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Product Disclosure Statement and Policy Wording

The insurer of this product is:

Wesfarmers General Insurance Limited ABN 24 000 036 279, trading as Lumley Insurance

AFS Licence No. 241461

Preparation Date: 01/07/09

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IMPORTANT CUSTOMER INFORMATION

About our Product Disclosure Statement and Policy Wording

This document (which is our Product Disclosure Statement and Policy Wording) contains important information to help you understand Lumley Insurance's Private Motor Vehicle Insurance. Before you decide whether to purchase it, you need to read this document carefully to understand its features and benefits.

Other documents may form part of our PDS. If they do, we will tell you in the relevant document.

What you need to read

To determine if this insurance is appropriate for you, it is important that you read:

- this Important Customer Information Section - it contains information on important matters you need to be aware of before applying for this insurance, such as your duty of disclosure.
- the Agreement Section and Sections One, Two, Three and Four - these set out the cover we can provide under this insurance;
- the Definitions Section - it sets out what we mean by certain defined terms in this insurance;
- Section Five - the General Exclusions Section – it sets out what we do not cover;
- Section Six - the General Conditions Section and Section Seven - the Claims Section – these contain details of your and our rights and obligations under this insurance, including if you need to claim and what Excesses may be payable. If you do not meet your obligations, we may be able to cancel the insurance or reduce our liability in respect of a claim to the extent permitted by law; and
- any other documents we provide to you about the insurance which may change the standard cover.

Applying for cover

When you apply for this insurance, you will need to complete a proposal form. We will use and rely on the information supplied by you to decide the terms of cover we will provide. We provide cover to you on the terms contained in this document, and the Schedule that we issue to you.

The Schedule will contain important information relevant to your insurance including the Period of Insurance, your Premium, details of your Vehicle, the Excess(es) that will apply to you and others and whether any standard terms have been varied by way of endorsement.

All of these make up your "Policy" with us. You need to keep these documents in a safe place together with receipts and other evidence of ownership and value of items you insure.

Before expiry we will send you a renewal notice which tells you whether we will renew and on what terms. The renewal notice will tell you what is required.

Services provided by Lumley Insurance and General Advice Warning

Lumley Insurance is an Australian Financial Services Licensee and is authorised under its licence to deal in and provide general advice on this insurance.

Any advice we or our representatives provide is general only and does not take into account your personal objectives, financial situation or needs. Because of this you should, before acting on the advice, decide if it is right for you and consider the information contained in this document carefully.

Lumley Insurance's employees are paid an annual salary and possibly bonuses based on performance criteria and achievement of company goals. They are not otherwise remunerated for any advice or dealing service that they provide to you unless they tell you otherwise.

IMPORTANT CUSTOMER INFORMATION (continued)

Summary of cover and other significant matters

By way of summary, you can choose the following:

- **Comprehensive cover** – this provides you with the cover under Section One – Own Loss or Damage Cover and Section Two – Third Party Liability Cover.

Section One covers theft of or accidental destruction of or damage to your Vehicle occurring within Australia during the Period of Insurance up to the amount we have agreed upon.

Section Two covers you and certain other person's legal liability for loss or damage to someone else's property as a result of an accident caused by or arising out of the use of your Vehicle within Australia during the Period of Insurance up to the limit of liability. A legal liability cover is also provided for death or bodily injury caused to certain other persons in limited circumstances.
- Various optional covers are available depending on the cover provided (see Section Four – Optional Cover for details).
- **Fire, Theft and Third Party Liability Cover** as specified in Section Three. This cover limits the loss or damage cover to your Vehicle to that caused by fire or theft occurring during the Period of Insurance. It also includes the legal liability cover under Section Two.
- **Third Party Liability Cover** – this only provides the legal liability cover under Section Two.

You can choose to cover your Vehicle for:

- an agreed amount. We will pay you up to this amount if you suffer a covered loss; or
- the Market Value of your Vehicle. This is our assessment of the value of your Vehicle immediately prior to any loss or damage.

You need to make sure that you are happy with the extent of cover provided by this insurance. If not, you may not get the cover you require.

We only provide cover up to the amount(s) and limits specified in your Policy and subject to its other terms, conditions and exclusions. All amounts insured exclude GST.

Refer to each cover Section for details of the basis on which we settle any valid claim.

An Excess may apply when you make a claim. An Excess is the part of a claim you must bear and is payable for each occurrence covered by the insurance. An occurrence is one or a series of events arising out of one cause. When an Excess applies we will reduce the amount we pay by the amount of the Excess or we will ask you to pay it.

