

Higher Hazard Property – Combustible Panelling Appetite Guide

August 2025



Why Choose Vero Specialty Lines?

Product / Service Proposition

As a recognised leader in the insurance industry with decision-makers based in Australia, we offer specialised solutions tailored to well-risk managed businesses with higher-hazard combustible panelling exposures.

Here's why we stand out:

- **Expertise, Capability & Underwriting Service:** Our skilled underwriting team combines extensive industry knowledge with nationwide reach, who understand your clients' unique requirements. Plus, we're committed to delivering exceptional customer service and building strong relationships every step of the way.
- **Tailored Solutions:** We offer significant capacity for combustible panelling exposures, with coverage and deductibles tailored to your client's exposures and claims history.
- **Exceptional Claims Service:** We're here for your client's in their time of need, committed to making every moment count with our Best-in-Class claims service. As the winner of the last five Gold Mansfield Awards for excellence in claims management, your client's are in safe hands with our proven track record.
- **Personalised Claims Contact:** Every policy benefits from the expertise of a dedicated Claims Officer and a Claims Relationship Manager, ensuring, tailored and responsive support every step of the way.
- **Comprehensive Risk Engineering:** Receive a Risk Engineering Report¹ included with your client's policy, backed by our large risk engineering team, providing in-depth industry knowledge, risk management, reporting, training, and advice.
- **Rebate for risk improvements:** With our risk mitigation rebate program, eligible clients can receive financial assistance in the form of a rebate towards completing recommended risk improvements. Terms and Conditions apply².
- **Industry-Leading Training:** We offer extensive training for brokers to deepen their product knowledge, supported by detailed loss bulletins, and other educational materials.
- **Long-term partnership:** Our long-term stability in capacity and appetite combined with our underwriters working directly with you to develop the opportunities within your existing client base, enables you to engage with us confidently, ensuring there will be no unexpected surprises along the way.

1. Subject to underwriting guidelines and excluding regional areas, limited to up to one report per policy period

2. To be eligible for the rebate, a client must have a current Vero Higher Hazard Property (HHP) policy or confirm renewal of their Vero HHP policy by the renewal date, complete risk mitigation service(s) identified in the Vero Risk Engineering Report as qualifying for the rebate using one of our suppliers and submit paid invoices for those services to Vero. Maximum of one (1) rebate per policy period. Rebate amount depends on how long a client has consecutively held their Vero HHP policy. Full terms and conditions available on www.vero.com.au/specialty-lines/higher-hazard-property

Risk Management and Appetite Criteria

We require robust risk management and high-quality standards for higher-hazard combustible panelling exposures. Our appetite decisions are based on key risk selection criteria, including:

- Occupation
- Location (e.g., exposure to natural hazards)
- Construction
- Fire Protection
- Security Protection
- Claims History

Definition and Eligibility

- An individual location is classified as a **combustible panelling site** if the combustible panelling materials account for **more than 20% of the total surface area**
- For policies involving **multiple locations with differing construction materials** (higher hazard and non-higher hazard), Vero Specialty Lines will underwrite those where the combined exposure from the classified combustible panelling sites **exceeds 20% of the Total Asset Value**.

Minimum Requirements

To provide terms, please include:

- **ISR Quote Slip and Asset Schedule** with details on proposed coverage, deductibles, risk addresses, asset values, construction, security, site occupations, and risk management
- **Total Asset Value > \$5,000,000**
- Minimum **5 years of claims history** (preferably on insurer letterhead)
- **Survey Requirements:** Provision of a third-party (broker/insurer) survey completed within the 24 months preceding the policy due date
- **Compliance** with our **Mandatory Risk Standards**
- **Partnership Approach:** Emphasis on a tripartite approach to risk management and long-term partnership building

Geographical and Sectoral Focus

- **Primarily Australian Locations:** Our target is Australian-based risks, though we have underwriting capability for incidental overseas exposures
- **Lead and Follow Capacity:** While we prefer to provide lead capacity, we can act as a follow line under the right circumstances



Occupation Listing

- This list outlines the occupations that we consider **acceptable** for underwriting where higher-hazard panelling exposures are present.
- An individual location is classified as a **combustible panelling site** if the combustible panelling materials account for **more than 20% of the total surface area**
- For policies involving **multiple locations with differing construction materials** (higher hazard and non-higher hazard), Vero Specialty Lines will underwrite those where the combined exposure from the classified combustible panelling sites **exceeds 20% of the Total Asset Value**.

