Insurance and Claims Manual

General Overview

Presbyterian Church of Queensland

31 August 2013 – 31 August 2014

October 2013
Confidentiality Notice

This report contains information which is confidential to Presbyterian Church of Queensland and Aon Risk Services Australia Limited (Aon). Accordingly, we trust you will understand this report is given to Presbyterian Church of Queensland and its officers and employees in confidence and may not be reproduced in any form or communicated to any other person, firm or company without the prior approval of Aon.

Privacy Notice

The Aon Group of companies have always valued the privacy of personal information. When Aon collect, use, disclose or handle personal information, Aon will be bound by the Privacy Act 1988 (the ‘Act’).

Aon collect personal information to offer, provide and administer the many financial services and products we and our group of companies are involved in. These include insurance broking and claims management, risk management consulting, and other forms of insurance services (including underwriting of insurance products and reinsurance), employee benefits, premium financing, superannuation and investment advisory services. Aon also collect it to be able to develop, establish and administer alliances and arrangements with other organisations in relation to the promotion, administration and use of our respective products and services.

Aon disclose personal information to third parties who we believe are necessary to assist us in providing the relevant services and products to our clients. For instance, we disclose personal information to the relevant product provider and their representatives, our agents and contractors and related companies. We limit, however, the use and disclosure of any personal information provided by us to such third parties for the specific purpose for which it was supplied.

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

If you collect, use, disclose or handle personal information on our behalf, or receive it from us, you and your representatives must meet the relevant requirements of the National Privacy Principles set out in the Privacy Act 1988 (Cth) and you must only use such information for the specific agreed purpose(s).

If you would like a copy of the Aon Privacy Policy, or wish to seek access to or correct the personal information we collected or disclosed about you, please telephone or email your Aon representative or access the Aon website www.aon.com.au.

Complaints Dispute Resolution

If you have a concern about a service that Aon have provided, you should contact your Aon representative or your local Aon office.

If your complaint is not satisfactorily resolved, you should contact Aon's National Complaints Manager on (02) 9253 7000 or put your complaint in writing to:

National Complaints Manager
Aon Risk Services Australia Limited
GPO Box 4189
Sydney NSW 2001

If you are not satisfied with the outcome determined by the National Complaints Manager, you may contact the Insurance Brokers Dispute Limited by calling 1800 064 169.

Alternatively, if your concern is with the insurer or the calculation of a claim payment, you may contact the Insurance Enquiries and Complaints Limited by calling 1300 780 808.
# Aon Risk Solutions

## Corporate Risk Services

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Introduction

This Insurance and Claims Manual has been compiled by Aon Risk Services (Aon) to provide a broad outline of your Insurance Program and to offer general information and assistance in understanding the various insurances which have been arranged on your behalf and the steps and procedures to be followed in the event of claims arising under the program.

Aon’s role in the claims management process, as regards above deductible claims, is as follows:

- to submit, regularly follow up and negotiate settlement of above deductible claims,
- to assist in the resolution or conduct of difficult or contentious claims with underwriters and re-insurers where required,
- claims administration, including collection of insurance proceeds and proactive follow-up of outstanding claims until finalisation,
- provision of status reports on above deductible claims, and
- to maintain records of paid and outstanding claims for underwriting disclosure and inclusion in renewal submissions.

However, there are a number of classes of insurance coverage where additional handling by Aon in the administration of claims can be counter-productive to the efficient, timely and cost effective resolution of claims.

So, in order to ensure greater efficiency and improved service to clients, Aon has developed a process whereby simple, low value claims arising from those particular classes of coverage will in future be directly reported to, and subsequently managed by, insurers.

The categories of coverage to which this process applies, and the procedure for reporting are set out in Section 3.5 of this Manual.

The Insurance Program section of the manual contains a brief description of individual insurances. It should not however be treated as a replacement for the relevant policy documents. Each policy should be carefully read and, in particular, note taken of the description in the policy of the coverage thereby provided as well as the exclusions and policy conditions – these should not in any way be regarded as being fully or accurately described in the manual.
## Contact Information

<table>
<thead>
<tr>
<th>Role</th>
<th>Contact Person</th>
<th>Contact Details</th>
<th>Email</th>
</tr>
</thead>
<tbody>
<tr>
<td>Client Relationship Manager</td>
<td>Michael Hambleton</td>
<td>T: +61 7 3223 7554</td>
<td><a href="mailto:michael.hambleton@aon.com">michael.hambleton@aon.com</a></td>
</tr>
<tr>
<td></td>
<td></td>
<td>F: +61 7 3223 7530</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>M: +614 12 591034</td>
<td></td>
</tr>
<tr>
<td>Service Executive / Claims Management</td>
<td>Aimee Caldwell</td>
<td>T: +61 7 3223 7408</td>
<td><a href="mailto:aimee.caldwell@aon.com">aimee.caldwell@aon.com</a></td>
</tr>
<tr>
<td></td>
<td></td>
<td>F: +61 7 3223 7531</td>
<td></td>
</tr>
<tr>
<td>Top Level Contact</td>
<td>Robert Piunti</td>
<td>T: +61 7 3223 7529</td>
<td><a href="mailto:robert.piunti@aon.com">robert.piunti@aon.com</a></td>
</tr>
<tr>
<td></td>
<td></td>
<td>F: +61 7 3223 7531</td>
<td></td>
</tr>
</tbody>
</table>
Aon Client Promise

The Aon Client Promise is the way Aon Risk Services, as a global firm spanning 26,000 colleagues, 500 offices and 120 countries, consistently articulates the full scope of value and impact we deliver to clients.

The Aon Client Promise outlines the 10 benefits clients can expect when partnering with Aon businesses and how Aon is uniquely positioned to provide best in class services and solutions in each.

Through an on-line Assessment we will ask you to rank the importance of each of the following elements to your business and ask how well we are currently performing.

Based upon this feedback, your Client Relationship Manager will draft a Plan for delivering on each of these and improving our performance where necessary

1. A FOCUS ON OPTIMIZING YOUR TOTAL COST OF RISK
Understanding and quantifying your risks is a vital step toward managing them effectively. Aon’s distinctive approach to program design, unmatched broking strength, customized Aon Total Cost of Risk Assessment and the suite of Aon eSolutions products provide clients with the most comprehensive view of their organization’s total cost of risk so they can make the best decisions possible.

2. A PROGRAM DESIGNED ENTIRELY AROUND YOUR NEEDS
Great advice starts with a deep understanding of our clients’ business challenges and opportunities. The Aon Client Promise methodology ensures your business’ unique priorities and needs are addressed with flexible solutions that deliver value to your business.

3. A DEDICATED TEAM AND A WORLD OF RESOURCES
Providing you with a deep team of experienced, talented professionals who know you and your business at all levels ensures you get the right solutions from our unsurpassed global capabilities. Aon invests in training and developing our 26,000 team members around the client-centric values of the Aon Leadership Model.