The type and amount of Excess is shown in your Policy (usually in this document and the Schedule). The Excess can depend on a number of factors associated with the risk including the value of the Vehicle, the Driver or the particular accessories attached to the Vehicle.

In some cases, we will waive the requirement for you to pay an Excess. This applies if you have an accident which damages or destroys the Vehicle and we agree that the accident was the fault of another party. To qualify for this you will need to give us the name, address and the vehicle details of the owner and driver or party responsible.

If you do not adequately insure yourself, you may have to bear the uninsured proportion of any loss or liability yourself. For example, if the insurance does not cover the full replacement cost of an insured item, in the event of a Total Loss, you would have to bear any shortfall.

We only cover your interest in the insured property unless we specifically include cover for the interest of a third party.

We may also refuse to pay or reduce the amount we pay under a claim in certain circumstances. In particular:

- where an exclusion applies;
- if you do not comply with the terms and conditions of this insurance;
- if you do not comply with your Duty of Disclosure or make a misrepresentation; or
- if you make a fraudulent claim.

We also may cancel your Policy in certain circumstances permitted by law e.g. if you fail to comply with a condition or breach your duty of disclosure.

IMPORTANT CUSTOMER INFORMATION (continued)**Cost of the insurance**

The insurance provided is subject to your payment or agreement to pay the Premium we require by the agreed time. In order to calculate your Premium, we take various factors into consideration, including:

- the type of your Vehicle;
- the value of your Vehicle;
- the type of cover requested;
- your age;
- the total agreed value; and
- your previous insurance and claims history (including your no claim bonus rating).

Your Premium also includes amounts that take into account our actual or estimated obligation to pay any relevant compulsory government charges, taxes or levies (for example Stamp Duty, GST and any Fire Services Levy where applicable) in relation to your Policy. We will tell you when you apply what Premium is payable, when it needs to be paid and how it can be paid. The amount may vary according to where you live and your insurance history.

In calculating your Premium we may also consider any 'No Claim Bonus ('NCB') Rating' you have had with a previous insurer (provided you can supply proof of the NCB Rating that was held).

Your No Claim Bonus ('NCB') Rating	If you haven't held an NCB Rating before, we will not supply a Rating in the first year you hold insurance with us. However if in each year thereafter you have no claims, we may apply an NCB Rating to your Premium (up to a maximum 60%).
	If in any Policy year, you experience a claim we will reduce your NCB Rating by 20% per claim unless: <ul style="list-style-type: none">• You have a maximum NCB Rating protection (see <i>Section Four – Optional cover for details</i>); or• If the driver of your Vehicle at the time of the accident did not, in our opinion, contribute to the cause of the accident. However, you must give us the name and address and vehicle details of the owner and driver or party responsible.

When you apply for this insurance, you will be advised of the total amount payable. If you choose to effect cover, the amounts due will be clearly set out in your Schedule.

Your Duty of Disclosure

Before you enter into your Policy with us, you have a duty under the *Insurance Contracts Act 1984* (Cth) to disclose to us every matter that you know, or a reasonable person in the circumstances could be expected to know, is relevant to our decision whether to accept the risk of the insurance and, if so, on what terms.

The Act imposes a different duty the first time you enter into your Policy with us, to that which applies when you renew, vary, extend or replace it.

Your Duty of Disclosure when you enter into your Policy with us for the first time

We will ask you various questions when you first apply for your Policy that are relevant to our decision whether to accept the risk of insurance and, if so, on what terms. When you answer those questions, you must:

- give us honest and complete answers;
- tell us everything you know; and
- tell us everything that a reasonable person in the circumstances could be expected to know.

IMPORTANT CUSTOMER INFORMATION (continued)

Your Duty of Disclosure when you renew, vary, extend, reinstate or replace your Policy

When you renew, extend, vary or reinstate your Policy with us, your duty is to disclose to us before the renewal, extension, variation or reinstatement, every matter that you know, or a reasonable person in the circumstances could be expected to know, is relevant to our decision whether to accept the risk of the insurance and, if so, on what terms.

What you do not need to tell us

Your duty however does not require disclosure of a matter:

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

Who does the Duty of Disclosure apply to?

The duty of disclosure applies to you and everyone that is an insured under the contract of insurance.

What happens if you or they do not comply with the Duty of Disclosure?

If you, or they, fail to comply with the duty of disclosure, we may be entitled to reduce our liability under your Policy in respect of a claim or cancel it. If the non-disclosure is fraudulent, we may be able to treat your Policy as if it was never effected.

Cooling off rights

Even after you make a decision to purchase this insurance, you still have cooling off rights. You can return your insurance by notifying us in writing within 21 days of cover commencing and we will refund the Premium paid unless something has occurred for which a claim may be payable under the insurance. Even after this cooling off period ends you still have cancellation rights (see General Conditions).

