



**LIBERTY INTERNATIONAL UNDERWRITERS**  
(a member company of Liberty Mutual Insurance Group)

**UMBRELLA LIABILITY POLICY**

**Policy Form LIU-CAS-AUS-UMB-1000003**

In consideration of the premium being paid by the Insured to Liberty International Underwriters (hereinafter called LIU) and in reliance upon the written statements and declarations contained in the proposal or insurance broker's quotation submission, LIU agrees to indemnify the Insured in accordance with the attached Schedule, Policy wording and endorsements (where applicable).

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**Umbrella Liability Policy**

**1. Insuring Clause**

Subject to the terms of this Policy, Liberty International Underwriters (hereinafter called LIU) will pay to or on behalf of the Insured all sums which the Insured shall become legally liable to pay by way of compensation in respect of:

- 1.1 Injury, or
- 1.2 Damage, or
- 1.3 Advertising Injury

First happening during the Period of Insurance within the Territorial Limits as a result of an Occurrence in connection with the Insured's Business.

**2. Definitions**

2.1 "Advertising Injury" means unintentional libel, slander, defamation, infringement of copyright, title or slogan, piracy, idea misappropriation or invasion of rights of privacy, arising out of the Insured's advertising activities first published or broadcast during the Period of Insurance.

2.2 "Asbestos" means:

2.2.1 That group of natural fibrous silicate minerals that comprises Actinolite, Amosite, Anthophyllite, Chrysotile, Crocidolite and Tremolite.

2.2.2 That group of man made mineral fibres that comprises mineral wool, rockwool, glass fibre, ceramic fibres and superfine fibres.

And includes Asbestos Products and Products containing Asbestos.

2.3 "Aircraft" means any vessel, craft or thing made or intended to fly in or through the atmosphere or space.

- 2.4 “Damage” means:
- 2.4.1 Physical damage to or destruction of tangible property, (other than Product) including all resulting loss of use of that property. All such loss of use shall be deemed to happen at the time of the physical damage that caused it.
- 2.4.2 Loss of use of tangible property, (other than Product) that is not physically damaged or destroyed provided such loss of use is caused by physical damage to other tangible property which first happened during the Period of Insurance. All such loss of use shall be deemed to happen at the time of the physical damage or destruction that caused it.
- 2.5 “Employment Practices” means any wrongful or unfair dismissal, denial of natural justice, defamation, misleading representation or advertising, unfair contracts, harassment or discrimination (sexual or otherwise) in respect of employment by the Insured.
- 2.6 “Hovercraft” means any vessel, craft or thing made or intended to float or hover over land or water.
- 2.7 “Injury” means:
- 2.7.1 Bodily injury, death, illness, disability, shock, fright, mental anguish or mental injury, and loss of consortium
- 2.7.2 False arrest, detention, false imprisonment, malicious prosecution or humiliation
- 2.7.3 The publication or utterance of libel or slander or of other defamatory or derogatory material, or publication or utterance in violation of an individual’s rights of privacy except:
- 2.7.3.1 When the first such publication or utterance is related to any publication or utterance made prior to the commencement of this Policy, or
- 2.7.3.2 When any such publication or utterance is made in the course of or related to broadcasting, telecasting or publishing activities conducted by or on behalf of the Insured
- 2.7.4 Wrongful entry or wrongful eviction or other invasion of the right of private occupancy
- 2.7.5 Assault and battery not committed by or at the direction of the Insured unless committed for the purpose of preventing or eliminating danger to persons or property.
- 2.8 “Insured” wherever used in this Policy means the Insured named in the Schedule and
- 2.8.1 Any subsidiary company (including subsidiaries thereof) of the Insured and any other organisation under the control of the Insured and over which it is exercising active management,