4. LOCAL ACCESS TO THE BEST MARKETS IN THE WORLD
The right market for your risk may be local to you, or a global player. Aon’s Broking Centres of Excellence, the largest-owned network in the world, and in-depth market security expertise lets you access the right markets, anywhere in the world, through a local point of contact. In addition, Aon’s proprietary services, like Aon Alerts and the Aon Situation Room, provide you with access to rating information and insightful commentary on significant market events directly online as they unfold.

5. CONSTANT INVESTMENT IN NEW IDEAS AND SOLUTIONS
Our investment in innovation is based on the needs and issues of our clients. By listening to clients, we create new tools and services that ensure our clients see new risks coming and don’t face them with old solutions. The Aon Centre of Innovation and Analytics in Dublin, Ireland is the industry’s only facility 100 percent focused on risk research, development and administration, where our teams work to solve the most complex risk-related issues.
6. THE STRENGTH OF THE WORLD’S LEADING BROKER ON YOUR SIDE
Whatever your size, as an Aon Risk Services client you have the advantage of support from the world’s leading broker. We place more premium with carriers and secure more claims payments from them than any other broker. We measure carrier performance through the Aon Carrier Performance Survey, and if issues arise, we have a defined process that helps ensure quick resolution. Going beyond insurance, our Aon Global Risk Consulting colleagues bring practical solutions to reduce, transfer or finance risks that remain.

7. POWERFUL BENCHMARKING
Differentiating your program and delivering the right terms and conditions for your needs requires a fact-based understanding of your current risks relative to your peers. We use the most comprehensive data in the industry, including our proprietary Aon Global Risk Insight Platform (Aon GRIP) that captures thousands of transactions daily across the Aon network to benchmark your risks.

8. INDUSTRY-LEADING SERVICE WHEREVER YOU NEED IT
Industry-leading service means more than just efficiently executing your risk program. We’re honoured that our clients, through third-party surveys like Business Insurance and Euromoney, regularly vote us best in class. With more offices worldwide than any other broker (more than 500 offices in more than 120 countries), and the Aon Client Promise methodology as our compass, we deliver a consistently high standard of service wherever you are.

9. YOUR FEEDBACK DRIVES OUR PERFORMANCE
What you think of our services is the most important measure of our success. We combine systematic client surveys using the Aon NPS program with personal conversations to actively seek your feedback twice each year. Your input is key to how we manage, develop and reward our teams.

10. OPEN AND HONEST DIALOGUE ABOUT THE VALUE WE ADD TO YOUR BUSINESS
Delivering distinctive value to you is our core focus. We believe the value we create for you is the measure of our worth. The Aon Client Promise plan, including your customized Aon Total Cost of Risk Assessment, provides you with the most transparent view of the services you receive for the price you pay.
# Insurance Program

## Program Summary

<table>
<thead>
<tr>
<th>Class of Insurance</th>
<th>Underwriter</th>
<th>Policy Limit(s)</th>
<th>Deductible(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Industrial Special Risks</strong></td>
<td>Ansvar Insurance Limited</td>
<td>Limit $12,000,000 any one loss / any one situation</td>
<td>Earthquake $20,000 or 1% Deductible: Flood $1,000 Infectious disease 48 hours $10,000 All Other Claims</td>
</tr>
<tr>
<td><strong>Personal Accident – Voluntary Workers</strong></td>
<td>ACE Insurance Limited</td>
<td>Various limits per Age Group Includes Weekly Benefits and Medical Expenses.</td>
<td>Various</td>
</tr>
<tr>
<td><strong>General Public &amp; Products Liability</strong></td>
<td>Ansvar Insurance Limited</td>
<td>Limit $20,000,000 any one occurrence and in the aggregate any one period of insurance in respect of Products Liability Molestation Sub-Limit $10,000,000 any one occurrence and $20,000,000 in the aggregate any one period of insurance</td>
<td>Deductible $1,000 – Bodily Injury Claims Only</td>
</tr>
<tr>
<td><strong>Motor Comprehensive</strong></td>
<td>Vero Insurance Limited</td>
<td>Vehicle Numbers 13 Own Damage – Market Value Legal Liability Limit - $30,000,000</td>
<td>Deductible: Nil Glass/Windscreen only claims $50 Golf Bubby/Tractor/Off Road Ute/ Trailer only claims $600 Bus Claims $300 All other Claims $NIL age or inexperienced driver excess to apply</td>
</tr>
<tr>
<td><strong>Marine Inland Transit</strong></td>
<td>Vero National Marine</td>
<td>Limit: As declared to a maximum of $100,000</td>
<td>Deductible: $100</td>
</tr>
</tbody>
</table>
General Information

The Named Insured and Business Description form part of your insurance contracts. It is therefore important that you advise of any alterations that may arise during the course of the year as these may prejudice your insurance cover.

To eliminate unnecessary repetition, unless otherwise stated within the Insurance and Claims Manual, the following information is common to all policies:

<table>
<thead>
<tr>
<th>Insured</th>
<th>Presbyterian Church of Queensland</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business Description</td>
<td>Principally religious, charitable, educational, including residential and community aged care</td>
</tr>
<tr>
<td>Period of Insurance</td>
<td>From 4pm 31 August 2013 to 4pm 31 August 2014 (Local Standard Time)</td>
</tr>
</tbody>
</table>
## Industrial Special Risks

<table>
<thead>
<tr>
<th>Underwriter</th>
<th>Ansvar Insurance Limited</th>
</tr>
</thead>
<tbody>
<tr>
<td>Policy Number</td>
<td>04.010.0064511</td>
</tr>
</tbody>
</table>

### Covering (Summary Only)
Any physical loss, destruction or damage not otherwise excluded happening at the situation to the property insured

### Situation
Anywhere in Australia

### Interest Insured

**Material Damage**
All Real and Personal Property including Money (except hereinafter excluded) belonging to the Insured or for which the Insured is responsible or has assumed responsibility prior to the occurrence of any loss or destruction or damage, including all such property in which the Insured may acquire an insurable interest (provided is similar business) during the period of the policy.

**Business Interruption**
Covers additional expenses incurred consequent to loss or damage in order to continue or maintain operations e.g. additional rents, relocation charges, staff overtime etc.