Confirming Transactions

You may contact us in writing or by phone to confirm any transaction under your insurance if you or your adviser do not already have the required policy confirmation details.

Code of Practice

The Insurance Council of Australia Limited has developed the General Insurance Code of Practice, which is a self regulatory code for use by all insurers. We are a signatory to the Code of Practice. The Code aims to raise the standards of practice and service in the insurance industry.

If you require further details please contact your nearest Lumley Insurance office or visit our website at www.lumley.com.au.

How to Make a Claim

Section Seven tells you what you need to do. Before we pay any claim, we require evidence as to the extent of loss or damage and ownership. Please ensure, that where possible, you keep any photographs or other documentation in respect of loss or damage to make the process as easy as possible.

Any claim settlements, up to the total of all amounts insured, will exclude GST. However, if there is a shortfall between the GST component of your claim and the amount of input tax credit you are entitled to, we will pay this shortfall in addition to the claim settlement.

Complaints - Internal and External Complaints Procedure

If you have a complaint, please write to us and explain what your complaint is and the reasons behind it.

We will then either resolve or attempt to resolve your complaint immediately or refer the matter to our Internal Dispute Resolution Committee (IDRC) if it is unresolved.

If you are not satisfied with the decision of the IDRC, you may be able to access the services of an independent external dispute resolution body called Financial Ombudsman Service (FOS).

If you require further information about our dispute resolution process, please contact us.

IMPORTANT CUSTOMER INFORMATION (continued)

Privacy

We are bound by the National Privacy Principles of the *Privacy Act 1988 (Cth)* when we collect and handle your personal information.

We collect personal information for the purpose of providing insurance, including arranging insurance, policy administration and claims handling. We also collect your personal information to conduct market or customer satisfaction research and to develop and identify products and services that may interest you. If necessary, we may collect your health and other sensitive information, but we will obtain your consent before doing so unless the collection is required or permitted by or under law.

We disclose personal information to reinsurers, insurance intermediaries, insurance reference bureaus, credit reference agencies, our and your advisers and those involved in the claims handling process, for the purposes of assisting us and them in providing relevant services and products, and for the purposes of litigation. We limit the use and disclosure of any personal information provided by us to them to the specific purpose for which we supplied it. By providing your personal information to us or our agent, you consent to us making these disclosures.

Without this information, we may not be able to provide you with the services you require.

When you give us personal information about other individuals, we rely on you to have made or make them aware that you will or may provide their information to us and the types of third parties we may provide it to, the relevant purposes we and the third parties will use it for, and how they can access it. If you have not done or will not do either of these things, you must tell us before you provide the relevant information.

If you would like a copy of our Privacy Policy, would like to seek access to or correct your personal information, or opt out of receiving materials we send, please contact us.

Updating our Product Disclosure Statement

We may need to update this PDS from time to time if certain changes occur where required and permitted by law. We will issue you with a new PDS or a Supplementary PDS to update the relevant information except in limited cases. Where the information is not something that would be materially adverse from the point of view of a reasonable person considering whether to buy this insurance, we may issue with notice of this information in other forms or keep an internal record of such changes (you can get a paper copy free of charge by calling us).

Compensation Arrangements

The *Corporations Act 2001 (Cth)* requires licensees to have arrangements for compensating retail clients for losses they suffer as a result of a breach by the licensee or its representatives of Chapter 7 of this Act, unless an exemption applies. We are exempt from this requirement because we are an insurer supervised by the Australian Prudential Regulation Authority and subject to the prudential requirements of the *Insurance Act 1973 (Cth)*.

Our contact details

If you or your adviser need to contact us, have any questions or would like any further information regarding this insurance, contact us using the contact details provided in this document or where relevant, our agent or local office.

COVER

DEFINITIONS

In your Policy some words have a special meaning (whether expressed in the singular or the plural) and we define them below:

"we", "us", "our", "Lumley Insurance" means the insurer, Wesfarmers General Insurance Limited ABN 24 000 036 279, trading as Lumley Insurance.

"you" "your" means the insured named in the Schedule.

To assist you the following words have been printed in Title case wherever they appear in your Policy.

"Comprehensive" means Section One – Own Loss or Damage Cover and Section Two – Third Party Liability Cover will apply.

"Driver" means the operator of your Vehicle.

"Excess" means the amount specified in the Schedule and elsewhere in your Policy which you must contribute towards any claim payment under your Policy. It is payable for each occurrence covered by your Policy. An occurrence is one or a series of occurrences arising out of one cause.

