

Equipment Insurance Policy

Financial Services Guide issued 24th March 2016

This Financial Services Guide (FSG) is issued by Protecsure Pty Ltd ABN 26 094 997 163, AFS Number 238815.

PURPOSE OF FSG

This FSG is designed to help you decide whether to obtain the financial services we provide and explains the products and services we can offer you, how we and others are remunerated for the services offered to you, and our complaint handling procedures.

SERVICES OFFERED

We can provide you with factual information and general advice about *equipment* insurance and can arrange an insurance policy that will provide cover for *your equipment*. Alternatively you can obtain insurance from an insurance company of your choice.

When providing information and general advice about *equipment* insurance, we have not taken into account your personal circumstances, needs or objectives. You should consider the advice in light of your personal circumstances and/or seek independent professional advice from a qualified adviser.

HOW WE ARE PAID

Protecsure may receive up to 35% of the total insurance premium to cover product development, marketing, arranging insurance and managing claims.

IMPORTANT RELATIONSHIPS

Protecsure has a binding authority from Chubb, Chubb Insurance Company of Australia Ltd ("Chubb") to provide *equipment* insurance and manage claims. Under this authority Chubb has appointed Protecsure as its agent, on terms that an insured who deals with Protecsure in relation to this insurance will have the same legal protection as if the insured had dealt directly with Chubb. Any *equipment* insurance arranged for you will be provided under a policy issued by Chubb.

Protecsure Pty Ltd

ABN 26 094 997 163 AFSL No 238815
Level 2, 151 Castlereagh Street, Sydney NSW 2000
Web: www.protecsure.com.au | Email info@protecsure.com.au
Ph. (02) 8251 6666 | Fax (02) 8088 7775

Chubb Insurance Company of Australia Ltd

ABN 69 003 710 647 AFSL No 239778
Level 29, 2 Park Street, Sydney NSW 2000
www.chubbinsurance.com.au
Ph. (02) 9273 0100 | Fax (02) 9273 0101

GENERAL INSURANCE CODE OF PRACTICE

Protecsure and its service providers abide by the Insurance Council of Australia's General Insurance Code of Practice adopted by Chubb. The Terms of the Code require Chubb to be open, fair and honest in its dealings with you. The Code outlines the standards by which Chubb has agreed to deal with you in relation to buying insurance, claims handling, complaint resolution as well as standards for employees, authorised representatives and service suppliers, financial hardship, information and education and access to information.

The Code aims to:

- Commit to high standards of service.
- Promote more informed relations between you and Chubb.
- Promote trust and confidence in the insurance industry.

For more information and a copy of the Code please visit the Insurance Council of Australia's website at www.codeofpractice.com.au or www.insurancecouncil.com.au.

PRIVACY STATEMENT

We and our service providers will comply with the provisions of the Privacy Act 1988. Our Privacy Policy statement can be found on our website at www.protecsure.com.au.

The Privacy Policy contains information on how you may access your personal information held by us and how to seek correction of such information. It also provides information on how you can make a complaint against us for a breach of the Australian Privacy Principles ("APPs"), or registered APP code(s), if any, that binds us. Protecsure does not send your personal information to any recipient overseas. Protecsure may retain your personal information to enable it to provide or assess insurance and pay claims. You consent to us providing your personal information to our third party providers who may be external valuers or appraisers, loss adjusters or investigators, professional advisers and other organisations that provide services to us including Chubb for these purposes.

COMPLAINTS AND DISPUTES ABOUT OUR SERVICES

Should you have a complaint about any financial product or service provided under this insurance policy you can raise your concern with Protecsure. A complaint may be made to Protecsure by any reasonable means including by phone, email, fax, in writing or in person.

If Protecsure has not resolved your complaint to your satisfaction within 15 business days Protecsure will treat your complaint as a dispute which may involve convening an Internal Dispute Resolution ('IDR') Panel. The IDR Panel will convene and respond within 15 business days provided all necessary information has been received and any required investigation has been completed. If the panel is unable to convene or respond to your complaint within 15 business days you will be advised of your right to take your complaint that falls within the FOS Terms of Reference for External Dispute Resolution Procedures.

You will be kept informed of the progress of your complaint every 10 business days during the complaints and disputes handling process.