### Limits of Liability

**Combined Limit of Liability**

#### Section 1 - Material Damage & Section 2 - Consequential Loss

<table>
<thead>
<tr>
<th>Any one loss/ Any one situation</th>
<th>$12,000,000</th>
</tr>
</thead>
</table>

Subject To Following Sub-Limits
<table>
<thead>
<tr>
<th>Sub-Limit(s) of Liability</th>
<th>The liability of the Insurer(s) shall be further limited in respect of any one loss or series of losses at any one Situation arising out of any one original source or cause as set out hereunder. (Deductibles shall apply to the Sub-Limits of Liability in accordance with the Schedule, but the Sub-Limits shall only be applied in excess of the deductible).</th>
</tr>
</thead>
<tbody>
<tr>
<td>Section 1 – Property Damage</td>
<td></td>
</tr>
<tr>
<td>Extra Cost of Reinstatement</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>Burglary/Theft</td>
<td>$150,000</td>
</tr>
<tr>
<td>Personal Property of Members (not otherwise insured) (excluding Accidental Damage) per person</td>
<td>$5,000 / $30,000 in the aggregate</td>
</tr>
<tr>
<td>Money – On premises and transit including personal custody</td>
<td>$15,000</td>
</tr>
<tr>
<td>Machinery and Electronic Equipment Breakdown</td>
<td>$20,000</td>
</tr>
<tr>
<td>Data Restoration</td>
<td>$20,000</td>
</tr>
<tr>
<td>Food Spoilage</td>
<td>$5,000</td>
</tr>
<tr>
<td>Accidental Damage</td>
<td>$500,000</td>
</tr>
<tr>
<td>Transit</td>
<td>$15,000</td>
</tr>
<tr>
<td>Section 2 – Business Interruption</td>
<td></td>
</tr>
<tr>
<td>Additional Increased Cost of Working</td>
<td>$1,500,000</td>
</tr>
<tr>
<td>Claims Preparation Costs</td>
<td>$150,000</td>
</tr>
<tr>
<td>Infectious Diseases</td>
<td>$250,000</td>
</tr>
<tr>
<td>Deductibles</td>
<td>1) Earthquake, the lesser of $20,000 or 1% of the declared asset value at the location involved.</td>
</tr>
<tr>
<td></td>
<td>2) Flood - $10,000</td>
</tr>
<tr>
<td></td>
<td>3) Named Cyclone - $25,000</td>
</tr>
<tr>
<td></td>
<td>4) Infectious Disease – 48 hours</td>
</tr>
<tr>
<td></td>
<td>5) All other claims - $1,000</td>
</tr>
<tr>
<td>Indemnity Period</td>
<td>12 Months</td>
</tr>
</tbody>
</table>
## General Public & Products Liability

<table>
<thead>
<tr>
<th>Underwriter</th>
<th>Ansvar Insurance Limited</th>
</tr>
</thead>
<tbody>
<tr>
<td>Policy Number</td>
<td>04.080.0098429</td>
</tr>
</tbody>
</table>

### Covering (Summary Only)

- **Insured’s Legal Liability to pay compensation in respect of:**
  - Bodily Injury or Personal Injury or Damage to Property caused by an occurrence within the geographical limits in connection with the business

  And in addition the Insurer will pay:
  - all costs and expenses incurred with the written consent of the Insurer
  - the solicitor’s fee for representation of the Insured
  - all charges expenses and law costs recoverable from the Insured by claimants incurred in the defence of claims with the consent of the insurer.

### Geographical Limits

1. Anywhere in the Commonwealth of Australia.
2. Elsewhere in the world in respect of:
   - Products or goods supplied from the Commonwealth of Australia
   - Commercial visits by directors and non-manual employees normally resident in Australia

### Limits of Liability

<p>| | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Public Liability</strong></td>
<td>$20,000,000</td>
<td>any one occurrence</td>
<td></td>
</tr>
<tr>
<td><strong>Products Liability</strong></td>
<td>$20,000,000</td>
<td>any one period of insurance</td>
<td></td>
</tr>
<tr>
<td>Breach of Copyright, Libel, Molestation (any one event)</td>
<td>$20,000,000</td>
<td>Any one occurrence and,</td>
<td>$20,000,000</td>
</tr>
<tr>
<td>Counsellors Liability</td>
<td>$5,000,000</td>
<td>any one occurrence and,</td>
<td>$20,000,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>&amp; in the aggregate.</td>
<td></td>
</tr>
</tbody>
</table>

### Deductibles

Each and Every Claim: $1,000

### Policy Wording

Aon Corporate Public and Products Liability wording and endorsements, including Counsellors Liability endorsement as expiring.
### Personal Accident – Voluntary Workers

<table>
<thead>
<tr>
<th>Underwriter</th>
<th>Ace Insurance Limited</th>
</tr>
</thead>
<tbody>
<tr>
<td>Policy Number</td>
<td>AGPA 001968QLD</td>
</tr>
<tr>
<td>Covering (Summary Only)</td>
<td>Personal Accident For Voluntary Workers</td>
</tr>
</tbody>
</table>
| Interest Insured | 1. Voluntary Workers on church related activities including travel to and from.  
2. Visiting guest speakers at Church Services on behalf of the Insured including direct travel to & from such services.  
3. Persons undertaking work on behalf of the Insured and not defined as a worker under Section 12 of the WorkCover Act 1996. |
| Age Limits | 12-95 years of age |

<table>
<thead>
<tr>
<th>Benefit</th>
<th>Age of Voluntary Workers</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>12-16</td>
</tr>
<tr>
<td>1. Accidental Death Capital Benefits</td>
<td>$ 30,000</td>
</tr>
<tr>
<td></td>
<td>$ 150,000</td>
</tr>
<tr>
<td>2. Weekly Benefits - Injury</td>
<td>$1000 per week (Max 104 weeks)</td>
</tr>
<tr>
<td></td>
<td>Up to 85% of salary</td>
</tr>
</tbody>
</table>
| 3. None Income Earners | Weekly Injury- $100 per week  
Disablement $1,300 |
| 4. Weekly Benefits - Sickness | NIL |
| Emergency Home Help | $500 per Week for an aggregate period not exceeding 52 Weeks |
| 5. Non-Medicare Medical Expenses | $ 5,000 | $ 5,000 | $ 5,000 | $ 5,000 |

| Aggregate Limit | Any one period of insurance $500,000  
Non-scheduled aircraft $150,000 |
| Deductibles | Weekly Benefits – Injury 7 days  
Non-Medicare Medical Expenses $50 |
| Principal Conditions | Immediate notice of any incident likely to give rise to a claim |
Endorsements

NON-MEDICARE MEDICAL EXPENSES ENDORSEMENT

If during the Period of Insurance and whilst on the voluntary work of the Insured, an Insured Person suffers from an Injury; Ace will pay the Non-Medicare Medical Expenses incurred up to the amount shown on the Schedule against Non-Medicare Medical Expenses.

DEFINITIONS UNDER NON-MEDICARE MEDICAL EXPENSES NON-MEDICARE MEDICAL EXPENSES means:

(a) Expenses incurred within twelve (12) months of sustaining an Injury; and (b) expenses paid by an Insured Person or by the Insured for Doctor, Physician, Surgeon, Nurse, Physiotherapist, Chiropractor, Osteopath, Hospital and/or Ambulance services for the following treatments:

- Medical
- Surgical
- X-ray
- Chiropractic
- Osteopathic
- Physiotherapy
- Hospitalisation
- Nursing

But excludes:

- Dental Treatment, unless such treatment is necessarily required, to teeth other than dentures and is caused by the Injury referred to in (a) above, and
- Services for which the Insured is eligible to receive Medicare benefits.

CONDITIONS APPLYING TO NON-MEDICARE MEDICAL EXPENSES

1. Any benefit payable is less recovery made from any Private Health Insurance Fund.
2. No benefit is payable in respect of the Medicare gap between payment made by Medicare and charges incurred.