"Fire, Theft and Third Party Liability" means Section Three – Fire, Theft and Third Party Liability Cover and Section Two – Third Party Liability Cover only will apply.

"GST" means Goods and Services Tax.

"Hire Car Costs" means the amount paid by you in relation to hiring a vehicle, but does not include running costs, damage to the hire car, any insurance excess or other costs which you may be liable for under the hire car rental agreement.

"Market Value" means our assessment of the value of your Vehicle or other covered property immediately prior to any loss or damage.

"Period of Insurance" means the period of time shown in the Schedule.

"Policy" means this document, the Schedule and any other endorsement or notice we give you in writing. Together they form our agreement with you.

"Premium" means the amount you have to pay us (inclusive of all Government charges) for your insurance.

"Schedule" means the most current Schedule we give you which contains the specific insurance details for you.

"Sum Insured" means the agreed amount or Market Value (when "Market Value" is stated), as shown in the Schedule, excluding Vehicle registration and compulsory third party insurance costs.

"Third Party Liability" means Section Two – Third Party Liability Cover only will apply.

"Total Loss" means where we decide to pay you the Sum Insured for your Vehicle. This is usually when the cost of repairs to your Vehicle is more than the Sum Insured (less any amount we can obtain for the vehicle's salvage).

"Vehicle", "Vehicles" means the motor vehicle(s) and/or trailer(s) described in the Schedule, including:

- (a) its standard tools, accessories and/or appliances;
- (b) its fitted or non-standard extras, accessories or modifications which you have listed on your proposal or given us details of in writing and which we have accepted. However, where the non-standard extra is an audio and/or visual system or a component of such system then the maximum we will pay is \$1,500.

THE AGREEMENT

In return for your payment of the Premium or your agreement to pay it to us within the time we require, we agree to indemnify you against loss, damage or liability caused by a covered event occurring within Australia, during the Period of Insurance subject to the terms, conditions and exclusions of your Policy.

SECTION ONE - Own Loss or Damage Cover

Accidental loss or damage cover

We will cover you for the theft of, or accidental destruction of or damage to your Vehicle.

We will pay for loss or damage to your Vehicle, at our option, on one of the following basis:

- (a) repair, or replace or pay you the reasonable cost to repair or replace your Vehicle; or
- (b) pay you the Sum Insured of your Vehicle as shown in the Schedule.

If we elect to repair your Vehicle it will be our duty to ensure that the repairs are carried out in a satisfactory manner, and that your Vehicle is repaired with parts which are new or consistent with the age and condition of your Vehicle.

If your Vehicle is a Total Loss we will pay you the Sum Insured.

Any amount insured by your Policy and any claim settlements, exclude GST.

However, if there is a shortfall between the GST component of your claim and the amount of input tax credit to which you are entitled, we will pay this shortfall in addition to the claim settlement.

Additional Covers and Limitations

Please note that payment will only be made under additional covers, 1.1, 1.2, 1.3, 1.5 and 1.6 below when such loss or damage is caused by an event that results in a claim for damage to your Vehicle under Section One – Own Loss or Damage Cover.

1.1. Replacement following Total Loss

Where the Schedule shows you are covered for Comprehensive, and if your Vehicle becomes a Total Loss as a result of an accident which occurred within one year of its original registration, and you are the original registered owner, we will replace your Vehicle with a new vehicle of the same make, model and series, if currently available. We will also pay for the on-road costs of the new vehicle, except costs involved with registration and compulsory third party insurance. If a replacement vehicle is not currently available, we will pay you the Sum Insured.

1.2. Towing and Storage

Where the Schedule shows you are covered for Comprehensive, we will pay for the reasonable cost of protection and removal of your Vehicle, following an accident or theft to the nearest repairer, place of safety or to any other place approved by us.

1.3. Personal Effects

We will pay for accidental damage to personal effects. This benefit is limited to effects belonging to you or a member of your family and to a maximum of \$100 for any one item and a total of \$500 in any one Period of Insurance.

1.4. Substitute Vehicle

Where the Schedule shows you are covered for Comprehensive, Section Two -Third Party Liability Cover is extended to cover accidental damage to someone else's property, for which you are held legally liable to pay, caused by your driving (with the owner's consent) a substitute vehicle not belonging to you as if it were your Vehicle. Provided that:

- (a) your Vehicle is not being used by you because it is undergoing service or repair; and
- (b) the substitute vehicle is not subject to a self-drive hire agreement; and
- (c) the substitute vehicle is a registered vehicle and designed and used for private use; and
- (d) the substitute vehicle is not otherwise insured.

