



Musical
Instrument
Insurance

LARK*music*

Perfectly tuned insurance

Product Disclosure Statement and Policy Wording

Musical Instrument Insurance

Product Disclosure Statement and Policy Wording

We the Insurers hereby agree, in consideration of the premium specified in the **Schedule**, to insure against loss in accordance with the Policy terms and conditions.

Insurers/Underwriters

The words “Insurers” and “Underwriters” refer to Certain Underwriters at Lloyd’s. Insurers are authorised by Australian Prudential Regulation Authority (APRA) Participation percentage – 100%.

Important Information

This Product Disclosure Statement (PDS) is designed to help **you** understand the EBM Musical Instrument Insurance policy and to provide **you** with sufficient information to enable **you** to make an informed choice about whether to buy this policy.

This PDS is divided into 2 parts:

Part 1 sets out some important information for EBM Musical Instrument Insurance. It contains information about the insurance, its features, benefits, risks and costs. Please read it carefully together with the Insurance Policy Terms and Conditions.

Part 2 is the Insurance Policy Terms and Conditions. Full details of the insurance, the exclusions and the terms and conditions are set out in the Insurance Policy Terms and Conditions. By acquiring this insurance, **you** agree to be bound by those terms and conditions.

Part 1

The Insurers/Underwriters

The insurers of this policy are Certain Underwriters at Lloyd’s. CoverLink Pty Ltd (CoverLink), ABN 49 148 219 461 is an Authorised Representative (AR 437921) of Elkington Bishop Molineaux Insurance Brokers Pty Ltd (EBM), ABN 31 009 179 640 / AFS Licence No: 246986 and you can contact us via:

1162 Hay Street, West Perth, WA 6005, Australia;
Phone toll free: 1300 INSURE (1300 467 873),
Email ebm@ebm.com.au

CoverLink holds a binding authority from Certain Underwriters at Lloyd’s, which allows CoverLink to arrange, issue and distribute insurance on behalf of said underwriters.

The General Insurance Code of Practice

Lloyd’s subscribes to the General Insurance Code of Practice. The objectives of the Code are:

- a) to commit us to high standards of service;
- b) to promote better, more informed relations between us and you;
- c) to maintain and promote trust and confidence in the general insurance industry;
- d) to provide fair and effective mechanisms for the resolution of Complaints and disputes between us and you; and
- e) to promote continuous improvement of the general insurance industry through education and training.

What to do if you have a complaint?

There are established procedures for dealing with complaints and disputes regarding your policy or claim.

All policyholders can take advantage of the complaints service.

Step 1

Any enquiry or complaint relating to this policy or a claim should be addressed to EBM in the first instance - in most cases this will resolve your grievance.

EBM will respond to your complaint within 15 business days provided they have all necessary information and have completed any investigation required. Where further information, assessment or investigation is required, they will agree to reasonable alternative timeframes with you. You will also be kept informed of the progress of your complaint.

Step 2

In the unlikely event that this does not resolve the matter, or you are not satisfied with the way your complaint has been dealt with, you should contact:

Lloyd’s Australia Limited
Level 9, 1 O’Connell Street, Sydney NSW 2000
T: (02) 8298 0783 F: (02) 8298 0788
E: idaustralia@lloyds.com

When you lodge your dispute with Lloyd’s, we will usually require the following information:

- Name, address and telephone number of the policyholder
- The type of insurance policy involved
- Details of the policy concerned (policy and/or claim reference numbers etc.)
- Name and address of the insurance intermediary through whom the policy was obtained
- Details of the reasons for lodging the dispute
- Copies of any supporting documentation you believe may assist Lloyd’s in addressing your dispute appropriately

Following receipt of your dispute, you will be advised whether your dispute will be handled by either Lloyd's Australia or the Policyholder & Market Assistance Department at Lloyd's in London:

- Where you are a retail client and your dispute is eligible for referral to the Financial Ombudsman Service (FOS), your dispute will be reviewed by a person at Lloyd's Australia with appropriate authority to deal with your dispute.
- Where you are a retail client and your dispute is not eligible for referral to the FOS, or where you are a wholesale client, Lloyd's Australia will refer your dispute to the Policyholder & Market Assistance Department at Lloyd's, who will then liaise directly with you.

