



BEDROCK
EXTENDED MECHANICAL
WARRANTY POLICY

Thank you for purchasing the Bedrock Extended Mechanical Warranty Policy.

This **Policy** provides benefits for **You** and **Your** relationship with **Your** clients.

- **Ease of Comfort:**

Manage **Your** business with peace of mind, with the knowledge that **You** are covered against unexpected Breakdowns provided they do not arise from general wear and tear, and/or a failure to carry out the general servicing requirements.

- **Ease of Control:**

Relax with the knowledge that it is easier to control **Your** expenses and cash flow.

- **Ease of Repairs:**

Subject to the terms and conditions of the **Policy**, if at any time during **Your Period of Insurance**, **Your** Machine requires repairs or replacement of **Components**, **We** will at **Our** opinion conduct an assessment. **We** will either replace or repair the **Components** with duplicate or componentry quality or pay the reasonable costs of such repair or replacement.

- **Ease of Resale Value:**

Should **You** choose to privately sell **Your** equipment during the **Policy Period**, for a small fee, this product is transferrable to the new owner for the balance of the **Period of Insurance** and **Aggregate Repair Limit**.

This Policy may be considered an asset to Your business.

We will help You to get the most out of Your mechanical investment.

It is essential to Us that You understand what exactly is covered;

- **The Policy terms and conditions**
- **What to do when a potential Claim arises**
- **Who to contact should you have any queries**

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INTRODUCTION TO THE POLICY

We will cover the parts listed in the **Policy** for each valid **Claim** subject to the below conditions:

- Make a valid **Claim** for the failed parts (**Components**) covered by this **Policy**;
- Take **Your Machine** for its scheduled services;
- Ensure that the **Premium** is paid “up front” at point of sale;
- **You** uphold **Your** obligations under the terms and conditions of this **Policy**.

We will not cover **You** if **Your Machine** experiences an unforeseen **Breakdown** (as defined in the **Policy**) caused by any of the issues outlined below (*please note this list is not exhaustive*):

- failing to properly service, maintain and upkeep the **Machine**;
- faulty workmanship connected to the service of the **Machine**;
- wear and tear;
- parts within the **Machine** that have been modified;
- parts within the **Machine** that were not originally fitted by the manufacturer;
- the **Machine** catching fire or being damaged by lightning; or
- parts within the **Machine** that are recent or new installations that are covered under existing manufacturing warranties;

If **Your Machine** experiences a **Breakdown** which is not caused by any of the above circumstances or other exclusions contained in the **Policy**, **We** will cover the cost of replacing, repairing, reinstalling the **Components** listed on **Page 10** or provide you with the option to collect the cash equivalent.

Your Policy and its coverage will only incept and be active once the Premium has been paid.

You will not have any coverage under this Policy for an event that arises before Your Premium has been paid.

This **Policy** is a legal contract between **You** and **Us**.

‘**We**’, ‘**Us**’ and ‘**Our**’ refers to Certain Underwriters at Lloyds of London as the insurance provider. Certain services are performed by the **Insurer/the Underwriter**.

The words ‘**We**’, ‘**Us**’ and ‘**Our**’ include the underwriting manager even though they are not an official party to this **Policy**.

‘**You**’ and ‘**Your**’ refers to the individual named in the **Policy Schedule** and called the **Insured**. The **Insured** has rights under this **Policy**.

The **Policy Wording** explains the benefits, conditions, exclusions as well as claims process and requirements.

The **Policy Schedule** summarises **Your** cover details. The **Policy Schedule** also highlights the specific terms and conditions which are important at the start of this contract.

You must ensure that **You** understand **Your** cover and responsibilities by reading ALL the sections of **Your Policy**. If **You** have any questions, please contact the listed contact in the disclosure notice.

We are not bound by *any* **Policy** changes unless **We** agree *in writing* and include them in this **Policy** by sending **You** a new **Policy Schedule**. The latest product document replaces the previous version.

HOW TO READ THIS POLICY

To ensure **Our** communications with **You** are transparent and easy to understand, all **Policy** documents and all communications with **You** about this Extended Mechanical Warranty Policy will be provided in plain English.

Here are a few things to assist **You** when reading this **Policy Wording** and your Product Disclosure Statement ('**PDS**');

- Important insurance words are explained under **DEFINITIONS**.
- These words appear in **bold** throughout the policy.
- Should you have any disability that impairs communication, please notify us before entering into this agreement, as we will gladly set up a means to help.