1.5. Hiring following Theft

Where the Schedule shows you are covered for Comprehensive, and your Vehicle is stolen and you need to hire a replacement then we will reimburse you for reasonable Hire Car Costs for up to 14 days, or less if your Vehicle is found before then, regardless of its condition. We will not pay more than \$80 per day under this benefit.

SECTION ONE (continued)**1.6. Trailer(s)**

Where the Schedule shows you are covered for Comprehensive, and if a trailer owned by you is stolen or accidentally damaged whilst attached to your Vehicle, we will pay the cost of repairs or the amount of loss, provided such payment does not exceed the Market Value of the trailer or \$500 whichever is the lesser.

1.7. Replacement of Vehicle

If you replace your Vehicle we will cover the replacement vehicle on our standard terms from the date of purchase, provided you notify us within 7 days of the date of purchase and pay any additional Premium required by us. Cover on the replaced vehicle ceases from the date of purchase of the replacement vehicle.

(Please refer to the other general terms, conditions and exclusions of this document and your other Policy documents as they affect this cover).

SECTION TWO – Third Party Liability Cover

Your legal liability cover

We will pay, subject to the limit specified below:

2.1. the amount which you are legally liable to pay as compensation for loss or damage to someone else's property as a result of an accident occurring during the Period of Insurance caused by or arising out of the use of:

- (a) your Vehicle;
- (b) a caravan or trailer towed by your Vehicle.

We also cover the following persons under 2.1 above in relation to the use of your Vehicle:

- (a) any person driving, using or in charge of your Vehicle with your consent;
 - (b) any passenger in, or getting in, or getting out of your Vehicle;
 - (c) your employer, principal or partner but only if their liability arises out of the use by you of your Vehicle; and
 - (d) the Commonwealth and State Governments but only if their liability arises out of the use by you of your Vehicle on government business.
- 2.2.** the amount which you, or any person driving or using or in charge of your Vehicle with your consent, may be held legally liable to pay as compensation in respect of death of or bodily injury to persons as a result of an accident occurring during the Period of Insurance caused by or arising out of the use of your Vehicle, provided that your Vehicle is registered for use on a public road when the accident occurs.
- 2.3.** all legal costs and expenses incurred with our written agreement in defending any court proceedings arising from an event for which cover is provided by the cover under 2.1 and 2.2 above.

The maximum we will pay under Section Two - Third Party Liability Cover (including costs) for any one accident or series of accidents arising out of the same event is \$20,000,000.

What we do not cover

We will not pay for:

- (i) claims for loss of or damage to property or death or bodily injury made against you by any other person entitled to cover under this Section.
- (ii) claims for loss or damage to property where the property belongs to or is held in trust by or in the custody or control of you, any person driving using or in charge of your Vehicle, or any person entitled to cover under this Section.
- (iii) claims made under this Section by a person (other than you) who has been refused motor vehicle insurance or continuation thereof by any insurer or that we have refused to cover under the Policy.
- (iv) legal costs incurred without our written consent.
- (v) compensation claims by a relative or person ordinarily residing with you or the person covered under this Section, or with whom you or they ordinarily reside, or any person deemed by virtue of relevant workers compensation legislation or its equivalent to be a worker employed by you.
- (vi) compensation claims relating to a person who we have not permitted to use or drive your Vehicle.
- (vii) claims where you or any person driving, using or in charge of your Vehicle is entitled to be wholly or partly indemnified by or under any statutory or compulsory insurance Policy or insurance, or compensation scheme or fund, or if indemnity under these is refused or the amount recoverable is nil.
- (viii) penalties, fines or awards of aggravated, exemplary or punitive damages made.
- (ix) accidents where there is insurance required by law that provides cover for the liability.

SECTION TWO (continued)

- (x) claims arising from any agreement or contract you, or a person covered by this Section enter into, unless you or they would have been liable despite the agreement or contract.
- (xi) any claim resulting from death or bodily injury to any:
 - a. person driving and/or in charge of your vehicle;
 - b. of your employees; or
 - c. member of your family.
- (xii) claims caused by or arising from an intentional act by you or any other person covered by this Section.

(Please refer to the other general terms, conditions and exclusions of this document and your other Policy documents as they affect this cover).

SECTION THREE - Fire, Theft and Third Party Liability Cover

We will only cover you for loss or damage to your Vehicle which is caused by fire or theft occurring during the Period of Insurance.

We will pay for loss or damage to your Vehicle, at our option, on the following basis:

- (a) repair, or replace or pay you the reasonable cost to repair or replace your Vehicle; or
- (b) pay you the Sum Insured of your Vehicle as shown in the Schedule.