How long will the step 2 process take?

Your dispute will be acknowledged in writing within 5 business days of receipt, and you will be kept informed of the progress of the review of your dispute at least every 10 business days.

The length of time required to resolve a particular dispute will depend on the individual issues raised, however in most cases you will receive a full written response to your dispute within 15 business days of receipt, provided Lloyd's have received all necessary information and have completed any investigation required.

Step 3

If your dispute is not resolved in a manner satisfactory to you, you can elevate the matter to the Financial Ombudsman Service (FOS). FOS is an independent body that operates nationally in Australia and aims to resolve disputes between you and your insurer. Your dispute must be referred to the FOS within 2 years of the date of Lloyd's final decision. FOS can be contacted on 1800 367 287 or info@fos.org.au.

This service is free of charge to Policyholders.

Service of Suit

The Underwriters hereon agree that:

- In the event of a dispute arising under this Insurance, the Underwriters at the request of the Assured will submit to the jurisdiction of any competent Court in the Commonwealth of Australia. Such dispute shall be determined in accordance with the law and practice applicable in such Court.
- Any summons notice or process to be served upon the Underwriters may be served upon:
Lloyd's General Representative in Australia
Lloyd's Australia Ltd
Level 9, 1 O'Connell Street, Sydney NSW 2000
- If a suit is instituted against any one of the Underwriters, all Underwriters hereon will abide by the final decision of such Court or any competent Appellate Court.

The amount of Premium specified herein is the amount due to the Underwriters and any commission allowed by them is to be regarded as remuneration of the Broker / Coverholder placing this Insurance.

Definitions

Wherever the following words appear in this insurance they will have the meanings shown below:

You/Your

The person(s) named in **your schedule**.

We/Us/Our

The Insurers as shown on **your schedule**.

Benefits and features of the policy

This Musical Instrument Insurance policy provides cover for specified musical instruments.

The benefits are for accidental loss or damage to the specified property whilst the property is anywhere in the world.

Please note that conditions, limitations and exclusions will apply to these benefits. Details about the terms, conditions and exclusions of the insurance are outlined in the Insurance Policy Terms and Conditions in Part 2.

Significant Risks

The risks associated with this policy could include the following:

- Cover may be inadequate for **your** needs because the level or type of cover **you** need does not match the cover offered by this policy. For example, an exclusion may apply, or **you** may not satisfy the terms and conditions of cover, or a limit applies to the amount **you** can claim. Please carefully read the policy before deciding whether it will meet **your** needs.
- **Underinsurance**. It is important to make sure that the sums insured **you** select fully reflect the value of **your** property, otherwise **your** cover may not be adequate to cover **your** loss.
- **Failure to comply with the policy terms and conditions**. If **you** do not comply with the policy terms and conditions (e.g. **your** duty of disclosure) **we** may refuse to pay part or all of **your** claim.
- **Failure to pay your insurance premium**. In order for **your** insurance to remain current, **you** must pay the insurance premium by the due date, otherwise **we** may cancel **your** policy.

Conditions

The Musical Instrument Insurance Policy is subject to the following important conditions:

- **You** must at all times comply with **your** Duty of Disclosure;
- **You** must not act in a fraudulent manner;
- Claims are handled in accordance with the claims standards set out in Part 2 under the heading Claims Conditions;
- **We** are entitled to inspect and salvage the insured property;
- **We** are entitled to negotiate, defend and settle any claim in **your** name;
- **We** are entitled to be subrogated to **your** rights of recovery against a third party;
- Disputes must be mediated in accordance with this policy;
- This policy may be cancelled as specified in Part 2 under the heading Cancelling a Policy.

- **You** must at all times take all appropriate maintenance and safety precautions to protect **your** property.

