



Uninsured Risks

In addition to the risks listed in your insurance plan, there are many other classes of insurance that are available.

We have provided the following list of coverage definitions to assist you in assessing your exposure and the relevance of these forms of insurance coverage in the context of your own risk financing strategies. Whilst many of them may not be relevant to your current risk profile, we recommend a review of the coverage types from time to time in light of changing needs and circumstances.

If you would like to consider any of these additional classes of cover, please let us know and we will be happy to provide you with additional information or a quotation for your consideration.

Property / Financial

Accounts Receivable	Covers loss sustained due to inability to collect outstanding debts following physical loss or damage to accounting and other records.
Advance Business Interruption	Financial loss resulting from project delay due to loss or damage to property whilst undergoing construction, installation etc. Includes loss of planned trading revenue, continuance of overheads and extended interest charges etc.
Asset Residual Value	In changing economic circumstances that can result in asset values being seriously eroded, it may be necessary to pass that risk on to an underwriter, particularly if significant amount of debt are used to acquire or create the asset.
Aviation Hull & Liability	Covers loss of or damage to the aircraft hull and liability to third parties, including passenger liability, arising from the operation of the aircraft.
Boiler & Pressure Vessel Explosion	Covers loss or damage due to explosion or collapse of boilers and other pressure vessels that normally require a certificate of compliance before being used.
Bonds	<p>Insurance bonds are available to accommodate a wide variety of situations e.g. performance guarantee and may be a viable alternative to bank guarantees. A surety bond is a contract of guarantee which has three parties :</p> <ol style="list-style-type: none">1. The surety or guarantee, i.e. the insurance company2. The person who is to perform the subject matter of the bond, i.e. the contractor3. The person in whose favour the bond is issued i.e. the owner or obligee. <p>Under a bond, the surety undertakes to hold itself responsible up to the specified amount for the non performance or under-performance of an expressed obligation, i.e. the obligation of the contractor.</p>

Business Interruption (Loss of Profits, Consequential Loss)	Covers loss of insurable gross profit or revenue caused by the interruption of a business following insured loss or damage to property. It can include cover for such things as wages and other fixed costs as well as increased working costs incurred to avoid or diminish a reduction in turnover.
Business Package (Commercial Package)	Typically designed for small to medium business enterprises, it includes multiple coverage sections to protect against losses from a variety of property and liability risks associated with a business.
Builders Warranty	Builders Warranty Insurance is a legislative requirement under State/Territory law in NSW, ACT, VIC, SA and WA for contracts over \$20,000 in NSW & WA (or \$12,000 in VIC, ACT & SA). It is designed to protect against the non-completion or defective workmanship should the builder die, disappear or become insolvent and has a cover period of 2 years for non-structural defects and 6 years for structural defects from the completion of the contract.
Cancellation & Abandonment	Covers losses that arise through the cancellation or abandonment of an event caused by a prescribed peril or circumstance.
Computers (Electronic Equipment) / Data Processing	Covers physical loss or damage, including mechanical or electrical breakdown, to computers and electronic equipment. Can include cover for loss of data, additional expenses incurred to maintain normal operations and business interruption.
Contract Works (and Contract Works Liability)	Covers loss or damage and third-party liability arising out of construction, erection, installation and related testing activities etc.
Credit Insurance	Covers financial loss due to bad debts incurred following the insolvency of a customer.
Crime Insurance	Loss of money, securities, or inventory resulting from crime. Common claims are a result of employee dishonesty, embezzlement, forgery, robbery, safe burglary, computer fraud, wire transfer fraud, counterfeiting, and other criminal acts.
Crop	Covers physical loss or damage to crops as a result of an insured peril.
Fine Arts	Covers physical loss or damage to fine art, antiques, curios or jewellery whilst on display, exhibition or in transit.
Home & Contents	Cover for domestic dwellings and contents against physical loss or damage (defined events or accidental damage) and personal liability.
Industrial Special Risks	Covers physical loss or damage to insured property and business interruption arising from such physical loss or damage to insured property used in the business.
Kidnap, Ransom and/or Extortion	Covers ransom monies and negotiation expenses in the event of kidnap of an employee or members of their family resulting from threats against property.
Landlords	Protects residential property owners in the event of damage to their property by tenants.

