

# Excess Liability Insurance

Policy Wording



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# Welcome to Zurich

## About Zurich

The insurer of this product is Zurich Australian Insurance Limited (ZAIL), ABN 13 000 296 640, AFS Licence Number 232507, a subsidiary of Zurich Financial Services Australia Limited (ZFSA). In this document, ZAIL may also be expressed as 'Zurich', 'we', 'us' or 'our'.

ZAIL is part of the Zurich Insurance Group, a leading multi-line insurance provider with a global network of subsidiaries and offices. With about 55,000 employees, the Zurich Insurance Group delivers a wide range of general insurance and life insurance products and services for individuals, small businesses, mid-sized and large companies, including multinational corporations, in more than 170 countries.

## Duty of Disclosure

Before you enter into an insurance contract, you have a duty to tell us anything that you know, or could reasonably be expected to know, may affect our decision to insure you and on what terms.

You have this duty until we agree to insure you.

You have the same duty before you renew, extend, vary or reinstate an insurance contract.

You do not need to tell us anything that:

- reduces the risk we insure you for; or
- is common knowledge; or
- we know or should know as an insurer; or
- we waive your duty to tell us about.

## If you do not tell us something

If you do not tell us anything you are required to, we may cancel your contract or reduce the amount we will pay you if you make a *claim*, or both.

If your failure to tell us is fraudulent, we may refuse to pay a *claim* and treat the contract as if it never existed.

## Our contract with you

Your Policy is a contract of insurance between you and Zurich and contains all the details of the cover that we provide.

Your Policy is made up of:

- the Policy wording. It tells you what is covered, sets out the claims procedure, exclusions and other terms and conditions of cover;
- the *proposal*, which is the information you provide to us when applying for insurance cover;
- your most current *schedule* issued by us. The *schedule* is a separate document unique to you, which shows the insurance details relevant to you. It includes any changes, exclusions, terms and conditions made to suit your individual circumstances and may amend the Policy; and
- any other written change otherwise advised by us in writing (such as an endorsement). These written changes vary or modify the above documents.

This document is used for any offer of renewal we may make, unless we tell you otherwise. Please keep your Policy in a safe place. We reserve the right to change the terms of this product where permitted to do so by law.

## Privacy

Zurich is bound by the Privacy Act 1988 (Cth). We collect, disclose and handle information, and in some cases personal or sensitive (health) information, about you (your details) to assess applications, administer policies, contact you, enhance our products and services and manage claims (Purposes). If you do not provide your information, we may not be able to do those things. By providing us, our representatives or your intermediary with information, you consent to us using, disclosing to third parties and collecting from third parties your details for the Purposes.

We may disclose your details, including your sensitive information, to relevant third parties including your intermediary, affiliates of Zurich Insurance Group Ltd, other insurers and reinsurers, our banking gateway providers and credit card transactions processors, our service providers, our business partners, health practitioners, your employer, parties affected by claims, government bodies, regulators, law enforcement bodies and as required by law, within Australia and overseas.

We may obtain your details from relevant third parties, including those listed above. Before giving us information about another person, please give them a copy of this document. Laws authorising or requiring us to collect information include the Insurance Contracts Act 1984 (Cth), Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth), Corporations Act 2001 (Cth), Autonomous Sanctions Act 2011 (Cth), A New Tax System (Goods and Services Tax) Act 1999 (Cth) and other financial services, crime prevention, trade sanctions and tax laws.

Zurich's Privacy Policy, available at [www.zurich.com.au](http://www.zurich.com.au) or by telephoning us on 132 687, provides further information and lists service providers, business partners and countries in which recipients of your details are likely to be located. It also sets out how we handle complaints and how you can access or correct your details or make a complaint.

## General Insurance Code of Practice

We are signatories to the General Insurance Code of Practice (the Code) and support the Code.