If we elect to repair your Vehicle it will be our duty to ensure that the repairs are carried out in a satisfactory manner, and that your Vehicle is repaired with parts which are new or consistent with the age and condition of your Vehicle.

If your Vehicle is a Total Loss we will pay you the Sum Insured.

Any amount insured by your Policy and any claim settlements, exclude GST.

However, if there is a shortfall between the GST component of your claim and the amount of Input tax credit to which you are entitled, we will pay this shortfall in addition to the claim settlement.

Section Two - Third Party Liability Cover will also apply.

(Please refer to the other general terms, conditions and exclusions of this document and your other Policy documents as they affect this cover).

SECTION FOUR – Optional Cover available when your Vehicle is insured for Section One – Own Loss or Damage and only if specified as covered in your Schedule

4.1. Front Windscreen Replacement

We will pay for the repair or replacement of your Vehicle's front windscreen, without the application of an Excess or change in NCB Rating (where applicable), provided such breakage is accidental, occurs during the Period of Insurance and is the only damage sustained by your Vehicle.

4.2. No Claims Bonus (NCB) Rating Protection

If you have provided evidence to satisfy us that you are entitled to a maximum no claim bonus rating, and you extend your Policy to include this option, we will not reduce your current NCB Rating for the first claim which is your fault (or deemed to be your fault) in any one Period of Insurance. This option is NOT available if the Period of Insurance is less than 12 months.

4.3. Hiring following accident

If your Vehicle is damaged requiring repair and is covered under Section One, and you need to hire a replacement vehicle, then we will reimburse you for reasonable Hire Car Costs for up to 14 days, or less if your Vehicle is repaired before then. This cover commences from the date your Vehicle is taken to the repairer and we will not pay more than \$80 per day under this benefit.

(Please refer to the other general terms, conditions and exclusions of this document and your other Policy documents as they affect this cover).

SECTION FIVE – General Exclusions

These exclusions apply to you and any other person covered by your Policy as if they were you.

We will not pay for any loss, damage or liability arising directly or indirectly from or in any way connected with:

- 5.1. your Vehicle being driven by you, or by any person with your consent, who is not licensed to drive your Vehicle under all relevant laws, by laws and regulations.
- 5.2. your Vehicle being driven by any person:
 - (a) whose faculties are impaired by any drug, alcohol or intoxicating liquor; or
 - (b) who is convicted of or charged with driving, at the time of the accident, under the influence of any drug, alcohol or intoxicating liquor; or
 - (c) with a percentage of alcohol in his/her breath or blood in excess of the percentage permitted by law; or
 - (d) who refuses to provide or allow the taking of a sample of breath, blood or urine for testing or analysis as required by any law of a State or Territory.

However, we will pay if you can prove you did not know or could not reasonably have known that the driver of your Vehicle was so affected or refused to undergo an appropriate test.

- 5.3. your Vehicle being used to carry a greater number of passengers or convey or tow a load in excess of that for which your Vehicle was constructed. We will pay if you prove the loss, damage or liability was not caused or contributed to by such greater number of passengers or load.
- 5.4. your Vehicle being used in an unsafe or unroadworthy condition and such condition caused or contributed to the loss. This does not apply where you could not have reasonably detected the unsafe or unroadworthy condition.
- 5.5. your own criminal act or resulting from the use by you of your Vehicle for an unlawful purpose or whilst being used for an unlawful purpose by some other person with your consent.
- 5.6. your Vehicle being used in connection with the motor trade for experiments, tests or trials.
- 5.7. your Vehicle being used for the conveyance of passengers for hire, fare or reward other than under a private pooling arrangement. If your full-time employer pays you a travelling allowance, we will not regard that as hire, fare or reward.
- 5.8. any of the following regardless of any contributing cause or event:
 - (a) war, invasion, acts of foreign enemies, hostilities, or warlike operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power; or
 - (b) radioactivity or any radioactive substances or nuclear fuel, nuclear waste or nuclear material.
- 5.9. your Vehicle being used by you, or someone with your consent:
 - (a) for or being tested in preparation for any motor sport, racing or pacemaking, or a reliability, speed or hill climbing trial, test or contest or any other motor sport;
 - (b) when being driven on a race track or speedway track or course; or
 - (c) when being driven on any driver training or driver instruction day on a racetrack or speedway track or course, or on any section of a rally or similar event, unless you have notified us of your intention to use your Vehicle for this purpose and we have agreed to provide cover and you agree to pay us the additional Premium we require.
- 5.10. depreciation, wear and tear, rust or corrosion, mechanical, structural, electrical or electronic breakdown or failure.
- 5.11. damage to your Vehicle's tyres by application of brakes or by road punctures, cuts or bursts.
- 5.12. lawful seizure or other operation of law.
- 5.13. your Vehicle being on consignment or in the possession of a person as part of the person's stock in trade.
- 5.14. theft of or from your Vehicle after an accident or breakdown if reasonable steps to protect or safeguard your Vehicle had not been taken.