THIS DOCUMENT:

- Contains details of the cover that **You** have purchased, its exclusions and the requirements to maintain the validity of this Extended Mechanical Warranty Policy coverage.
- Has been designed to pay for the repair costs or, at **Our** option, the replacement costs, resulting from a **Breakdown**.
- Will only become effective when **We** have received the completed and signed application form along with the **Premium** payment.
- Provides the coverage stated in this document only and any relevant endorsements outlined in **Your Policy Schedule** (where applicable). Always check your **Policy Schedule** and read it alongside this **Policy Wording**.

THE POLICY SCHEDULE

Please ensure that all information in the **Policy Schedule / Certificate** is accurate and correct. Should it be incorrect or not relevant to **Your** needs, please contact **Us** immediately.

BACKGROUND OF THIS POLICY

The overarching purpose of this insurance product is to protect **You** against any sudden and unforeseen **Breakdown** of the insured **Machine**. The duration of the Extended Mechanical Warranty **Policy Period** and the maximum **Sum Insured** will be outlined on the **Policy Schedule**. No **Claim** can be paid until **We** have received the completed application form and **Premium** payment in full.

We will provide cover for the actual failed parts and the cost of labour, materials and sundries required to return the insured **Machine** to its pre-claim condition.

This **Policy** does not include maintenance or service costs.

TYPE OF COVER

You are covered up to the **Single Repair Limit** of \$50,000 in respect of each accepted **Claim** for repair, except where otherwise stated in the **Level of Cover** (e.g. where you have elected a higher **Single Repair Limit**), and the **Aggregate Repair Limit** of \$100,000 in total for all repairs during the **Period of Insurance** which is also referred to as the **Period of Insurance**.

The **Single Repair Limit** shall apply to mechanical repairs of the insured **Machine** once a **Claim** has been assessed and indemnity granted.

The **Aggregate Repair Limit** will be reduced by the cost of any repairs during the **Period of Insurance**.

GOODS AND SERVICES TAX (GST)

Where **You** are GST registered, GST will apply.

CERTIFICATION OF COVER

This **Policy Wording** along with **Your Policy Schedule** are **Your** warranty insurance documents and together these make up the contract between **You** and **Us**.

It is important that **You** read through this **Policy Wording** and **Your Policy Schedule** carefully so that **You** can be sure and are aware of the cover available to **You**.

Before buying and entering into this insurance policy **You** should ensure **You** are certain that this product meets **Your** individual requirements.

This **Policy Wording** along with **Your Policy Schedule** is issued to **You** by certain **Insurer/Underwriters** at Lloyds. Honan Insurance Group distributes this product as **Our** agent under a binder agreement B1179Q200220000 and receives a commission for each Policy that is sold.

In return for **Your** payment of **Premium** **You** shall be insured and covered subject to the **Policy Wording** and its terms & conditions including any endorsements or special conditions that may be outlined in your **Policy Schedule**.

Signed by



Authorised signatory of Honan Insurance Group

YOUR POLICY TERMS AND CONDITIONS

This section outlines the general terms and conditions of how **Our** relationship with **You** will operate.

This includes some of **Your** responsibilities under the **Policy**. It is important **You** read and understand what **You** are required to do.

1. This **Policy Wording** and the **Policy Schedule** together form the Extended Mechanical Warranty insurance policy, shall be read together as one contract ('this/the **Policy**').
2. Any word or expression to which a special meaning has been given shall have the same meaning wherever it may appear. These words and expressions are explained in the **Definitions section on page 9**
3. Only the parts specifically listed in the "Covered Components Section" are covered by this Policy.

Duty of Disclosure

4. At inception and upon renewal **You** must disclose to **Us** all things **You** know or would think it reasonable for **Us** to know in relation to the Machine(s) being insured under this **Policy**. After inception, **You** have an obligation to notify **Us** if there is a material change in the risks covered under this **Policy**. e.g., **You** obtain more **Machines** that **You** wish to be covered, **You** dispose of a **Machine** that was listed in your **Policy Schedule**, or **You** upgrade a **Machine** listed in your **Policy Schedule**. This also means if **You** have invested in more second-hand **Machines** or the value of the **Machine** has increased due to rarity, **You** must notify **Us** upon becoming aware of such a change. **You** must be honest, and **You** have a duty under the Insurance Contracts Act 1984 to tell **Us** anything: known to **You**; and which a reasonable person in the circumstances would include in answer to any questions. **Your** answers will be used to help the Insurer decide whether to insure **You** and anyone else under this **Policy**, and on what terms. It is important that **You** understand **You** are answering the questions on behalf of yourself and anyone else that **You** would like to be covered by the policy.
5. The **Duty of Disclosure** outlined in item 4 applies until **We** and/or the **Insurer** agree to any variations, extensions, reinstatements or renewal of an insurance contract e.g., the **Policy**.
6. If **You** breach your **Duty of Disclosure**, **We** may treat this **Policy** as if it never existed.