The objectives of the Code are:

- to commit us to high standards of service;
- to promote better, more informed relations between us and you;
- to maintain and promote trust and confidence in the general insurance industry;
- to provide fair and effective mechanisms for the resolution of complaints and disputes you make about us; and
- to promote continuous improvement of the general insurance industry through education and training.

The Code Governance Committee is an independent body that monitors and enforces insurers compliance with the Code.

Further information about the Code or the Code Governance Committee and your rights under it is available at <https://insurancecouncil.com.au/cop/> or by contacting us.

## Complaints and Disputes Resolution process

If you have a complaint about an insurance product we have issued or the service you have received from us, please contact your intermediary to initiate your complaint with us. If you are unable to contact your intermediary, you can contact us directly on 132 687. We will acknowledge receipt of your complaint within 24 hours or as soon as practicable.

If you are not satisfied with our initial response, you may access our internal dispute resolution process. Please refer to the general insurance fact sheet available on our website for details of our internal dispute resolution process.

We expect that our internal dispute resolution process will deal fairly and promptly with your complaint, however, you may take your complaint to the Australian Financial Complaints Authority (AFCA) at any time.

AFCA is an independent external dispute resolution scheme. We are a member of this scheme and we agree to be bound by its determinations about a dispute. AFCA provides fair and independent financial services complaint resolution that is free to you.

Their contact details are:

Website: [www.afca.org.au](http://www.afca.org.au)

Email: [info@afca.org.au](mailto:info@afca.org.au)

Freecall: 1800 931 678

In writing to: The Australian Financial Complaints Authority, GPO Box 3, Melbourne, Victoria 3001.

If your complaint or dispute falls outside the AFCA Rules, you can seek independent legal advice or access any other external dispute resolution options that may be available to you.

# Excess Liability Insurance

In consideration of the *insured* having paid or agreed to pay the premium, Zurich, on the basis of all information provided to us, agrees with the *insured* to provide insurance as follows, subject to the provisions of this Policy and on the basis that this Policy shall not be in force unless it has been signed by an authorised Zurich official.

## 1. Insuring Clause

- 1.1 Subject to the Limits of Liability and the terms and conditions and of this Policy, Zurich shall indemnify the *insured* in accordance with the Terms, Conditions, Definitions, Exclusions and Endorsements of the *primary policy* and subject to the Limitations, Restrictions or Exclusions contained in or added by Endorsement to any other *underlying insurance*.
- 1.2 Zurich shall only be liable if a *claim* is covered by or, but for the erosion of the limits of liability of all *underlying insurance*, would have been covered by the *primary insurance*, and only after all *underlying insurance* has been exhausted by payment of any *compensation*.
- 1.3 This Policy shall not provide broader coverage than would be provided by any of the reduced or exhausted *underlying insurance*; except as otherwise expressly stated and/or agreed to in this Policy.

## 2. Extensions of Cover

### 2.1 Step Down Clause

- 2.1.1 If an aggregate Limit of Liability for any policy of *underlying insurance* is partially or totally exhausted by reason of *compensation* paid or payable by *underlying insurers*, and for which indemnity is provided under this Policy, Zurich will, subject to the Terms and Conditions of the *primary policy*, in the event of:
  - (a) partial exhaustion: pay the excess of the reduced Limits of Liability for the *underlying insurance*; or
  - (b) total exhaustion: treat this Policy as the *underlying insurance*, and on the basis that this Policy shall only pay in excess of any *deductible* or *self insured retention* specified for the *underlying insurance*, for the remainder of the *period of insurance* stated in the *schedule*.
- 2.1.2 In the event of partial or total exhaustion of an aggregate Limit of Liability for an *underlying insurance* by reason of *compensation* outside the scope of the indemnity provided by this Policy, then such *compensation* will be deemed not to have exhausted the aggregate Limit of Liability of the *underlying insurance* for the purposes of this Policy.
- 2.1.3 This Policy does not indemnify the *insured* in respect of any liability which is the subject of any Sub-Limit in any *underlying insurance* specified in the *schedule* of this policy.

