

General Liability Policy



General liability policy

The Policyholder having paid or agreed to pay to the Company the Premium shown in the Schedule for the initial Period of Insurance or a premium advised by the Company as applying to any subsequent period, the Company will provide insurance against liability described in each Section subject to the terms, Conditions, Exclusions and Endorsements of this Policy.

The Policy, Endorsements and the Schedule shall be read together as one contract and any word or expression given a specific meaning in any part has the same meaning wherever it appears. The singular shall include the plural and vice versa.

Where headings are used in this Policy, they are purely descriptive in nature and are not intended to be used for interpretative purposes.

Where more than one party is described as Policyholder, each such party shall constitute a separate Person Insured for the purpose of this clause. Any claim made by a Person Insured against any other Person Insured shall be treated as though the party so claiming is not a Person Insured.

Provided that nothing contained in this clause shall operate to increase the Limit of Indemnity specified in the Schedule.

General definitions

1. Act of terrorism

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

2. Company

Means AAI Limited ABN 48 005 297 807 AFSL 230859, trading as Vero Insurance.

3. Damage to Property

Means:

- (a) physical damage to or loss or destruction of tangible property including resultant loss of use;
- (b) loss of use of tangible property which has not been physically damaged or destroyed provided such loss of use is caused by physical damage to or physical destruction of other tangible property that occurs during the Period of Insurance.

4. Deductible

Means the amount and type shown in the Schedule that the Person Insured is to bear in relation to each claim resulting from an Occurrence.

The two types of Deductible are:

- ▼ Cost Inclusive, where the Deductible applies to all amounts payable under this Policy, including amounts payable for the purpose of defence and/or investigation of any claim.
- ▼ Cost Exclusive, where the Deductible only applies where a compensatory damages amount is to be paid on behalf of the Persons Insured to settle a claim.

5. Electronic data

Means facts, concepts and information converted to a form useable for communications, display, distribution, interpretation or processing by electronic and electromechanical data processing or electronically controlled equipment and includes programs, software and other coded instructions for such equipment.

6. Employee

Means any person engaged in the Business under a contract of service or apprenticeship with any of the Persons Insured (other than with Person Insured 9(c)).

7. Occurrence

Means an event, including continuous or repeated exposure to substantially the same general conditions, which results in Personal Injury and/or Damage to Property and/or advertising injury neither expected nor intended by any of the Persons Insured.

All Personal Injury or Damage to Property attributable to one original source, or one original cause, or one original prepared or acquired batch, shall be deemed to be one Occurrence.

All advertising injury arising out of the same injurious material or act (regardless of the frequency or repetition thereof, the number and kind of media used, or the number of claimants) shall be deemed to be one Occurrence.

8. Personal injury

Means:

- (a) bodily injury, death, sickness, disease, disability, shock, fright, mental injury, mental anguish or loss of consortium resulting from any of them.
- (b) the effects of:
 - (i) false arrest, false imprisonment, wrongful eviction, wrongful detention and humiliation;
 - (ii) libel, slander, defamation of character or invasion of right of privacy;
 - (iii) assault and battery not committed by or at the direction of any of the Persons Insured unless committed for the purpose of preventing or eliminating danger to persons or property.

9. Persons insured

Means:

- (a) the Policyholder named in the Schedule and all subsidiary companies (now or hereafter constituted) whose place of incorporation is within Australia or its external territories;
- (b) the Policyholder's personal representatives, in the event of the death of the Policyholder, but only in respect of liability incurred by the Policyholder;
- (c) any principal of any of the Persons Insured, in respect of the liability of such principal arising out of the performance by such Person Insured of any contract or agreement for the carrying out of work or services in connection with the Business, but only to the extent required by such contract or agreement;
- (d) any office-bearer, committee or member of the Policyholder's own canteen, sports, social and child care facilities or welfare organisations and any member (not being a qualified medical practitioner) of the Policyholder's own fire, first aid, medical or ambulance services;
- (e) any past or present or future director, partner, executive officer or shareholder of the Policyholder or any Employee (including the spouse of any such person while accompanying such person on any commercial trip or function in connection with the business insured), but only for liability in respect of which the Policyholder would have been entitled to indemnity if the claim had been made against the Policyholder;
- (f) any director, partner or senior executive of the Policyholder in respect of private work undertaken by any Employee for such director or senior executive, and any such Employee whilst actually undertaking such private work.
- (g) the estates, legal representatives, heirs or assigns of:
 - (i) any deceased or insolvent persons; or
 - (ii) persons who are unable to manage their own affairs by reason of mental disorder or incapacity; who would otherwise be indemnified by this Policy, but only in respect of liability incurred by such persons as described in clauses 7 (i) and 7 (ii) above.
- (h) any voluntary worker.