Legal Expenses/ Intellectual Property	Legal expenses arising from the need to take legal advice or to defend or pursue legal actions in cases of contractual disputes, employment disputes, criminal prosecution, patents, copyrights, registered designs, trademarks or action under Trade Practices Act.
Livestock or Bloodstock	The insurance of animals against death by accident, sickness or disease.
Loss of License	Insures a person who is dependent upon a form of license in order to earn a livelihood e.g. pilot. The insurance covers specified benefits in the event of accident or disability which results in discontinuance of the license.
Machinery Breakdown	Covers sudden and unforeseen mechanical or electrical breakdown of plant and machinery. Cover can be extended to include consequential loss from interruption to the business following such breakdown and/or spoilage of stock.
Marine Hull (and Liability)	Loss or damage to a marine vessel and include liability to pay damages (including legal expenses) in the event of negligent death or injury to third parties or damage to their property.
Marine Transit – Australia Wide & Overseas	Loss or damage to property in transit by any form of conveyance within Australia and to and from Australia and overseas.
Mergers and Acquisitions	Coverage to help reduce or eliminate risk exposure related to the business of the seller or buyer arising out of a merger an acquisition.
Motor Vehicle	<ol style="list-style-type: none"> 1. Comprehensive cover i.e. own damage and third party property damage 2. Third party property damage plus fire and theft 3. Third party property damage only 4. Compulsory third party (CTP) insurance covering accidental bodily injury to or death of a third party as a result of a road traffic accident. All owners of motor vehicles using public roads in Australia are required to have CTP cover taken out in the State in which the vehicle is registered.
Patent Infringement	Provided cover for legal expenses incurred by the insured in pursuing breaches of their patent or copyright by others.
Political Risks	Insures expropriation, confiscation, nationalism of property in foreign countries. Can also cover contract repudiation, license cancellation or currency inconvertibility.
Special Contingencies (Specials Risks, General Property)	Covers physical loss or damage to specified property, normally of a portable nature, such as mobile phones, laptops, jewellery etc.
Stock Throughput	This policy is designed for companies that import, distribute or export merchandise. The policy provides cover for moveable goods that are the subject of the insured's trade, including raw materials, semi-finished and finished products. The goods are covered at all times whether in transit, undergoing process or in storage.

Liability

Association Liability	Association Liability insurance is a combined policy specifically designed for associations and not for profit organisations. The cover provides protection to individual office bearers and the association against wrongful acts in the management of the association, employment practices liability and crime/fidelity. Cover is also provided to the association against claims for financial loss arising out of a breach of professional duty by the association.
Carriers Liability	Cover for Carriers Liability is typically offered in three key sections : 1. Carriers Legal Liability as Principal Carriers which includes cover for Errors and Omissions (delay and mis-delivery when carried under approved consignment note terms and conditions). 2. Carriers Legal Liability as a Subcontractor which is a unique offering of Legal Liability for Subcontractors when operating under a Principal's terms and conditions of carriage. 3. Carriers Compensation (All Risks) Cover for all goods in your care custody or control.
Charterers Legal Liability	Covers legal liability to the owner of a chartered vessel and/or to third parties arising out of the signing of a charter party agreement.
Container Liability	Covers contractual liability for loss of and/or damage to hired or leased containers and additional costs incurred.
Cyber Liability	Cyber Liability Insurance can provide cover for loss or damage to digital assets such as costs to restore, update, recreate or replace lost or damaged data or soft ware, extra expenses such as costs for lost income, investigation and mitigation costs, lost productivity, fines and penalties, personal and corporate data liability for breaches in the data from either source of your client data base, outsourcing for breach of data protection if you utilise outsourced providers and they suffer a breach, notification and monitoring costs involving notifying regulatory authorities, law enforcement, investors, vendors and business partners, and all your clients of the breach, cyber extortion and media infringements.
Defamation (Libel and Slander)	Legal liability for injury to the reputation, goodwill, profession, trade business or credit of their parties in consequence of defamation, libel and slander.
Directors' & Officers' Liability/Company Reimbursement	Directors' & Officers' Liability: Covers directors or officers for their legal liability for wrongful acts committed whilst acting in their capacity as a director or officer. Company Reimbursement: To reimburse the company for payments it is legally entitled or obligated to make in indemnifying directors or officers for claims made against them whilst acting in their capacity as directors or officers. It will not reimburse the company for claims against the company.
Directors' & Officers' Liability/Company Reimbursement Supplementary Legal Expenses	Covers legal expenses incurred on behalf of directors, employees and organizations in defending against action which are not covered under the standard Directors' & Officers' Liability/Company Reimbursement policy, e.g. prosecutions related to Occupational Health & Safety (OH&S), Environment Protection Authority (EPA) and some employment related matters such as harassment, discrimination or wrongful termination.