### 2.2 Costs Clause

- 2.2.1 If the *underlying insurers* invoke their right to pay *costs* and *expenses* pursuant to the *underlying insurance* for which they are responsible up to the time of such payment, then Zurich may agree to pay for further *costs* and *expenses* for which the *underlying insurers* would have been liable had they not invoked such right.
- 2.2.2 In the event of a *claim* or *claims* for which there is indemnity under this Policy, then provided:
  - (i) the *primary policy* indemnifies the *insured* for *costs* and *expenses*; and
  - (ii) Zurich has agreed to incur *costs* and *expenses* under this Policy,then Zurich will pay a proportion of such *costs* and *expenses* in the ratio that the amount of indemnity payable under this policy (excluding *costs* and *expenses*) bears to the total sum payable by the *insured* (excluding *costs* and *expenses*) in the settlement of such *claim* or *claims* after making proper deduction for all recoveries and salvages whether recovered or not.

### 3. Definitions

When used in this Policy, its *schedule* and its Endorsements, the following definitions shall apply:

#### 3.1 Act of Terrorism

*act of terrorism* means any act, or preparation in respect of action, or threat of action designed to influence the government de jure or de facto of any nation or any political division thereof, or in pursuit of political, religious, ideological or similar purposes to intimidate the public or a section of the public of any nation 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) de jure or de facto, and which:

- (a) involves violence against one or more persons;
- (b) involves damage to property;
- (c) endangers life other than that of the person committing the action;
- (d) creates a risk to health or safety of the public or a section of the public; or
- (e) is designed to interfere with or to disrupt an electronic system.

#### 3.2 Claim

*claim* has the same meaning in this Policy as the same or equivalent definition or understanding in the *primary policy*.

#### 3.3 Communicable disease

*communicable disease* means illness, syndrome, disease, physical distress or personal injury caused or aggravated, or contributed to, by the spread of any *infectious agent*. This includes, but is not limited to, the spread of an *infectious agent* from one person to another person, or from organism to organism, whether directly or indirectly or by any intermediate transmission medium, substance or agent.

#### 3.4 Compensation

*compensation* has the same meaning in this Policy as the same or equivalent definition or understanding in the *primary policy*.

#### 3.5 Costs and Expenses

*costs* and *expenses* has the same meaning in this Policy as the same or equivalent definition or understanding in the *primary policy*.

#### 3.6 Deductible

*deductible* means the Deductible specified in the *schedule*.

#### 3.7 Infectious agent

*infectious agent* means any pathogen, virus, bacteria, protein, parasite or any other biological or non-biological agent or organism, whether living or not, that may cause, contribute to, or aggravate, illness, syndrome, disease, physical distress or personal injury.

#### 3.8 Insured

*insured* means the Insured named in the *schedule*.

#### 3.9 Occurrence

*occurrence* has the same meaning in this Policy as the same or equivalent definition in the *primary policy*.

#### 3.10 Period of insurance

*period of insurance* means the Period of Insurance specified in the *schedule* of the *primary policy*, and any subsequent extension agreed to in writing between Zurich and the *insured in respect of this Policy*.

### 3.11 Primary policy

*primary policy* means the first layer of insurance cover specified in the *schedule* and issued in respect of the same risk as this Policy.

### 3.12 Schedule

*schedule* means the Schedule attaching to and forming part of this Policy, including any Schedule substituted for the original Schedule.

### 3.13 Self Insured Retention

*self insured retention* means the Self Insured Retention specified in the *schedule*.

### 3.14 Silica

*silica* means silicon dioxide, (occurring in crystalline, amorphous and impure forms), silica particles, silica dust or silica compounds.

### 3.15 Silica related dust

*silica related dust* means a mixture or combination of *silica* and other dust or particles.

### 3.16 Underlying Insurance

*underlying insurance* means all other insurance policies as specified in the *schedule* which attach before this Policy.