EMERGENCY HOME HELP ENDORSEMENT

If during the Period of Insurance and whilst on the voluntary work of the Insured, an Insured Person who is retired, unemployed or not in receipt of a Salary suffers from Events 25 and/or 26 described in Section 1 - Part B of the Table of Events and is unable to carry out Domestic Duties, Ace will pay for the cost of reasonably and necessarily incurred Domestic Duties expenses as a result of that Injury up to the amount shown on the Schedule against Emergency Home Help.

DEFINITIONS UNDER EMERGENCY HOME HELP

DOMESTIC DUTIES means the usual and ordinary domestic duties undertaken by someone as a homemaker and could include child-minding and home help services.

CONDITIONS APPLYING TO EMERGENCY HOME HELP

1. Child minding services and domestic help must be carried out by persons other than members of the Insured Person’s family or other relatives or persons permanently living with the Insured Person.
2. Child minding services and domestic help must be certified by a Doctor as being necessary for the recovery of the Insured Person.

AGE LIMIT EXTENSION

It is hereby noted and agreed that the maximum age limit under this Policy is extended to ninety-five (95) years of age.

Notwithstanding anything contained in the Policy to the contrary the following conditions shall apply to this endorsement:

- There is no cover under this Policy with respect to any Insured Person who is aged ninety-five (95) years or more and all cover with respect to an Insured Person shall cease upon their attaining that age. This will not prejudice any entitlement to claim benefits which has arisen before an Insured Person has attained the age of ninety-five (95).

- The maximum amount Ace will pay under Event 1 - Accidental Death with respect to any Insured Person aged between twelve (12) and sixteen (16) years of age is $30,000.

- The maximum amount Ace will pay under Event 1 - Accidental Death with respect to any Insured Person aged between seventy-one (71) and eighty (80) years of age that has no dependents is $10,000.

- The maximum amount Ace will pay under Event 1 - Accidental Death with respect to any Insured Person aged between eighty-one (81) and ninety-five (95) years of age that has no dependents is $5,000.

- The maximum amount Ace will pay under Event 2 - Permanent Total Disablement with respect to any Insured Person aged between twelve (12) and sixteen (16) years of age is $150,000.

- The maximum amount Ace will pay under Event 2 - Permanent Total Disablement with respect to any Insured Person aged between seventy-one (71) and eighty (80) years of age is $150,000.

- The maximum amount Ace will pay under Event 2 - Permanent Total Disablement with respect to any Insured Person aged between eighty-one (81) and ninety-five (95) years of age is $10,000 payable on benefits 3-8 only.

* * It is hereby declared and noted that should an Insured Person be a non-income earner, the Benefit under Section 1 - Weekly Injury is limited to $100 per week payable upon receipts furnished by the Insured for such expenses attributable directly to such disablement to a maximum of $1,300.

REHABILITATION EXPENSES

On the occurrence of Temporary Total Disablement or Temporary Partial Disablement (Events 25, 26, 27 or 28 under the Policy) for which benefits are payable, We will reimburse expenses incurred for tuition or advice for a Covered Person from a licensed vocational school, provided such tuition or advice is undertaken with Our prior written agreement and the agreement of the Covered Person’s Doctor. Compensation under this provision will be limited to the actual costs incurred not exceeding $500 per month and will be payable for a maximum of six (6) months.

COMA BENEFIT

If a Covered Person sustains a Bodily Injury which directly causes or results in a continuous unconscious state, and the Covered Person or such other person presents Us with a written opinion of a Doctor verifying that the Bodily Injury caused the Covered Person to be in such a continuous unconscious state, We agree to pay to the Covered Person or the Covered Person’s legal representative $50 per day or part thereof of continuous unconsciousness up to a maximum period of ninety (120) days. This benefit will be in addition to any amount paid under Personal Accident and Sickness cover.
EDUCATION FUND SUPPLEMENT

If a Covered Person suffers an Accidental Death and is survived by Dependent Child(ren), We will pay the Covered Person’s estate $5,000 for each surviving Dependent Child subject to a maximum benefit amount of $15,000 with respect to any one (1) family.

PARTNER RETRAINING BENEFIT

If a Covered Person suffers an Accidental Death or Permanent Total Disablement, We will pay, at the Policyholder’s request, up to $15,000 towards the actual costs incurred for the training or retraining of the Covered Person’s Spouse/Partner:

a) for the purpose of obtaining gainful employment; or
b) to improve their employment prospects; or
c) to enable them to improve the quality of care they can provide to the Covered Person,

provided that the Spouse/Partner is under the age of 65, the training is provided by a recognised institution with qualified skills in that area and all expenses are incurred within 24 months from the date that the Covered Person suffers the Bodily Injury.

INDEPENDENT FINANCIAL ADVICE

If a Covered Person sustains a Bodily Injury for which benefits are payable under Events 1–9, We will pay for professional financial advice in respect of the payment of the benefit for Events 1–9. The maximum amount We will pay is $5,000. Events 1–9 are: 1. Accidental Death; 2. Permanent Total Disablement; 3. Paraplegia or Quadriplegia; 4. Loss of sight of both eyes; 5. Loss of sight of one (1) eye; 6. Loss of use of two (2) Limbs; 7. Loss of use of one (1) Limb; 8. Permanent and incurable insanity; and 9. Loss of hearing in: – (a) both ears, (b) one (1) ear.
Motor Comprehensive

Underwriter
Vero Insurance Limited

Policy Number
MSL013479608

Interest Insured
All motor vehicles presently existing or subsequently acquired, owned, hired, leased, rented, loaned, borrowed, or used by or on behalf of the Insured, or in which the Insured has an insurable interest or for which the Insured has received instructions to insure, including (in respect of Sections 2 and 3 only) employee’s motor vehicles or motor vehicles in the charge of employees (not otherwise insured) whilst in use in the Insured’s Business including travel to and from employee’s residences.

Insured Vehicles also includes motor cycles, trailers, caravans, mobile plant and equipment, tractors and self-propelled agricultural machines.

Territorial Limits
Anywhere within the Commonwealth of Australia

Limit(s) of Liability

Section 1 - Own Vehicle Damage
Market value or Sum Insured shown on the Schedule whichever is the lesser. Additional Vehicle limit, Market Value or $250,000 any one vehicle whichever is the lesser.

Section 2 – Liability Property Damage  $ 30,000,000
Section 3 – Liability Personal Injury  $ 30,000,000
Sections 2 and 3 – Aggregate Limit  $ 30,000,000

Sections 2 and 3 Subject to Carriage of Hazardous Goods Limit (14.2)  $ 500,000

Sub Limit(s) of Liability

* Towing charges  $ 10,000
* Cost of repatriating driver & passengers  $ 2,000
* Sign writing  $ 4,000
* Removal of Debris  $ 10,000
* Hire Costs following theft or damage to vehicle, sedans, station Wagons and four wheel drive vehicles  $ 100 per day
  Goods carrying vehicles up to 2 tonnes  $ 250 per day
* Transit  $ 5,000
* Recovery Costs  $ 5,000
* Emergency Services  $ 5,000
* Employees Personal Property  $ 2,000
* Medical & related expenses  $ 500

Deductible
Nil Glass/Windscreen only claims
$50 Golf Bubby/Tractor/Off Road Ute/ Trailer only claims
$600 Bus Claims
$300 All other Claims
$NIL age or inexperienced driver excess to apply
Automatic Additions
Limit
Additional Information

$150,000 for Buses and $100,000 for All Other Vehicle’s.