Subrogation and Salvage

7. **You** must not prejudice **Our** rights in any manner whatsoever by making or entering into any agreement with a third party that will prevent or limit **Us** from recovering the loss from that party (or another party who would otherwise be liable). E.g., where you agree to waive **Your** rights of subrogation and/or agree that an indemnity is full and final resolution of a matter. **You** must also not prejudice **Our** rights to salvage for the **Claim** and coverage under **Your** Policy. This situation can occur when **You** sign a contract containing an indemnity clause, "hold harmless" clause or a release that waives subrogation rights or salvage rights. **You** may only agree to such situations where **You** have obtained the **Insurer's** and **Our** consent in advance. If **You** do this without obtaining consent, **We** may reduce the amount covered for a **Claim** by the amount **We** have been prejudiced by e.g., **We** may reduce the value paid to **You** for a **Claim** by any salvageable value we could have recovered for any **Component** replaced for a **Machine**.
8. **You** must advise **Us** as soon as possible, and within 5 days of the date of the event, of any incident which may result in a **Claim**. **You** must adhere to the claims' procedure specified within the **Policy**. Each **Claim** once lodged will be assessed against the terms of the **Policy Wording** before indemnity is extended and cover provided.

Mitigation of Loss

9. **You** shall take all reasonable steps to avoid and mitigate further damage occurring.
NB: **We** will not accept a **Claim** for additional damage caused as a result of the continued use of the **Machine** after a **Component** has suffered a fault.

Servicing of Machine(s)

10. No **Claim(s)** will be considered unless all servicing has been carried out in accordance with the manufacturer's servicing requirements. **We** reserve the right to examine the **Machine** and failed **Component(s)** to obtain an expert assessment.

If you do not uphold obligations
11. **We** will not accept a **Claim** where it is apparent, or becomes apparent, that the terms and conditions of the **Policy** have not been fully complied with.

If you provide false or fraudulent information
12. If **You** make a **Claim** knowing it to be false or fraudulent in any way, this **Policy** will be cancelled from the date of such **Claim** and **You** must repay all sums paid in respect of any previous false or fraudulent **Claims**. Legal action will be taken to recover costs and damages.

If you have more than one insurer or cover
13. This **Policy** will not cover any **Claim** covered by an existing insurance policy or any manufacturer's warranty.

You can transfer the Policy with our consent
14. This **Policy** may be transferred to another purchaser, subject to approval by **Us**. No refund of **Premium** will be made available.

You must arrange for a pre-sale Dealer inspection
15. Prior to the sale of the **Machine**, the **Dealer** must conduct a pre-delivery inspection to confirm, so far as is reasonably possible, that the covered **Components** are in good condition without any defects. This pre-delivery inspection report must be undertaken by a suitably qualified technician and a copy of the pre-delivery inspection report will be provided to **Us** before cover can commence.

You must ensure warning lights and gauges work
16. **You** must ensure that all warning lights and gauges are always operating correctly. **We** will not accept a **Claim** for additional damage caused because of the continued use of the **Machine** after a warning light is illuminated or after a gauge indicates abnormal operation.

You must document the Machine's servicing
17. It is **Your** responsibility to provide proof that the **Machine** service schedule and records of this history has been fully complied with.

This Policy is Australia only
18. The geographical limit of this **Policy** is *Australia only*.

Repairs can only be conducted with an authority number
19. No repairs may commence under the terms of this **Policy** unless **We** have issued an authority number for an agreed amount. **We** will not accept a **Claim** for work carried out without prior authorisation.

Calculation of labour time
20. Labour times are calculated using the standard repair times and includes diagnosis, timing adjustments, the cleaning of assemblies and resurfacing costs.

We have a right to specify which you must follow
21. **We** reserve the right to specify the use of guaranteed reconditioned, exchange units or guaranteed factory parts. The parts liability for any **Claim** will be limited to the cost of these **Components**.