### 3.17 Underlying Insurers

*underlying insurers* means the insurers issuing:

- (a) the *primary policy* specified in the *schedule*; and
- (b) any underlying excess policy specified in the *schedule* providing indemnity in excess of the *primary policy*, up to the Limits of Liability specified in the *schedule*.

## 4. Exclusions

Zurich will not be liable under this Policy in respect of:

### 4.1 Asbestos

any liability of whatsoever nature directly or indirectly caused by, in connection with or contributed to by or arising from asbestos or asbestos products or asbestos contained in any products.

However, this Exclusion does not apply to actual or alleged loss, cost, expenses or liability where such loss, cost, expense or liability is not related to asbestos content of goods, materials or products or completed operations.

### 4.2 Communicable disease

any liability of whatsoever nature directly or indirectly caused by, in connection with or contributed to by or arising from any *claim* or *claims* against any *insured* alleging negligence or other wrongdoing in the:

- (a) supervising, hiring, employing, training, or monitoring of others that may be infected with and spread a *communicable disease*;
- (b) testing for a *communicable disease*;
- (c) failure to prevent the spread of a *communicable disease*; or
- (d) failure to report a *communicable disease* to authorities.

### 4.3 Silica

any liability directly or indirectly caused by, or alleged to be caused by or contributed to, in whole or in part, by or arising out of the presence, ingestion, actual, alleged, threatened, or suspected inhalation or absorption of *silica* or *silica related dust*.

#### 4.4 War, Act of Terrorism, Radioactivity

any loss, damage, destruction, death, personal injury, illness, liability, cost, or expense of any nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any of the following, regardless of any other cause or event contributing concurrently or in any other sequence to the loss resulting from:

- (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;
- (b) any *act of terrorism*;
- (c) any order of any Government, Public or Local Authority involving the confiscation, nationalisation, requisition, damage, or destruction of any property unless such destruction was undertaken to reduce the spread of fire; or
- (d) radioactivity or the use, existence or escape of any nuclear fuel, nuclear material, or nuclear waste or action of nuclear fission or fusion. However this shall not apply to liability arising from radio-isotopes, radium or radium compounds when used away from the place where such are made or produced and when used exclusively incidental to ordinary industrial, educational, medical or research pursuits.

This policy also excludes any loss, destruction, damage, death, injury, illness, liability, cost or expense of any nature directly or indirectly caused by, contributed to by, resulting from or arising out of or in connection with any action taken in controlling, preventing, suppressing, retaliating against, or responding to or in any way relating to the above.

## 5. General Conditions

### 5.1 Action against Zurich

- 5.1.1 Zurich will pay any amounts it is liable to pay as *compensation* once the amount of *compensation* has been finally determined, either by judgment against the *insured* or by written agreement between the *insured* and the claimant (subject to any requirements of the underlying insurance), and after all *underlying insurance* has been exhausted by payment of any *compensation*.
- 5.1.2 If the *insured* does not comply fully with all provisions of this Policy, then Zurich will be entitled, to the extent permitted by law, to reduce the amount of its liability in proportion to the financial prejudice caused by the *insured's* non-compliance.
- 5.1.3 To limit the risk of financial prejudice which could result in a reduction or declination of cover, the *insured* should notify Zurich promptly of matters which are likely to result on a *claim* on this Policy and/or make any *claim* as soon as practicable after such final determination.

### 5.2 Appeals

- 5.2.1 If the *insured's underlying insurer* elects not to appeal a judgment in excess of the limit of the *underlying insurance*, Zurich may do so at its own expense. Under no circumstances will Zurich's liability for the ultimate net loss exceed the applicable limit of liability, plus the taxable costs, disbursements and interest incidental to such appeal.

