



Terrorism Insurance Regulations 2003

Statutory Rules 2003 No. 162 as amended

made under the

Terrorism Insurance Act 2003

This compilation was prepared on 1 July 2007
taking into account amendments up to SLI 2007 No. 107

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1 Name of Regulations [see Note 1]

These Regulations are the *Terrorism Insurance Regulations 2003*.

2 Commencement [see Note 1]

These Regulations commence on 1 July 2003.

3 Definitions

In these Regulations:

Act means the *Terrorism Insurance Act 2003*.

business has the same meaning as in the *Trade Practices Act 1974*.

4 Eligible property

For paragraph (c) of the definition of *eligible property* in section 3 of the Act, tangible property that is on, in or under the seabed is prescribed.

5 Eligible insurance contract — exclusions

For subsection 7 (2) of the Act, a contract of insurance described in Schedule 1 is not an eligible insurance contract.

Schedule 1 Exclusions

(regulation 5)

- 1 A contract that includes provisions of insurance, although the contract would not ordinarily be regarded as a contract of insurance.
- 2 A contract of insurance that provides cover (whether or not the cover is restricted) for:
 - (a) the destruction of, or damage to, a home building within the meaning given by regulation 7.1.12 of the *Corporations Regulations 2001*; or
 - (b) the loss of, or damage to, the contents of a residential building within the meaning given by regulation 7.1.13 of the *Corporations Regulations 2001*; or
 - (c) any of the following:
 - (i) financial loss for fares for any form of transport or accommodation to be used in the course of a specified journey if the insured person does not start or complete the journey;
 - (ii) loss or damage to personal belongings while the insured person is on a specified journey;
 - (iii) a sickness or disease contracted, or injury sustained, by the insured person on a specified journey;
 - (iv) loss, damage or compensation for an event affecting the insured person on a specified journey that ordinarily forms a part of insurance commonly regarded as travel insurance, including loss of cash or credit cards, legal liability, hijack, kidnap or ransom; or
 - (d) loss or damage to property that is:
 - (i) wholly or predominantly used for personal, domestic or household purposes by the insured, a relative of the insured or a person who resides with the insured; and
 - (ii) ordinarily used for that purpose.

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- 3 A contract of insurance that provides cover (whether or not the cover is restricted) for:
- (a) contracting a sickness or disease or a specified sickness or disease, or sustaining an injury or a specified injury, or dying as a result of the sickness, disease or injury; or
 - (b) the death, sickness, disease, injury or unemployment of the insured person if the amount of the liability of the insurer under the contract is worked out by reference to a liability of the insured person under a specified agreement to which the insured person is a party.
- 4 A contract of insurance:
- (a) that provides cover to farm business, including:
 - (i) producing crops or livestock, including produce derived from the crops or livestock; or
 - (ii) the interests of an owner, lessor, lessee or hirer of property used to produce crops or livestock; and
 - (b) that does not provide cover for business interruption (insurance known as increased cost of working cover provided by the farm property cover of a farm insurance (or farm pack) policy is not taken to be cover for business interruption).
- 5 A contract of insurance underwritten by the Commonwealth.
- 5A A contract of insurance underwritten by the government of the Australian Capital Territory or the Northern Territory that is not a contract of insurance provided by a body owned by the government of the Territory.
- 6 A contract of insurance to the extent that it provides cover to the Commonwealth.
- 8 A contract of insurance to the extent that it provides cover to:
- (a) the Crown in right of a State, the Australian Capital Territory or the Northern Territory; or
 - (b) a Minister of the government of a State, the Australian Capital Territory or the Northern Territory (in the capacity of a Minister); or
 - (c) a Department of the government of a State, the Australian Capital Territory or the Northern Territory.

- 9 A contract of insurance in which a registered health benefits organisation provides cover in relation to its business as a registered organisation within the meaning of Part VI of the *National Health Act 1953*.
- 10 A contract of professional indemnity insurance.
- 11 A contract of insurance, including mortgage insurance, in which the insurer agrees to indemnify the insured against loss in relation to failure by a debtor to pay a debt due to the insured, but not against any other loss.
- 12 A life policy within the meaning of section 9 of the *Life Insurance Act 1995*.
- 13 A superannuation contract, for an individual or a group, including a superannuation policy within the meaning of the *Life Insurance Act 1995*.
- 14 A contract of insurance entered into by the Export Finance and Insurance Corporation under the *Export Finance and Insurance Corporation Act 1991*.
- 15 A contract of insurance commonly known as a trade credit or trade indemnity policy.
- 16 A contract of insurance commonly known as a product liability insurance contract, to the extent that it does not also provide cover for public liability.
- 17 A contract of insurance in which the insurer:
 - (a) indemnifies a business undertaking against loss resulting from a breakdown of, or malfunction in, machinery (including electronic equipment) or plant of the business undertaking, including:
 - (i) loss in relation to the repair or replacement of the machinery or plant; or
 - (ii) any further loss resulting from the breakdown or malfunction; but
 - (b) does not indemnify the business undertaking for any other kind of loss.