Your cooling off period

Please read this PDS and **your schedule** carefully to make sure **you** understand the cover and that it is adequate for **your** needs.

If, for any reason, **you** are not completely satisfied with **your** policy, **we** may agree in writing to alter it to meet **your** needs.

Alternatively, if **you** decide that **you** do not require this policy, and no claim has been made under the policy, **you** have the right to cancel and return the insurance policy to **us** within a cooling off period of 14 days, which starts on the earlier of:

- The date **you** received confirmation of this insurance policy; or
- 5 days after the date this policy was issued to **you** whichever occurs earlier.

If you cancel within this cooling off period of 14 days and providing you have made no claims, we will return your premium in full, less an administration charge of AUD \$40.

Policy Costs

The cost of **your** insurance is shown on **your schedule**. The cost of **your** policy is made up of **your** premium, plus any applicable government taxes and charges such as stamp duty, applicable fire services levy and the GST.

We calculate **your** premium using a rating system that includes certain rating factors. These factors include **your** insurance history, the type and value of the property insured.

When **you** make a claim, an **excess** may be applicable. The applicable **excess** is stated on **your** policy certificate.

Cancellation Fee

You may cancel **your** policy at any time. If **you** choose to cancel **your** policy **we** will retain or be entitled to the premium for the period during which this policy has been in force, EBM will further deduct an administration fee of \$40.

After cancellation by **us**, **you** will be entitled to a proportionate refund of the unexpired premium less any non-refundable government taxes and charges and a cancellation fee.

For details of **our** cancellation fee please refer to the heading Cancelling a Policy in Part 2 of this policy.

Duty of Disclosure

New contracts of insurance

Before you enter into an insurance contract, you have a duty of disclosure under the *Insurance Contracts Act 1984*.

If we ask you questions that are relevant to our decision to insure you and on what terms, you must tell us anything that you know and that a reasonable person in the circumstances would include in answering the questions.

You have this duty until we agree to insure you.

If you do not tell us anything you are required to tell us, 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.

Renewal of contracts of insurance

Before you renew this contract of insurance, you have a duty of disclosure under the *Insurance Contracts Act 1984*.

If we ask you questions that are relevant to our decision to insure you and on what terms, you must tell us anything that you know and that a reasonable person in the circumstances would include in answering the questions.

Also, we may give you a copy of anything you have previously told us and ask you to tell us if it has changed. If we do this, you must tell us about any change or tell us that there is no change.

If you do not tell us about a change to something you have previously told us, you will be taken to have told us that there is no change.

You have this duty until we agree to renew the contract.

If you do not tell us anything you are required to tell us, 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.

Part 2

This policy wording, along with the **Schedule**, and any **endorsement** attached form **your** contact of insurance.

This insurance has been specifically designed to give cover for musical instruments and accessories. It is intended to be clear in language and layout but it is important that **you** understand the extent of cover provided by **us** and **your** own obligations in order to receive the full benefit of this insurance.

Please read this policy wording, together with any **endorsements** and **your Schedule**, very carefully. If it is incorrect, return it immediately for alteration.

If **you** have any questions or concerns about **your** contract of insurance or the handling of a claim **you** should, in the first instance, contact EBM.

If **you** are unable to resolve any questions or concerns with EBM please refer to the complaints procedure shown on page 7 of this policy.

The written authority under the agreement number(s) stated on **your Schedule** allows EBM through Aston Lark to issue this certificate on **our** behalf.

Part 2 - Definitions

Wherever the following words appear in this insurance they will have the meanings shown below:

Amount Insured	The maximum we will pay as shown on your Schedule .
Computer Virus(es)	A corrupting instruction from an unauthorised source that propagates itself via a computer system or network.
Endorsements	Any variation or addition to the terms of this insurance agreed by us in writing.
Excess	The first amount of a claim which you must pay as shown on your Schedule .
Period of Insurance	The length of time for which this policy is in force as shown on your Schedule .
Schedule	The document showing your name, your address, the item(s) insured, the amount insured , and the period of insurance .
Terrorism	An act, including using or threatening to use force or violence, which: i. is committed by a person or group of people, whether acting alone or in connection with an organisation or government; and ii. is for political, religious, ideological or similar reasons. This includes trying to influence a government or to frighten the public or any section of the public.
We/Us/Our	The insurer(s) as shown on your Schedule .
You/Your	The person named as the insured on your Schedule .

