duty however does not require disclosure of a matter:

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

Non-disclosure

If you fail to comply with your duty of disclosure, the insurer may be entitled to reduce its liability under the contract in respect of a claim or may cancel the contract.

If your non-disclosure is fraudulent, the insurer may also have the option of avoiding the contract from its beginning.

Important notices

1. Claims

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

2. Liability assumed under agreement

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

3. Excess

An excess is the sum of money We will not pay in respect of a claim. This Policy and the Schedule detail the Excesses which may be applicable.

4. Acceptance of the Application

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

The Agreement

The Policy wording, Schedule (which expression includes any Schedule substituted for the original Schedule) and endorsements (if any) are to be read together.

Provided You have paid or agreed to pay the premium to Us, then, subject to the terms, conditions, exclusions and limitations contained in or endorsed on or otherwise expressed in this Policy or the Schedule, We will indemnify You for Damage, Fire or Theft to insured Machines whilst at the Situation during the Period of Insurance stated in the Schedule and any future period for which We may accept payment of premium.

You are insured only in respect of those items against which a Sum Insured is shown in the Schedule or which are otherwise indicated in the Schedule as being operative.

Provided that:

1. the Sum Insured under any item is as shown in the Schedule unless otherwise expressed in the Policy;
2. where the insurance is varied or extended by any Additional Benefit, Optional Cover, Special Clause or Endorsement, the insurance provided by such Additional Benefit, Optional Cover, Special Clause or Endorsement is subject to the terms, conditions, exclusions and limitations of the Policy in so far as they apply.

The Policy, Schedule and endorsements together, form the agreement.

Definitions

Breakdown means physical loss, damage or destruction caused by mechanical, hydraulic, electrical or electronic failure or malfunction from defects within the Machine which requires repair or replacement to enable normal working to continue.

Damage means physical loss, damage or destruction caused by an accident to the Machine but **does not** include:

1. (a) Fire.
(b) Theft.
(c) Breakdown.
2. Depreciation, wear and tear, rust or corrosion, structural failure or metal fatigue.

Electronic Data means facts, concepts and information converted to a form usable for communications, display, distribution, interpretation, or processing by electronic or electromechanical data processing or electronically controlled equipment.

Excess means an amount of money We will not pay in respect of a claim.

Fire means physical loss, damage or destruction caused by fire, lightning or thunderbolt.

Machine means Mobile Machinery, Plant and Equipment.

Mobile Machinery means

- a) Any self-propelled vehicle which travels on wheels or self-laid tracks;
- b) Any trailer, vehicle or machine component towed by the self-propelled vehicle as part of its normal operation;
- c) Attachments as specified in the Schedule;
- d) Accessories built into the vehicle or trailer;
- e) Standard tools used in the repair or servicing of the vehicle or trailer and spare parts whilst attached to or within such vehicle or trailer belonging to You or for which You are legally responsible or have assumed a responsibility to insure.

Plant and Equipment means the machinery, plant and equipment belonging to You or for which You are legally responsible or have assumed a responsibility to insure but does not include Mobile Machinery.

Schedule means the Schedule to this Policy.

Situation means the Situation(s) shown in the Schedule.

Software means programs, procedures and routines associated with the operation of electronic or electromechanical data processing or electronically controlled equipment, including any operating system.

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

Theft means the dishonest appropriation of such Machine belonging to You with the intention of permanently depriving You of it.

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

You, Your, Insured means the insured named in the Schedule.

Cover

We will indemnify You in the event of Damage, Fire or Theft to any insured Machine, specified in the Schedule, at the Situation.

Additional Benefits

1. Automatic reinstatement of Sum Insured

Following a claim payable under this Policy, We will reinstate the Sum Insured from the date of loss, provided You pay or agree to pay any additional premium that may be required by Us. Provided further that such reinstatement will be automatic only once for each Machine during any one Period of Insurance.

2. Recovery costs following Theft

Following a claim payable under this Policy for Theft, We will also pay the reasonable cost expended by You in the recovery or return of the Machine, **provided that** Our liability for such cost will be limited to a maximum of \$10,000 in respect of any one event.