### 5.3 Cancellation

- 5.3.1 The *insured* may cancel this Policy at any time by giving notice in writing to us.
- 5.3.2 Zurich may cancel this Policy in any of the relevant circumstances set out in the Insurance Contracts Act 1984 (Cth), and such cancellation to take effect within 30 days from the time of notification received by the *insured*.



- 5.3.3 After cancellation by the *insured*, we will be entitled to retain:
- (a) the pro rata premium for the period during which the Policy has been in force; and
  - (b) any tax or duty paid or owing for which we are unable to obtain a refund.
- 5.3.4 After cancellation by us, you will be entitled to a refund of the premium on a pro rata basis in relation to the unexpired *period of insurance*, excluding any tax or duty paid or owing for which we are unable to obtain a refund.

#### 5.4 Change in Risk

- 5.4.1 Any change affecting the facts or circumstances existing at the commencement of, during the course of this Policy, or at any subsequent renewal date which is likely to materially increase the risk we insure you for must be notified to Zurich as soon as reasonably practicable after such change comes to the *insured's* notice.
- 5.4.2 Zurich reserves the right to assess the risk associated with any such notified material change and to accept or deny coverage at the time of such notification and/or, with the *insured's* agreement, to vary the terms of coverage or recalculate the rate and/or premium to account for any increase or reduction of risk.

#### 5.5 Claims assistance and cooperation

- 5.5.1 The *insured* must fully and promptly comply with all of Zurich's reasonable requests for assistance and cooperation in relation to a *claim*, including:
- (a) supplying us with all information and assistance we may reasonably require;
  - (b) allowing us to negotiate, defend or settle a *claim in excess of the underlying insurance*:
    - (i) in the *insured's* name and on the *insured's* behalf; or
    - (ii) in the name of and on behalf of any other party covered by the *insured's* policy;
  - (c) sending to us any *claim*, writ, summons, or full details of other relevant legal or other proceedings such as an impending prosecution or inquest you receive or becomes aware of; and
  - (d) as far as possible, preserve any product, appliance, plant or other items which might prove necessary or useful as evidence until Zurich has had a reasonable opportunity of inspection.

#### 5.6 Control of claims

- 5.6.1 The *insured* shall not, without Zurich's prior written consent, such consent not to be unreasonably withheld or delayed, admit or repudiate liability, negotiate, or make any offer, promise or payment in connection with any *claim*.
- 5.6.2 Zurich shall be entitled, but not obligated, to take over and conduct in the *insured's* name, the defence or settlement of any *claim in excess of the underlying insurance*, or to prosecute in the name of the *insured* at Zurich's own expense and for its own benefit any *claim*, for indemnity or damages or otherwise against any persons.
- 5.6.3 Subject to any relevant requirements of the *underlying insurance*, Zurich will, whenever reasonably practical, inform the *insured* of the progress of any defence Zurich has elected to take conduct of, and/or consult with the *insured* as to its interests or concerns in relation to any *claim*, defence or prosecution, but the *insured* agrees that Zurich will have ultimate discretion in the conduct and settlement of any proceedings or *claim* it has elected to take conduct of, save that Zurich will not settle a *claim* against an *insured* without the consent of the relevant *insured*, such consent not to be unreasonably withheld or delayed.

- 5.6.4 Where Zurich does not elect to take over conduct of the defence or settlement of any *claim* which is covered or, if sustained would be covered, under the Policy, we have the right to:
- (a) be provided with all such information as we reasonably require;
  - (b) be kept fully informed as to all matters relating to or concerning the investigation, defence or settlement of the *claim* and the right to receive copies of all relevant documentation relating thereto; and
  - (c) associate effectively with the *insured* in the defence, investigation and the negotiation of any settlement. No settlement is to be entered into without Zurich's prior written consent, such consent not to be unreasonably withheld or delayed.

