

**Motor Vehicle Insurance Policy MVT2011V1**

**Issued to various TAFE Institutions by  
Victorian Managed Insurance Authority**

**For the period  
30 June 2011 to 30 June 2012**

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## THE AGREEMENT

In consideration of the Insured named in the Schedule having paid or agreed to pay to the Victorian Managed Insurance Authority (hereinafter referred to as VMIA) the Premium shown in the Schedule, VMIA agrees, subject to the terms, Conditions, Exclusions, Extensions, Definitions, and any other provisions contained herein or endorsed herein, to indemnify the Insured against loss or liability as described in the policy occurring within Australia and during the Period of Insurance to the extent and in the manner hereinafter provided.

## IMPORTANT DEFINITIONS

In the Policy some words have a special meaning (whether expressed in the singular or plural):

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

**"Excess"** means the amount specified in the Schedule and elsewhere in the Policy which You must contribute to each and every claim. The Excess applies to each of Your Vehicles and each claim on Your Vehicle.

**"Gross Vehicle Mass" or “GVM”** means the maximum weight a vehicle can carry including its own weight according to manufacturer's specification.

**"GST"** means Goods and Services Tax.

**"Loss"** means sudden physical loss, damage or destruction to Your Vehicle caused by an unexpected event not otherwise excluded.

**“Market Value”** means Our assessment of the value of Your Vehicle immediately prior to Loss.

**"Period of Insurance"** means the period shown in the most recent Schedule or a subsequent period for which the Policy has been renewed.

**"Policy"** means this document, the Schedule and any other notice We give You in writing. Together they form The Agreement.

**"Schedule"** means the attachment which forms part of the Policy and shows the Policy number, together with the details of Your cover.

**“Sum Insured”** means the amount or Market Value shown in the Schedule.

**"Vehicle(s)"** means the motor vehicle(s) and/or trailer(s) described in the Schedule including manufacturer's standard tools, accessories and appliances.

**"We" "Us" "Our"** means Victorian Managed Insurance Authority, ABN 39 682 497 841 of 35 Collins Street, Melbourne, Victoria ,3000, Australia, herein after known as the VMIA.

**“You” “Your”** means the insured named in the Schedule.

## **SECTION 1 - COVER FOR YOUR MOTOR FLEET**

We will indemnify You for Loss by paying, at Our option:

- (a) to repair, reinstate or replace Your Vehicle, or
- (b) an amount equal to Your Vehicle's Market Value, or
- (c) the Sum Insured shown in the Schedule

If Your Vehicle has a Gross Vehicle Mass exceeding 3.2 tonnes and at the time of Loss the Sum Insured on Your Vehicle is less than 80% of the Market value, then We will pay only such proportion of the repair costs as the Sum Insured bears to the current Market Value of Your Vehicle.

The amount insured by the Policy and any claim settlements, exclude GST. However, if there is a shortfall between the GST component of Your claim and the amount of Input Credit to which You are entitled, We will pay this shortfall in addition to the claim settlement.

### **ADDITIONAL BENEFITS - Applicable to Section 1 Where there is Loss We will also pay:**

#### **1. Completion of Journey Costs**

If Loss occurs more than 250 kilometres from where Your Vehicle is normally garaged, the reasonable costs incurred to:

- (a) hire another vehicle of similar make and model to complete the journey or to return Your driver to where the journey first commenced.
- (b) return Your Vehicle to the premises where it is normally garaged
- (c) obtain overnight accommodation if the journey cannot be completed in the same day as the Loss occurs.

We will not pay more than \$1,500 under this Additional Benefit in respect of any one.

#### **2. Personal Property**

For loss of or damage to personal property of You or Your employees but not more than \$1,000 in respect of any one Loss.

#### **3. Hiring Costs following Theft**

The cost of hiring a replacement vehicle of similar type following theft of Your Vehicle but only:

- (a) for a period of not more than 14 days
- (b) up to the date of recovery of Your Vehicle

whichever is the earlier.

#### **4. Lease Payout**

If Your Vehicle is damaged beyond an amount We consider economical to repair and the Market Value is less than the amount owing by You under a valid hire purchase, leasing or

other finance agreement, an additional amount not exceeding 20% of the Market Value but less any:

- (a) payments and interest in arrears at the time of Loss
- (b) discount in respect of finance charges and/or interest for the unexpired term of such an agreement.