3. General average and salvage charges

Where the insured Machine has been transported by sea within Australian waters, We will pay Your contribution for general average and salvage charges where such maritime conditions apply. Such payment will not exceed the market value of the insured Machine at the time of such contribution, or the Sum Insured shown in the Schedule, whichever is the lesser.

4. Automatic addition

We will provide cover on machines purchased by You or for which You become legally responsible or assume a responsibility to insure during the Period of Insurance if:

- (a) the machines are similar to those specified in the Schedule;
- (b) the machines do not have any faults or defects;
- (c) You provide Us with the type and value of the additional machines insured within 30 days of their purchase or the time You became legally responsible or assumed a responsibility to insure;
- (d) You pay the additional premium as may be required.

The maximum We will pay, in respect of Damage, Fire or Theft to any such machine, is the market value or \$150,000, whichever is less, subject to payment by You of the Excess applicable to machines of a similar kind specified in the Schedule.

The following **Additional Benefits** apply over and above the Sum Insured shown on the Schedule for the item the subject of the claim.

Following a claim payable under the Policy, We will also pay:

5. Expediting Expenses

The reasonable additional cost expended by You for express carriage or airfreight within Australia, overtime, penalty rates for abnormal working hours or conditions and incurred in the repair or replacement of the insured Machine provided that such cost does not exceed 50 per cent of the normal cost or \$20,000 whichever is the lesser.

6. Temporary repairs and loss minimisation costs

The reasonable cost of any temporary or provisional repairs or measures necessarily incurred to facilitate the final repairs or minimise the amount of the claim, subject to Our consent for such costs being incurred.

7. Temporary hiring charges

In respect of each event resulting in a claim that has been admitted under this Policy, the cost of hiring a temporary replacement Machine including the cost of transport. Our liability for such costs will be limited to a maximum of 10 per cent of the Sum Insured shown in the Schedule against the insured Machine or \$10,000 whichever is greater in respect of any one event.

8. Signwriting, artwork and ornamentation

The reasonable cost of reinstatement of any artwork, signwriting or ornamentation on the Machine provided that Our liability for such costs will be limited to a maximum of \$2,500 in respect of any one event.

9. Overseas airfreight

The reasonable costs incurred to airfreight replacement parts for insured items from anywhere in the world, **provided that** such parts are required as part of repairs for which a claim has been admitted. Our liability for such costs will be limited to a maximum of \$5,000 in respect of any one event.

10. Accessories and standard tools

The reasonable cost of repairing or replacing accessories and standard tools which are not specified in the Schedule, while they are in or on the Machine, to a maximum of \$2,500 in respect of any one event.

Optional cover

You can broaden the scope of Your cover by adding one of the following options. You will need to apply for this cover, and pay an additional premium. Any options that We agree to add to Your policy will be stated in Your Schedule.

1. Hired in Machines

We will cover You for Machines hired in by You if:

- (a) the Machines are similar to those specified in the Schedule;
- (b) the Machines do not have any faults or defects.

The maximum We will pay, in respect of Damage, Fire or Theft to any such Machine, is the amount specified in Your Schedule as the Limit of Liability in respect of any one Machine.

2. Lease payout

We will pay up to 150 per cent of the market value of Your Machine toward the discharge of Your obligation under a lease agreement, if:

- (a) Your Machine is declared a total loss; and
- (b) the lease payout exceeds the market value.

The amount payable under this Option will be reduced by any:

- (c) payments and interest in arrears at the time of loss, destruction or damage; or
- (d) discounts in respect of finance discharge, including interest for the unexpired term of the agreement.

Our liability is limited to the Sum Insured shown in Your Schedule against such Machine.

3. Hiring costs following Fire, Theft or Damage

We will pay:

- (a) up to the Sum Insured indicated in Your Schedule against this option; and
- (b) for a maximum period of three months, for the reasonable cost incurred by You for hiring a similar replacement machine following Fire, Theft, or Damage sustained by Your Machine.

