

**Lotteries
Error and Omissions
and Fidelity Guarantee
Insurance Policy**

July 2015

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Introduction and Important Information

Jardine Lloyd Thompson Pty Limited (JLT)

Jardine Lloyd Thompson Pty Limited (JLT) is one of Australia's largest General Insurance Brokers, a group totally committed to service and the fulfilment of client needs. The group offers a diverse range of products and services to all areas of the industry and the wider community in all parts of Australia. JLT (ABN 69 009 098 864) holds an Australian Financial Services Licence No. 226827.

If You have any questions or would like further information regarding this insurance, You can contact JLT on:

Phone: 1300 852 977

Fax: (02) 8824 1690

Email: newspack@jlta.com.au

Thistle Underwriting Services Pty Ltd (TUS)

Thistle Underwriting Services Pty Ltd (TUS) ABN 11 146 607 838 is an underwriting agency and act on behalf of QBE Insurance (Australia) Limited ABN 78 003 191 035 AFS Licence No 239545. TUS is an Authorised Representative (No. 403803) of Jardine Lloyd Thompson Pty Ltd (JLT) ABN 69 009 098 864 AFS Licence No. 226827. TUS is a wholly owned subsidiary of Jardine Lloyd Thompson Australia Pty Limited ABN 24 005 279 890 and a related company of JLT. TUS can be contacted at Level 11, 66 Clarence Street, Sydney NSW 2000. Phone: +61 2 9290 8000.

If you have any questions or would like further information about this policy you may contact TUS at

Thistle Underwriting Services Pty Ltd, Level 11, 66 Clarence Street, Sydney NSW 2000
Tel: (02) 9290 8000

The Insurer (QBE)

The insurer of this Policy is QBE (Australia) Limited, ABN 78 003 191 035, AFS Licence No. 239545, (QBE). In this Policy the insurer is called "We", "Us" or "Our".

Echelon Australia (Echelon)

Echelon is a 100% owned subsidiary of Jardine Lloyd Thompson Australia (JLT) which is a part of the Jardine Lloyd Thompson Group, headquartered from London. Echelon is a national company with offices in all major capitals and strategic regional centres. Echelon consultants will actively support the claims process with a view to resolving outstanding claims as quickly as possible by providing direct access to relevant specialists and allowing you to maintain your focus on your business.

Duty of disclosure – what You must tell us

Before you enter into an insurance contract, you have a duty to tell us anything that you know, or could reasonably be expected to know, may affect our decision to insure you and on what terms.

You have this duty until we agree to insure you.

You have the same duty before you renew, extend, vary or reinstate an insurance contract.

You do not need to tell us anything that:

- reduces the risk we insure you for; or
- is common knowledge; or
- we know or should know as an insurer; or
- we waive your duty to tell us about.

If you do not tell us something

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

Privacy

We'll collect personal information when you deal with us, our agents, other companies in the QBE group or suppliers acting on our behalf. We use your personal information so we can do business with you, which includes issuing and administering our products and services and processing claims. Sometimes we might send your personal information overseas. The locations we send it to can vary but include the Philippines, India, Ireland, the UK, the US, China and countries within the European Union.

Our Privacy Policy describes in detail where and from whom we collect personal information, as well as where we store it and the full list of ways we could use it. To get a free copy of it please visit qbe.com.au/privacy or contact QBE Customer Care.

It's up to you to decide whether to give us your personal information, but without it we might not be able to do business with you, including not paying your claim.

TUS' Privacy Policy can be viewed at www.thistleus.com.au.

The General Insurance Code of Practice

The Insurance Council of Australia has developed a General Insurance Code of Practice, to which QBE Australia is a signatory. The General Insurance Code of Practice aims to raise the standards of practice and service in the insurance industry and includes many standards in relation to:

- buying insurance
- insurance claims
- financial hardship
- responding to catastrophes and disasters
- information and education
- complaints handling procedures
- code monitoring and enforcement

You can obtain a copy of the Code from our branch or by going to the website at:

<http://www.codeofpractice.com.au>

Goods and Services Tax

The amount of premium payable by You for this policy includes an amount on account of the GST on the premium. When We pay a claim, Your GST status will determine the amount We pay.