- 2.8.2 Any director, executive officer, employee, partner or shareholder of the Insured, but only whilst acting within the scope of their duties in such capacity,
- 2.8.3 Any principal, in respect of that principal's vicarious liability for the negligent acts or omissions of the Insured and arising out of the Insured's business, but this Policy does not extend to the liability of any principal howsoever arising out of the negligence, breach of contract or breach of duty of such principal.
- 2.8.4 Any officer, committee and member of the Insured's canteen, social, sports, first aid/medical, fire fighting and employee welfare organisations in their respective capacity as such,
- 2.8.5 Any director or senior executive of the Insured in respect of private work undertaken by the Insured's employees for such director or senior executive,
- 2.8.6 If the Insured is declared in the Schedule as a partnership or joint venture, any partner or member thereof but only with respect to the extent of his liability as a partner or member of such partnership or joint venture,
- 2.8.7 2.8.7.1 Any person while using, with the permission of the Insured, any Motor Vehicle owned by, loaned to or hired for use by or on behalf of the Insured and any person or organisation legally responsible for the use thereof, provided the actual operation or their actual use is within the scope of such permission, and
  - 2.8.7.2 Any officer, director or shareholder of the Insured with respect to the use of a Motor Vehicle not owned by the Insured but only while such Motor Vehicle is being used in the Insured's Business.

The insurance with respect to any person or organisation other than the Insured does not apply under clause 2.8.7 to:

- 2.8.7.2.1 Any person or organisation, or to any agent or employee thereof, operating a Motor Vehicle sales agency, repair shop, service station, storage garage, private or public parking place.
- 2.8.7.2.2 the owner or a lessee (of whom the Insured is a sub-lessee) thereof other than the Insured, or to any agent or employee of such owner or lessee for or in respect of any Motor Vehicle hired by or loaned to the Insured.

2.9 "Insured's Business" is the business shown in the Schedule.

- 2.10 “Insured’s Retained Limit” means either of the following amounts, whichever is applicable:
- 2.10.1 For any liability indemnified by an Underlying Insurance listed in the attached Schedule, an amount equal to the Limit of Indemnity as specified in such Insurance plus the applicable limit of any other Insurance collectible by the Insured whether listed in the Schedule or not.
- 2.10.2 For any liability not indemnified by an Underlying Insurance listed in the attached Schedule or by any other insurance collectible by the Insured and otherwise indemnified under the terms and conditions of this Policy, an amount equal to the Self Insured Retention specified in the Schedule.
- 2.11 “LIU” means Liberty International Underwriters. Liberty International Underwriters is a trading name of Liberty Mutual Insurance Company (ARBN 086 083 605) incorporated in Massachusetts, USA. (The liability of members is limited).
- 2.12 “Motor Vehicle” means any type of machine on wheels or on self laid tracks made or intended to be propelled by other than manual or animal power and any trailer or other attachments made or intended to be drawn by any such machine.
- 2.13 “Occurrence” means an event, including continuous or repeated exposure to substantially the same general conditions, which results in Injury and/or Damage and/or Advertising Injury neither expected nor intended from the standpoint of the Insured. All events of a series consequent on or attributable to one source or original cause shall be deemed one Occurrence.
- With respect to Advertising Injury, all compensation arising out of the same injurious material, regardless of the frequency of repetition or the number or kind of media used, or whether a claim is made by one or more persons, shall be deemed to arise out of one Occurrence.
- 2.14 “Period of Insurance” is the period shown in the Schedule or any subsequent Renewal Certificate or any extension by endorsement.
- 2.15 “Pollutants” means any solid, liquid, gaseous or thermal irritant or contaminant, including but not limited to smoke, vapour, soot, fumes, cinders, dust, odours, noise, acids, alkalis, chemicals or waste. Waste includes materials to be recycled, reconditioned or reclaimed.
- 2.16 “Product” means any commodity, article or thing (after it has ceased to be in the possession or under the control of the Insured) which is or is deemed (whether by law or otherwise) to have been manufactured, constructed, grown, extracted, produced, processed, assembled, erected, installed, treated, altered, serviced, repaired, sold, handled, supplied or distributed by the Insured or by others trading under the name of the Insured (including any container thereof other than a Motor Vehicle).
- 2.17 “Product Liability” means Injury and/or Damage arising out of or in connection with any Product where such Injury and/or Damage first happened during the Period of Insurance as a result of an Occurrence.

