

Commercial Product Disclosure Statement Update

April 2021



Vero Business Insurance

We have prepared this guide to help you compare the current Vero Business Insurance Policy Product Disclosure Statement and Policy Wording (V10162 12/08/2017 A) with the new version (V10162 25/05/2021 A). Please read the new PDS and Policy Wording (**PDS**) which is available at vero.com.au for full details of the terms, conditions, limitations and exclusions. This is a summary of key changes only and also does not take into account any endorsements that may apply to the policy. This comparison does not constitute advice and should not be used by a potential insured for any purpose, including making a decision about a financial product or class of products. It is intended as a reference tool for brokers only and does not represent an exact or full outline of the PDS or available cover. This comparison is current as at 1 April 2021. The cover offered to an insured may vary from that described.

Schedule of changes

Part G: Business Insurance Policy Wording

- | | |
|-------------|---|
| New: | <ul style="list-style-type: none">• General Policy Conditions:<ul style="list-style-type: none">• 10. Governing Law• 11. If your contact details change• 12. The amount of cover• General Claims Conditions:<ul style="list-style-type: none">• 17. Motor vehicle claims• 18. Conduct towards us• General definitions - Communicable disease• General Exclusion 9. Communicable disease (not applicable to Policy Sections 6, 7 and 10) |
|-------------|---|

Part G: Business Insurance Policy Wording (cont.)

Change:

- General Policy Conditions – clauses updated to provide more clarity and transparency to the insured.
 - Preamble – consequence of non-compliance
 - 1. Change to Risk
 - 2. Taking steps to reduce risks
 - 3. Hazardous or dangerous goods
- General Claims Conditions – clauses updated to provide more clarity and transparency to the insured.
 - Permeable – consequence of non-compliance
 - All existing General Claim Conditions have been updated.
- General Claims Condition '7. Notification of other insurance' has moved from General Policy Conditions

Applicable to all Policy Sections

Change:

- Extra Covers – sub-limit amount clause moved from “What we exclude” to “What we cover”
- Additional Benefits – sub-limit amount clause moved from “What we exclude” to “What we cover”
- Policy Section Conditions (if applicable) – preamble updated to specify the consequence of non-compliance.

Policy Section 1: Property Damage

Change:

- Policy Section Exclusion 3. Consequential loss is revised to 3. Extra costs or other losses.
- Insured Event 3. Lightning or thunderbolt – clauses reworded for clarity, transparency, and fairness to the insured.
- Additional Benefit 8 –
 - renamed to 8. Damage to glass, windows, doors and showcase frames in vacant buildings
- cover is restricted to a vacant area of the building which is not leased to a tenant
- What we will pay – clauses updated to provide more clarity and transparency to the insured on settlement process.

Removed:

- Policy Section exclusion 4. Cyclone and bushfire.

Policy Section 2: Theft

Uplift:	<ul style="list-style-type: none">• Extra Cover 3. Temporary protection from \$5,000 to \$10,000 for one event• Additional Benefit 1. Theft of external property from \$5,000 to \$10,000 for all claims in period of insurance• Additional Benefit 2. Directors' and employees' tools of trade and personal effects<ul style="list-style-type: none">• new total \$10,000 sub-limit for cover under this additional benefit and Additional Benefit 3. Directors' and employees' personal effects in Policy Section 4 – Money if loss covered under both these Policy Section Additional Benefits• Additional Benefit 3. Employee dishonesty<ul style="list-style-type: none">• new total \$10,000 sub-limit for cover under this additional benefit and Additional Benefit 1. Employee dishonesty in Policy Section 4 – Money if loss covered under both these Policy Section Additional Benefits.• Additional Benefit 4. Developing security images<ul style="list-style-type: none">• New sub-limit of \$1,000 for one event• New total \$1,000 sub-limit for cover under this Additional Benefit and Additional Benefit 2. Developing security images in Policy Section 4 – Money if loss covered under both these Policy Section Additional Benefits.
Change:	<ul style="list-style-type: none">• Policy Section Exclusion 6. Consequential loss is revised to 5. Extra costs or other losses.

Policy Section 3: Glass

New:	<ul style="list-style-type: none">• Policy Section Exclusion 3. Glasshouse
Change:	<ul style="list-style-type: none">• Policy Section Exclusion 4. Consequential loss is revised to 5. Extra costs or other losses.• Policy Section Exclusion 1 and 5 are combined under 1. Heat, fire or flood.

Policy Section 4: Money

Change:	<ul style="list-style-type: none">• Policy Section Exclusion 6. Consequential loss is revised to 6. Extra costs or other losses.• Definition of Money is revised to provide clarity in respect that 'money' does not include any kind of crypto-currency.
Uplift:	<ul style="list-style-type: none">• Extra Cover 2. Temporary protection from \$5,000 to \$10,000 for one claim• Extra Cover 4. Seasonal increase on money from \$50,000 to \$75,000.• Additional Benefit 1. Employee dishonesty from \$5,000 to \$10,000 for all claims for employee dishonesty during the period of insurance.• Additional Benefit 5. Travellers' money<ul style="list-style-type: none">• \$1,000 to \$5,000 for one event• \$2,000 to \$10,000 for one period of insurance• Additional Benefit 6. Counterfeit money from \$500 to \$750.• What we will pay #8(c) "money on the premises outside business hours", from \$2,000 to \$3,000.