Economic Loss	Covers liability to third parties for their purely financial loss NOT arising from injury to their persons or damage to their property. Limited cover can be purchased in various forms including Product Guarantee and Professional Indemnity insurance. In general cover is difficult to obtain.
Employment Practices Liability	Covers a range of liabilities that can face an employer following wrongful termination, refusal to employ, failure to promote, demotion, disciplinary action, sexual harassment, bullying, discrimination or defamation of an employee.
Environmental Impairment Liability	Environmental Liability insurance is designed to protect anyone producing, processing, transporting, storing or otherwise handling potential contaminants. Environmental Liability coverage defines pollution much more broadly than other liability policies. In addition to bodily injury and property damage losses, it also includes the costs of removing, rendering harmless or cleaning up any substance which has caused or would cause environmental damage.
Forged Share Transfer	This is a legal liability policy. If company's shares or stocks are transferred from one name to another, due to the production of forged documents, both the registrar and the issuing company may be liable for losses incurred by the "real" owner.
Investment Managers Insurance	Specifically designed for the needs of investment management firms and fund managers. This policy combines Directors & Officers, Professional Indemnity and Crime covers into one policy, providing protection to both the organisation and individuals against claims from acts, errors, breaches of duty or theft of funds while conducting investment management services.
Legal Defence Costs	Covers expenses in either pursuing or defending action arising from disputes with customers or suppliers for the sale, purchase, hire or supply of goods or services or in defending employment contract actions brought against clients by employees or defending any criminal prosecution made against the Company, its Directors or employees.
Management Liability	<p>Management Liability insurance protects individuals and the company against the risks and exposures of running a company (i.e. liability for mismanagement). This insurance not only protects directors and officers for legal liability they may incur personally in managing a company, it also extends to the company itself for certain types of claims.</p> <p>Actions against the company or losses sustained by the company generally covered by a Management Liability Insurance policy include :</p> <ul style="list-style-type: none"> ▪ Directors & Officers Liability ▪ Company Reimbursement ▪ Company Liability ▪ Employment Practices Liability ▪ Trustee liability ▪ Crime ▪ Statutory Liability
Medical Malpractice Liability	Covers health care and medical professionals from liability in the event of wrongful practices that result in bodily injury, property damage and medical expenses.

Non-Owned Aviation Liability	Covers legal liability to third parties (including passengers) for accidental death, bodily injury or damage to third party property caused by an aircraft or by any person or object falling from an aircraft not owned by the Insured but which they charter, hire or use with the permission of the owner, only whilst such aircraft is in the care, custody or control of the Insured.
Product Guarantee	Covers the legal liability either at law or under contract to replace or repair products which fail to perform their intended function, or financial loss sustained by a customer or third party arising therefrom.
Product Recall	Covers legal liability for insured costs, expenses and damages for withdrawal or recall of goods or products because of any known or suspected defect or deficiency therein.
Product Tamper / Contamination	Covers the costs and loss of net profit where products are withdrawn or destroyed due to actual or alleged contamination or malicious tamper so as to render the product unfit or dangerous for use.
Protection and Indemnity	Covers liability to third parties as a result of ownership of watercraft/ vessels.
Professional Indemnity	Covers the legal liability to compensate third parties (including legal expenses incurred) who have sustained financial loss due to a breach or alleged breach of professional duty on the part of the Insured or their employees.
Public & Product Liability	Legal liability to pay compensation (including legal expenses) to third parties in the event of the Insured causing injury, death or loss of or damage to property arising out of the business activities or products.
Statutory Liability	Covers penalties and defence costs arising out of an unintentional breach of legislation e.g. Acts relating to Occupational Health & Safety, Workers' Compensation, Environmental etc.
Takeover	Covers expenses arising from a successful defence against an unwelcome bid to take over or acquire control of an insured company.
Taxation Audit	Covers professional fees that an accountant would charge to help respond to an official enquiry, review, investigation or audit of returns lodged with the Australian Tax Office or other Federal, State or Territory government authority, agency or body.
Transaction Liability	Series of non-standardized products which are designed to remove particular risks from transactions, e.g. warranties & indemnities, environmental exposures, known litigation and contentious tax issues.
Trustee Liability	Covers trustees and trust managers of superannuation funds in respect of legal liability to compensate third parties (including legal costs incurred) arising out of the negligent administration of the trust or fund.
Umbrella Liability	Legal liability insurance that provides cover in the same circumstances as other Liability policies such as Public & Products Liability, Motor Vehicle etc., but provides additional Limits of Liability above those insurances with a wider scope than the underlying Liability policies.