- 2.18 “Territorial Limits” means anywhere in the world except the United States of America, the Dominion of Canada and their respective territories and protectorates where this Policy will only apply in respect to travelling executives and salesmen who are normally resident in Australia.
- 2.19 “Terrorism” means an act or acts:
- 2.19.1. That are violent in nature or are dangerous to human life:
- 2.19.1.1 That are a violation of the criminal laws of the United States of America or Australia or of any State or Territory of the United States of America or Australia or that would be a criminal violation if committed within the jurisdiction of the United States of America or Australia or any State or Territory of the United States of America or Australia; and that have the apparent intent of:
- 2.19.1.1.1 Intimidating or coercing any civilian population;
- 2.19.1.1.2 Influencing the policy of any government by intimidation or coercion; or
- 2.19.1.1.3 Affecting the conduct of any government by mass destruction, assassination, or kidnapping,
- Or
- 2.19.2 That result in:
- 2.19.2.1 The denial of access to or services from web sites, computer networks, or telecommunications equipment; or
- 2.19.2.2 The malfunction or degradation of web sites, computer networks, telecommunications equipment, or mechanical equipment, or that otherwise interrupt the functioning of web sites or such properties
- And that have the apparent intent of intimidating or coercing any civilian population or influencing the policy of any government by intimidation or coercion.
- 2.20 “Ultimate Net Loss” means the sum actually paid or payable in the settlement or satisfaction of losses for which the Insured is legally liable either by adjudication or compromise with the written consent of LIU after making proper deduction for all recoveries and salvages collectible, but excludes all loss expenses, legal expenses, court costs and interest on any judgment or award and all salaries of employees and office expenses of the Insured, LIU or any underlying insurers so incurred.
- 2.21 “Watercraft” means any vessel, craft or thing made or intended to float on or in or travel on or through water.
- 2.22 “Worker” means any person employed by the Insured or deemed to be employed by the Insured whether pursuant to any Workers’ Compensation Law or otherwise.

2.23 “Workers’ Compensation Law” means any law relating to compensation for Injury to Workers or employees.

### **3. Cross Liabilities**

Subject at all times to the terms of this Policy, each person or party indemnified is separately indemnified in respect of claims made by any of them against any other of them provided that LIU’s total liability shall not exceed the Limit of Indemnity for all claims under this Policy.

### **4. Limit of Indemnity**

LIU shall be liable only for the Ultimate Net Loss in excess of the Insured’s Retained Limit.

Provided that:

4.1 LIU’s liability for Ultimate Net Loss shall not exceed the Limit of Indemnity stipulated in Item 5 of the Schedule,

4.2 In the event the aggregate Limit of Indemnity of the Underlying Insurances as listed in the Schedule are reduced or exhausted solely as a result of Injury, Damage or Advertising Injury taking place during the Period of Insurance, LIU will continue coverage for the remainder of the Period of Insurance in excess of the reduced or exhausted Limits subject to the terms and conditions of this Policy and LIU’s Limit of Indemnity but not for broader coverage than that provided by the reduced or exhausted Underlying Insurances.

The total aggregate liability of LIU for any one Period of Insurance for all claims in respect of or in any way connected with the Insured’s Product(s) shall not exceed the sum stated in the Schedule.

### **5. Defence Costs**

In connection with any claim or potential claim for which the Insured is indemnified by this Policy and providing LIU’s prior written consent has been obtained, LIU shall, in addition to the amount of Ultimate Net Loss payable, but not when LIU’s Limit of Indemnity has been exhausted by payment of judgments or settlements:

5.1 Pay all expenses incurred by LIU, all costs taxed against the Insured in any suit defended by LIU and all interest on the entire amount of any judgment therein which accrues after entry of the judgment and before LIU has paid or tendered or deposited in court that part of the judgment which does not exceed LIU’s Limit of Indemnity

5.2 Pay monies on appeal bonds required in any suit, money on bonds to release attachments in any such suit for an amount not in excess of the applicable Limit of Indemnity of this Policy, and the cost of bail bond required of the Insured because of accident or traffic law violation arising out of the use of any Motor Vehicle to which

this Policy applies, but LIU shall have no obligation to apply for or furnish any such bonds

- 5.3 Pay reasonable expenses incurred by the Insured in assisting LIU in the investigation or defence of any claim or suit including actual loss of earnings
- 5.4 Pay all charges, expenses and legal costs as above including compensation covered by this Policy if LIU is prevented by law or otherwise in any territory from making payments on behalf of the Insured. If LIU is not legally permitted to, or cannot for any other reason, defend any suit against the Insured, LIU will reimburse the Insured for the expense of such defence.

