

Commercial Policy Wording Update

October 2021



Vero Equipment Breakdown Policy

We have prepared this guide to help you compare the current Vero Equipment Breakdown Policy Wording (V10523 25/05/21 A) with the new version (V10523 05/10/21 A). Please read the new Policy Wording 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 policy wording or available cover. This comparison is current as at 6 September 2021. The cover offered to an insured may vary from that described.

In light of changes to our reinsurance treaties driven by the broader reinsurance market, we've reviewed and updated clauses relating to cyber acts and electronic data.

Changes made

Section D. Exclusions

New Exclusion

- 5. Cyber act

loss, damage, liability, cost or expense of whatsoever nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with a Cyber Act.

Amended Exclusion

- 6. Electronic data

loss, damage, liability, cost or expense directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with:

- (i) total or partial destruction, distortion, erasure, corruption, alteration, misinterpretation or misappropriation of Electronic Data;
- (ii) error in creating, amending, entering, deleting or using Electronic Data;
- (iii) total or partial inability or failure to receive, send, access or use Electronic Data for any time or at all;
- (iv) any loss of use or reduction in functionality, repair, replacement, restoration or reproduction of any Electronic Data;

including the value of any Electronic Data.

Notwithstanding Exclusion 6. Electronic data, this Exclusion 6 does not apply in the event that a Breakdown (as insured against under this Policy) causes or is caused by any of the matters described in Exclusion 6(i)-(iv) above.

Provided that this exclusion shall not apply to coverage specifically provided in 11. Electronic Data Restoration of Section C.

The Terrorism exclusion in this Policy or any endorsement thereto prevails over this exclusion.

Section E. Definitions and special provisions applicable to all sections of this policy

New Definitions:

- 8. Computer system

Computer System means any computer, hardware, software, communications system, electronic device, (including, but not limited to, any smart phone, laptop, tablet, wearable device), server, cloud or microcontroller including any similar system or any configuration of the aforementioned and including any associated input, output or data storage device, networking equipment or back up facility.

- 9. Cyber act

Cyber Act means:

- (a) an unauthorised, malicious or criminal act or series of related unauthorised, malicious or criminal acts, regardless of time and place, or the threat or hoax thereof involving access to, processing of, use of or operation of any Computer System; and/or
- (b) any program code, programming instruction or other set of instructions intentionally constructed with the ability to damage, interfere with or otherwise adversely affect computer programmes, data files or operations (whether involving self-replication or not), including but not limited to 'virus', 'trojan horses', 'worms', 'logic bombs' or 'denial of service attack'.

Amended Definition:

- 11. Electronic data

Electronic Data means facts, concepts, code or any other information of any kind that is converted, recorded or transmitted in a form to be accessed, communicated, displayed, distributed, interpreted, processed, transmitted or stored or used in or by a Computer System.

Amended Special provisions applicable to all sections of this policy:

- 6. There are certain coverages that do not require a Breakdown of Equipment in order to provide indemnity under this Policy, for example certain benefits available within coverages A2, A3, B1 and Section C. In respect of any such indemnifiable loss under this Policy resulting from an event other than a Breakdown to Equipment at a Situation, such event will be considered as if it was a Breakdown to Equipment at a Situation for those coverages and for the purpose of applying any of the Conditions, Definitions or other provisions of this Policy to those coverages.