Workers Compensation	All employees injured by accident or industrial disease arising out of, or in the course of their employment are legally entitled to compensation under the various Workers' Compensation statutes. The Acts in each State and Territory require employers in Australia to maintain compulsory "no fault" insurance to cover their legal liability.
Extra Territorial Workers' Compensation	Legal liability to pay compensation (including common law damages) to an employee normally domiciled in Australia who sustains injury, disease or death somewhere outside the Australian State or Territory of domicile, in circumstances where a Workers' Compensation policy may not adequately respond.
Workers' Compensation – Make Up Pay	This insurance provides cover for the difference between benefits payable under the various State and Territory workers compensation Acts and benefits normally payable to an injured worker by way of award or agreement.
Worker to Worker Liability	Worker to Worker Liability is a term used to describe liability for accidents where a worker is injured by the negligence act of another worker, i.e. not having the same employer as the injured worker. It is usual for this liability to be insured under a Public Liability or Contract Works Liability Insurance policy. However, some underwriters, depending on the nature of the risk, exclude this liability under their public / contract works liability policies. In this case, separate Worker to Worker Liability Insurance needs to be arranged. This insurance is extremely difficult to purchase.

Employee Benefits

Corporate Travel	Covers baggage, overseas medical expenses, money, personal accident benefits, loss of deposits and other contingencies appropriate for insured persons whilst travelling on the business of the Insured (including associated holiday travel). This policy is purchased on an annual basis.
Journey Accident	Journey Accident insurance is a type of personal accident insurance that pays a benefit if an employee dies, becomes disabled or is injured in an accident while travelling to or from work. It's designed to fill the gap in Workers Compensation legislation that leaves workers in all states except Queensland, unprotected on their way to work.
Life and Benefits	Group or individual life insurance, disability and trauma or superannuation.
Key Person	Provides a death and/or disablement benefit in respect of selected key personnel critical to business operations.
Personal Accident / Disability	Can provide weekly and lump sum benefits for accidental death or injury to specified persons. Limited protection is also available to cover sickness.
Salary Continuance	Designed to protect the livelihood of an employee or self employed individual who cannot work because of prolonged disability arising from accident and/or sickness.

Trauma

Covers a lump sum payout in the event of the Insured person contracting a range of life-threatening diseases or illness. Payment is generally made once formal diagnosis has been made.

Important Information

Introduction

Many of the policies referred to in this manual will be subject to the Insurance Contracts Act because the proper jurisdiction of the insurance contract will be the laws of Australia. For other types policies (e.g. marine insurance or policies placed overseas), the duty of disclosure exists under the common law.

Duty to take reasonable care not to make a misrepresentation

A contract of insurance is a consumer insurance contract if the insurance is obtained wholly or predominantly for personal, domestic or household purposes of the insured. It includes general insurance contracts (such as consumer credit, motor vehicle, home and contents, sickness and accident and travel insurances) and life insurance contracts.

When you apply for home insurance, car insurance or any other insurance that is wholly or predominantly for personal, domestic or household use we will ask you specific questions that are relevant to the insurers decision to insure you and on what terms including the premium that the insurer will charge.

When you take out, renew, extend or vary your insurance policy, it is important that you understand you are answering questions for yourself and anyone else to be covered by the policy.

You should always provide us with complete and honest answers to all the questions we ask you, by answering questions about yourself and other named policyholders to the best of your knowledge.

This is your duty to take reasonable care not to make a misrepresentation.

If you breach your duty, the insurer may be entitled to refuse to pay your claim, reduce the amount payable for a claim or cancel your policy.

If your breach is fraudulent, your policy may be cancelled from the beginning.

Changes to your circumstances

During the term of your contract of insurance, we ask that you inform your insurer of any changes to the details on your Certificate of Insurance that are no longer accurate.

Any changes may affect the premium and excesses applied to your policy or your insurances may be inadequate to fully cover you.

We can assist you to do this and to ensure that your contract of insurance is altered to reflect those changes.