- No Claim Bonus Protection cover of $1,000 for employee’s and volunteer vehicles
- Claims Experience Discount 50/70 (maximum 10%)

Note:
This is a joint policy with PresCare and the Pierson Memorial Trust
Marine Inland Transit

Underwriter: Vero National Marine

Policy Number: MTJ009970169

Per: Conveyances and or streamers and/or motor vessels and/or airfreight

Voyages: From place and/or places in Australia to place and/or places in Australia. Other voyages held covered on cover conditions.

Principal Exclusions:
- Inherent vice, delay and/or nature of the subject matter
- Insufficient and/or improper packing
- Insolvency of carriers

Limits of Liability: As declared with a $100,000 maximum limit any one conveyance

Basis of Valuation: Current market value as declared

Deductibles: $100

Note:
This is a joint policy with PresCare
Claims Procedures

General

This section is designed to provide assistance in procedures to be followed in the event of any incident that might give rise to a claim occurring under any of your insurance policies.

All claims (except where otherwise agreed and noted herein) are to be reported immediately to Aon.

To enable the processing of the claim without delay and to minimise the possible damage or injury incurred, it is important that the following action be taken.

1. All reasonable steps should be taken following an accident or loss to protect the property or person from any further damage or injury.

2. Subject to the procedure for dealing with simple claims which is set out in Section 3.5, any incident which may give rise to a claim should be immediately reported to Aon to avoid any potential for denial of liability from underwriters alleging late notification.

3. Any loss by theft and/or wilful or malicious damage should be immediately reported to the nearest Police station.

4. Comply with the relevant claims procedure specific to the class of insurance for which the claim applies to.

5. Complete the correct claim form and attach all associated claims documents. Where a specific claim form has not been specified, the Aon General Claim Form should be used. This claim form is included within Appendix 1 of this Manual and is also available through the Aon website http://www.aon.com.au/.

6. Forward claim documentation including any supporting papers without delay to Aon. Documentation for simple claims of the type referred to in Section 3.5 should be forwarded directly to the Insurer in accordance with the procedure set out in that Section.
Industrial Special Risks

Property (Material) Damage

Generally, such claims relate to loss or damage to your property which may involve events such as fire, storm, explosion, flood, theft/burglary, malicious damage, etc.

Where there has been loss or damage to your property:

1. Take all reasonable steps to protect property from any further loss or damage.

2. Call the Police or other Emergency Services as required. Any loss by theft or wilful or malicious damage should immediately be reported to the nearest Police Station and details of the attending Police noted.

3. If you suspect that the loss or damage may exceed the policy deductible, notify Aon immediately of the details of the claim (e.g. description of incident, amount of loss, etc.). Aon will then provide further instructions on how to handle the claim.

4. Where required, complete a Claim Form and all claims documents as soon as possible after the occurrence whilst memory of the incident is still fresh in the minds of all concerned.

5. Ensure full cooperation with the Loss Adjuster appointed by your underwriter.

Business Interruption (BI)

This section relates to the consequential loss of profits that may occur as a result of a material damage loss, covered under the Industrial Special Risks policy.

In the event of a loss, the following steps should be taken:

1. Inform Aon of a potential BI Loss.

2. Meet with Aon Risk Accounting to understand your policy entitlement. Particularly whether the policy will respond to cover all losses including subsequent expenditure incurred to mitigate loss or restore normal business.

3. Consider appointing Aon Risk Accounting to represent your interests in:
   ♦ estimating loss,
   ♦ exploring appropriate loss mitigation initiatives,
   ♦ establish a plan to prepare claims for the purpose of restoring cash flow,
   ♦ assist in managing and responding to requests raised by the underwriter’s appointed Loss Adjuster,
   ♦ collate necessary information required by the Loss Adjuster.

4. Set up separate ledger accounts to capture all additional costs.
5. Copy all related invoices and create separate files for the purpose of substantiating any claim.

6. Inform all sales staff to record details of sales orders placed which cannot be met due to interruption.

7. Do all things reasonably practicable to minimise interruption to business.
General and Products Liability

Under No Circumstances Must Liability Be Admitted Either Verbally Or In Writing.

Upon the happening of any incident likely to give rise to a claim, the following points must be noted:

1. All reasonable steps should be taken following an accident or loss to protect the person or property from any further injury.

2. Advice must be forwarded to Aon, together with originals of all correspondence received from a third party and any other supporting documentation (e.g. incident report)

3. Where an Incident Report is to be completed, bear in mind the following:

   **Be Discreet** – Do not complete the Incident Report in front of the injured person. This may signal that an insurance claim may be possible.

   **Be Specific** – Remember, the report you write may be forwarded to your underwriter for assessment and evaluation purposes and may be admitted as evidence in court. Be specific and comprehensive in your details.

   **Provide Full Details** – Detail (no matter how trivial it may seem at the time), is the most essential component of your Report. In most instances, if the claim ever reaches a court of law, it may be several years down the track. Nobody will remember the specifics unless you write them down at the time of the Report.

4. No correspondence should be entered into with a third party except acknowledgement of receipt of the claim. The acknowledgement letter should read as follows:

   "Without Prejudice"

   We acknowledge receipt of your correspondence concerning an incident at [Location]. This is receiving our attention.

5. Do not give any interview or make any statement to a Loss Adjuster or other person investigating any accident or damage unless such person is acting on behalf of your underwriter.
“Claims Made” Policies

This section provides guidance on the procedure for notifying a claim or circumstances that might give rise to a claim under “Claims Made” policies.

The following policies are generally underwritten on a “Claims Made” basis:

- Management Liability Insurance,
- Directors’ and Officers’ Liability/Company Reimbursement Insurance,
- Professional Indemnity Insurance,
- Crime/Fidelity Insurance,
- Trustees’ Liability Insurance,
- Employment Practices Liability Insurance.

The trigger of “claims made” policies is the date an Insured or its representative first becomes aware that a potential claim may be made as a result of an alleged breach or an alleged error or omission.

This is different from other policies (e.g. General Liability, Property) which operate on an “occurrence” basis where the trigger is the date on which the incident giving rise to the claim occurred.

“Claims Made” policies typically contain an exclusion which provides that the policy will not cover claims where the claim or circumstance was known to the Insured prior to the inception of the policy.

Such policies also require that the claim or circumstances which may give rise to a claim in the future, be notified to the underwriter within the currency of the policy, as a pre-condition to indemnity.

In effect (and subject to Section 54 of the Insurance Contracts Act), there is no cover for anything known before the policy period or for anything which is known to the Insured during the policy period but not notified to underwriter during the policy period.

Aon strongly recommends that all facts and/or known circumstances that may have the potential to give rise to a claim in the future be notified within the current period of insurance.