Occupation Code	Acceptable?	Occupation Code	Acceptable?
Bakery Product Manufacturing (Non-factory based)	Yes	Meat, Poultry and Smallgoods Wholesaling	Yes
Beer Manufacturing	Yes	Milk and Cream Processing	Yes
Biscuit Manufacturing (Factory based)	No	Oil and Fat Manufacturing (including rendering)	No
Bread Manufacturing (Factory based)	No	Pharmaceutical and Toiletry Goods Wholesaling	Yes
Cake and Pastry Manufacturing (Factory based)	No	Potato, Corn and Other Crisp Manufacturing	Yes
Cereal, Pasta and Baking Mix Manufacturing	Yes	Poultry Processing (excluding rendering)	Yes
Cheese and Other Dairy Product Manufacturing	Yes	Prepared Animal and Bird Feed Manufacturing	Yes
Confectionery Manufacturing	Yes	Risks constructed of Aluminium Composite Panelling (ACP)	No
Cosmetic and Toiletry Preparation Manufacturing	Yes	Seafood Processing	Yes
Cured Meat and Smallgoods Manufacturing	Yes	Soft Drink, Cordial and Syrup Manufacturing	Yes
Dairy Produce Wholesaling	Yes	Spirit Manufacturing	Yes
Fish and Seafood Wholesaling	Yes	Storage Internal (Highly Combustible Goods) - Vegetable Oils	Yes
Fruit and Vegetable Processing	Yes	Storage Internal (Normal Combustible Goods) - Confectionery, Foodstuffs	Yes
Fruit and Vegetable Wholesaling	Yes	Sugar Manufacturing	Yes
General Line Grocery Wholesaling	Yes	Testing Laboratories – Food, Cosmetic, Medicinal	Yes
Grain Mill Product Manufacturing	Yes	Veterinary Pharmaceutical and Medicinal Product Manufacturing	Yes
Human Pharmaceutical and Medicinal Product Manufacturing	Yes	Wine and Other Alcoholic Beverage Manufacturing (with >20% timber construction)	No
Ice Cream Manufacturing	Yes	Wine and Other Alcoholic Beverage Manufacturing (with <20% timber construction)	Yes
Meat Processing (excluding rendering)	No		

The above occupation listing is only one factor considered in underwriting decisions. Acceptability is also determined by assessing, but not limited to, the quality and condition of the insured's assets, their risk management practices, exposure to natural hazards, fire protection, security protection, and claims history

Combustible Panelling - Mandatory Risk Standards

Item	Details
Minimum Information Requirements	Hot Work & Ignition Source Control
Has a third-party survey (broker or insurer) been completed within the last 24 months and provided to us?	Is a Cold Work Permit system in place for any modifications to EPS or combustible ISP, including attachments and penetrations?
	Is there a Hot Work Permit system in place and does it explicitly prohibit work on, near, or above EPS or combustible ISP within a 10-metre radius?
Electrical Ignition Sources	Is hot work prohibited in ceiling spaces that contain EPS or combustible ISP?
Are there any recessed lighting installed in ceilings that contain EPS or combustible ISP?	
Have all electrical cable penetrations, through EPS/combustible ISP been properly sealed using conduits or collars?	Panel Condition Monitoring
Are all the battery charging areas either located away from the EPS/combustible ISP or separated from them using fire-rated barriers?	Are all EPS or other combustible insulated sandwich panels intact and in good condition, with no penetrations or damage?
Are all electrical rooms constructed without the use of EPS or combustible ISP?	Is there a documented inspection and rectification process for sealing, flashing, capping, and repairing of EPS or combustible ISP, aligned with Cold Work Permit procedures?
Are electrical switchboards mounted on a non-combustible wall and away from EPS or combustible ISP?	
	Contractor Management
Fixed Heat Sources	Are all contractors inducted and informed of the fire risks associated with EPS or combustible ISP?
Are exhaust flues, boilers, ovens or cookers prevented from penetrating EPS or combustible ISP?	Do all contractors hold a minimum of \$20 million in Public Liability Insurance?
Is all heated pipework appropriately lagged or insulated to prevent heat transfer to EPS or combustible ISP?	Are all contractors required to follow strict Cold Work and Hot Work permit procedures when working near EPS or combustible ISP?
Fire Protection & Detection	Housekeeping
Is there a sprinkler system installed and monitored? If so, have the details (flow test, design specifications) been provided to us? <i>Preferred only</i>	Is the site kept clean and tidy to reduce overall fire load and ignition risk?
Is there a fire detection system (e.g., smoke or heat detection) installed and monitored?	
Does the fire alarm system provide site-wide notification and automatically alert the fire brigade?	Fire Load Management
	Are idle pallets and combustible storage kept at least 10 metres away from EPS or combustible ISP?
Prohibited Materials	
Are there any exposed spray-on foams (e.g., polyurethane) present within the building?	