## **5. New Replacement Vehicle**

To replace Your Vehicle with a new vehicle of similar make and model (subject to local availability) but only in the event of Your Vehicle being:

- (a) a sedan, station wagon, utility or goods carrying vehicle with GVM of less than 3.2 tonnes, and
- (b) deemed a Total Loss within 12 months of its first registration as a new vehicle.

## **6. Removal or Retrieval Costs**

The necessary cost of removal or retrieval of Your Vehicle (excluding debris or load) to the nearest repairer or place of safety and to any other location approved by Us up to a maximum of \$25,000 per event.

## **7. Removal of Debris**

Costs and charges that are necessarily incurred to clean up or remove debris resulting from goods falling or leaking from Your Vehicle.

We will not pay more than \$25,000 under this Additional Benefit in respect of all claims arising from one accident.

## **8. Signwriting**

The replacement cost of signwriting or fixed advertising signs or materials forming a permanent part of Your Vehicle at the time of Loss.

## **9. Tyre Replacement**

For any tyre damaged and unable to be used again as a direct result of Loss, provided that the condition of the damaged tyre's remaining tread conformed with all legal requirements at the time of Loss, and was not recapped or retreaded.

We will pay for the cost of replacing the damaged tyre with a new tyre of similar make and specification.

## **10. Windscreen**

In respect of breakage of windscreen and consequent scratching to body work without applying any Excess. This Additional Benefit applies only in the event of Your Vehicle being a sedan, station wagon, utility or goods carrying vehicle less than 3.2 tonnes Gross Vehicle Mass.

## **11. Keys and Locks**

If the keys to Your Vehicle are lost or damaged or there are reasonable ground to believe Your keys may have been illegally duplicated, the cost of replacing Your Vehicle keys

and/or locks up to a maximum of \$2,000 any one Period of Insurance.

## **SPECIFIC EXCLUSIONS - Applicable to Section 1**

We will not pay for:

1. damage to the tyres of Your Vehicle caused by the application of brakes or by road punctures, cuts or bursts.
2. for Loss if reasonable steps to protect or safeguard Your Vehicle have not been taken.
3. any consequential loss or financial expenses (other than as provided under Additional Benefit 3) incurred as a result of You not being able to use Your Vehicle.
4. Loss under Section 1 where Your Vehicle is insured only for Third Party Property Damage as indicated in the Schedule.
5. depreciation, wear and tear, rust or corrosion, mechanical, structural, electrical or electronic breakdown or failure.
6. Loss arising from theft or conversion by a prospective purchaser.
7. Loss arising from failure of, or defect or fault in, the design or specification of Your Vehicle.

## **SECTION 2 - LIABILITY TO THIRD PARTIES**

In respect of legal liability as the result of an accident caused by, or in connection with, Your Vehicle resulting in damage to property and/or loss of use of property belonging to someone other than You, We will indemnify:

- (a) You, or
- (b) any other person driving, using or in charge of Your Vehicle with Your consent, or
- (c) any authorised passenger getting in, on or out of Your Vehicle, or
- (d) Your employer or principal if Your Vehicle is being driven on their behalf with Your consent.

We will not pay more than \$30,000,000 in respect of all claims (including the cover provided by Additional Benefits 1 to 10) arising from one accident or series of accidents resulting from a single original cause.

**ADDITIONAL BENEFITS - Applicable to Section 2** Where there is liability under this Section We will also pay:

### **1. Supplementary Bodily Injury (other than "Compulsory Third Party")**

The amount which You may be held legally liable to pay as compensation in respect of death or bodily injury arising out of the use of Your Vehicle with Your consent, provided that Your Vehicle is registered for use on a public road when such liability is incurred.

## **2. Defence Costs**

The reasonable costs of legal representation if Your driver is charged with careless driving causing death. We will not pay more than \$5,000 under this Additional Benefit in respect of any one accident.

## **3. Goods, Carried, Loaded and Unloaded**

For damage to property caused by goods falling from Your Vehicle, including while being loaded or unloaded.

## **4. Legal Costs**

All legal costs and expenses incurred with Our written consent.

## **5. Movement of Other Vehicles**

For damage to property arising out of the movement of any vehicle parked in a position so as to prevent or impede the loading, unloading or legitimate passage of Your Vehicle.

## **6. Non-Owned Vehicle**

For damage to property caused by or arising out of the use of any vehicle not described in the Schedule by You or hired to You while such vehicle is being driven by any person who is authorised by both You and the owner of the vehicle to use the vehicle on Your behalf and in connection with Your business. However, We will not pay for damage to the vehicle itself.