Notifiable Matters

The following provides a practical guide as to notifiable matters:

1. Claims:
   - civil proceedings or written demand against the Company and/or individual insured seeking damages e.g. letter of demand alleging breach of employment practices duty,
   - criminal proceedings against the Company and/or an individual insured e.g. charge of breach of Occupational Health & Safety Act,
   - administrative or regulatory proceedings e.g. notice of proceedings for breach of Corporations Law regulations.

2. Circumstances:
awareness of conduct which may give rise to civil proceedings e.g. through allegations of breach of employment practices,

awareness of conduct which may have breached laws and which may result in criminal proceedings against an Insured and its representatives,

awareness of a breach of regulations which may give rise to administrative or regulatory proceedings.

3. Securities Claim:

written demand against the Insured seeking damages, e.g. alleging inadequate disclosure in a company document.

4. Representation at investigations and examinations:

receipt of notice (written or oral) that a representative of the Company and/or individual Insured is required to attend or appear at an official investigation, examination or inquiry into the affairs of the Company.

Notification Procedure

When an employee or officer becomes aware of a potential Claim or Circumstances:

1. Immediately advise the responsible staff member or department so that appropriate notification can be given to Aon.

2. Information forming part of the initial notification:

   ◆ brief synopsis or overview of the facts,
   ◆ intended course of action contemplated by the Insured in establishing the exposure of any Insured Person and/or the Company in terms of liability and quantum,
   ◆ any additional information available in support of notification.

3. When dealing with an initial complaint or potential claim, it is imperative that the Insured and/or its Representatives does not admit liability and does not make any offer of settlement nor incur defence costs without seeking prior approval and consent from underwriter(s). To do so could be construed as a failure to comply with policy conditions and has the potential to prejudice Insured’s position under the relevant policies.

4. Complete underwriter’s Claim Forms where required.
Motor Vehicle, Personal Accident, Marine Transit and Workers Compensation Claims Procedure

As indicated throughout this Section of the Report, timely notification of claims (and events that may give rise to claims) is critical to the maintenance of effective insurance cover. Timely notification is essential whether claims are dealt with on an occurrence basis or a claims made basis (see Sections 3.3 and 3.4) and once the insured has advised Aon of a claim (or incident that may give rise to a claim) it will normally be Aon’s responsibility to notify the matter to the insurer.

However, as indicated in Section 1.1, there are a number of classes of insurance coverage where additional handling of claims by Aon can be counter-productive to efficient, timely and cost effective resolution.

Consequently, Aon has developed a procedure whereby simple, low value claims arising from the following coverage classes will in future be directly reported to, and subsequently managed by, Insurers.

The Categories are:

- Travel
- Personal Accident
- Expatriate Medical
- Baggage
- Motor Vehicle – Please refer to the Motor Claims Procedures included below.

The procedure for managing claims that fall into these categories is as follows:

1. The client lodges the claim and supporting documentation directly with the insurer either by sending a claim form to the insurer or notifying by telephone, fax or email. Contact details to be provided as part of the renewal process.

2. The insurer reviews the claim and undertakes the process of managing the claim to finalisation. If further information is required the Insurer will approach our client directly to obtain such.

3. Resolution of the claim will take place between the Insurer and the client.

4. If the eventual outcome of the claim fits any of the criteria outlined in the escalation process then the claim is referred to Aon for discussion prior to any outcome being conveyed to the client.

Aon is very much aware that appropriate claims outcomes are of paramount importance to our clients.

To ensure that the right outcomes are achieved in relation to the categories described above, Aon has put in place appropriate Service Level Agreements with Insurers, together with inbuilt escalation points, to ensure that Aon is advised should claims management by Insurers not meet client expectations or the matter is, or could become, complex or of high value.
Escalation Points

The escalation points are designed to ensure that Aon becomes involved in the claim if there is a risk that the outcome could have a detrimental impact on the client. They are built into the process to ensure that Aon Claims Services and the clients Relationship Manager, are engaged by the insurer when necessary.

Examples of escalations include:

- any areas of coverage dispute such as denial, limited indemnity etc,
- the claim is, or has potential to be of high quantum (>100 000),
- claimant is an identified party or VIP e.g.: CEO, CFO, COO, CIO, MD, Partners & Directors.
Motor Claims Notification Procedures

As a driver of a Presbyterian Church of Queensland motor vehicle you are covered by a group Motor Vehicle Fleet Insurance underwritten by Vero Insurance Limited.

In the event of the unfortunate circumstance that your motor vehicle is damaged or stolen please contact Vero Claims First Response Unit on 1800 222 043 and advise the operator that you are driving a vehicle covered by policy number MSL013479608.

This can be done at the scene of the accident if you have a mobile phone. It will take approximately 10 minutes and the operator will talk you through the claim and take all details. They will also manage the repair process and expedite settlement of your claim and arrange a Contact Relationship Plan.

The First Response Unit is open to take calls 24 hours a day/7 days a week. If you do not make the call from accident scene, make it as soon as possible thereafter. If this is completed straight away it will not be necessary to complete any further claim forms.

AT THE SCENE OF THE ACCIDENT:

1. Ensure your safety, the safety of others and of the vehicle(s) and belongings.

2. **DO NOT ADMIT ANY LIABILITY.**

3. Comply with Police reporting requirements.

4. If another vehicle(s) or other person(s) property is involved, obtain:
   
   (i) The **owner’s** names, address and telephone number.
   
   (ii) The **driver’s** name, address, telephone number and if applicable license number.
   
   (iii) The name of the owner’s insurance company.
   
   (iv) The make, type and registration number of the vehicle(s).
   
   (v) The name and address of any witnesses and who they will be a witness for.

5. As soon as possible contact your superior and advise them of the accident and the action you have taken.
Personal Accident

In the event of injury, an Insured Person must:

1. Follow medical advice from a legally qualified and registered medical practitioner as soon as possible after sustaining the injury.

2. Complete the relevant Claim Form and forward it directly to the insurer without delay.

3. Undergo any medical examination by a doctor appointed by the underwriter if required.

4. Provide the underwriter with any additional information which they may require about the claim e.g. doctors’ report.

5. When lodging a claim, an Insured Person must advise the underwriter of any other insurance that may cover the same injury.
Marine Transit

1. Should insured goods be received in a damaged condition or if there is any reason to suspect damage, the attention of the Carrier’s or Shipper’s Representative should be immediately drawn to same and the delivery receipt claused accordingly.

2. In the event of suspected damage, it is suggested that the receipt be claused “Goods believed to be damaged. Accepted subject to survey in store”.

3. If there has been any malicious damage, burglary or theft, the police should be notified.

4. A letter of claim should be immediately lodged with the Carrier or Shipping Company’s Agent holding them responsible. The following is a sample letter of demand:

   Dear

   We are the owners of machinery/stock which was damaged whilst in transit from [     ] to [ ] on [Date].

   Since you were the carrier/shipper, we are holding you responsible for the loss.

   We are claiming payment of $[Amount] from you which is the cost of repair / reinstatement as shown on the enclosed invoice.

   Please make payment within seven days from the date of this letter.