DEFINITIONS

ADMINISTRATOR/ BROKER

Honan Insurance Group (WA) Pty Ltd.

AGGREGATE REPAIR LIMIT

Sum Insured (\$100,000) or as otherwise negotiated and outlined in **Your Policy Schedule**.

BREAKDOWN

The sudden and/or unforeseen and/or accidental failure of, or damage to, a **Component** resulting in physical damage to the **Machine** causing the stoppage of the **Machine's** function and requiring the repair and/or replacement of the entire **Component** or part of the **Component** before normal operation can resume. For example, an unforeseen and sudden Breakdown that occurs due to a failure that is in no way connected to issues arising from wear and tear or the age of the Machine or any of the exclusions under the Policy terms and conditions. This definition excludes any **Breakdown** arising from or connected to wear and tear, normal deterioration, negligence or wilful failure to manage and maintain the upkeep of the **Machine** as required by the manufacturer's guidelines and/or as reasonably required.

CLAIM

An indemnifiable event that is covered under this policy to which the **Aggregate and Single Repair Limit** applies.

COMPONENT(S)

Any mechanical part which forms part of the **Machine's** original specification and is insured under the relevant **Level of Cover** identified on pages 10 and 11.

COOLING OFF PERIOD

Means the fourteen (14) days from the day **You** purchase the **Policy**, where **You** are entitled to request a refund of the **Premium** and cancel the **Policy** provided no **Claim** has been made by **You**.

DEALER

The licensed dealer who **You** purchased the **Machine** from.

DUTY OF DISCLOSURE

Your Duty to Us as described in item 4 of the general terms and conditions

EXCESS

The first part of each claim made under this policy which is payable by **You**.

INSURER/UNDERWRITER

Certain Underwriters at Lloyd's of London.

LEVEL OF COVER

The section of cover as stated in **Your Policy Schedule**.

MACHINE

The **Machine**, vehicle or similar mechanical instrument as specified in **Your Policy Schedule**.

PERIOD OF INSURANCE/POLICY PERIOD

The term stated in the Schedule which is attached to and forms part of this Extended Mechanical Warranty Policy which give details of the insurance.

POLICY SCHEDULE

Means your Certificate of Insurance which outlines the details of your insurance coverage including the Premium and your Aggregate and Single Repair Limits.

POLICY/POLICY WORDING

This document which outlines your terms and conditions of coverage.

PREMIUM

means the amount payable for the insurance coverage, which, once paid means your insurance coverage has been incepted.

REPLACEMENT COSTS

The cost of replacement **Components** of similar or identical make and quality as the **Component** which has suffered the **Breakdown**, this includes the labour cost of fitting the new **Component**.

SINGLE REPAIR LIMIT

Sum Insured (\$50,000) or as otherwise outlined in **Your Policy Schedule**.

SUM INSURED

The maximum amount that can be claimed in total.

WE, US OR OUR

The **Administrator** or Underwriter.

YOU OR YOUR

Refers to the individual named in the Policy Schedule and called the Insured. The insured have rights under this policy.

WHAT IS COVERED

COVERED COMPONENTS

Only the **Components** listed under the following headings are covered. **Any item not specifically mentioned is NOT COVERED.**

The following specifically listed **Components** and labour costs are covered against unforeseen **Breakdown** (subject to the **Aggregate and Single Repair Limit**), if **You** comply with the terms and conditions of this **Policy**.

CASINGS

Should the failure of the covered **Component** result in damage to any associated casing, the replacement of the casing will constitute part of the **Claim** costs (within the **Single Repair Limit**).

DRIVE AXLES/ DIFFERENTIAL

Internally lubricated hard parts including carrier case, gear sets, bearings, bushings, and axle shafts. The differential housing or casing is covered only if damaged by the failure of a covered **Component**.

Consequential damage resulting from failure(s) of non-covered **Components(s)** including, but not limited to: oil seals and gaskets, universal and constant velocity joints, is not covered.

ENGINE

Internally lubricated hard parts limited to: pistons, piston rings, gudgeon pins, connecting rods, connecting rod bolts and bearings, crankshaft, main bearings, thrust washers, camshaft and cam bearings, cam followers, rocker arms and shafts, pushrods, solid and hydraulic lifter, intake and exhaust valves, valve springs, valve guides, oil pumps, fuel pumps, fuel injectors, fuel injector pumps and nozzles, timing gears.

