



Terrorism Insurance Regulations 2003

Statutory Rules 2003 No. 162 as amended

made under the

Terrorism Insurance Act 2003

This compilation was prepared on 22 October 2003
taking into account amendments up to SR 2003 No. 244

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1 Name of Regulations [see Note 1]

These Regulations are the *Terrorism Insurance Regulations 2003*.

2 Commencement

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.
 - 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; or
 - (d) a public authority of the Commonwealth, or an instrumentality or agency of the Crown in right of the Commonwealth (other than a body by which the Crown carries on a business); or

- (e) a public authority of a State, or an instrumentality or agency of the Crown in right of a State, other than:
 - (i) a body by which the Crown carries on a business; or
 - (ii) a local governing body established by or under a law of a State, other than a body whose sole or principal function is to provide a particular service, such as the supply of electricity or water; or
 - (f) a public authority of the Australian Capital Territory or the Northern Territory, or an instrumentality or agency of the Crown in right of the Australian Capital Territory or the Northern Territory (other than a body by which the Crown carries on a business).
- 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.

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- 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.
- 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;

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- (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.
- 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 Statutory Rules

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.

Table of Statutory Rules

Year and number	Date of notification in <i>Gazette</i>	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 Schedule 2: 16 Oct 2003	—

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