When You are:

- a) not registered for GST, the amount We pay is the sum insured / limit of indemnity or the other limits of insurance cover including GST.
- b) registered for GST, We will pay the sum insured / limit of indemnity or the other limits of insurance and where You are liable to pay an amount for GST in respect of an acquisition relevant to Your claim (such as services to repair a damaged item insured under the policy) We will pay for the GST amount.

We will reduce the GST amount We pay by the amount of any Input Tax Credit to which You are or would be entitled if You made a relevant acquisition. In these circumstances, the Input Tax Credit may be claimable through Your Business Activity Statement (BAS).

You must advise Us of Your correct Australian Business Number & Taxable Percentage.

Any GST liability arising from Your incorrect advice is Payable by You.

Where the settlement of Your claim is less than the sum insured / limit if indemnity or the other limits of insurance cover, We will only pay an amount for GST (less Your entitlement for Input Tax Credit) applicable to the settlement. This means that if these amounts are not sufficient to cover Your loss, We will only pay the GST relating to Our settlement of the claim.

We will (where relevant) pay You on Your claim by reference to the GST exclusive amount of any supply made by any business of Yours which is relevant to Your claim.

GST, Input Tax Credit(ITC), Business Activity Statement (BAS) and Acquisition have the same meaning as given to those expressions in A New Tax System (Goods and Services Tax) Act 1999 and related legislation as amended from time to time.

Taxable Percentage is Your entitlement to an Input Tax Credit on Your premium as a percentage of the total GST on the premium.

Dispute resolution

We will do everything possible to provide a quality service to You. However, We recognise that occasionally there may be some aspect of Our service or a decision We have made that You wish to query or draw to Our attention.

We have a complaints and dispute resolution procedure which undertakes to provide an answer to Your complaint within 15 working days.

If You would like to make a complaint or access Our internal dispute resolution service please contact TUS in the first instance and ask to speak to the TUS Complaints officer.

Preventing our right or recovery

If You agreed not to seek compensation from another person who is liable to compensate You for any loss, damage or liability which is covered by this Policy, we will not cover You under this Policy for that loss, damage or liability.

Policy Terms and Conditions for Error and Omission Professional Indemnity Insurance Policy

Claims made

This policy operates on a 'claims made and notified' basis. This means that the policy covers You for claims made against You and notified to Us during the Period of Cover.

The policy does not provide cover in relation to:

- a) acts, errors or omissions actually or allegedly committed prior to the retroactive date of the Policy (if such a date is specified);
- b) Claims made after the expiry of the Period of Insurance even though the event giving rise to the Claim may have occurred during the Period of Insurance;
- c) Claims notified or arising out of facts or circumstances notified (or which ought reasonably to have been notified) under any previous policy;
- d) Claims made, threatened or intimated against You prior to the commencement of the Period of Insurance;
- e) facts or circumstances of which You first became aware prior to the Period of Insurance, and which You knew or ought reasonably to have known had the potential to give rise to a Claim under this Policy;
- f) Claims arising out of circumstances noted on the proposal form for the current Period of Insurance or on any previous proposal form.

Where You give notice in writing to Us of any facts that might give rise to a Claim against You as soon as reasonably practical after You become aware of those facts but before the expiry of the Period of Insurance, you may have rights under Section 40(3) of the Insurance Contracts Act 1984 to be indemnified in respect of any Claim subsequently made against You arising from those facts notwithstanding that the Claim is made after the expiry of the Period of Insurance. Any such rights arise under the legislation only. The terms of the policy and the effect of the policy is that You are not covered for Claims made against You after the expiry of the Period of Insurance.

Our agreement with You

This Policy is a legal contract between You and us. You pay us the premium, and we provide You with the cover You have chosen as set out in the Policy, during the Period of Insurance shown on Your Policy Schedule or any renewal period.

The excesses set out in the section headed 'What You must pay if You make a claim - Deductible' apply to all claims except where otherwise stated. The amount of any deductible that applies to Your Policy will be shown on Your Policy Schedule.

The exclusions in the section(s) headed 'When You are not covered' and conditions in the section headed 'General Conditions' apply to all types of cover.

Your Policy

Your Policy consists of the Policy Terms and Conditions in this policy wording and the Policy Schedule we give You. Please read Your Policy carefully, and satisfy yourself that it provides the cover You require.

If You want more information about any part of Your Policy, please ask Us.

You should keep Your policy wording and Policy Schedule together in a safe and convenient place for future reference.

Paying Your Premium

You must pay Your premium by the due date. If We do not receive Your premium by this date or Your payment is dishonoured this Policy will not operate and there will be no cover.