The engine block, cylinder head(s), timing case cover, oil pan, valve covers, and intake manifold are covered if, and only if, damaged by the failure of a covered **Component**.

Cylinder liners are considered an integral part of the cylinder block and are covered only if damaged by a covered **Component**.

Consequential damage resulting from failure(s) of non-covered **Components(s)** including, but not limited to: oil seals and gaskets, radiators, external oil coolers and cooler lines, water pump, thermostat, motor mounts, or electronic control units (ECU's), is not covered.

HYDRAULIC DRIVE/ HYDRAULIC SYSTEM (EXCLUDING CLAMPS, HOSES & PIPEWORK).

Motor Piston Groups (Hydraulic Drive), Differential Steering & Steering Clutches for Track Machines, Hydraulic Drive Motors, Hydraulic Cylinders, Steering System Cylinders, all Hydraulic Controls, Brake Valves and Hydraulic Valves, Pressure Reduction Valve, Accumulator's and Relief Valves, Final Drives for tracked and wheeled machines.

OIL SEALS & GASKETS

Crankshaft, Camshaft, gearbox, differential, hydraulic seals, and all other oil seals and gaskets are only covered when the removal of the engine, gearbox, differential or hydraulic component is essential to carry out a repair for a claimable failure of a covered **Component** (within the **Single Repair Limit**).

TRANSMISSION

Internally lubricated hard parts of the manual or automatic transmission including shaft(s), gear sets, shift forks, synchronizers, blockers, oil pump, hydraulic valve body, torque converter, governor, bands, drums, bearings, bushings and thrust washers.

The transmission casing is covered only if damaged by the failure of a covered **Component**.

Consequential damage resulting from failure(s) of non-covered **Components**(s) including, but not limited to: oil seals and gaskets, electronic control units (ECU's), shift levers, linkage, radiators, mounts, external oil coolers and cooler liners, manual transmission clutch-disc plate, pressure plate, throw-out or thrust bearing, pilot bearing, hydraulic clutch master and slave cylinder(s), is not covered.

TURBO CHARGE

The complete unit is covered provided it forms part of the manufacturer's original equipment, including the wastegate if it is an integral part of the unit, and cannot be bought separately.

Policy cover is conditional upon the turbo being serviced, re-cored or replaced as per the Turbo's manufacturer's recommended service intervals.

WORKING MATERIALS

Where an authorised repair requires the replacement or topping up of oils, anti-freeze or other fluids and/or the replacement of the oil filters, these will also constitute part of the **Claim** costs (within the **Single Repair Limit**).

IMPORTANT NOTE:

YOU MUST AUTHORISE THE DISMANTLING OF ANY COMPONENT(S) FOR INSPECTION AND DIAGNOSIS. IF AFTER SUCH DISMANTLING HAS TAKEN PLACE, NO LIABILITY OR DAMAGE HAS BEEN FOUND THAT WOULD BE COVERED UNDER THIS POLICY, YOU MUST BEAR THE INCURRED COST OF DISMANTLING.

WHAT IS NOT COVERED (SPECIFIC EXCLUSIONS)

SPECIFIC ITEMS EXCLUDED AND NOT COVERED:

When **You** read this section, it is important to note that these exclusions relate to components connected and related to the general maintenance of the **Machine(s)**. We will not extend cover to **Breakdowns** that arise from wear and tear and/or arising for failures connected to the **Machine(s)** general maintenance (or failure to responsibly conduct and uphold the **Machine(s)** general maintenance).

1. Ad blue system and associated hoses, pipework, wiring looms and sensors.
2. Any component listed as “not covered” within the “what is covered” section of this policy.
3. Any of the following parts: bodywork, paintwork, exterior trim, glass, mirrors, interior trim, door handles, and seating frames or runners, light fittings and bulbs, wiper arms, batteries, wheels and tyres.
4. Breakdown as a result of fuel contamination, use of an incorrect grade of fuel or oil, lack of antifreeze, lubrication or servicing, or failure to meet the current emission legislation requirements.
5. Damage caused by overheating, freezing, corrosion, blockages or the intrusion of harmful substances.
6. Damage caused by the ad blue system being tampered with, including but not restricted to: modifications undertaken outside the manufacturer’s recommendations, and electronic interference with its computer or controller and dispensing system.
7. Diesel particulate filter (dpf).
8. Exhaust gas recirculation (egr) system and valves.
9. Exhaust systems, manifolds, and/ or catalytic converters.
10. Glow plugs, heating elements and fuel system, including but not limited to: fuel pump, fuel injector pump, fuel injectors and fuel lines, injecting timing adjustments, calibration and/ or bench testing.
11. Normal wear and tear/ service items including but not limited to: plugs, leads, clamps, brake and clutch frictional material, wiper blades cables, pipes, hoses, wiring, wiring looms and drive belt.
12. Selective catalytic reduction (scr) system and valves.
13. Water pump and/or drive belts.