Provided that LIU shall not be liable for the above costs or expenses which are covered by any Underlying Insurances or which may be sub-limited in any Underlying Insurances.

Provided that LIU shall not be liable for legal costs and/or expenses where indemnity is not provided by this Policy.

Provided that LIU shall not be liable for legal costs or other expenses for or in respect of representation at any formal legal inquiry involving an accident resulting in Injury or at any coroner's inquiry or defending any proceedings in a Court of summary jurisdiction.

Provided that LIU shall not pay any legal costs or expenses in respect of any Occurrence after LIU has paid compensation up to the Limit of Indemnity.

Provided further that the legal costs and expenses incurred in connection with claims made and/or actions instituted within the United States of America, the Dominion of Canada and their respective territories and protectorates or any other territory coming within the jurisdiction of the courts of these countries, shall form part of the Limit of Indemnity and will not be payable by LIU in addition to the Limit of Indemnity.

## 6. Exclusions

This Policy does not cover liability directly or indirectly caused by, arising out of or in any way connected with:

### 6.1 Injury to any Worker.

Provided that if the Insured:

- 6.1.1 Is required by law to insure or otherwise fund, whether through self insurance, statutory fund or other statutory scheme, all or part of any common law liability (whether limited in amount or not) for such Injury; or
- 6.1.2 Is not required to so insure or otherwise fund such liability by reason only that the Injury is to a person who is not a Worker or "employee" within the meaning of the relevant Workers' Compensation Law or the Injury is not an Injury which is subject to such Law;

then this Policy will respond to the extent that the Insured's liability would not be covered under any such fund, scheme, Policy of insurance or self insurance arrangement had the Insured complied with its obligations pursuant to such Law.

- 6.2
  - 6.2.1 Any Workers' Compensation Law;
  - 6.2.2 The provisions of any industrial award or agreement or determination or any contract of employment or workplace agreement where such liability would not have been imposed in the absence of such industrial award or agreement or determination;
  - 6.2.3 Employment Practices.
- 6.3 Damage to:
  - 6.3.1 Property owned by the Insured, or
  - 6.3.2 The Insured's Product or any part of it if such damage is attributable to any defect therein or the harmful nature or unsuitability thereof, or
  - 6.3.3 Any part of any property that must be repaired, reconditioned or replaced by reason of incorrect work performed by the Insured or on the Insured's behalf, or by reason of materials or equipment which are or are proved to be defective or inadequate in connection with such work, provided this exclusion shall not apply to Injury or Damage resulting from such work.
- 6.4 The loss of use of tangible property which has not been physically damaged or destroyed resulting from:
  - 6.4.1 A delay in or lack of performance by or on behalf of the Insured of any contract or agreement; or
  - 6.4.2 The failure of any Product to meet the level of performance, quality, fitness or durability expressly or impliedly warranted or represented by the Insured but this exclusion does not apply to loss of use of other tangible property directly or indirectly caused by, arising out of or in any way connected with or resulting from the sudden and accidental physical damage to or destruction of the Product after such Product has been put to use by any person or organisation other than the Insured.
- 6.5 Damages claimed for, and the costs of withdrawal, recall, inspection, repair, replacement, disposal or loss of use of the Insured's Products or of any property of which such Products form a part, if such Products, or property are withdrawn from the market or from use because of any known or suspected defect or deficiency therein.
- 6.6 Any Product guarantee or warranty given by or on behalf of the Insured but this Exclusion shall not apply to the requirements of any Federal or State legislation with respect to Product safety and information.
- 6.7 Advertising Injury resulting from