Policy Section 5: Business Interruption

New:	<ul style="list-style-type: none">• Policy Section Condition 4. Indemnity period shorter than twelve months
Change:	<ul style="list-style-type: none">• Insured Event 2. Boiler explosion, new exclusion for loss or damage to pressure vessels or their contents which require certification added.• Insured Event 8. Infectious diseases, murder, suicide - cover is now limited to curtailed named infectious diseases (refer to the PDS for when cover is provided for these diseases). A sub-limit and 48 hour time deductible are now applicable to this insured event. Cover is subject to a new communicable disease general exclusion and communicable disease general definition.
Uplift:	<ul style="list-style-type: none">• Insured Event 1. Loss or damage cover extended to include (b) - "a strata owner or a tenant of the building and [you] do not insure the building, damage to the building..."• Insured Event 3. Utilities extension, cover (d)(iv) added for interruption of supply for greater than 48 hours• Optional Insurance 3. Additional outstanding accounts receivable cover extended to include (b)(iii) for "strata owner or a tenant of the building and do not insure the building, damage to the building..." "
Removed:	<ul style="list-style-type: none">• Extra Cover 6. Government incentives.

Policy Section 6: Public and Products Liability

Change:	<ul style="list-style-type: none">• Policy Section Exclusion 19. Libel or slander revised due to recent Legal changes to now read 'Defamation'.• Policy Section Exclusions - clauses revised to provide clarity on Australian Standards:<ul style="list-style-type: none">• 21. Hot work• 22. Underground works• Additional Benefit 6. Non-manual work worldwide cover, new exclusion added
----------------	--

Policy Section 7: Management Liability

Change:	<ul style="list-style-type: none">• All instances of "occupational health and safety" are replaced by "workplace health and safety"• Wording updated to reflect 'financial loss' as correct intent of coverage.• Policy Section Conditions updated<ul style="list-style-type: none">• 4. Notification• 5. Claims conduct• 7. Allocation of loss• 8. Recoveries (was "Subrogation and recoveries")
Removed:	<ul style="list-style-type: none">• Policy Section Conditions 11. Governing law moved to General Policy Condition.• Policy Section Condition 12. Interpretation the singular includes the plural and vice versa.
New:	<ul style="list-style-type: none">• Definition of 'Financial loss' added to provide more clarity.

Policy Section 8: Portable and Valuable Items

Change:	<ul style="list-style-type: none">• Policy Section Exclusion (g) is revised to: (g) loss of profit or income, loss of use, loss of earning capacity, loss caused by delay, lack of performance, loss of contract, or depreciation in value or any other loss or damage that is not covered under this Policy Section• What we will pay – clauses updated to provide more clarity and transparency to the insured on settlement process.
----------------	--

Policy Section 9: Equipment Breakdown

Change:	<ul style="list-style-type: none">• Policy Section Exclusion (c) is revised to:<ul style="list-style-type: none">(i) delay or interruption of your business;(ii) lack of power, light, heat, steam or refrigeration; or(iii) any other indirect result of a breakdown including loss of profit or income, loss of use, loss of earning capacity, loss caused by delay, lack of performance, loss of contract, or depreciation in value or any other loss that is not covered under this Policy Section.• What we will pay – clauses updated to provide more clarity and transparency to the insured on settlement process.
Remove:	<ul style="list-style-type: none">• Policy Section Conditions – the following have been removed:<ul style="list-style-type: none">• 3. Obligation to prevent loss• 5. Resumption of business.

Section 10: Tax Probe

New:	<ul style="list-style-type: none">• Policy Section Condition 1. Your Obligations• Definitions added to provide more clarity:<ul style="list-style-type: none">• Intentional disregard• Recklessness
Change:	<ul style="list-style-type: none">• Policy Section Exclusions 2. Representations, errors in information and improper conduct - sub-paragraph (e): notification period increased from 30 days to 90 days.• Policy Section Condition 4. Claims - sub-paragraph (a): notification period increased from 30 days to 90 days.• Definition of Designated tax is revised to include amendments to legislation and regulations.• Definition of Shortfall amount is revised for more clarity.

Policy Section 11: Commercial Motor

New:	<ul style="list-style-type: none">• Worked dollar claim example on How underinsurance applies to partial loss claims• Definitions:<ul style="list-style-type: none">• Assessed quote• Value of your vehicle
Change:	<ul style="list-style-type: none">• Part 1, Extra Cover 1. New vehicle after total loss now includes “ex-demonstration” model if the insured purchased it from a licensed motor dealer who was the first registered owner of the vehicle.• What we will pay under Part 1– clauses updated to provide more clarity and transparency to the insured on settlement process.• Part 2 Extra Covers are now Additional Benefits:<ul style="list-style-type: none">• 1. Damage by uninsured drivers• 2. Emergency services• Part 1 Additional Benefit 3 renamed to 3. Hire Vehicle• Optional Insurance 2. Rental vehicle after accident is revised to provide more clarity and transparency to the insured regarding cover for a rental vehicle• Excess – clauses updated to provide more clarity and transparency to the insured on when and how to pay the excess.• Policy Section Exclusion “for consequential losses (financial and non-financial loss) or extra costs following an event covered by this policy” is revised to: “for the following financial and non-financial loss or extra costs following loss or damage to your vehicle covered by this Policy Section”• Definitions revised to provide more clarity and transparency<ul style="list-style-type: none">• Market value• Partial loss• Total loss
Removed:	<ul style="list-style-type: none">• Definition of ‘Reasonable repair cost’ is removed. See new definition of ‘Assessed quote’

Policy Section 12: Goods in Transit

New:	<ul style="list-style-type: none">• Policy Section Exclusion added for:<ul style="list-style-type: none">• loss or damage caused directly or indirectly because you do not comply with the Australian Code for the Transport of Dangerous Goods by Road and Rail or the Australian Code for the Transport of Explosives by Road or Rail current at the time of the loss or damage (or any subsequent replacement or amendment Code)
Change:	<ul style="list-style-type: none">• What we will pay – clauses updated to provide more clarity and transparency to the insured on settlement process.