We will not cover:

- (a) any period of hire continuing after Your Machine has been recovered and repaired following Theft, or after We settle Your claim as a total loss;
- (b) loss or damage to the hire machine, or any costs to run the hire machine, including the cost of fuel;
- (c) any insurance excess or other costs, including rental bonds which You may be liable for under the hire; or
- (d) any other additional hire costs;
- (e) the first seven (7) days of hiring costs that would otherwise be payable.

Settlement of Claims

1. We will at Our option:
 - (a) repair, reinstate or replace the Machine;
or
 - (b) make a cash payment to You, the owner or other party who has an interest in the Machine to the extent of that interest. Such payment by Us will be full and final discharge of that interest.
2. We will pay the reasonable cost of protection and removal to the nearest repairer approved by Us or place of safety or to any other place approved by Us.
3. We will pay the cost of transport, labour and the onsite cost of parts.

Provided that such repair, reinstatement, replacement or payment will not exceed the market value of the Machine at the time of such physical loss, damage or destruction, or the Sum Insured, whichever is the lesser. We will not be liable for the cost of any alterations, improvements or overhauls carried out on the occasion of the repair.

Limitation

Our total liability during any one Period of Insurance or for any claim arising out of one event or series of events arising directly or indirectly from one source or original cause will not exceed the Sum Insured on the Machine specified in the Schedule plus any amount provided for under Additional Benefits 5 to 10 inclusive.

Special clause

When a Machine is being operated by or in the charge of a person with less than 12 months experience on that particular Machine or similar Machine, the Excess shown in the Schedule for that Machine will be increased by 100 per cent.

General conditions

Precedent to Liability:

1. Your duty

The extent of Our liability is conditional upon:

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

2. Transfer of interest

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

3. Our rights

Subject to the provisions of the *Insurance Contracts Act 1984*, We have the right to recover or obtain contribution from any person against whom You may be able to claim and We shall have full discretion in the conduct, defence or settlement of any claim and to take action in Your name.

You and any other person entitled to indemnity under this Policy must not hinder these rights and must give all such information and cooperation as We may require.

4. Cancellation

- (a) Under Section 60 of the *Insurance Contracts Act 1984*, We may cancel this Policy at any time, by giving notice in writing to You of the date from which cancellation is to take effect, where You have done any of the following:
 - 1) Failed to comply with Your duty of utmost good faith.
 - 2) Failed to comply with Your duty of disclosure at the time when this Policy was entered into or renewed.
 - 3) Made a misrepresentation to Us during the negotiations for this Policy, but before We agreed to issue this Policy.
 - 4) Failed to comply with a provision of the Policy.

- 5) Failed to pay the premium for this Policy.
 - 6) Made a fraudulent claim under this Policy, or any other contract of insurance (whether with Us or another insurer) that provided cover during any part of the Period of Insurance of this Policy.
 - 7) Failed to comply with a requirement in this Policy that You notify Us of an act or omission which occurred after this Policy was entered into.
 - 8) Failed to notify Us of any specific act or omission or such a notification as is required under the terms of this Policy.
- (b) Under Section 60 of the *Insurance Contracts Act 1984*, We may cancel this Policy at any time where:
- (1) it is in force by virtue of Section 58 of the *Insurance Contracts Act 1984*; or
 - (2) it is an interim contract of general insurance.
- (c) You may cancel this Policy at any time by notifying Us in writing.
- (d) After cancellation, We will retain or be entitled to the premium for the period during which this Policy has been in force.