The Cover

In return for payment of the premium shown on **your Schedule**, **we** agree to insure the instrument(s) and accessories specified in **your Schedule** against physical loss or physical damage occurring during the **period of insurance** while anywhere in the world, subject to the terms, conditions and exclusions contained in this policy wording.

How much we will pay

We will at **our** option repair, or where it is economical to do so, replace or pay for the lost or damaged insured item(s), limited to the amount specified on **your Schedule** for each item lost or damaged.

For non-electrical items in the event of partial loss of or damage to any insured item, **we** will pay the cost and expense of restoration plus any resulting depreciation but not exceeding the full value of that insured item as specified in **your Schedule**.

For electrical items in the event of partial loss of or damage to any insured item, **we** will pay the cost and expense of restoration plus any resulting depreciation but not exceeding the market value of that insured item as specified in **your Schedule**.

In no event will **we** be liable for more than the **amount insured**.

What is not covered

This insurance does not cover:

- A. any **excess** and/or voluntary **excess** as stated on **your Schedule**.
- B. breakage of strings, reeds or drumheads while the instrument is being played.
- C. loss of or damage to any insured instrument whilst in or on any motor vehicle which is left unattended without an authorised occupant, unless shown as included on **your Schedule**.
- D. loss or destruction of, or damage to, any property whatsoever, or any loss or expenses whatsoever resulting or arising directly or indirectly caused by or contributed to by or arising from:
 - i. **computer viruses**, erasure or corruption of electronic data
 - ii. the failure of any equipment to correctly recognise the date or change of date.
- E. damage from electrical or mechanical faults in or breakdown of the insured item(s).
- F. loss or damage caused by moth, vermin, woodworm, wear and tear or any gradually operating cause,
- G. damage or deterioration of any article caused by cleaning, dyeing, renovation or whilst being worked upon.
- H. loss or destruction of, or damage to any property whatsoever, or any loss or expenses whatsoever resulting or arising directly or indirectly caused by or contributed to by or arising from:
 - i. ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel
 - ii. the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear component thereof

	iii. nuclear reaction, nuclear radiation or radioactive contamination.
I.	loss or damage as a consequence of earthquake happening outside of Australia.
J.	any loss or damage directly or indirectly occasioned by, happening through or in consequence of war, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power, or confiscation or nationalisation or requisition or destruction of or damage to property by or under the order of any government or public or local authority.
K.	damage to internal mechanisms including but not limited to valves and transistors unless caused by a single identifiable external event.
L.	loss or destruction of, or damage to any property whatsoever, directly or indirectly caused by corrosion, rust, dampness, dryness, dust, evaporation, shrinkage, change in colour or finish, chemical action or reaction.
M.	loss of or damage to any property whatsoever directly or indirectly caused by defects in operation, faulty or defective design, materials or workmanship or latent defect.
N.	loss or damage caused by aridity, humidity, exposure to light or extreme temperature unless such loss or damage is caused by storm or fire.
O.	loss or destruction of, or damage to any property whatsoever, or any loss or expenses whatsoever resulting or arising directly or indirectly caused by or contributed to by biological or chemical contamination arising from: <ul style="list-style-type: none"> i. terrorism ii. steps taken to prevent, suppress, control or reduce the consequences of any actual, attempted, threatened, suspected or perceived act of terrorism.
P.	loss or damage to insured item(s) whilst in the course of transit by air or postal or similar transit unless the insured item(s) is securely packed in a suitable hard protective case or container, or has been packed by a professional transit or removal company.
Q.	loss or damage to insured item(s) as a result of inherent defects or manufacturing faults.
R.	loss or damage arising out of a deliberate act by you or by anyone acting on your behalf.
S.	loss or damage that is not directly associated with the incident that caused you to claim, unless expressly stated in this insurance.
T.	Theft by any person or persons to whom the property insured is entrusted.
U.	unexplained disappearance of any insured items
V.	loss damage liability or expense directly or indirectly caused by or contributed to by arising from the use or operation, as a means for inflicting harm, of any computer, computer system, computer software programme, malicious code, computer virus or process or any other electronic system.
W.	and no insurer shall be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose that insurer to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of Australia, the European Union, United Kingdom or United States of America.