## **7. Non-Owned Vehicles in Your Car Park**

For damage to vehicles belonging to Your employees or visitors contained within a car park owned or operated by You (Exclusion 3 of this Section does not apply in this regard).

## **8. Towing Disabled Vehicles**

For damage occasioned whilst Your Vehicle is towing any disabled vehicle provided such disabled vehicle is not being towed for reward or financial gain.

## **9. Trailers**

For Damage to property caused by or arising out of the use of any trailer attached to Your Vehicle provided that the number of trailers does not exceed the number permitted by law.

## **10. Employer or Principal**

The amount which Your employer or principal may be legally liable to pay as compensation, arising out of the use of Your Vehicle by Your employer or principal, in connection with Your employer's or principal's business.

**SPECIFIC EXCLUSIONS - Applicable to Section 2 We will not pay for:**

1. any claim caused by or in connection with Your Vehicle, or any plant or equipment attached to Your Vehicle, if it is a tool or item of plant or equipment and is being used for the purpose for which it was designed, other than for driving on a public road.
2. claims caused by discharge, dispersal, release or escape of any trade waste material.
3. damage to property belonging to or held in trust or in the custody or control of You or any entity or person entitled to indemnity under this Section.
4. any fines, penalties, or aggravated, exemplary or punitive damages.
5. claims in respect of death or bodily injury if You or any person using Your Vehicle with Your consent:
  - (a) is partly or wholly entitled to indemnity under any compulsory statutory insurance scheme or accident compensation scheme, or
  - (b) would have been entitled but for a failure to insure or register Your Vehicle or lodge a claim or comply with a term or condition in accordance with the requirements of any such scheme.
6. any claim resulting from death or bodily injury to any:
  - (a) person driving and/or in charge of Your Vehicle
  - (b) of Your employees
  - (c) member of Your family
7. death or bodily injury if Your Vehicle is registered in the Northern Territory of Australia.
8. any liability in connection with, directly or indirectly caused by or arising from asbestos or asbestos products or asbestos contained in any products.

**GENERAL EXTENSIONS - APPLICABLE TO ALL SECTIONS**

**1. Automatic Inclusion**

The Policy includes any vehicle purchased, hired, leased or otherwise acquired whilst in Your care, custody and control from the time of acquisition.

Provided that You will notify Us immediately:

- (a) with particulars of any newly acquired vehicle with a market value in excess of \$150,000
- (b) if the number or total value of vehicles covered exceeds 125% of the figures at inception of the current Period of Insurance
- (c) in the event of You being involved in a merger or takeover.

## **2. Contractual Liability**

We will indemnify You for liability arising under any undertaking or indemnity given or contracted by You provided that such liability would have attached under the Policy in the absence of such undertaking or indemnity.

## **3. Cross Liability**

The words "You" and "Your" will be considered as applying to each party named in the Schedule in the same manner as if that party were the only party named therein and We waive Our rights of subrogation against each such party. However this Extension will not increase any limits specified in the Policy.

## **4. L.P.G. Conversion**

The Policy includes Your Vehicles which have been modified to operate on liquefied petroleum gas provided such modification has been carried out in accordance with the relevant statutory standard.

## **5. Other Interested Parties**

The cover provided under Section 1 - Cover for Your Vehicle extends to include any entity or person who has a financial and insurable interest in Your Vehicle.

## **6. Sea Transportation**

We will pay General Average and Salvage Charges which are incurred whilst Your Vehicle is being transported by sea between places in Australia.

## **7. Subrogation Waiver**

We will waive any rights or remedies or relief to which We may become entitled by subrogation against any entity or person where You have been required by contractual agreement to release such party from liability.

## **GENERAL EXCLUSIONS - APPLICABLE TO ALL SECTIONS**

We will not pay for loss or liability if:

1. Your Vehicle is driven by You or by any person with Your consent who is not licenced to drive Your Vehicle under any relevant law.
2. Your Vehicle is driven by any person:
  - (a) whose faculties are impaired by any drug or intoxicating liquor, or
  - (b) who is convicted of driving, at the time of Loss, under the influence of any drug or intoxicating liquid, or
  - (c) with a percentage of alcohol or drugs in their breath, blood or urine in excess of the percentage permitted by law, or
  - (d) who refuses to provide or allow the taking of a sample of breath, blood or urine

for testing or analysis as required by law.