Please refer to Chubb's website for further details on Chubb's Complaints and Disputes resolution procedures:
<http://www.chubb.com/international/australia>

REFERRAL TO FINANCIAL OMBUDSMAN SERVICE

If you are not satisfied with the outcome of your complaint or if your complaint was not resolved within 45 calendar days of the date your complaint was first received, you or a third party may refer your complaint to the FOS. FOS offers a free review service for complaints which fall within their Terms of Reference.

You may contact them directly at:

Address: GPO Box 3, Melbourne VIC 3001
Ph.: 1300 78 08 08 | Email: info@fos.org.au

Protecsure holds professional indemnity insurance in accordance with the requirements of Section 912B of the Corporations Act.

Product Disclosure Statement issued 24th March 2016

This Product Disclosure Statement (PDS) is designed to help you understand what you need to know about the Equipment Insurance Policy so that you can make an informed choice about whether to acquire this product. Full details of the insurance cover, the exclusions from cover and the terms and conditions on which the insurance is provided are set out in the policy wording attached to and forming part of this PDS.

WHO ARRANGES AND INSURES THE POLICY?

The policy is arranged by Protecure Pty Ltd (AFSL No 238815), under a binding authority from Chubb Insurance Company of Australia Ltd (ABN 69 003 710 647 AFSL No 239778). Protecure acts as the agent of Chubb, not as your agent. Please contact Protecure if you have any questions about your policy.

WHAT THE POLICY INSURES

During the period of insurance, the policy insures against theft of, loss of, or accidental damage to the *equipment* (including standard manufacturer-installed operating systems and accessories).

The theft, loss or accidental damage must occur either within Australia and its Territories or, for mobile *equipment* only, anywhere in the world (subject to Economic and Trade Sanctions condition) on the basis that *equipment* is only temporarily used outside of Australia.

Please refer to the terms, conditions and exclusions of the insurance as outlined in the Policy Wording below.

COST OF THE INSURANCE

The cost of the insurance (premium) will be shown in the Tax Invoice. It will depend on various factors including the type of *equipment*, the value of the *equipment*, the geographic area in which the *equipment* will be used, the amount of the excess, your claims history, and the term of the insurance. The premium also includes statutory charges such as GST and stamp duty.

EXCESS

You may be able to nominate the excess or Chubb will decide which excess will apply based on an assessment of the risk. Your excess will be stated on the Insurance Certificate and must be paid each time a claim is accepted and before the claim is finalised.

BENEFITS OF THE INSURANCE

Benefits of the insurance are contained within the "Insurer's Liability" and the "Insurer's Maximum Liability" sections of the Policy Wording.

COOLING OFF

You may cancel your insurance by contacting Protecure within 21 days of your cover commencing and receive a full refund of the premium. You will not be eligible for a refund if a claim is paid due to an insured event arising during this cooling off period.

COMPLAINTS AND DISPUTES

Please refer to the Financial Services Guide and our website for details.

DUTY OF DISCLOSURE

Before you enter into a general insurance contract, you have a duty under the Insurance Contracts Act 1984 to disclose to Chubb every matter that you know, or could reasonably be expected to know, is relevant to Chubb's decision whether to insure you and if so, upon what terms. This duty of disclosure applies until the contract is entered into.

You have the same duty before you extend, vary or reinstate the insurance. This duty does not require disclosure of any matter that:

- Reduces the risk to Chubb;
- Is of common knowledge;
- Chubb knows, or in the ordinary course of its business, ought to know; or
- Where compliance with this duty is waived by Chubb.

If you fail to comply with this duty of disclosure, Chubb 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, Chubb may be entitled to cancel the contract from its beginning.

FINANCIAL CLAIMS SCHEME

This policy may be a protected policy under the Financial Claims Scheme (FCS), which protects certain insureds and third parties in the event of an Insurer becoming insolvent. In the unlikely event of

Chubb becoming insolvent you may be entitled to access the FCS provided you meet the eligibility criteria. APRA is responsible for the administration of the FCS. More information may be obtained from APRA - www.apra.gov.au or 1300131060.

Policy Wording

AGREEMENT TO INSURE

In return for payment of the premium stated in the Tax Invoice, Chubb (the Insurer) will cover the *equipment* on the terms set out in this policy during the period of insurance.