## 5.7 Discharge of any liability

- 5.7.1 Zurich may, at any time, pay the Limits of Liability (after deduction of sum or sums already paid), or any lesser sums for which any *claim* or *claims* can be settled, and shall then be under no further liability in respect thereof except for the payment of *costs* and *expenses* incurred prior to such payment.
- 5.7.2 In the event of a *claim* or series of *claims* arising from an *occurrence* resulting in liability of the *insured* to pay a sum in excess of the Limits of Liability, Zurich's liability for such *costs* and *expenses* shall not exceed an amount being in the same proportion as Zurich's payment bears to the total payment made by or on behalf of or to be made by the *insured* in satisfaction of the *claim* or *claims*.

## 5.8 Fraud

- 5.8.1 If any claim upon this policy be in any respect fraudulent, or if any fraudulent means or devices be used by the *insured*, or if any damage be occasioned by a wilful act of the *insured* or with their connivance, all benefit under this policy shall be forfeited and the policy void.

## 5.9 Headings

- 5.9.1 Headings have been included for ease of reference, but do not form part of this Policy.

## 5.10 Inspection and audit

- 5.10.1 Zurich shall be permitted, but not obligated, to inspect the *insured's* property and operations with notice to the *insured* and at any reasonable time agreed with the *insured*, such consent not to be unreasonably withheld or delayed. Neither our right to make inspections nor the making thereof, nor any report thereon shall constitute an undertaking on behalf of or for the benefit of an *insured* or others to determine or warrant that such property or operations are safe or healthy, or are in compliance with any law, rule or regulation.
- 5.10.2 Zurich may examine and audit the *insured's* books and records, as far as they relate to the subject matter of this Policy, during the *period of insurance* and within three years after the final termination of this Policy. Zurich will provide notice of any such examination or audit and the timing of such examination or audit will be agreed with the *insured*, such agreement not to be unreasonably withheld or delayed.

## 5.11 Liability not to be admitted

- 5.11.1 The *insured* shall not admit liability for or offer to or agree to settle any *claim* without Zurich's prior written consent, such consent not to be unreasonably withheld or delayed. Subject to the provisions of the *underlying insurance*, Zurich shall be entitled to take over and defend, any *claim* in excess of the *underlying insurance* with full discretion in the conduct of that *claim*.

## 5.12 Maintenance of Underlying Insurance

- 5.12.1 The *underlying insurance* specified in the *schedule*, shall be maintained in force as valid collectible insurance during the currency of this Policy, except for any reduction of the aggregate limits contained therein solely by reason of payment of *claims*.
- 5.12.2 Failure to comply with the foregoing or bankruptcy or insolvency of any of the *underlying insurers* shall not invalidate this Policy but in the event of such circumstances, Zurich shall be liable only to the extent that it would have been liable had such circumstances not existed during the *period of insurance*.
- 5.12.3 The *insured* shall give Zurich written notice as soon as practicable of any change in the scope of coverage or in the amount of limits of insurance in the *underlying insurance*, and/or of the termination of any coverage, and/or or exhaustion or likely exhaustion of aggregate limits of any *underlying insurance*.

## 5.13 Notice and proof of claim

- 5.13.1 Upon the discovery of any loss or circumstance giving rise to, or which may give rise to, a *claim* (whether or not the *insured* believes the *claim* amount might fall below the applicable limit of liability of the *underlying insurance*) under this Policy, the *insured* shall:
- (a) give notice in writing to Zurich as soon as practicable after the *insured* becomes aware of such loss or circumstance and within 30 days thereafter (unless the *insured* can satisfy us why it is unable to meet that timeframe and, in that case, as soon as practicable) provide, a written statement detailing all relevant information to the best of the *insured's* knowledge, including:
    - (i) the nature, cause and the amount of loss;
    - (ii) the details of any actual or potential third party claimants;
    - (iii) the date and manner the *insured* first became aware of the circumstance, loss or *claim*; and
    - (iv) any other proof or information with respect to the *claim* reasonably requested by Zurich;
  - (b) furnish to us details of any other insurance covering or which may cover the same loss;
  - (c) take reasonable steps to prevent further loss; and
  - (d) at all reasonable times permit us or our agents to reasonably inquire into, investigate and examine the circumstances of any loss or *claim*.
- 5.13.2 Inadvertent failure to comply with this condition because the *insured* could not reasonably have anticipated that the event would give rise to a *claim* under this Policy will not be construed as a breach of this condition.