However, We will pay if You did not know or could not reasonably have known that the driver of Your Vehicle was so affected or refused to undergo an appropriate test at the time of Loss, but We will not cover the driver of Your Vehicle.

3. Your Vehicle is used to carry a greater number of passengers or to convey or to tow a load in excess of that for which Your Vehicle was constructed. We will pay if the Loss or liability was not caused or contributed to by such greater number of passengers or load.
4. Your Vehicle is used in an unsafe or unroadworthy condition and such condition caused or contributed to the Loss or liability. We will pay if You could not have reasonably detected the unsafe or unroadworthy condition.
5. Your Vehicle is used:
  - (a) for any illegal purpose with Your knowledge or consent
  - (b) in connection with the motor trade for experiments, test, trials, demonstration or breakdown purposes
  - (c) for carrying passengers for hire or reward other than under a private pooling arrangement.
  - (d) for or being tested in preparation for any race, rally, trial, speed trial, test, contest, motor sport, or driver training course conducted without Our written consent.
6. occasioned by lawful seizure or other operation of law.
7. of any nature directly or indirectly caused by, resulting from, or in connection with, any of the following regardless of any contributing cause or event:
  - (a) war, invasion, acts of foreign enemies, hostilities or warlike operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power; or
  - (b) any Act of Terrorism or any action taken in controlling, preventing, suppressing or in any way relating to any Act of Terrorism; or
  - (c) radioactivity or any radioactive substances or nuclear fuel, nuclear waste or nuclear material.
8. if Your Vehicle is being used or attached to or towing a vehicle being used for the commercial transportation of dangerous goods as defined in the Australian Code for the Transport of Dangerous Goods by Road or Rail. However, if transportation complies with such Code, then the maximum We will pay in respect of all claims arising out of one accident is \$250,000.
9. occurring whilst Your Vehicle is:
  - (a) on rails other than as cargo
  - (b) in an underground mine, mining shaft, or tunnels which are not public roads.

10. intentionally caused by You or any person acting with Your consent.
11. any GST, or any fine, penalty or charge for which You are liable arising out of Your misrepresentation of, or failure to disclose, Your actual Input Tax Credit entitlement in the settlement of any claim or premium relating to the Policy.

## **GENERAL CONDITIONS - APPLICABLE TO ALL SECTIONS**

### **1. Claims Procedures**

- (a) You or Your legal representative must provide full details in writing to VMIA as soon as possible after the occurrence of any circumstances which may become the subject of a claim under this Policy
- (b) You or any person making a claim under this Policy must not make any admission of liability or payment or promise or offer or payment in connection with any such claim without the written consent of VMIA.
- (c) You must not without the prior consent of VMIA, authorise repairs to the Insured Vehicle which is subject of a claim under this Policy.

### **2. Cancellation**

You may cancel the Policy by giving written notice to Us and We will refund the unused premium after the application of Our customary short term premium rates.

We may cancel the Policy only in accordance with the provisions of the *Insurance Contracts Act 1984*.

### **3. Interpretation**

- (a) Any word or expression which is given a specific meaning in the Policy will have that meaning where ever it may appear provided that it commences with a capital letter.
- (b) words in the singular include reference to the plural and vice versa
- (c) headings have been included for ease of reference and the terms and conditions of the Policy are not to be construed or interpreted by reference to such headings.

### **4. Entitlement**

Any person or entity entitled to cover under the Policy is bound by the terms of the Policy.

### **5. Excess**

You will have to contribute the Excess and one of the following additional amounts if Your Vehicle is:

- (a) a rigid or articulated truck and the person driving is under 25 years of age - \$3,000,
- (b) a rigid or articulated truck and the person driving is over 25 years of age and has less than 2 years experience driving such type of vehicle - \$3,000,

- (c) a sedan, station wagon, utility or goods carrying vehicle other than referred to in 5(a) or 5(b) and the person driving is under 21 years of age \$1,000, or aged 21 or over 21 and under 25 years of age - \$500.

The total Excess otherwise payable will be doubled if Loss occurs from the operation of any lifting mechanism or hoist which forms part of Your Vehicle.

#### **6. Transfer of Interest**

No interest in the Policy can be transferred without Our written consent.

#### **7. Diligence**

You will take all reasonable steps to protect Your Vehicle and will comply with all legal requirements regarding the safety, maintenance and operation of Your Vehicle.