   Yours faithfully,

5. Notify Aon of the loss or damage and provide an estimate of repair or replacement cost. This notification will enable Aon to notify the underwriter and arrange for a surveyor if required.

6. Send the completed claim form to Aon together with the following documentation:
   - supplier’s invoice,
   - bill of lading or consignment note,
   - claim on Carrier and reply,
   - delivery receipt,
   - original freight note or carbon copy,
   - details of possible salvage,
   - any other relevant documentation.
Workers’ Compensation

When an employee sustains an injury as a result of an accident arising out of or in the course of his or her employment:

1. The particulars of the injury must be reported to the employee’s supervisor.

2. Details of the incident must be recorded in the appropriate Register and the appropriate Workers Compensation claim form must be completed.

3. The claim form and incident must then be reported to the appropriate insurer or claims agent.

4. In the event of a serious accident where there may be a possibility of Common Law action against the Company, the Company Secretary or other designated officer must be advised immediately.
Claim Forms
Certificates of Currency

From time to time, you may be required to provide evidence of insurance cover to interested parties such as lessors, financiers, etc. Included are generic certificates relating to your property and liability insurance policies.

Where additional interests are required to be noted on the policies, please provide the relevant details to your Aon contact who will then arrange for the certificates to be issued.
About Aon

Aon Corporation (NYSE: AON) is the leading global provider of risk management services, insurance and reinsurance brokerage, and human capital consulting. Through its more than 36,000 colleagues worldwide, Aon delivers distinctive client value via innovative and effective risk management and workforce productivity solutions. Aon's industry-leading global resources and technical expertise are delivered locally through more than 500 offices in more than 120 countries. Named the world's best broker by Euromoney magazine's 2008, 2009 and 2010 Insurance Survey, Aon also ranked highest on Business Insurance's listing of the world's largest insurance brokers based on commercial retail, wholesale, reinsurance and personal lines brokerage revenues in 2008 and 2009. A.M. Best deemed Aon the number one insurance broker based on brokerage revenues in 2007, 2008 and 2009 and Aon was voted best insurance intermediary, best reinsurance intermediary and best employee benefits consulting firm in 2007, 2008 and 2009 by the readers of Business Insurance. For more information on Aon, log onto aon.com.

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Statutory and Other Notices

Presbyterian Church of Queensland

31 August 2013 to 31 August 2014

October 2013
Statutory and Other Notices

It is essential that you carefully read and understand the following notices. If you have any queries please seek advice from Aon.

Duty Of Disclosure

In accordance with the provisions of the Insurance Contracts Act 1984 (Cth), you and everyone who is an insured under your policy and/or everyone who arranges insurance on behalf of a business entity and/or body corporate, must comply with the Duty of Disclosure. Make sure that you explain the duty to any other insured’s you apply on behalf of and/or to others involved in arranging insurance.

The duty requires you to tell an insurer certain matters which will help it decide whether to offer insurance and, if so, on what terms.

The duty applies at the first application for a policy and on any renewal, variation, extension or replacement of the policy.

The type of duty that applies can vary according to the type of policy.

To assist Aon in protecting your interests, it is important that you tell us every matter that:

- you know, or
- a reasonable person in the circumstances could be expected to know,
- is relevant to the insurer’s decision whether to offer insurance and, if so, on what terms.

Aon will then assist you in determining what needs to be disclosed to the insurer in order to meet your duty.

Examples of matters that should be disclosed are:

- any claims made in recent years for the particular type of insurance;
- refusal by an insurer to renew a policy;
- any unusual feature of the insured risk that may increase the likelihood of a claim.

Failure to comply with the duty may give the insurer the right to cancel the policy or reduce the amount it pays in the event of a claim. If the failure to comply with the duty is fraudulent, the insurer may treat the policy as if it never existed and pay nothing.

Even if Aon is handling claims for you, you must disclose these matters on your proposal. Aon cannot complete or add to your proposal in any way.
If you are uncertain about whether or not a particular matter should be disclosed, please contact Aon.

*The Duty of Disclosure must be taken seriously as it may affect your right to claim.*

The history of losses suffered and claims made by the party seeking insurance, or any person, firm or company closely associated with that party, is one of the principal matters to be disclosed. It is therefore imperative that you maintain an up-to-date record of all such losses and claims.

Whilst Aon will maintain records of all losses reported to us during the term of our appointment as your Broker, we do not accept responsibility for obtaining details of prior losses or for checking in any particular instance that you have made proper and complete disclosure.

We recommend you:

- supply all management and senior staff with a copy of the Duty of Disclosure Notice;
- emphasise to them that the Duty of Disclosure applies not only at inception of the insurance, but also when policies are altered or renewed;
- point out to them that disclosure is most important in matters touching upon past claims, cancellation of insurance covers, premium penalties and any other matters which may influence an underwriter’s acceptance of the risk such as criminal convictions or insolvency of previous companies; and
- have a system in place which ensures that all relevant matters come to their attention.

**Waiver of Rights**

Some policies contain a clause that limits or excludes claims where the insured has limited its rights to recover a loss from another party in circumstances where that other party is responsible for the loss. For example, this may happen where the insured has entered into a contract limiting the liability that the other contracting party would have been under in the absence of the contract.

If you have entered into, or propose to enter into a contract which might limit rights against another contracting party, please let Aon know, so that we can advise you about how the agreement affects, or will affect, your cover.

**Claims Made Policies**

Directors’ and Officers’ Liability, Comprehensive Crime, Professional Indemnity and Superannuation Trustees’ Liability policies and some other liability policies are written on a “Claims Made” basis.

This means that they cover only those claims made against you during the period of insurance. In some cases you must also notify the insurer of the claim during the period of insurance.

A Claims Made policy does not provide cover in relation to:

- claims made after the expiry of the period of insurance even though the event giving rise to the claim may have occurred during the period of insurance;
- claims notified or arising out of circumstances notified under any previous policy;
claims made against you prior to the commencement of the period of insurance;
claims arising out of circumstances noted on the proposal form for the current period of insurance or on any previous proposal form; and
events that occurred prior to the retroactive date of the policy (if such a date is specified).

However, where you give notice in writing to the insurer of any facts that might give rise to a claim against you as soon as reasonably practicable after you become aware of those facts, but before the expiry of the period of insurance, the policy will, subject to its terms and conditions, provide cover even if that claim is made after the expiry of the period of insurance. For this reason, you must send us written notice during the policy period of any facts or events that might give rise to a future claim. If you do not, you may not have cover if a claim arises later.

Upon expiry of the policy no further claims can be made there under and the need to maintain insurance or the arrangement of run-off cover is essential.

Occurrence Basis Policies
Combined General Liability, Industrial Special Risks, Travel, Aviation, Contract Works, Marine policies and some other policies are written on an occurrence basis.

This means when there is an incident/occurrence giving rise to a claim, the policy that responds is the policy that was in force at the time of the incident/occurrence.

Interests of Other Parties
Many policies exclude cover for an interest in the insured property held by someone other than the named insured, unless that interest is specifically noted on the policy. For example, if property is jointly owned, or subject to finance, the interest of the joint owner or financier may be excluded if it is not specifically noted on the policy.