ACCIDENTAL DAMAGE

Chubb will compensate you on the terms and conditions of this policy, for accidental damage to the *equipment* occurring by physical means.

ACCIDENTAL LOSS

Chubb will compensate you on the terms and conditions of this policy for accidental loss of the *equipment*.

THEFT

Chubb will compensate you on the terms and conditions of this policy for theft of the *equipment*.

INSURER'S LIABILITY

Chubb may either repair or replace damaged *equipment*. Any replacement will be with an item of similar function, type, capacity and serviceability as the insured *equipment*. Chubb will not pay more than the lowest of:

- The cost of such a replacement item;
- The amount for which you have insured the *equipment* (which will be shown on your Insurance Certificate);
- The cost of repairing the damaged *equipment*. If the *equipment* is repaired, Chubb will not pay more than the reasonable cost of repairing the damaged equipment.

This Policy does not cover and the Insurer will not pay your capacity as a debtor to make repayments under any credit contract.

INSURER'S MAXIMUM LIABILITY

The most Chubb is liable to pay in meeting all claims under this policy is two times the sum insured of the *equipment* stated on the Insurance Certificate less all excess.

REPLACEMENT EQUIPMENT

Where *equipment* insured under this policy is replaced by *equipment* of the same type and value which also includes loaned or hired replacement *equipment*, then cover will be automatically provided for this replacement *equipment* subject to:-

- Cover ceases for the *equipment* being replaced from the date of purchase of the replacement *equipment* or in the case of hired in or loaned in replacement *equipment*, cover ceases from the date the insured takes physical possession of the loaned in or hired in replacement *equipment*;
- Chubb's liability is as per the Sum Insured of the *equipment* being replaced;
- Cover does not apply to new, hired or loaned items, which are not replacing *equipment* already insured by this policy;
- Details of the replacement *equipment* are to be provided to Protecure within 90 days of acquiring replacement *equipment*;
- All other terms and conditions of this policy.

PERIOD OF INSURANCE

Insurance cover applies for the period stated in the Insurance Certificate. Cover ceases when a cancellation event first occurs.

EXCESS

You must pay the excess stated on the Insurance Certificate each time a claim is accepted and before the claim is finalised.

ADDITIONAL BENEFITS

Automatic Additions

This policy extends to include equipment acquired by you during the period of insurance provided that:

- the equipment is of a similar make, kind, value, class or design to the *equipment* currently insured under the policy;
- the Insured provides written declarations to the Insurer no later than ninety (90) days after the acquisition of the value of the acquired equipment including providing proof of purchase and
- the Insured must pay the ratable proportion of the premium from the date of acquisition of such equipment to the expiry of the period of insurance; and
- the value of such newly acquired equipment does not exceed \$50,000 per item and \$200,000 for all items.

Removal Of Debris

Where *equipment* suffers *accidental damage* covered by this policy, Chubb will also pay the reasonable costs of the removal of debris directly relating to the damaged *equipment* limited to 10% of the sum insured of the damaged *equipment*.

Additional Costs Associated With Repair

Where a claim has been accepted and liability admitted for *Accidental Damage*, *Loss* or *theft* to *equipment* insured by this policy Chubb will also pay for the reasonable expenses necessarily incurred for:

- temporary repairs;
- overtime
- express freight including overseas air freight;

Chubb will not be liable for:

- the costs and expenses for specialists or consultants to travel to or from Australia;
- air freight by aircraft specifically chartered for the purpose;
- overtime charges that are fifty per cent or more than the labour costs of carrying out the repairs at ordinary rates.

The most Chubb will pay for under this additional benefit is \$2,000 for any one event or 50% of the total Sum Insured, whichever is the lesser.

Theft of Other Equipment

Chubb will cover you for theft of property (excluding money and stock) which is similar in nature to *equipment* covered by this Policy not belonging to you but in your physical and legal control for the purposes of carrying out your normal business activities and occurring during the period of insurance and within the Geographical Area covered by this policy.

This additional benefit does not cover theft committed by any member of your family or by any employee of yours or committed by any person whilst lawfully at your premises.