Your duty of disclosure

Contracts of general insurance subject to Insurance Contracts Act

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, that is relevant to the Insurer's decision whether to accept the risk of the 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. You have this duty until the Insurer agrees to insure you.

Your duty, however, does not require disclosure of matter:

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

Non-disclosure

If you fail to comply with your duty of disclosure, the Insurer may be entitled to reduce his 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. **Please note that your duty applies also when you seek to renew, extend, alter or reinstate a policy.**

Your duty of disclosure - Other types of insurance policies

Please note that in relation to policies which are not governed by the Insurance Contracts Act 1984 such as Marine Insurance (other than Marine Inland Transit Insurance) and insurance required by statute, the Insured still owes a Duty of Disclosure to the Insurer.

This is a duty to disclose to the Insurer before the contract is concluded, every material circumstance which is known to the Insured. Every circumstance is material which would influence the judgement of a prudent Insurer in fixing the premium or determining whether he will take the risk.

The Insurer may avoid the contract from inception if the Insured fails to make such disclosure.

In the case of insurance required by statute, such as Compulsory Third Party Motor Vehicle insurance, the Insurer may have rights of recovery against the Insured in the event of misrepresentation, misstatement or non-disclosure.

Where Placement Is With an Unauthorised Foreign Insurer

The insurance contract may have been placed wholly or partly with a foreign insurer that is not authorised under the Insurance Act 1973 to conduct insurance business in Australia. Such insurer(s) are not subject to the provisions of that Act which establishes a system of financial supervision of general insurer(s) in Australia.

It is a matter for your consideration whether you should obtain any further information from us on matters such as:

- name and postal address of the insurer;
- country of incorporation of insurer and whether the country has a scheme of financial supervision of insurer(s);
- paid up capital of the insurer; and
- which country's laws will determine disputes under the contract.

Cooling Off Period Rights

For certain policies covering personal or domestic property (e.g. motor, home buildings and contents, travel, sickness and accident and consumer credit insurance), you may have a right under the Corporations Act to return your policy. The policy will usually set out the right but some may not. You can ask us if it applies.

The period can be no less than 14 days from entry into the policy but it may be longer at the insurer's option. The right does not apply if you have exercised a right under the policy (e.g. made a claim).

The amount of premium refunded will vary for each insurer. They are permitted (unless the policy states otherwise) to deduct:

- an amount representing the insurer's period of time on risk;
- any tax or duty paid or owing for which the insurer is unable to obtain a refund; and
- any reasonable administrative and transaction costs incurred by the insurer reasonably related to the acquisition of the policy and termination of the relationship which don't exceed the true cost of an arm's length transaction.

Despite the cooling off period you still may have cancellation rights under your policy which have no time limit. If you want to return or cancel your policy contact us so we can assist.

Interests of Third Parties

Many policies do not cover the interests of third parties (e.g. co-owners, lessors and mortgagees) whose interest is not noted on the policy. If you require the interest of any third party to be covered, please let us know, so that we can ask the insurer to note that party's interest on the policy.

Average Clauses (Underinsurance)

Many policies that cover loss of or damage to property contain what is called an "average clause" which, if you are underinsured, may reduce the amount of cover under the policy.

Briefly stated, an average clause provides that where the amount of the loss or damage is greater than the sum insured under the policy, the insurer is only liable to pay a proportion of the loss or damage. In effect, you are treated as if you self-insured a part of the risk.

If your policy contains an average clause, please read it carefully to see how it affects the amount of cover under the policy.

If your policy provides "new for old" cover, please ensure that the sum insured is the cost of replacing the lost or damaged property with new property.

Recovery Rights

Many policies exclude or limit the insurer's liability if you have entered, or enter, into an agreement that excludes or limits your rights of recovery against third parties whose acts, errors, omissions or other conduct have caused or contributed to your loss or liability. (These are often called "hold harmless" agreements.)

If you have entered, or consider entering, such an agreement, please let us know, so that we can advise you about how the agreement affects, or will affect, your cover.

Material Change of Risk

Many policies require you to notify the insurer in writing of any material change to the insured risk during the period of insurance. The insurer can then decide whether to cover the new risk. Some examples of material changes are if you:

- change your profession or occupation;
- acquire or merge with another business;
- commence manufacturing plastics, or commence woodworking activity;
- commence manufacturing a new kind of product;
- are unable to pay your debts as they fall due and you enter into an arrangement with your creditors.