10. Products

Means any thing including any packaging or container thereof, as described in the Schedule (after it has ceased to be in the possession or control of any of the Persons Insured) manufactured, grown, extracted, produced, assembled, constructed, erected, installed, repaired, serviced, treated, sold, supplied, resupplied or distributed in or from Australia or its external territories by any of the Persons Insured in the course of the Business, and also includes:

- (a) the design, formula or specification of such Products, and
- (b) directions, markings, instructions, warnings or advice given or omitted to be given in connection with such Products, and
- (c) any thing in respect of which Person Insured 9(a) is taken or deemed to be the manufacturer by operation of a law of Australia or its external territories.

11. Property

Means any tangible, material or physical property but does not include Electronic Data.

12. Property in possession or control

The term Property in the Possession or Control of any of the Persons Insured' does not include

- (a) personal possessions of directors, partners, Employees or visitors;
- (b) premises (and their contents) not owned or rented by any of the Persons Insured but which are temporarily occupied by any of the Persons Insured for the purpose of carrying out work in connection with the Business;
- (c) premises (including fixtures and fittings) leased or rented to any of the Persons Insured in respect of loss or damage caused other than by fire or explosion;

- (d) Vehicles, not owned by the Policyholder nor used in connection with the Business, whilst within a free car park provided by the Policyholder for the use of customers, visitors or Employees;
- (e) the first \$250,000 of each Occurrence which results in physical damage to or destruction of tangible property (not being property referred to in items (a), (b), (c) or (d) of this Definition) in the possession or control of any of the Persons Insured in connection with the Business.

13. Territorial limit

Means:

- (a) anywhere in the World except North America.
- (b) North America, but only with respect to:
 - (i) overseas business visits by any of the Persons Insured, who are non-resident in North America, but not where they perform manual work in North America.
 - (ii) Products exported to North America without the knowledge of the Persons Insured.

For the purpose of this definition North America means:

- (a) the United States of America and the Dominion of Canada,
- (b) any state, territory or protectorate incorporated in, or administered by, the United States of America or the Dominion of Canada; and
- (c) any country or territory subject to the laws of the United States of America or the Dominion of Canada.

14. The business

Means that described in the Schedule and also includes:

- (a) the provision of its own canteen, sports, social and child care facilities or welfare organisations, and its own fire, first aid, medical and ambulance services, by the Policyholder;
- (b) private work undertaken by any Employee for any director, partner or senior executive of the Policyholder;
- (c) the ownership or occupation of, the carrying out of repairs, maintenance, alterations or additions to, or the demolition of, the Policyholder's premises to which this Policy applies;
- (d) the deeming of Person Insured 9(a) to be a manufacturer of Products by operation of a law of Australia or its external territories.

15. Vehicle

Means any type of machine on wheels or on self-laid tracks made or intended to be propelled by other than manual power and any trailer made or intended to be drawn by any such machine whilst attached thereto.

Section A – Public liability

Operative clause

1. Subject to the Limit of Indemnity expressed in the Schedule under Section A, the Company will indemnify the Persons Insured in respect of all sums which they shall become legally liable to pay by way of damages for:

- (a) personal injury;
- (b) Damage to Property other than Damage to Property in relation to:
 - (i) Property belonging to any of the Persons Insured;
 - (ii) Property in the Possession or Control of any of the Persons Insured;
- (c) advertising injury

happening during the Period of Insurance within the Territorial Limits as a result of an Occurrence and in connection with the Business less the amount of the Deductible shown in the Schedule as applicable to Section A.

2. And in addition, the Company will pay:

Legal costs

- (a) all costs and expenses incurred with the written consent of the Company;

Solicitors' fees

- (b) legal costs for representation of any of the Persons Insured at any coroner's inquest or in any court of summary jurisdiction;

Claimants' costs

- (c) all charges expenses and legal costs recoverable from any of the Persons Insured;
- (d) all expenses incurred by any of the Persons Insured for first aid to others at the time of Personal Injury (other than the payment of any medical expenses by the Company which is prohibited by law);

(e) reasonable costs and expenses incurred by the Policyholder named in the Schedule as a result of providing any form of temporary protection to prevent Personal Injury or Damage to Property as required by any relevant Government or other Statutory Authority. Provided that the Limit of Indemnity in respect of coverage provided under subsection 2 (e) is \$75,000 for any one Occurrence and in the aggregate, during the Period of Insurance;

all of which must be incurred in connection with claims for damages which are indemnifiable under Section A.