General exclusions

We will not be liable for:

1. (a) Any consequence of war, invasion, act of foreign enemy, hostilities (whether war is declared or not), civil war, rebellion, revolution, insurrection or military or usurped power.
 - (b) Confiscation, nationalisation, requisition or destruction of, or damage to, property by or under the orders of any government, public or local authority.
 - (c) Loss, destruction, damage or liability directly or indirectly caused by, or contributed to by, or arising out of, or aggravated by Terrorism.
 - (d) Any loss or destruction or damage to property, personal injury, consequential loss, liability of whatsoever nature, directly or indirectly caused by, contributed to by, or arising from, ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste.
 - (e) Loss, destruction or damage directly or indirectly caused by, or contributed to by, or arising from, nuclear weapons or nuclear material.
2. Destruction, loss or damage intentionally caused by:
- (a) You; or
 - (b) any person(s) acting with your express or implied consent,
- except as a result of the driver or operator taking evasive action in the ordinary course of driving or operation.
3. Loss or damage which is covered under a policy or policies to which the Marine Insurance Act 1909 applies, except in respect of any excess amount beyond the amount which would have been payable under such policy or policies.
 4. Destruction, loss or damage for which You are relieved of responsibility by conditions of contract.
 5. Penalties for delay or non-completion or for guarantees relating to performance or efficiency.
 6. Any claims caused, sustained or incurred while the Machine is being:
 - (a) driven by any person who was not licensed to drive or operate such a vehicle under the relevant laws, bylaws and regulations unless You can prove to Us that You did not consent to the person so driving or operating the Machine;

- (b) used to convey, tow or lift a load in excess of that for which the Machine was:
 - (1) designed; or
 - (2) constructed, rigged or assembled, for the particular operation, under regulations laid down by a responsible authority;
 - (c) used in an unsafe or unroadworthy condition, unless You can prove to Us that the event giving rise to the claim was not caused or contributed to by such unsafe or unroadworthy condition;
 - (d) driven or operated by or is in the charge of any person whose faculties are impaired by any drug or intoxicating liquor or by any person with a blood or breath alcohol percentage in excess of the amount permitted by law in the state in which the Machine was driven or being operated at the time the Damage was sustained **provided that** this exclusion shall not apply if You can prove to Us that consent was not given for the Machine to be driven by or to be in the charge of a person so affected.
7. Destruction of or loss or damage to:
- (a) tyres caused by application of brakes or by road punctures, cuts, bursts or chemicals not arising from an accident;
 - (b) self-laid tracks, bits, drills, borer rods and pipes, knives, discs or other cutting edges, blades, dies, moulds, patterns, hammers, pulverising and crushing surfaces, wear plates, screens and sieves, augers, belts, chains, elevator and conveyor bands, tyres, electrical connecting wires and cables, flexible pipes, jointing and any packing material which is regularly replaced arising from the normal operations of the Machine.
8. Destruction, loss or damage due to faults or defects which You or Your employees knew about when You arranged, renewed, extended, varied or reinstated this insurance, but did not disclose to Us.
9. Loss of use or consequential loss of any kind, except as provided by Additional Benefit 6.
10. Physical destruction, loss or damage caused by:
- (a) lawful seizure; or
 - (b) operation of law arising from any breach of contract, agreement or obligation.
11. Machines located underground at the time of the destruction, loss or damage, **unless** such cover was agreed with Our consent and is stated in the Schedule.
12. Destruction, loss or damage to a Machine hired out by You where such destruction, loss or damage results from Theft or conversion by the hirer or by the employees or agents of the hirer.
13. Destruction, loss or damage arising out of ocean or sea transit, or transit on inland waterways, estuaries and areas between high and low tide, **unless** such cover was agreed with Our written consent.
14. Destruction, loss or damage caused by or arising out of testing and commissioning, intentional overloading or experiments.
15. Destruction, loss or damage arising when a Machine is hired out without an operator, **unless** such cover was agreed with Our written consent and is stated in the Schedule.
16. Destruction, loss or damage due to Breakdown but We will pay for Fire, Theft or Damage as a result of Breakdown.
17. Destruction, loss or damage due to total or partial immersion in tidal waters.

Date Recognition Special Exclusion

There is no insurance under this policy in respect of any claim arising from the failure or inability of any item, equipment or computer software to recognise correctly, to interpret correctly or process correctly any date, or to function correctly beyond any time when that item, equipment or computer software has not recognised, interpreted or processed correctly any date. This special exclusion will not exclude any claim for subsequent loss or destruction or damage to a Machine sustained in a collision or caused by Fire or Theft.