GENERAL EXCLUSIONS

As with the Specific Exclusions, it is important to read this section and keep in mind that We will not cover You for Claims that arise from the below circumstances.

We will not cover Claims for, or caused by, or arising from or in connection with, any of the following:

1. **Breakdown** arising from manufacturer's defects, inherent design faults or recall campaigns, during or after the manufacturer's warranty period. This means **We will not cover You for Breakdowns that fall outside of the defined term of Breakdown listed on Page 9.**
2. **Breakdown to Components** which have been modified or altered where the modification or alteration falls outside the manufacturer's approved specifications.
3. **Breakdown to Components** not originally fitted by the manufacturer (this will not exclude coverage for **Components** that were original parts from the manufacturer fitted by a properly licensed and manufacturer approved specialist/mechanic/technician provided documentation evidencing this can be provided to **Us**).
4. Routine maintenance operations and/or adjustments of any **Component(s)**.
5. **Breakdown** which is recoverable under any other insurance or warranty.
6. **Breakdown** resulting from:
 - Wear and tear;
 - Overheating, frost, corrosion, flooding, impact, fire, abuse or neglect;
 - A defect which existed prior to the insurance taking effect;
 - Lack of coolant, lubricant or hydraulic fluids;
 - Incorrect servicing or faulty repair;
 - An incorrect grade of lubricants, fuel or hydraulic fluids, including biofuels not recommended by the manufacturer;
 - The entry of foreign matter into fuel, lubricants or cooling system; or
 - Where the **Machine** is subjected to gross axle or maximum permissible loads which exceed the permitted levels set by the manufacturer.
 - **Breakdown to uninsured Components.**
7. Any consequential loss that is not directly associated with the incident which caused the **Claim**:
 - Wear and tear, freezing, overheating, intrusion of foreign matter, corrosion, neglect, lack of servicing, lack of lubrication or anti-freeze, gradual deterioration or replacement of parts which have reached the end of their effective working lives.
 - Faults which existed at the time of purchasing the **Machine**, which are attributable to a previously faulty repair, or servicing of the Machine, use of an incorrect grade or type of fuel or oil or faults associated with routine maintenance, servicing or progressive failures.
8. Any third-party claims including bodily injury, road hazard or fire damage claims, or losses occurring as a direct result of external or impact damage to the **Machine**.
9. The cost of establishing preventative maintenance procedures or the cost of recall by the manufacturer of the **Machine** or any part thereof, or the cost of alterations, additions, improvements or overhauls.
10. Any **Breakdown**:
 - Caused by the application of any tool or process during maintenance, inspection, modification or overhaul;
 - Due to fire, lightning, explosion, extinguishing of a fire or subsequent demolition, aircraft or other aerial devices or articles dropped therefrom, theft or attempted theft, collapse of buildings, flood inundation, escape of water from water-containing apparatus, earthquake, subsidence, landslide, avalanche, hurricane, cyclone, volcanic eruption, or similar natural catastrophes;
 - Caused by any intentional act or wilful neglect by **You**; or
 - Caused by drive on damage, neglect or abuse of any kind.
11. The cost of making good any loss or damage arising out of the normal wearing out or wearing away of any part of the **Machine**, or its degradation or reduction in operational performance due to working stresses, abrasion, erosion or corrosion which are attributable to defects in materials.
12. Any loss arising from any incomplete, ineffective or inappropriate repair of the **Machine**.