Provided that, in relation to any such claim in respect of Personal Injury or Damage to Property happening in any country on the continent of North America or in states or territories incorporated in or administered from or by such country, the liability of the Company to pay any of the costs, expenses or charges set out in this Section A.2 shall be included within the Limit of Indemnity expressed in the Schedule under Section A.

Exclusions applicable to section A

The Company shall not be liable for:

1. Liability under agreement

Liability assumed solely under an agreement unless such liability:

- (a) would have attached in the absence of such agreement; or
- (b) is specifically allowed by the Company's written endorsement; or
- (c) relates to a liability assumed by any of the Persons Insured (other than Person Insured 9(c)) under a lease for the premises referred to in General Definition 14(c).

2. Defective work

The cost of performing, completing, correcting or improving any work done or undertaken by any of the Persons Insured provided that this exclusion does not apply to Personal Injury or Damage to Property resulting from such work or service undertaken or provided by any of the Persons Insured, or on their behalf.

3. Aircraft and watercraft

Personal Injury or Damage to Property caused by or in connection with the operation, ownership, possession or use by or on behalf of any of the Persons Insured of any vessel or craft made or intended to be water borne or air borne (other than a watercraft or water vessel not exceeding 8 metres in length or a hand propelled boat or pontoon).

4. Vehicles

Personal Injury or Damage to Property caused by or in connection with the operation, ownership, possession or use by any of the Persons Insured of any Vehicle which is registered or required to be insured under any law which applies to its use (hereinafter referred to as 'Statutory Insurance').

However, this Exclusion will not apply to Personal Injury or Damage to Property which arises out of:

- (a) the delivery or collection of goods to or from any Vehicle where such Personal Injury or Damage to Property occurs beyond the limits of any carriageway or thoroughfare; or
- (b) the loading or unloading of or the delivery or collection of goods to and from any Vehicle used in work undertaken by or on behalf of any of the Persons Insured, but which is not in the physical or legal control of such Person Insured; or
- (c) the use of any Vehicle as a tool of trade.

Provided that such liability did not arise in circumstances for which indemnity should be provided under any form of Statutory Insurance whether such insurance was effected or not.

5. Products

Personal Injury or Damage to Property caused by Products other than Personal Injury or Damage to Property caused by food or beverages sold or supplied by any of the Persons Insured as a service to Employees or visitors for consumption on the premises of such Persons Insured.

6. Professional duty

Personal Injury or Damage to Property arising out of any breach of a duty owed in a professional capacity by any of the Persons Insured, but this Exclusion does not apply to:

- (a) the rendering of or failure to render advice or services by members of the Policyholder's own first aid, medical or ambulance services referred to in General Definition 9(d).
- (b) claims where such breach is in relation to advice or services given gratuitously.

7. Advertising injury

For advertising injury directly or indirectly caused by, or arising from:

- (a) failure of performance of contract, but this exclusion does not apply to claims for unauthorised appropriation of ideas based upon breach of an implied contract;

- (b) infringement of trade mark, service mark or trade name, however this exclusion shall not apply to titles or slogans;
- (c) incorrect description of any good or Product; or
- (d) mistake in advertised price.

8. Defamation

Directly or indirectly caused by or arising from the publication or utterance of a libel or slander:

- (a) made prior to the commencement of the Period of Insurance;
- (b) made at the direction of the Insured with knowledge of the falsity thereof; or
- (c) where the occupation or business of the Insured is advertising, broadcasting, publishing or telecasting.

9. Molestation

Personal Injury caused by or arising directly or indirectly out of or in connection with the molestation of, or physical or psychological interference with, any person.

Section B – Products liability

Operative clause

1. Subject to the Limit of Indemnity expressed in the Schedule under Section B, the Company will indemnify the Persons Insured in respect of all sums which they shall become legally liable to pay by way of damages for:
 - (a) Personal Injury;
 - (b) Damage to Property other than Damage to Property in relation to:
 - (i) Property belonging to any of the Persons Insured;
 - (ii) Property in the Possession or Control of any of the Persons Insured;happening during the Period of Insurance within the Territorial Limits as a result of an Occurrence and caused by Products less the amount of the Deductible shown in the Schedule as applicable to Section B.