Electronic Data and/or Software Special Exclusion

We do not insure You under this policy for loss, destruction, or damage of whatsoever nature that consists of or arises directly or indirectly out of or in connection with:

- (a) total or partial destruction, distortion, erasure, corruption, alteration, misinterpretation or misappropriation of Electronic Data and/or Software;
- (b) error in creating, amending, entering, deleting or using Electronic Data and/or Software; or
- (c) total or partial inability or failure to receive, send, access or use Electronic Data and/or Software for any time at all, from any cause whatsoever, regardless of any other contributing cause or event whenever it may occur.

However, if an event listed below, being an event covered by Your policy but for this exclusion, is caused by any of the matters described in (a), (b) or (c) above, Your policy subject to all its provisions will cover physical loss, destruction or damage to Machines directly caused by such listed event, and/or consequential loss covered by Your policy.

Further, this exclusion does not apply if an event listed below, being an event covered by Your policy but for this exclusion, causes any of the matters described in (a), (b) or (c) above:

Fire, Theft or Damage.

Claims procedure

1. As soon as possible after the happening of any occurrence, accident or event which may give rise to a claim against Us, You or Your legal representative must:
 - (a) Advise details to Us and send written confirmation within 30 days.
 - (b) Take all reasonable steps to minimise the loss or damage and to prevent any further loss or damage. We will not be liable in respect of any further damage arising out of the continued use of damaged property until such property is repaired to Our satisfaction.
 - (c) Use best endeavours to preserve any damaged or defective appliances, components, plant or things which might prove necessary or useful by way of evidence in connection with any claim and so far as possible, with due regard for safety, no alteration or repair shall be made without Our consent.
 - (d) In the case of a Machine being lost, stolen or vandalised:
 - (1) Advise the nearest Police Station and obtain a written Police report if requested by Us.
 - (2) Take all practical steps to recover the property.
 - (e) Forward to Us every communication, Writ or Summons within 72 hours of receipt by You or service upon You.
 - (f) Retain all damaged property for inspection by Us.
2. Where a claim arises You must not authorise repairs to, or arrange replacement of, any of the property relevant to the claim without Our consent.
3. Subject to the provisions of the *Insurance Contracts Act 1984*, You or any person making a claim under this policy must not make any admission of liability or payment or promise, or offer of payment in connection with any such claim, without our written consent.
4. At Your own expense, You will furnish Us with such books of account and other business books, computer records, vouchers, invoices, balance sheets and other documents, proofs, information, explanations and other evidence and a statutory declaration as We may require for the purposes of investigating or verifying a claim under this Policy and You and Your accountants must cooperate fully in this regard.

5. You must furnish Us with a statement giving details of the other insurances which may also provide cover on any property hereby insured.
6. Jurisdiction. Any dispute between You and Us under this Policy shall be determined by the courts, and in accordance with the laws, of the State or Territory of Australia in which We issued this Policy.

How You can resolve a dispute with Us

Our dispute resolution system is free and works like this:

1. Please advise the staff at Your local CGU Insurance office if You are dissatisfied with:
 - Our decision on Your claim,
 - Our handling of Your claim,
 - the services of Our loss adjuster or investigator.
2. The staff member will try to resolve the problem.
3. If unable to resolve it, the staff member will refer it to the supervisor or manager for attention. A decision concerning Your complaint will be made within 15 business days of receipt.
4. If this fails to resolve Your problem, You may request that the problem be referred to Our internal dispute resolution staff. They will investigate the dispute and try to reach a satisfactory outcome with You, normally within 15 business days of the date You requested a referral.
5. If You do not accept Our decision, You may take the problem to the **Financial Ombudsman Service (FOS)**, for an independent investigation. The FOS can assist with private consumer and some small business type claims.

The telephone number for the Financial Ombudsman Service is **1300 780 808**.

More detailed information about this process is available from Your local CGU Insurance office.



Insurer
CGU Insurance Limited
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