13. Recurring failures relating to **Components** as follows:
- Failures of new **Components** that have an existing warranty cover from the manufacturer; or
 - Failure of existing **Components** (as defined on Page 11 & 12 and listed as covered) where a failure has occurred on more than one occasion within a 30 day period between failures (or less).
14. The costs of transporting the covered **Machine** to a repairing workshop is excluded in the event of a **Claim** not being valid.
15. Any claim resulting from:
- War, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power, riot or civil commotion, terrorist activity of any kind.
 - Ionising radiation or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel.
 - Pressure waves caused by aircraft or other aerial devices travelling at sonic or supersonic speeds.
 - Any external cause, including any collision, impact or other accidental damage external to the **Machine**.
 - The use or operation, as a means for inflicting harm, of any computer, computer system, computer software program, malicious code, computer virus or process or any other electronic system.
16. We shall not provide any benefit under this contract of insurance to the extent of providing cover, payment of any claim or the provision of any benefit where doing so would breach any sanction, prohibition or restriction imposed by law or regulation.
17. Any **Excess** which may apply to a **Claim**.

CLAIMS

Please read the “How to Claim” section thoroughly – and remember:

1. It is essential that an authority number is obtained from **Our** Claims Department before any repairs are carried out.
2. The **Components** are covered against **Breakdown** due to sudden and unforeseen circumstances only. *Please refer to the definition of **Breakdown** and **Components** for clarity.*
3. Oil leaks are only covered under this **Policy** if the removal of the engine, gearbox, differential or hydraulic unit is essential to carry out a claimable **Component** repair.
4. **You** must take all reasonable steps to avoid further damage from occurring.

Our objective is to place **You** in the same financial position as **You** were before the **Breakdown** event took place, subject to the cover limits set out in the **Policy Schedule**. **We** do not intend to put **You** in a position where the **Machine** would be repaired to be brand new.

HOW TO MAKE A CLAIM

If at any time **You** suspect that **You** have a **Claim** which may be covered by this **Policy**, **You** must notify **Us** before any works/repairs are carried out.

1. **You** must notify us of the **Claim** as soon as possible but within 5 days of the incident. If **Your Machine** breaks down outside working hours, on a weekend or on a public holiday, **You** must tell **Us** on the following working day.
2. **We** will tell **You** what evidence and other documents **We** require from **You** to process the **Claim**. *The broker/claims manager will most likely require the following information in order to begin lodging a **Claim**:*
 - **Your Name and Policy** number;
 - Confirmation that **Your** relevant service schedule has been complied with and that all original receipts are available.
 - **The Machine** mileage and/or hour meter reading at the time of the **Breakdown**.
3. Claims Process:

Take the **Machine** to an agreed or nominated repairer and obtain an estimate for the repairs. The repairer must then contact **Us**, quoting the above information, while confirming an exact cause of failure. Should an assessor/ loss adjuster be required, then **We** will arrange for one to be appointed.

This cost will be included and covered by the **Aggregate Repair Limit** of **Your Policy** and will not reduce the **Single Repair Limit** of **Your Claim**.
4. If the workshop needs to investigate the cause of the failure to prepare a quote, they will need **Your** permission to continue. ***You must get Our written approval before repairing Your Machine or before incurring more costs.***
5. If **Your Claim** is Valid
If **Your Claim** is valid, **We** will repair, replace or pay **You** for damages.
6. Should **We** accept the **Claim**, **We** will issue a **Claim** number for any agreed cost estimates. Any amount exceeding this will remain **Your** responsibility.
7. An original, fully detailed and itemized invoice and any proof of servicing that is requested, should be directed to **Your** broker/ claims manager.
8. Authorisation of the repairs will remain valid for 30 days. If no communication is made during this period of time, the authority for repairs will be withdrawn and the **Claim** will be rendered void.

FRAUD

We take a vigorous approach to fraud prevention in order to keep **Your Premium** rates down so that **You** do not have to pay for other people's dishonesty. Should any **Claim** under **Your Policy** be fraudulent, lodged in error, deliberately exaggerated, or be intended to mislead, or if any purposefully misleading means are used by **You** or anyone acting on **Your** behalf, **We** will take the following measured into hand:

- **Your** right to any benefit will end;
- **Your Policy** will be cancelled;
- No **Premium** will be refunded;
- **We** will be entitled to recover any benefit paid and costs incurred as a result of any such fraudulent or deliberately misleading **Claim**;
- If necessary, **We** may also notify the police/law enforcement.

In order to prevent such fraudulent acts, insurers sometimes share information.

Details of **Your** insurance application and any **Claim** made by **You**, may be disclosed between **Insurers/Underwriters**. *For more information please refer to our [Privacy Policy](#) located on **Our website**.*

CANCELLATION

Your rights to cancel this Policy

You may cancel **Your Policy** within 30 days of the inception date, or if any later, 30 days from the time that **You** receive this **Policy Wording**.