2. And in addition, the Company will pay:

Legal costs

- (a) all costs and expenses incurred with the written consent of the Company;

Solicitors' fees

- (b) legal costs for representation of any of the Persons Insured at any coroner's inquest or in any court of summary jurisdiction;

Claimants' costs

- (c) all charges, expenses and legal costs recoverable from any of the Persons Insured;
 - (d) all expenses incurred by any of the Persons Insured for the first aid to others at the time of Personal Injury (other than the payment of any medical expenses by the Company which is prohibited by law);
- all of which must be incurred in connection with claims for damages which are indemnifiable under Section B.

Exclusions applicable to section B

The Company shall not be liable for:

1. Aircraft products

Personal Injury or Damage to Property caused by or arising out of Products intended specifically for, and installed in or on, an aircraft or other aerial device, or caused by or arising out of Products which any of the Persons Insured knew would be so installed, where such Products are essential to the operation or navigation of an aircraft or other aerial device.

2. Liability under agreement

Liability assumed solely under an agreement unless such liability:

- (a) would have attached in the absence of such agreement; or
- (b) is specifically allowed by the Company's written endorsement; or
- (c) is assumed by any of the Persons Insured under a warranty of fitness or quality, or is implied by law, in respect of Products.

3. Repair or replacement

The cost of recalling, withdrawing, replacing or repairing Products or of making any refund on the price paid for Products, provided that:

- (a) this Exclusion 3 does not apply to liability for physical damage to or destruction of Products caused by other Products if they were physically independent at the time of such physical damage or destruction;
- (b) the Company will contribute seventy five percent of the costs, in excess of the first five thousand dollars (\$5,000) of each and every claim, of physically withdrawing or recalling from use Products which have already given rise to a claim for damages which is indemnifiable under this Section B, if the Company agrees that such withdrawal is necessary for the purpose of preventing similar claims arising. Subject to a maximum contribution by the Company of one million dollars (\$1,000,000) in respect of all such costs incurred in relation to all such withdrawals or recalls in any one Period of Insurance.

4. North American exports

Personal Injury or Damage to Property:

- (a) happening in any country on the continent of North America, or in states or territories incorporated in or administered from or by such country; and
- (b) caused by Products exported by any of the Persons Insured to any such country.

5. Public liability

Any claim indemnifiable under Section A.

General exclusions (applicable to sections A and B)

The Company shall not be liable for:

1. Radioactive contamination

Any legal liability of whatsoever nature directly or indirectly caused by or contributed to by or arising from:

- (a) ionising radiation or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion or fission of nuclear fuel; or
- (b) radioactive, toxic, explosive or other hazardous properties of any nuclear assembly or nuclear component thereof.

2. War

Any consequence of war, invasion, act of foreign enemy hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or military or usurped power.

3. Pollution

- (a) Personal Injury or Damage to Property caused by or arising directly or indirectly out of the actual, alleged or threatened discharge, dispersal, release or escape of smoke, vapours, soot, fumes, acids, alkalis, toxic chemicals, liquids or gases, waste materials or other irritants, contaminants or pollutants into or upon any property, land, the atmosphere or any watercourse or body of water (including groundwater), unless such discharge, dispersal, release or escape:
 - (i) is neither reasonably expected nor intended by any of the Persons Insured; and
 - (ii) is the consequence of a sudden and instantaneous cause which takes place at a clearly identifiable point in time during the Period of Insurance;
- (b) any costs or expenses incurred in preventing, removing, nullifying or cleaning-up any discharge, dispersal, release or escape as described in (a) above, unless such costs or expenses are consequent upon an unexpected, unintended, sudden and instantaneous cause which takes place at a clearly identifiable point in time during the Period of Insurance and results in Personal Injury or Damage to Property neither of which is otherwise excluded by this Policy.

Provided that the total aggregate liability of the Company during any one Period of Insurance, in respect of:

- (i) all claims arising from such Personal Injury or Damage to Property; and
- (ii) all claims for such costs or expenses; and
- (iii) all other claims indemnifiable under this Policy as a result of that same Occurrence;

regardless of which Section they are indemnifiable under shall not exceed the Limit of Indemnity stated in the Schedule in respect of Pollution Liability.

4. Asbestos

- (a) Injury including Personal Injury arising directly or indirectly out of or in any way connected with the inhalation of, or fears of the consequences of exposure to or inhalation of, asbestos, asbestos fibres or derivatives of asbestos;
- (b) that part of any loss, cost or expense for the cost of cleaning up or removal of any asbestos, asbestos fibres or any derivatives of asbestos; or
- (c) damage to or loss of use of property arising directly or indirectly out of or in any way connected with asbestos, asbestos fibres or derivatives of asbestos.