Generally, the safest course is to have all interests in all property insured noted on each policy.

Unauthorised Foreign Insurers
If one or more of the insurance companies concerned with a particular policy is an unauthorised foreign insurance company Aon will notify you of this fact. Nothing stops an unauthorised foreign insurer from issuing insurance to you.

An unauthorised foreign insurer is an insurer that does not directly carry on insurance business in Australia (ie they operate overseas only) and thus is not required to be licensed to do so under the Insurance Act 1973 (Cth). Such insurers are not subject to the Act which establishes a system of financial supervision of general insurers in Australia. You can obtain further information from Aon on the insurer such as where it is incorporated, its paid up capital, whether it is subject to financial regulation, and the laws that will apply to any dispute.
Utmost Good Faith

Every contract of insurance is based on the principle of utmost good faith, requiring each party (which means both you and the insurer) to act towards the other party in respect of any matter arising under the contract, with the utmost good faith. If you fail to do so you may prejudice your rights under the policy and in particular, any claim.

Change of Risk or Circumstances

It is important that you advise Aon of any material alterations to your business or products or indeed of any development which may have a bearing on the adequacy of your Insurance Program.

Your insurers have assessed and accepted your risks at an agreed premium on the basis of information provided during the placement and/or subsequent renewals of your insurance policies. Any variation of those details, if not advised to them, could prejudice the insurance cover.

The following list may be used as a guide to activities that should be notified to Aon when they are being proposed or when they occur so that action can be taken to ensure your interests are adequately protected. It is by no means a complete list so, when in doubt, contact Aon for guidance:

- Acquisition of new companies and/or mergers and/or joint ventures (including sale or disposal of subsidiary companies).
- Purchase, construction or occupancy of new premises, alteration, vacation, temporary unoccupancy, extension or demolition of existing premises. Details of any new building or alteration work should be advised during the planning stage.
- Proposed installation of significant items of plant, machinery or equipment.
- Increase in value in excess of insured limits for buildings, plant and stock.
- Substantial removal of stock or equipment to other locations.
- Contractual liabilities (i.e. leases, hiring agreements), particularly any contracts which impose greater than usual liabilities.
- Granting of indemnities or hold harmless agreements e.g. lease agreements, contracts for supply or maintenance of fire protection and/or burglary protection equipment.
- Changes in processes, property occupancy, products or extension of business operations, including new products or processes.
- Alteration, amendment to or disconnection of fire or burglary protection systems.
- Charter or operation of aircraft or waterborne craft, other than ordinary commercial passenger travel.
- Developments involving establishment or extension of overseas operations or export of products.
- If Fidelity Guarantee (or Employee Theft) is insured, any alteration to the system of checks, supervision, audits and the like must be advised to insurers immediately.
- Issuance of any shares, debentures, ADRs; issuance of a prospectus or Information Memorandum; listing on a stock exchange; issuance of public or private offerings.
- Advice of other activities which could affect the nature of the risk originally accepted by insurers.
Early notification of development projects at the planning stage will enable Aon to further assist you by:

- developing a sound and economical approach to construction insurance;
- reviewing indemnity and insurance clauses of contracts to ensure they are drafted in your best interests and do not prejudice your insurance program;
- mutually analysing and agreeing upon standards of fire protection and security;
- introducing Aon’s experienced consultants, to advise you on important aspects of Safety and Risk Management;
- mutually analysing your exposure to financial loss if the project is delayed, to determine your need for Advanced Business Interruption Insurance.

Average (Co-Insurance) Clause

Many policies, principally Industrial Special Risks (Material Damage and Business Interruption), Fire and Perils, General Property, Computer and Machinery Breakdown, contain an “average” (otherwise called “co-insurance”) clause. This type of clause requires you to bear a proportion of each loss or claim if the sum insured is inadequate to cover the full potential loss. In effect, you are treated as if you self-insured a proportion of the risk because you did not insure the full value of the risk.

In order to avoid the application of average to a claim it is essential to ensure that the level of insurance is adequate whenever you arrange a new policy or renew an existing one. If insurance is on a “reinstatement and replacement” basis (i.e. “new for old”), the sum insured must be for the full cost of replacing the insured property with new property.

Aon does not calculate or approve the sums insured that you notify to us. Aon has a specialist division which offers valuation services. If you would like to know more about this service, please contact your Aon representative.

Note: Insurance valuations typically represent reinstatement / replacement costs and estimates of related professional fees exclusive of GST, on the assumption that most commercial property owners will be entitled to a 100% Input Tax Credit on outlays incurred in the event of a loss.

It is customary for insurers to establish an insured’s GST status upon receiving a claim and to arrange settlement on a GST neutral basis.

Insured’s who may not be entitled to a 100% Input Tax Credit are advised to ensure that their property insurance valuations – and their sums insured – correctly reflect their GST status.

Binder Agreements

Aon has binder agreements with some insurers under which we are authorised to commit those insurers to providing cover without reference to them. Some of the classes of insurance provided in your program may be placed under such binder agreements.

When acting under a binder agreement we will be acting under an authority given to Aon by the insurer and will be effecting the insurance contract as agent of the insurer and not as your agent.
Nevertheless, we believe that in respect of those classes of insurance written under a binder agreement, the policy terms are very favourable and the rates are highly competitive. In addition, our binder arrangements with the insurers are such that we remain your agent in the handling of any claims that might arise under any of the policies written.

**Mis-statement of Premium**

Aon makes every effort to determine the correct amount of premium and statutory charges that apply to your insurance. In the event that Aon mis-state that amount (either because we have made an unintentional error or because a third party has mis-stated the amount), we reserve the right to correct the error.

By instructing Aon to arrange insurance for you, you agree, where permitted by law, that you shall not hold Aon responsible for any loss that you may suffer as a result of any such mis-statement.

**Essential Reading of Policy Wording**

Your policy wordings have been issued or will be issued to you as soon as they are received from the insurers. It is absolutely essential that you read these documents and advise Aon in writing of any aspects which are not clear or where the cover does not meet with your requirements.

**Terrorism Insurance Act 2003**

The Terrorism Insurance Act 2003 (the Act) deems terrorism cover into certain commercial insurance policies – eligible insurance contracts – covering eligible property in Australia.

In broad terms, the Act applies to non-residential buildings, structures, other works and their contents. Business Interruption covers which relate to the ownership or occupation of such property, and liability policies, to the extent that the liability arises from the ownership or occupation of such property, are also embraced by the legislation.

To qualify as an eligible insurance contract, a policy must be subject to a terrorism exclusion. Upon an event being deemed a declared terrorism incident by the Government, the Act renders terrorism exclusions inoperative and insured’s may lodge claims with their insurers for losses caused by the terrorist incident. Apart from the terrorism exclusion, all other terms and conditions of policies deemed to be eligible insurance contracts remain the same.

Policies which contain an Act of Terrorism exclusion and which are designated an eligible insurance contract in terms of the Terrorism Insurance Act, are generally identified accordingly. Subject to all other terms and conditions of policies so designated, coverage is amended to the extent provided by the Terrorism Insurance Act 2003.