SECTION FIVE (continued)

- 5.15.** any other covered person stealing, converting, absconding or otherwise misappropriating your Vehicle.
- 5.16.** your inability to use your Vehicle, except for the following Additional Covers in Section One where applicable - Towing and Storage and Hire Following Theft.
- 5.17.** your Vehicle being on rails other than as cargo.
- 5.18.** any GST, or any fine, penalty or charge for which you are liable arising out of your misrepresentation of, or failure to disclose, your actual Input tax credit entitlement in the settlement of any claim or Premium relating to your Policy.
- 5.19.** asbestos.
- 5.20.** any act of Terrorism or any action taken in controlling, preventing, suppressing, retaliating against or in any way responding to or relating to an act of Terrorism regardless of any other contributing cause or event.

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

SECTION SIX - General Conditions

6.1. Duty of Disclosure and Misrepresentation

If you:

- (a) failed to comply with the duty of disclosure before your Policy was entered into, by not telling us every matter which you knew or which a reasonable person could be expected to have known to be a matter relevant to our decision whether to insure you and on what terms to insure you; or
- (b) misrepresented any fact to us before your Policy was entered into, and if we would not have entered into your Policy for the same Premium and on the same terms and conditions expressed in your Policy but for the failure to disclose or the misrepresentations, then:
 - (i) if the non-disclosure or misrepresentation was fraudulent, we may avoid your Policy; or
 - (ii) our liability in respect of any claim may be reduced to an amount which would place us in the position in which we would have been but for your failure to disclose or your misrepresentation.

6.2. Cancellation by you

You may cancel your Policy at any time by telling us in writing you want to cancel it.

Where more than one person is insured under your Policy, we will only cancel the Policy when a written agreement to cancel the Policy is received from all insured persons.

Cancellation by you will be effective when we receive your request and all cover will cease.

6.3. Cancellation by us

We may cancel your Policy by giving you written notice and in accordance with the law, including where you have:

- (a) made a misrepresentation to us before the Policy was entered into;
- (b) failed to comply with your Duty of Disclosure;
- (c) failed to comply with a provision of your Policy including failure to pay the Premium;
- (d) made a fraudulent claim under your Policy or any other Policy during the time your Policy has been in effect;
- (e) failed to notify us of a specific act or omission as required by your Policy; or
- (f) failed to tell us about any changes in the circumstances of the risk during the Period of Insurance.

If we cancel your Policy, we will advise you in writing and all cover will cease at the earlier of the following times:

- (a) when another contract of insurance is taken out by you to replace your Policy; or
- (b) at 4.00p.m. Local Standard Time of the third business day after the day on which notice was given to you or such later time as we may specify in the notice.

After cancellation and subject to your cooling off period rights (see Important Customer Information Section), we will keep the Premium for the period that your Policy was in force and we will return to you not less than 90% of the Premium for the period from the date your Policy was cancelled to the due date of the Policy. There is no refund if there is a Total Loss.

6.4. Transfer of interest in the Policy

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

6.5. Obligations of third parties covered by your Policy

Any other person entitled to cover under your Policy is bound by the terms of your Policy.

6.6. Other insurance

You must notify us in writing if you have already effected, or if in the future you effect, any insurance or insurances which cover any matter covered by your Policy, in whole or in part.

To the extent permitted by law, when other insurance applies to a covered loss, we will pay only in excess of the other insurance, limited to the indemnity being provided under your Policy, unless that other insurance was specifically written to be excess over the indemnity provided in your Policy.

SECTION SIX (continued)**6.7. Reasonable protection and maintenance of your Vehicle**

You must take all reasonable steps to protect your Vehicle from loss and damage and comply with all legal requirements regarding the safety, maintenance and operation of your Vehicle.

6.8. Notice of changes in circumstances

You must give us notice as soon as possible:

- (a) of any change in or addition to the person or persons who will regularly drive the Vehicle;
- (b) where any drivers licence is restricted, suspended or cancelled;
- (c) of particulars of any driving offences for which you or any person who regularly drives the Vehicle is fined, charged or convicted;
- (d) of particulars of any motor accidents involving you or any person who regularly drives your Vehicle;
- (e) of particulars of any conversion, alternation or modification of your Vehicle from its maker's specifications. You must pay any additional premium if required.
- (f) if any alarm/anti theft device ceases to be in good working order.