## 5.14 Payments in respect to Goods and Services Tax

- 5.14.1 When Zurich makes a payment under this Policy for the acquisition of goods, services or other supply, Zurich will reduce the amount of the payment by the amount of any input tax credit that the *insured* is, or will be, or would have been entitled to under A New Tax System (Goods and Services Tax) Act 1999 (Cth), in relation to that acquisition, whether or not that acquisition is actually made.
- 5.14.2 When Zurich makes a payment under this Policy as *compensation* instead of payment for the acquisition of goods, services or other supply, we will reduce the amount of the payment by the amount of any input tax credit that the *insured* is, or will be, or would have been entitled to under A New Tax System (Goods and Services Tax) Act 1999 (Cth) had the payment been applied to acquire such goods, services or supply.

## 5.15 Proper law and jurisdiction

- 5.15.1 The construction, interpretation, and meaning of the provisions of this Policy shall be determined in accordance with Australian law.
- 5.15.2 In the event of any dispute arising under this Policy including, but not limited, to its construction and/or validity and/or performance and/or interpretation, the *insured* will submit to the exclusive jurisdiction of any competent Court in the Commonwealth of Australia.
- 5.15.3 A reference to any statute, regulation or subordinate legislation includes any amendment, replacement, successor or equivalent to or of that statute, regulation, or subordinate legislation.

## 5.16 Reasonable precautions

- 5.16.1 It is a condition precedent to Zurich's liability under this Policy that the *insured* will, at its own expense:
- (a) take, and cause to be taken, reasonable precautions to prevent personal injury, property damage and/or advertising liability;
  - (b) comply with all statutory or local authority law, obligations and requirements, or equivalent;
  - (c) take, and cause to be taken, reasonable precautions to prevent the manufacture, sale, or supply of defective products; and
  - (d) take, and cause to be taken, reasonable precautions to withdraw, inspect, repair, replace, trace, recall, or modify any products manufactured, sold, or supplied by the *insured* and containing any defect or deficiency of which the *insured* has knowledge or has reason to suspect.

## 5.17 Sanctions regulation

- 5.17.1 Notwithstanding any other terms or conditions under this Policy, Zurich shall not be deemed to provide coverage and will not make any payments nor provide any service or benefit to any *insured* or any other party to the extent that such cover, payment, service, benefit and/or any business or activity of the *insured* would violate any applicable trade or economic sanctions, law, or regulation.

## 5.18 Subrogation

- 5.18.1 Zurich waives all rights of subrogation under this Policy against:
- (a) any corporation or organisation, the majority of whose capital stock is owned or controlled by the *insured*; and
  - (b) any corporation or organisation which, or person who, owns or controls the majority of the capital stock of any corporation or organisation to which, or person to whom, protection is afforded under this Policy, except that if such corporation, organisation or person is protected from such loss by any other policy of indemnity or insurance, Zurich's right of subrogation is not waived to the extent and up to the amount of such other policy.

## 5.19 Valuation and foreign currency

- 5.19.1 All premiums, limits, retentions, indemnity, and other amounts referred to in this Policy are expressed and payable, where due, in Australian currency. Unless where otherwise provided, if judgment is rendered, settlement is denominated, or an element of loss under this Policy is stated in a currency other than Australian dollars, payment under this Policy shall be made in Australian dollars at the cash rate of exchange for the purchase of Australian dollars as published or reported by the Reserve Bank of Australia on the date the final judgment is reached, the amount of the settlement is agreed upon, or the element of loss is due, as the case may be.

**Zurich Australian Insurance Limited**

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