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- 18 A contract of insurance (whether or not the cover is restricted or extended):
- (a) for a motor vehicle (other than moveable machinery or equipment, used in mining or construction activities, that would not ordinarily be registered to travel by road); and
 - (b) for:
 - (i) loss of, or damage to, the motor vehicle; or
 - (ii) liability for loss of, or damage to, property caused by or resulting from impact of the motor vehicle with some other thing; or
 - (iii) liability for compensation for the death of, or injury to, a person resulting from the use of the motor vehicle and not covered by compulsory third party insurance.
- 19 A contract of marine insurance within the meaning of section 7 of the *Marine Insurance Act 1909*.
- 20 A contract of insurance for goods (including any form of legal tender) in the ordinary course of transit, including goods that are stored temporarily in the course of the transit.
- 21 A contract of insurance for pleasure craft within the meaning of subsection 9A (2) of the *Insurance Contracts Act 1984*.
- 22 A contract of insurance entered into for a law (including a law of a State or Territory) about:
- (a) workers' compensation; or
 - (b) compensation for the death of a person, or for the injury to a person, arising out of the use of a motor vehicle, commonly known as compulsory third party insurance.
- 23 A contract of aviation insurance, being:
- (a) a contract of insurance (whether or not the cover is limited or restricted) for loss of, damage to or liability arising in connection with aircraft; or
 - (b) an aviation liability indemnity contract within the meaning of subregulation 31 (2) of the *Insurance Contracts Regulations 1985*; or
 - (c) a contract of insurance to which Part IVA of the *Civil Aviation (Carriers' Liability) Act 1959* applies.

- 24 Any contract of insurance to the extent to which it provides cover for nuclear energy risks.
- 25 A contract of insurance, commonly known as salary continuance insurance, that provides the beneficiary with an income while he or she remains unable to work in his or her usual occupation.
- 26 A contract of insurance (whether or not the cover is limited or restricted) for loss of, damage to or liability arising in connection with any of the following:
 - (a) prime movers (other than prime movers, used in mining or construction activities, that would not ordinarily be registered to travel by road);
 - (b) trailers (other than trailers, used in mining or construction activities, that would not ordinarily be registered to travel by road);
 - (c) rail and tram rolling stock.
- 27 A financial product, to which paragraph 763A (1) (b) of the *Corporations Act 2001* applies, commonly known as any of the following:
 - (a) credit wrap product;
 - (b) residual value bond;
 - (c) shortfall bond;
 - (d) rental bond;
 - (e) payment bond;
 - (f) credit default derivative;
 - (g) credit enhancement derivative;
 - (h) performance guarantee.
- 28 A contract of insurance that provides cover for liability of a person in his or her capacity as a director or officer of a corporation, including any related contract of insurance which provides cover for a corporation in respect of its liability to indemnify a person in his or her capacity as a director or officer of that corporation.
- 29 A contract of insurance that provides cover for liability arising from employment practices.

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- 30 A contract of insurance that indemnifies a trustee or a trust fund in relation to a loss or liability incurred by the trustee in the course of carrying out the trustee's functions in relation to the trust.
- 31 A contract for bankers' blanket bond insurance.
- 32 A contract of insurance to the extent that it provides cover for loss arising from computer crime.
- 33 A contract of insurance that provides cover only for loss arising from fraud or dishonesty.
- 34 A contract of insurance that provides cover for blood stock.
- 35 A contract of insurance that provides cover only for loss arising from statutory liability.
- 36 A contract of insurance, commonly known as group journey cover, that is taken out by an employer for a work-bound employee who is not covered by a workers' compensation scheme.
- 37 A contract of insurance that does not include a terrorism exclusion within the meaning given by section 8 of the Act.
- 38 A contract of insurance that provides cover only for loss or liability arising from terrorism.
- 39 A contract of insurance that:
- (a) would otherwise be an eligible insurance contract; and
 - (b) is in effect on 1 July 2003 or comes into effect after 30 June 2003 and before 1 October 2003; and
 - (c) has a period of insurance of longer than 12 months; and
 - (d) is not a project-specific contract that has a policy period for the duration of the project.
- 40 A contract of insurance commonly known as:
- (a) home owners' warranty insurance; or
 - (b) builders' warranty insurance.

Table of Instruments

Notes to the *Terrorism Insurance Regulations 2003***Note 1**

The *Terrorism Insurance Regulations 2003* (in force under the *Terrorism Insurance Act 2003*) as shown in this compilation comprise Statutory Rules 2003 No. 162 amended as indicated in the Tables below.

Under the *Legislative Instruments Act 2003*, which came into force on 1 January 2005, it is a requirement for all non-exempt legislative instruments to be registered on the Federal Register of Legislative Instruments. From 1 January 2005 the Statutory Rules series ceased to exist and was replaced with Select Legislative Instruments (SLI series). Numbering conventions remain the same, ie Year and Number.

Table of Instruments

| Year and number | Date of notification in <i>Gazette</i> and FRLI registration | Date of commencement | Application, saving or transitional provisions |
|------------------------|---|---|---|
| 2003 No. 162 | 26 June 2003 | 1 July 2003 | |
| 2003 No. 244 | 25 Sept 2003 | Rr. 1–3 and Schedule 1: 25 Sept 2003 Remainder: 16 Oct 2003 | — |
| 2007 No. 107 | 27 April 2007 (see F2007L01095) | 1 July 2007 | — |

Table of Amendments

Table of Amendments

ad. = added or inserted am. = amended rep. = repealed rs. = repealed and substituted

| Provision affected | How affected |
|---------------------------|--------------------------------|
| Schedule 1 | am. 2003 No. 244; 2007 No. 107 |