6.9. Renewal

At expiry of the Policy, we may offer to enter into a new contract for a new Period of Insurance. Any renewal advice will indicate the Premium payable for the new contract and any proposed alteration to the contract. Before the Policy is renewed it is your duty, by law, to disclose any matter which has altered the risk we insure.

6.10. Dangerous Goods

If any hazardous goods or substances are carried in your Vehicle you must comply with all relevant laws, by-laws and/or statutory regulations. Should non-compliance with this condition prejudice our interests, the amount of any benefit under the Policy will be reduced by the amount that represents the extent to which our interests have been prejudiced by that non-compliance.

6.11. Security Warranty

Any anti-theft system or device fitted to your Vehicle must be made active whenever your Vehicle is left unattended unless your Vehicle is in the care, custody or control of a service station, garage, hotel, restaurant or other commercial undertaking to whom it has been entrusted for the purposes of overhaul, upkeep, repair or parking.

6.12. Changing Your Policy

If You want to make a change to your Policy, the change becomes effective when:

- (a) we tell you we have agreed to it; or
- (b) we give You a new Schedule or endorsement detailing the change.

6.13. Notices

We will give you any notice in writing. It will be effective from the earlier of the time of:

- (a) delivery to You personally; or
- (b) postage to Your address last known to us.

It is important for you to tell us of any change of address as soon as possible.

6.14. Law and Jurisdiction

This insurance is subject to the laws of the State or Territory in Australia where your Policy was issued.

SECTION SEVEN - Claims

7.1. What you must do when you make a claim:

- (a) you must advise your local Lumley Insurance state office by telephone or in writing as soon as practicable after you suffer a loss. You should send us
 - (i) full details in writing; and
 - (ii) any communication or court document received.

If you do not make a claim within a reasonable time of the loss, we may reduce what we pay to you to allow for any disadvantage we may have suffered because of the delay.

- (b) you must take all reasonable steps to stop any further loss from occurring.
- (c) you must not repair or replace any damaged property without our consent. You may choose your licensed repairer, but before repairs are started you must:
 - (i) obtain our written agreement;
 - (ii) make your Vehicle available for our inspection.

We reserve the right to invite, accept, adjust or decline estimates or to arrange (at our expense) for the removal of your Vehicle to other repairers for quotation purposes.

- (d) you must notify the Police as soon as possible in respect of theft of, or malicious damage to your Vehicle, or if damage to property other than the vehicles involved exceeds \$500, or if a person was injured in an accident.
- (e) if your Vehicle is stolen, you must immediately contact the relevant vehicle tracking bureau if your Vehicle is fitted with a remote tracking security system.
- (f) you must not pay or promise to pay or offer payment or admit responsibility for a claim.
- (g) you must keep the property that has been damaged so we can inspect it.
- (h) you must notify us of any other insurance that also provides cover, whether in whole or in part.
- (i) you must provide us with all the information that we require including valuations, receipts, proof of ownership and statutory declarations if requested.
- (j) you must give us all the information and cooperation that we require and promptly forward us all correspondence received by you concerning the event or claim or loss.

7.2. When we admit a claim under your Policy:

- (a) we will reduce the amount we pay you following a covered loss by the Excess (see below) or any Premium due to us;
- (b) we will not pay you more than the Sum Insured or relevant limit applicable to the item unless otherwise stated in your Policy; and
- (c) we have the right to exercise your legal rights to conduct, defend or settle any legal or recovery action that we consider necessary and to do so in your name.

7.3. Payment of Excesses

Unless otherwise specified in your Policy, you will have to contribute the Excess shown in the Schedule and one of the following additional amounts if at the time of the accident the person driving your Vehicle is:

- (a) under 21 years of age - \$1,000;
- (b) under 21 years of age with less than 3 years driving experience - \$1,500;
- (c) aged 21 but under 25 years of age - \$750;
- (d) aged 21 but under 25 years of age with less than 3 years driving experience - \$1,000;
- (e) aged 25 years and over with less than 3 years driving experience - \$500.

SECTION SEVEN (continued)**7.4. No Claims Bonus (NCB) Rating**

Your NCB Rating is not affected if:

- (a) you have a maximum NCB Rating and have opted to protect it; or
- (b) if the driver of your Vehicle at the time of the accident did not, in our opinion, contribute to the cause of the accident, however, you must give us the name and address of the owner and driver or party responsible.

7.5. Salvage

If your Vehicle is a Total Loss the wreckage of your Vehicle will at our option become our property and we will keep the proceeds of any salvage sale.

7.6. Total Loss

If we pay your claim for a Total Loss, then your cover under the Policy ends and we are entitled to keep any Premium or deduct any Premium due from any claim payment.