Conditions Information

In deciding to accept this insurance and in setting the terms, **we** have relied on the information **you** have given **us**.

You must make sure that all information is accurate and that **you** have not withheld any facts that might have influenced **our** decision. If **you** are in any doubt, **you** should speak to EBM.

Change in Circumstances

You must tell **us** about any change in circumstances which occurs before or during the **period of insurance** which may affect this insurance. **We** may then amend the terms of this insurance. If **you** are in any doubt, **you** should speak to EBM.

Insurers Several Shares

The insurer(s) are as shown on **your Schedule**. The subscribing insurer's obligations are several and not joint and are limited solely to the extent of their individual subscriptions. The subscribing insurers are not responsible for the subscription of any co-subscribing insurer who for any reason does not satisfy all or part of its obligations.

Cancelling a Policy

How you may cancel

- **You** may cancel this policy at any time by telling **us** that **you** want to cancel it.
- **We** subtract from any premium **you** pay **us**, an amount to cover the period that **we** have already insured **you** for. EBM will further deduct an administration fee of \$40. **We** then return the rest of the premium, along with GST and any relevant Government charges where this is allowed.

How we may cancel

- **We** may only cancel this policy when the law says **we** can.
- **We** cancel **your** policy by telling **you** so in writing.
- **We** give **you** that notice in person, or send it to **your** last known postal address or email address.
- **We** subtract from any premium **you** pay **us**, an amount to cover the period that **we** have already insured **you** for. **We** then return the rest of the premium, along with GST and any relevant Government charges where this is allowed.

If you pay by instalments

We may cancel **your** policy by telling **you** in writing:

- after 3 business days, if **you** do not pay an instalment on the agreed date, or
- straight away, if **you** are a month (or more) late in paying an instalment.

If **we** cancel **your** policy, **you** do not have to pay **us** any further instalments due after the cancellation date. **We** will require **you** to pay **us** the amount owing up to the cancellation date.

Protections and Maintenance

You must:

- a. take all reasonable precautions for the safety of the item(s) insured.
- b. ensure that all protections provided for the item(s) covered under this insurance are:
 - i. maintained in good working order, and

- ii. in full and effective operation whenever the premises where the insured items are located is left unoccupied.

If **you** fail to comply with this condition **we** may be entitled to reduce or deny **your** claim.

Hire Charges

If the item(s) insured suffers from insured physical damage or is lost or stolen **we** will pay up to 20% of the individual **amount insured** for each item or AUD \$5,000 (or currency equivalent) whichever is the lower in respect of hire costs.

Unattended Vehicles

If unattended vehicle cover is included on **your Schedule**, the following clause will apply.

You must ensure that all items left in an unattended vehicle are kept out of sight and:

- i. all windows, windscreens, doors and other openings of the vehicle(s) are closed, securely locked and properly fastened;
- ii. any security protections on the vehicle are in full and effective operation.

If **you** fail to comply with this condition **we** will not have to pay any related claim.

In the event of loss or damage by theft **we** will only cover such loss if the door(s), window(s), windscreen opening, lock or fastening of the vehicle have been damaged by violent forcible means whereby entry, access or theft has been effected.

New Instruments and Bows

We will allow an increase in the **amounts insured** of up to \$200,000 any one item or 100% of the policy sum insured (whichever is the lesser) for any items **you** acquire during the **period of insurance**. **We** will only do this if **you** tell us about the new possession within 30 days of acquisition and pay any additional premium due.