- 6.7.1 Failure of performance of contract but this shall not relate to claims for unauthorised appropriation of ideas based upon breach of an implied contract;
  - 6.7.2 Infringement of trade mark, service mark, trade name or patents;
  - 6.7.3 Incorrect description of any article or commodity;
  - 6.7.4 Mistake in advertised price.
- 6.8
- 6.8.1 The actual, alleged or threatened discharge, dispersal, release, seepage, migration or escape of Pollutants, provided always that this Exclusion 6.8.1 shall not apply to liability which is directly caused by a sudden, accidental, instantaneous, unintended, identifiable and unexpected happening which takes place in its entirety at a specific time and place;
  - 6.8.2 Any expenses for the prevention of the actual, alleged or threatened discharge, dispersal, release, seepage, migration or escape of Pollutants;
  - 6.8.3 Testing, monitoring, clean up, removal, containment, treatment, detoxifying or neutralising of Pollutants or their effect;
  - 6.8.4 The actual, alleged or threatened discharge, dispersal, release, seepage, migration or escape of Pollutants caused by any Product that has been discarded, dumped, abandoned or thrown away by others.

The total aggregate liability of LIU for all claims covered in any one Period of Insurance in respect of the proviso in Exclusion 6.8.1 shall not exceed the Limit of Indemnity shown in the Schedule.

- 6.9 Damage in respect of premises tenanted by the Insured to the extent that the Insured would be held legally liable due to any specific agreement, but no coverage is afforded if the Insured has assumed responsibility to insure such premises.
- 6.10 Any liability arising out of the ownership, maintenance, operation, loading, unloading or use of Aircraft or Watercraft except:
  - 6.10.1 Non-owned Aircraft or Watercraft operation, but only when such craft are hired, leased or chartered to the Insured with a pilot/master and crew supplied.
- 6.11 Any liability arising out of the:
  - 6.11.1 Selling, leasing, hiring or manufacturing of Aircraft or aerial device;
  - 6.11.2 Manufacture and/or supply of parts and/or Product which are incorporated into the structure, machinery or controls of any Aircraft or aerial device.
- 6.12 Injury arising out of the use of any registered Motor Vehicle owned by or in the physical control of the Insured in respect of which insurance is required by virtue of any legislation relating to Motor Vehicles. Provided this Exclusion shall not apply in the event of:

- 6.12.1 Unintended failure to effect, renew or maintain such statutory insurance, or
- 6.12.2 Coverage not being collectible by the Insured under any Underlying Insurance relating to the use of Motor Vehicles, other than as a result of an intentional or fraudulent act or omission of the Insured.

Subject to the Self Insured Retention shown in the Schedule.

6.13 Fines, penalties, punitive damages, exemplary damages, liquidated damages and/or aggravated damages.

6.14 And regardless of any other cause or event contributing concurrently or in any other sequence to the loss:

6.14.1 War and military action which includes without limitation the following:

6.14.1.1 War, including undeclared or civil war, invasion, acts of foreign enemies, hostilities (whether war be declared or not), military or usurped power or confiscation, nationalisation, requisition, destruction of or damage to property by or under the order of any government or public or local authority;

6.14.1.2 Warlike action by military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents;

6.14.1.3 Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

6.14.2 Any actual or threatened act of domestic or international Terrorism committed by a person or persons acting:

6.14.2.1 Alone or on behalf of or in connection with any organisation; or

6.14.2.2 With the goal of furthering any political, social, religious, ideological or similar objective.

6.14.3 Action taken to prevent or defend against an act of Terrorism.

If an act of Terrorism involves chemical or biological weapons, this Terrorism exclusion will still apply.

If an act of Terrorism involves nuclear reaction, nuclear radiation, or radioactive contamination, this Terrorism exclusion will apply to liabilities that result from such nuclear reaction or radiation or radioactive contamination in place of Exclusion 6.15.

- 6.15 6.15.1 Ionising radiations or contamination from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel. Combustion shall include any self sustaining process of nuclear fission or fusion;
- 6.15.2 Nuclear weapons material.
- 6.16 Asbestos.
- 6.17 Any change in the nature of the Business which:
  - 6.17.1 Occurred during the currency of this Policy; and
  - 6.17.2 Was known by the Insured, or would have been known by a reasonable person in the circumstances, to be likely to increase the risk of Injury or Damage for which indemnity is provided by this Policy.

For the purposes of this Exclusion, where the Insured is a corporate body, the knowledge of any officer of the Insured shall be deemed to be the knowledge of the Insured.