For the purpose of paragraph (c):

damage means physical damage, loss or destruction and resultant loss of use, and property means any tangible or intangible property.

5. Loss of use

Claims in respect of the loss of use of tangible property which has not been physically damaged or destroyed resulting from:

- (a) a delay in or lack of performance by or on behalf of any of the Persons Insured of any contract or agreement, or
- (b) the failure of Products or work performed by or on behalf of any of the Persons Insured to meet the level of performance, quality, fitness or durability warranted or represented by any of the Persons Insured, but this General Exclusion 5(b) does not apply to loss of use of other tangible property resulting from the sudden and accidental physical damage to or destruction of Products or work performed by or on behalf of any of the Persons Insured after such Products or work have been put to their intended use by any person or organisation other than a Person Insured.

6. Penalties liquidated damages

Any amount by way of aggravated, exemplary or punitive damages or in respect of fines or liquidated damages, or incurred under a penalty clause, or in respect of infringement of copyright or patent.

7. Defamation

Personal Injury or Damage to Property arising out of the publication or utterance of a libel or slander or defamation of character:

- (a) made prior to the commencement of the Period of Insurance;
- (b) made at the direction of any of the Persons Insured with knowledge of the falsity thereof; or
- (c) related to advertising, broadcasting or telecasting activities, or publication of newspapers, journals, books or periodicals conducted by or on behalf of any of the Persons Insured.

8. Injury to employees

Personal Injury to any Employee arising out of or in the course of his/her employment save that this General Exclusion 8 shall not apply to liability for such Personal Injury assumed by a Person Insured under a written contract or agreement with another (not being a Person Insured).

9. Workers' Compensation and Industrial Awards

Liability imposed by the provisions of any Workers' or Workmen's Compensation legislation or any Accident Compensation legislation or any industrial award or agreement or determination.

10. Electronic data

Claims arising out of

- (a) communication, display, distribution or publication of Electronic Data.
However, this Exclusion does not apply to bodily injury, death, sickness, disease, disability, shock, fright, mental injury, mental anguish or loss of consortium resulting from any of them.
- (b) (i) total or partial destruction, distortion, erasure, corruption, alteration, misinterpretation or misappropriation of Electronic Data,
(ii) error in creating, amending, entering, deleting or using Electronic Data, or
(iii) total or partial inability or failure to receive, send, access or use Electronic Data for any time or at all from any cause whatsoever, regardless of any other contributing cause or event whenever it may occur.

11. Terrorism

Personal Injury or Damage to Property directly or indirectly caused by, resulting from or in connection with:

- (a) any Act of Terrorism regardless of any other cause or event contributing concurrently or in any other sequence to such Personal Injury or Damage to Property; or
- (b) any action taken in controlling, preventing, suppressing or in any way relating to any Act of Terrorism.

12. Deductible

The Deductible stated in the Schedule being the first amount of all claims arising out of one Occurrence.

General conditions

To the extent allowed by the Insurance Contracts Act 1984, the following Policy Conditions and Claim Conditions apply and in the event of breach the Company may refuse indemnity.

Policy conditions

Observance of policy terms

1. (a) The observance of the terms, Conditions and Endorsements of this Policy by any of the Persons Insured in so far as they relate to anything to be done or complied with by such Persons Insured; and

Statements

- (b) the truth of the statements and accuracy of the information provided in any submission and/or statements or answers provided in response to any requests for additional underwriting information; and

Material facts

- (c) the notification as soon as practicable by any of the Persons Insured of any alteration in risk which materially affects this insurance;
shall be matters upon which any liability of the Company under this Policy depends.

Reasonable care

2. The Persons Insured at their own expense shall take or cause to be taken all reasonable care to:
 - (a) maintain premises, plant and everything used in the Business in proper repair;
 - (b) employ only competent Employees;
 - (c) comply with all statutory obligations and regulations imposed by any authority;
 - (d) remedy any defects or eliminate any dangers which may give rise to Personal Injury or Damage to Property.

Adjustment

3. If the premiums are calculated on statements and estimates furnished by the Policyholder, the Policyholder shall within a reasonable period of the expiry of each Period of Insurance furnish to the Company such information as the Company may require for such expired period and the premium for such period shall thereupon be adjusted by the Company and the difference be paid by or allowed to the Policyholder as the case may be subject to any minimum premium applicable.