Increases for existing Instruments and Bows

We will allow an increase of up to 100% of the policy sum insured or \$200,000, whichever the lesser, for any specified items that **you** have had valued within the last 90 days. **We** will only do this if **you** provide us with a valuation from a reputable professional source within 90 days of this being undertaken and pay any additional premium due.

Law and Jurisdiction

The parties are free to choose the law applicable to this Insurance Contract. Unless specifically agreed to the contrary this insurance shall be subject to Australian Law.

Claims Conditions

What to do when a Loss Occurs

In the event of a possible claim under this insurance **you** must:

- a. notify EBM on the contact details below, as soon as possible giving full details of what has happened.

EBM, 1162 Hay Street, West Perth WA 6005, Australia

T: +61 8 9213 4567 E: music@ebm.com.au

- b. provide EBM with written details of what has happened and provide any other information **we** may require within 30 days,
- c. give immediate notice to the Police following any theft, attempted theft or lost property,
- d. not admit liability or offer or agree to settle any claim without **our** written permission.

If **you** fail to comply with any of the above duties this insurance may become invalid.

Application of Average

You must ensure that the **amount insured** represents the full value of the item(s) insured. Full value is the current market value. If **you** fail to keep the **amount insured** at full value **we** may reduce the amount **we** pay for each claim in proportion with the level of under insurance.

Subrogation

We can take over and deal with, in **your** name (but at **our** expense), the defence or settlement of any claim. **We** can also start proceedings in **your** name to recover for **our** benefit the amount of any payment made under this insurance.

Full Payment

If **we** pay the full **amount insured** for any item(s) insured, **we** will become the full owners and reserve the right to take possession of such item(s).

Recovered Instruments

You will have the right to purchase from **us** any instrument or accessory recovered for which the full sum insured has been paid in settlement of a claim at a lesser of:

- i. the amount of the settled claim plus interest from the date of settlement at a relevant prevailing bank base rate plus loss adjustment and recovery expenses;
- ii. the fair market value at the time of recovery.

We will notify **you** by post at **your** last known address of the right to purchase the instrument recovered and **you** will have 60 days from the date of notice to exercise the right to repurchase.

Fraudulent Claims

You must not act in a fraudulent manner.

If **you** or anyone acting with **you** or on **your** behalf:

- a. makes a claim under the insurance knowing the claim to be false or fraudulently exaggerated in any respect, or
- b. makes a statement in support of a claim knowing the statement to be false in any respect or submit a document in support of a claim knowing the document to be forged or false in any respect, or
- c. makes a claim in respect of any loss or damage caused by **your** wilful act or connivance;

then **we** may be entitled to:

- a. not pay the claim
- b. not pay any other claim which has been or will be made under the insurance
- c. recover from **you** the amount of any claim already paid under the insurance since the last renewal date
- d. not return any premium
- e. inform the Police of the circumstances

Australia Terrorism Insurance Act 2003 Notice

The Underwriters have treated this Insurance (or part of it) as an Insurance to which the Australia Terrorism Insurance Act 2003 (ATIA) applies.

ATIA and the supporting regulations made under the Act deem cover into certain policies and provide that the Terrorism exclusion to which this Insurance is subject shall not apply to any "eligible terrorism loss" as defined in ATIA.

Any coverage established by ATIA is only in respect of any "eligible terrorism loss" resulting from a "terrorist act" which is a "declared terrorist incident" as defined in ATIA. The Terrorism exclusion to which this Insurance is subject applies in full force and effect to any other loss and any act or event that is not a "declared terrorist incident".

All other terms, conditions, insured coverage and exclusions of this Insurance including applicable limits and deductibles remain unchanged.

If any or all of the Underwriters have reinsured this Insurance with the Australian Reinsurance Pool Corporation, then any such Underwriters will not be liable for any amounts for which they are not responsible under the terms of ATIA due to the application of a "reduction percentage" as defined in ATIA which results in a cap on the Underwriter's liability for payment for "eligible terrorism losses".