We will refund any **Premium** **You** have paid if **You** have not made any **Claim** and do not intend to make a **Claim**.

Your right to cancel after the Cooling Off period

If **You** cancel **Your Policy** after the **Cooling Off** period, **You** are entitled to a refund to the **Premium** which will be calculated on a pro-rata basis based on the **Policy Period** that remains before expiration of the **Policy**; provided no **Claim** has been made by **You** under the **Policy**. e.g., If **You** cancel the **Policy** in June and the **Policy Period** is from January to December, **You** will be refunded the **Premium** on a pro-rata basis for the period from June to December only.

Cooling off Period and Cancellation Rights

You can exercise **Your Cooling Off** rights and cancel the **Policy** within fourteen (14) days of the date **You** purchased the **Policy** and receive a refund of the **Premium** paid, provided **You** have not exercised any right or power under the **Policy** (e.g made any **Claim**) and these rights and powers have not ended.

Our rights to cancel this Policy

We reserve the right to cancel the **Policy** immediately if **You** commit fraud or fraudulently misrepresent and/or mislead **Us** in performing **Your Duty of Disclosure** at inception or renewal as stated above.

If **We** cancel **Your Policy**, **We** will do so in writing.

Our rights to elect to cancel or adjust Your Premium in certain circumstances

We may also consider cancellation of **Your Policy** if you fail to notify us for a material change in risk during the **Policy Period** if it adversely impacts and prejudices **Our** rights. This may occur if and when the risk changes to such an extent that an adjustment in **Premium** would not be contemplated upon **Us** being notified and cover would not have been extended.

We may choose to charge **You** an additional amount to account for an adjustment in the **Premium** in such an event where the material risk, if it had been notified to us, would have been covered.

OTHER IMPORTANT INFORMATION

SEVERAL LIABILITY

The underwriting insurer's obligations under contracts of insurance are several and not joint and are limited solely to the extent of their individual subscriptions and underwriting obligations. If there is more than one insurer underwriting this product, insurers are not responsible for the subscription and/or underwriting obligation(s) of any co-underwriting insurer or its failure to satisfy all or part of its obligation.

DUTY OF GOOD FAITH

Both parties to an insurance contract, the **Insurer** and the insured, must act towards each other with the utmost good faith. If **You** fail to do so, **We** may be able to cancel **Your Policy**.

ADDITIONAL USEFUL INFORMATION OUR SERVICE PROMISE TO YOU

We intend and strive to provide great customer service.

Clients who are not fully satisfied with our services should contact **Us**. Honan is a member of the Australian Financial Complaints Authority (AFCA), a fair and independent financial services complaint resolution that is free to customers. Further information is available from us, or contact AFCA directly on 1800 931 678, email info@afca.org.au or visit www.afca.org.au

WHAT TO DO IF YOU ARE UNSATISFIED WITH OUR SERVICES

Should **You** have any question or concerns regarding this insurance product or the handling of **Your Policy**, **You** should follow the below complaints procedure:

1. Notify **Your** broker of your concerns. They will attempt to rectify the problem within 3 days with the involvement of their manager.
2. Should **You** not be satisfied with this outcome, notify **Your** broker and they will refer the file to Honan's Internal Dispute Resolution ('IDR') team who will independently review the issue. **Our** IDR team who will endeavour to resolve **Your** complaint within 1-2 days.
3. Should **You** still be dissatisfied outcome following IDR, **You may refer the matter** to AFCA for investigation and resolution.

Please note that this procedure does not affect **Your** legal rights.

PRIVACY NOTICE

Unless the context otherwise provides, in this section 'We', 'Our', or 'Us' means the Underwriters and the Administrator (Broker).

We value the privacy of personal information and are committed to the protection of your privacy. We are bound by the Privacy Act when We collect, use, disclose or handle personal information.

We collect personal and/or business information in order to provide Our various services to You such as insurance broking, claims management and risk management consultancy. We disclose both personal and business information to third parties who are involved in the provision of Our services or related entities of ours. In addition, We may also provide information to the extent required by law or regulatory requirements.

If You do not provide the requested personal information, We may not be able to evaluate, effect, manage or administer Your policy and You may also be in breach of Your duty of disclosure.

We are committed to enforcing Our privacy policy, which will ensure the privacy and security of Your personal information.