Cancellation

4. The Policyholder may cancel this Policy at any time. Upon receipt of such request, the Company will allow a refund of premium being pro-rata of seventy percent (70%) of the premium for the unexpired Period of Insurance.

The Company may cancel this Policy at any time by written notice if the Policyholder should be in breach of any of its terms and Conditions, including the payment of premium, or for any other reason available at law. On cancellation, the Company will refund premium to the Policyholder pro-rata for the unexpired Period of Insurance.

Claims conditions

1. Notification

If Personal Injury or Damage to Property occurs which may give rise to a claim under this Policy, the Persons Insured involved shall:

- (a) as soon as reasonably practicable:
 - (i) inform the Company of such Occurrence;
 - (ii) provide in writing if requested, including verification on oath, such particulars, documents and information as the Company may require;
- (b) immediately:
 - (i) on receipt forward to the Company every letter, writ, summons and process;
 - (ii) inform the Company in writing of any prosecution or inquest of which notice is given to such Person Insured;
- (c) provide all assistance which the Company may reasonably require.

2. Admission of liability

None of the Persons Insured shall:

- (a) make any admission of liability;
- (b) take any action which may be considered to be an admission of liability;
- (c) repudiate or settle a claim;

without the written consent of the Company.

3. Conduct of claim

The Company may, if it so desires, take over and conduct in the name of any of the Persons Insured the defence or settlement of any claim or prosecute in the name of any of the Persons Insured for the Company's benefit any claim for indemnity or damages or otherwise and shall have full discretion in the conduct of any proceedings and in the settlement of any claim.

4. Payment of limit of indemnity

The Company may at any time pay to the Policyholder, or at its discretion to any of the Persons Insured claiming to be indemnified, the appropriate Limit of Indemnity (after deducting therefrom any sum or sums already paid) or any lesser amount for which a claim or claims may be settled and thereupon the Company shall relinquish the conduct and control of and shall be under no further liability in connection with such claim or claims except for costs and expenses incurred prior to the date of such payment.

5. Joint insureds

Where the insured comprise more than one party;

- (a) The proposal is deemed to have been furnished by and on behalf of all parties and any information supplied to us or any omission, misrepresentation, or non-disclosure in relation to the proposal or any renewal extension of this Policy is deemed to have been furnished, supplied, omitted, misrepresented or not disclosed on behalf of all parties; and
- (b) The conduct of one or more of the named Persons Insured will not prejudice the rights of the remainder of the Persons Insured, provided that the remainder of Persons Insured, immediately on becoming aware of any conduct that increases the risk of liability insured by this Policy, gives notice in writing to us and pays any additional premium that we may require.

6. Jurisdiction

This Policy is governed by the laws of the Commonwealth of Australia and the State and Territory where this Policy is issued. The relevant courts of the place where the policy is issued shall have jurisdiction in any dispute concerning or under this policy.

7. Severability

A term or condition of this Policy that is illegal or unenforceable may be severed from this Policy and the remaining terms and conditions of this Policy, or parts thereof, continue in force.

8. Contribution to costs

If the Company has not exercised its rights under Claims Condition 4, the liability of the Company to pay costs and expenses, where any sum or sums exceeding the appropriate Limit of Indemnity have to be paid to dispose of a claim or claims, shall be limited to such proportion of the said costs and expenses as such Limit of Indemnity bears to the amount actually so paid.

9. Goods and Services Tax

The premium charged for this policy will include an amount on account of GST.

The Policyholder must inform the Company of the extent to which it is entitled to an input tax credit for the premium each time that a claim is made under this policy. No payment will be made to the Policyholder for any GST liability that they may acquire on the settlement of a claim if the Policyholder has not informed the Company of its entitlement or correct entitlement to an input tax credit.

Despite the other provisions of this insurance (including provisions in the wordings, any schedules and any endorsements), the Company's liability will be calculated taking into account any input tax credit to which the Policyholder is entitled for any acquisition relevant to a claim, or to which the Policyholder would have been entitled were the Policyholder to have made a relevant acquisition.

If the Limit of Indemnity is not sufficient to cover the Policyholder's loss, the Company will only pay GST (less any relevant input tax credit) that relates to the Company's proportion of the Policyholder's loss. The Company will pay that GST amount in addition to the Limit of Indemnity.

'GST', 'input tax credit', 'acquisition' and 'supply' have the meaning given in the A New Tax System (Goods and Services Tax) Act 1999.'