Cover will not apply under this additional benefit unless the property was:

- in a securely locked portion of any vehicle and the theft was consequent upon forcible and violent entry to the vehicle;
- securely and permanently affixed to a building or vehicle and theft is consequent upon violent and forcible entry;
- in a vehicle and was securely chained or padlocked to that vehicle by a steel chain (with a link diameter of no less than 10mm or a padlock with a security rating under Part 4: Padlocks of Australian Standard AS4145 (or any subsequent amendment) of 6 (or its equivalent) or above;
- in your private residence or the private residence of your employee who has been authorised by you to have the custody and control the property, however, we will not cover any theft by a tenant;
- securely locked in a building or any part of the building and the theft is consequent upon forcible and violent entry to the building or that part of the building, however, we will not cover any theft committed by any person while lawfully in the building or while property is unattended in areas of the building;
- stolen as a consequence of armed hold-up or the threat of physical violence.
- less than \$2,000 to replace.

Chubb's maximum liability for this additional benefit is not to exceed \$2,000 in any one period of insurance.

CANCELLATION EVENTS

The following are cancellation events:

- 4pm (AEST) on the last day of the period of insurance stated in the Insurance Certificate;
- Theft, *loss* of, or *accidental damage* to the *equipment* has occurred resulting in Chubb becoming liable to pay Chubb's maximum liability. No refund of premium for any unexpired period of insurance is payable;
- You giving Protecsure written notice of cancellation; or
- Chubb cancels this insurance by exercising a right it may have under this policy or by law and gives at least 14 days written notice of cancellation posted to your last known address.

If you give notice of cancellation after a claim has been paid on this policy, there will be no refund of premium. If you give notice of cancellation and no claim has been paid, Protecsure may charge an administration fee.

Third party interest: Subject to the Insurance Contracts Act 1984, if Chubb has notice that a third party, such as a financier, has an interest in all or any item of the *equipment*, Chubb may refuse to recognise and act on a notice of cancellation given by the insured unless the third party has consented in writing to the cancellation.

CLAIMS REQUIREMENTS

To be entitled to claim for theft of, *loss* of or *accidental damage* to the *equipment*:

- **Payment of premium:** Full payment of the premium as noted in the Tax Invoice must have been received by Protecsure.
- **Ownership:** Other than cover provided under Additional Benefit - Theft of Other Equipment, you must be able to prove you are the owner of the *equipment* or you have a legal obligation to insure the *equipment*.
- **Geographical Area:** The theft, *loss* or *accidental damage* must occur either within Australia and its Territories or, for mobile *equipment* only, anywhere in the World (subject to Economic and Trade Sanctions condition) on the basis that *equipment* is only temporarily used outside of Australia.
- **Transit:** For cover during transit, other than when the *equipment* personally accompanies you, the *equipment* must be stored in an appropriate container that is designed to prevent damage to the *equipment* during transit.
- **Notification:** You must notify Protecsure within 14 days of the theft, *loss* or *accidental damage* occurring. Protecsure may extend this time where it is satisfied that notice is given at the earliest possible opportunity. Theft, *loss*, or malicious damage to the *equipment* must also be promptly reported to the police and the report number given to Protecsure.
- **Co-operation:** You must provide Protecsure with all documents, information and assistance it requires to be able to process the claim. You must also take reasonable action to minimise the damage. Damaged *equipment* and parts must be kept and made available to Protecsure on request.
- **Effect of Cancellation notice:** A claim may not be made for theft, *loss* or *accidental damage* to the *equipment* that occurs after you give notice of cancellation of this insurance.
- **Delivery to Repairer:** Damaged *equipment* must be promptly delivered to the repairer approved by Protecsure. Details of the supplier and their address will be provided by Protecsure in the event of a claim under this policy.
- **Exclusions:** An exclusion under this policy does not apply, and you must not have breached a term or condition of this policy.
- **Use of Equipment:** The *equipment* must be used and maintained according to the manufacturer's recommendations so that any manufacturer's warranty will not be voided.