- 6.18 Injury, Damage or Advertising Injury which is the subject of a sub-limit as part of any policy specified in the Schedule of Underlying Insurances or any other insurance collectible by the Insured.
  - 6.19 6.19.1 The rendering of or failure to render professional advice or service by the Insured or any error or omission connected therewith;
  - 6.19.2 Advice, design, formula or specification given for a fee by the Insured.
- Provided that this Exclusion does not apply to the rendering of first aid or medical services on the Insured's premises by medical persons employed by the Insured.
- 6.20 Injury sustained due to the inhalation or ingestion of, or exposure to:
    - 6.20.1 Tobacco or tobacco smoke.
    - 6.20.2 Any ingredient or additive present in any articles, items or goods which contain or include tobacco.
  - 6.21 Any alleged or actual fraudulent, dishonest, malicious, wilful, or criminal act or omission of the Insured.

## 7. CONDITIONS

- 7.1 Where the premium is provisionally based on the Insured's estimates, the Insured shall keep accurate records and after expiry of the Period of Insurance declare as soon as possible such details as LIU requires and the premium shall be adjusted and any difference paid by or allowed to the Insured as the case may be subject to any minimum premium that may apply.

- 7.2 7.2.1 In the event of an Occurrence or the likelihood of an Occurrence, the Insured shall immediately take, at his own expense, all reasonable steps to prevent Injury or Damage arising or continuing out of such Occurrence.
- 7.2.2 The Insured shall give written notice to LIU as soon as possible after any Occurrence that may give rise to a claim under this Policy and shall give all such additional information as LIU may require, in particular every demand, writ, summons, proceedings, impending prosecution, inquest and all information in relation thereto which may exceed 25% of the applicable amount as described in the Schedule of the Insured's Retained Limit.
- 7.2.3 The Insured shall not, without LIU's written consent, make any admission, offer, promise or payment in connection with any Occurrence or claim.
- 7.2.4 If the amount of Ultimate Net Loss becomes certain through either trial, court judgment or agreement among the Insured, the claimant and LIU, then the Insured may pay the amount of Ultimate Net Loss to the claimant to effect settlement and, upon submission of due proof thereof, LIU shall indemnify the Insured for that part of such payment which is in excess of the Insured's Retained Limit, or, LIU will, upon request by the Insured make such payment to the claimant on behalf of the Insured which is in excess of the Insured's Retained Limit.
- 7.2.5 Within 30 days, the Insured shall reimburse LIU for any amount within the Insured's Retained Limit paid by LIU on behalf of the Insured in settlement or satisfaction of any claim or suit.
- 7.3 7.3.1 In respect of Occurrences covered under this Policy, LIU shall have the right, if it so elects, to defend any suit against the Insured seeking compensation on account of an Occurrence even if any of the allegations of the suit are groundless, false or fraudulent, and may make such investigation and settlement of any claim or suit as it deems expedient; but LIU shall not be obligated to pay any claim or judgment or to defend any suit after LIU's Limit of Indemnity has been exhausted by payment of judgments or settlements.
- 7.3.2 Without derogating from the right contained in Condition 7.3.1 above, LIU shall not be obligated to assume charge of the settlement or defence of any claim made or suit brought or proceedings instituted against the Insured, but LIU shall have the right and shall be given the opportunity to associate with the Insured or the Insured's underlying insurers, or both, in the defence and control of any claim, suit or proceedings relative to any Occurrence where the claim or suit which in LIU's opinion involves or appears reasonably likely to involve LIU in which event the Insured, the underlying insurers and LIU shall co-operate in all things in the defence of such a claim, suit or proceeding.
- 7.3.3 The Insured shall co-operate with the underlying insurers as required by the terms of the Underlying Insurances and comply with all the terms and conditions thereof, and shall enforce any right of contribution or indemnity against any person, corporation or organisation who may be liable to the Insured because of Injury, Damage or Advertising Injury with respect to which insurance is afforded under this Policy or the Underlying Insurances.