EXCLUSIONS

Cover will not be available if the theft, *loss* or *accidental damage* to the *equipment* occurs:

- After the period of insurance;
- Due to mysterious disappearance or shortage disclosed by taking inventory, or other unexplained disappearance;
- When the *equipment* is being delivered to a repairer not authorised by Protecsure, or when someone is returning the *equipment* to you from a repairer not authorised by Protecsure;
- While the *equipment* is made available to a person or entity other than the insured or:-

- an immediate family member of the insured as long as *equipment* is not being used for commercial purposes; or
- an immediate family member of the insured as long as *equipment* is not being used in any educational facility; or
- a repairer authorised by Protecsure following any theft, loss or *accidental damage* to *equipment* covered by this policy; or
- a professional transport company and the *equipment* is packed in an appropriate container that is designed to prevent *accidental damage* to the *equipment*.
- *Equipment* whilst on hire to a third party is not covered by this policy unless this extension of cover is shown to apply in your Insurance Certificate.
- To mobile electronic *equipment* whilst on an aircraft, unless carried on as hand luggage, or as otherwise directed by an airline or airport authorities.

Cover will not be available:

- In the case of theft, if the theft is caused by you, a member of your family or your employee or if you have assisted in or condoned the theft in any way;
- For theft from an unlocked vehicle;
- For replacement of batteries or parts worn by use or gradual deterioration;
- For wear, tear, fading, scratching, marring, gradual deterioration or developing flaws, normal upkeep or making good;
- For theft of, *loss of*, or *accidental damage* to the *equipment* or any cost or expense of whatsoever nature directly or indirectly caused by, resulting from, or in connection with any act of *terrorism*, or from nuclear fallout, regardless, of any other cause or event contributing concurrently or in any other sequence to the loss;
- For theft of, *loss of*, or *accidental damage* directly or indirectly caused by or contributed to by or arising from ionising radiations or contamination by radioactivity from any nuclear waste or from the combustion of nuclear fuel or nuclear weapons materials. For the purpose of this exclusion only, "combustion" shall include any self-sustaining process of nuclear fission;
- For loss of data, or loss of software that is not a standard manufacturer installed operating system, or for loss of extended warranty or other optional extras not included on the Insurance Certificate;
- For theft of, *loss of*, or *accidental damage* directly or indirectly occasioned by or happening through or connected with war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power;
- For theft of, *loss of*, or *accidental damage* resulting from confiscation, nationalisation, requisition or damage to property by or under the order of any Government or Public or Local Authority;
- For *loss of*, or *accidental damage* to the *equipment* or any cost or expense of whatsoever nature directly or indirectly caused by fire. Note that fire, as a peril, is covered under a separate Master Policy;
- For *loss of*, or *accidental damage* to the *equipment* or any cost or expense of whatsoever nature directly or indirectly caused by inappropriate storage, screen bruising by hand, servicing, breakdown, malfunction, design fault or electrical supply other than a power surge;
- For damage caused by environmental or climatic conditions or any variations in temperature;
- For damage caused by the application of heat to *equipment* or damage caused by corrosion, contamination, pollution, rust, inherent defects in *equipment*, vermin, undomesticated animals, insects or spiders;
- For *loss of*, or *accidental damage* to the *equipment* caused by data processing or media failure;
- For *loss of*, theft of, or *accidental damage* to the *equipment* while located underground, utilised in water, underwater, down hole, or in any pipe, drain or sewer, located at a petrochemical plant, or located on any offshore oil and/or gas drilling, and/or production rig;
- For *accidental damage* to the *equipment* caused by or arising out of the use of explosives;
- For *accidental damage* to *equipment* in the open air which is not in your actual physical and personal possession when the *accidental damage* is caused by wind, rainwater, or hail unless

such *equipment* is designed to function in the open air outside a building;

- For *equipment* which is either an unmanned aerial vehicle or for any other *equipment* insured by this policy attached to any unmanned aerial vehicle whilst the unmanned aerial vehicle is in use including take off and landing;
- For consequential loss of any kind.

FIRE

Loss of, or *accidental damage* to the *equipment* by fire is excluded under this policy but is covered for no additional charge under a Master Fire Policy underwritten by Chubb and can be viewed at www.protecsures.com.au. Any claim under the Master Fire Policy incurs an excess of \$100 each and every claim.