- 7.4 If the Insured or the Insured's underlying insurer elects not to appeal a judgment in excess of the Insured's Retained Limit, LIU may elect to do so at its own expense, and shall be liable for the taxable costs, disbursements and interest incidental thereto, but in no event shall the liability of LIU for Ultimate Net Loss exceed the amount specified as the Limit of Indemnity in the Schedule plus the taxable costs, disbursements and interest incidental to such appeal.
- 7.5 When a loss paid under this Policy is also recoverable under another Policy or Policies and LIU has paid more than its rateable share, LIU reserves the right to seek contribution from the other insurer or insurers.
- 7.6 In the event of any payment under this Policy, LIU shall be subrogated to all the Insured's rights of recovery against any person or organisation and the Insured shall execute and deliver any appropriate instruments and papers and do whatever else is necessary to secure such rights. Any amount so recovered shall be applied in the following order of priority:
- 7.6.1 First to the uninsured proportion of the loss;
- 7.6.2 Second to reimburse LIU to the extent of its actual payment hereunder;
- 7.6.3 Third if any balance then remains unpaid it shall be applied to reimburse the Insured as their interest may appear.
- The expenses of all such recovery proceedings shall be apportioned in the ratio of respective recoveries. If there is no such recovery in proceedings conducted solely by LIU, it shall bear the expenses thereof.
- 7.7 Assignment of interest under this Policy shall not bind LIU until its consent is endorsed hereon. If the Insured shall die or be adjudged bankrupt or insolvent, such insurance as is afforded by this Policy shall apply:
- 7.7.1 To the Insured's appropriate legal representative as the Insured, but only whilst acting within the scope of such duties;
- 7.7.2 With respect to the property, whether real or personal, of the Insured, to the person or corporation having proper temporary custody thereof, as the Insured, but only until the appointment and qualification of the legal representative.
- 7.8 The Insured shall maintain the Underlying Insurances and renewals or replacements thereof with limits and coverage not more restrictive than stated in the Schedule in full effect during the Period of Insurance except for any reduction or exhaustion of the aggregate limit or limits contained in such Insurances solely by payment of claims arising out of Occurrences covered thereunder. Failure to comply with the foregoing or bankruptcy or insolvency of any of the Underlying Insurers or the Insured shall not of itself invalidate this Policy but in the event of such circumstances LIU shall be liable only to the extent that it would have been liable had such circumstances not existed.
- 7.9 The Insured shall take reasonable measures to comply with all statutory obligations and regulations imposed by any statutory or government authority.

- 7.10 This Policy shall be interpreted in accordance with the laws of Australia and all claims for indemnity under this Policy shall be decided in accordance with those laws.
- 7.11 7.11.1 The Insured may cancel this Policy at any time by giving notice in writing to LIU.
- 7.11.2 LIU may cancel this Policy at any time where:
- 7.11.2.1 It is entitled to do so pursuant to the Insurance Contracts Act 1984 or any amendments thereto;
- 7.11.2.2 The Insured has failed to notify LIU of any specific act or omission where such notification is required under the terms or conditions of this Policy;
- 7.11.2.3 The Insured has acted in contravention of or omitted to act in compliance with any term of this Policy which empowers LIU to refuse to pay a claim in the event of such contravention or omission.

Any notice of cancellation given by LIU shall take effect either at the time when another contract of insurance between the Insured and LIU or some other insurer (being a contract that is intended by the Insured to replace this Policy) is entered into or at 4.00pm on the third business day after the date on which notice was given to the Insured by LIU (whichever is the earlier).

Where the Insured comprises more than one person or company, it is agreed that the named Insured referred to in the Schedule shall be the agent of each of the other insured persons or companies for the purposes of receiving any notice of cancellation pursuant to this paragraph, or any other notice, statement, document or information relating to this insurance policy. Where the Insured has an insurance broker, nothing in this paragraph shall restrict LIU's right to notify the broker as agent of the Insured.

- 7.12 Nothing contained in this Policy shall be construed to reduce or waive either the Insured's or LIU's privileges, rights or remedies available under the Insurance Contracts Act 1984 (as amended).
- 7.13 Where this Policy provides any indemnity to the Insured which is prohibited by law, this Policy shall be varied by operation of this clause so that this Policy does not respond to the extent that the indemnity is prohibited by law.

Signed on behalf of Liberty International Underwriters  
on the date stated in the Schedule

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Authorised

N.MacCarthy  
Senior Vice President, Casualty – Asia Pacific