SETTLEMENT OF CLAIMS

The following conditions apply to settlement of a claim, or series of claims, from any one event:

Excess: Is the amount you agree to pay Protecsure or Chubb for making a claim. Alternatively, Protecsure or Chubb may at their discretion request the excess is paid in full or reduce the value of the claim by deducting the excess sum from the settlement sum.

Settlement for theft or loss: Chubb will pay for a *replacement product* where a claim is accepted for *total loss* of the *equipment* and you pay the excess, unless Protecsure determines to settle the claim by a cash payment.

Settlement for damage: Chubb will pay for repair of the *equipment* by a repairer approved by Protecsure where a claim for *accidental damage* to the *equipment* is accepted and you pay the excess.

Damage treated as total loss: Protecsure may determine to treat damage to the *equipment* as a *total loss* in which event Chubb will pay for a *replacement product* unless Protecsure determines to settle the claim by a cash payment.

Repairs: Repair of the *equipment* will include reasonable freight costs to and from the nominated repairer, but will not include work authorised by you. A repair may include the use of new or remanufactured parts.

Cash payments: A cash payment in settlement of a claim will only be paid where further repair or replacement of *equipment* would exceed the sum insured of the *equipment* stated on the Insurance Certificate less the excess, or if Protecsure determines to settle the claim in this way. The cash payment will be the lower of the sum insured or the cost of a *replacement product*.

Claims Contracting: In settling a claim, Chubb, or Protecsure as its agent, will contract with the supplier of its choice (unless otherwise agreed) for repair or replacement of the *equipment*, entitling Chubb to the input tax credit on the supply.

GST: If you are registered or required to be registered for GST, a claim will be reduced by the amount of any input tax entitlement you would have received if you paid for the repair or replacement of the *equipment*.

Salvage: Chubb has all salvage rights to replaced *equipment* or parts.

GENERAL CONDITIONS

Jurisdiction: New South Wales law governs this contract and all proceedings must be commenced in that State.

Economic and Trade Sanctions: Chubb will not provide cover, and will not be liable to pay any claim or provide any benefit to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose Chubb to any sanction, prohibition or restriction under United Nations resolutions or trade or economic sanctions, laws or regulations of Australia, the European Union, United Kingdom or United States of America.

Assignment: Your interest in this policy cannot be assigned. Chubb may assign its interest.

Subrogation: You must do all things reasonably required by Chubb or Protecsure so that Chubb will have the benefit of all rights of subrogation such as enforcing any right in your name. If Chubb makes any recovery as a result of such action, you may only recover from Chubb any amount by which the amount recovered by Chubb exceeds the amount paid to you or on your behalf in relation to the loss.

Notices: All notices to be given to Chubb may be given to Protecsure. Notices given by Chubb may be given by Protecsure. You should promptly notify Protecsure of a change of your address.

Reasonable care: You must take reasonable care to protect the *equipment* from *accidental damage*, theft or *loss*.

Headings: Headings are not to be considered in interpretation of this contract.

DEFINITIONS

In this contract:

Accidental damage means physical damage which occurs as a result of a sudden, unforeseen and unexpected event. The event must arise from a single identifiable incident.

Business days are considered every official working day of the week and excludes public holidays (as established by law), Saturdays and Sundays.

Equipment means the *equipment* described in the Insurance Certificate, and replacement *equipment* as allowed for under the Replacement Equipment section of this policy. *Equipment* includes standard manufacturer installed operating systems and identified accessories.

GST means Goods and Services Tax imposed under A New Tax System (Goods and Services Tax) Act 1999.

Loss means the accidental or inadvertent misplacing, mislaying or dispossession of the *equipment* by you.

Replacement product means a product, which may be a new or remanufactured item, having similar capability, functionality and appearance as the item of *equipment* being replaced prior to its damage, theft or *loss*.

Terrorism has its generally accepted meaning, and includes, but is not limited to, war, hostilities, invasion, the use of force or violence on, or the threat of force or violence to, a person or group or class of persons, or to property, by one or more persons claiming to be connected with any group, organisation or government, or to be committed to a cause whether political, religious, ideological or similar purposes, including an intention to influence a government, or invoke fear.

Total Loss means the *equipment* has been damaged beyond economical repair or has been stolen.

You or **your** refers to the insured named in the Insurance Certificate and the Tax Invoice.