Preamble

In consideration of payment of the Premium, We will provide indemnity in accordance with, and subject to, the terms of Policy.

Section 1: Insuring Clauses

Insuring Clause A

1.1 Act Error or Omission Insuring Clause

We agree to indemnify the Insured in respect of all sums the Insured becomes liable to pay for any Claim for compensation first made against the Insured during the Period of Cover and which is notified to Us during the Period of Cover for any act, error or omission committed by the Insured in the course of the Insured's Business Practice.

Insuring Clause B

1.2 Costs and Expenses Insuring Clause

We agree to pay, included within the Limit of Indemnity, the Costs and Expenses incurred with the written consent of Us in the defence or settlement of any Claim covered by the Policy.

1.3 Retroactive Date

The retroactive date is the date the Insured first conducted lottery activities.

Section 2: Automatic Extensions

2.1 Preamble

We shall provide indemnity as is available under this Section, for nil additional premium, provided always that:

- (a) each extension is subject to the Schedule, Insuring Clauses, Conditions, Definitions, Exclusions, Deductible and other terms of this Policy (unless otherwise stated herein);
- (b) The inclusion of any Extension shall not increase the Limit of Indemnity.

2.2 Severability

We agree that:

- (a) where this Policy insures more than one Named insured, any conduct on the part of any party who is an Insured whereby such party:
 - (i) failed to comply with the duty of disclosure in terms of the Insurance Contracts Act 1984; or
 - (ii) made a misrepresentation to Us before this contract of Insurance was entered into shall not prejudice the right of any other Named insured to indemnity as may be provided by this Policy. Provided always that:
 - 1. such other insured shall be entirely innocent of and have no prior knowledge of any such conduct;
 - 2. such other Insured shall, as soon as is reasonably practicable upon becoming aware of any such conduct, advise Us in writing of all known facts in relation to such conduct; or
- (b) Where this Policy insures one or more Named Insured(s) any conduct on the part of any party who is an Insured within a Named Insured whereby such party:
 - (i) failed to comply with the duty of disclosure in terms of the Insurance Contracts Act 1984; or
 - (ii) made a misrepresentation to Us before this contract of insurance was entered into, shall not prejudice the right of any other Insured to indemnity as may be provided by this Policy. Provided always that:
 - 1. such other Insured shall be entirely innocent of and have no prior knowledge of any such conduct;
 - 2. such other Insured shall, as soon as is reasonably practicable upon becoming aware of any such conduct, advise Us in writing of all known facts in relation to such conduct; and
 - 3. enquiry has been made, before the contract of insurance was entered into with Us, of the entities and persons referred to in clause 6.9 (a) and (b) of the definition of the Insured for the purposes of complying with the duty of disclosure under the Insurance Contracts Act 1984. For the sake of clarity, this provision is not intended to limit the Insured's duty of disclosure owed by the entities or persons referred to in clause 6.9 (a) and (b).

2.3 Run-Off Cover Insured Entity or Subsidiary

We agree that in the event that the Insured entity or Subsidiary ceases to exist or operate or where it is consolidated with, merged into or acquired by another entity then the coverage provided under this Policy with respect to such Insured entity or Subsidiary shall continue until the expiry date of the Period of Cover.

Provided always that such coverage shall only apply in respect of Claims for any act, error or omission occurring prior to the effective date that such Insured entity or Subsidiary ceased to exist or operate or was consolidated with, merged into or acquired by another entity, unless otherwise agreed in writing by Us.

2.4 Estates and Legal Representatives

We agree to provide coverage to the estate, heirs, legal representatives or assigns of any Insured in the event of death or incapacity of such Insured, provided always that such persons shall observe and be subject to all the terms of this Policy insofar as they can apply.

2.5 Failure to Detect Electronic Machine Malfunction

We agree to provide coverage in respect of any Claim made against the Insured for any failure to detect any evident malfunction of any electronic machine located at the Insured's premises which results in an unauthenticated entry to Licensed Lottery Games conducted by Tatts Lotteries.

2.6 Fraud and Dishonesty

We agree to indemnify the Insured against acts, errors or omissions for compensation arising from any claim made against the Insured, which would otherwise be excluded by reason of Exclusion 3.2 (Fraud and Dishonesty).

Provided always that:

- (a) such indemnity shall not be provided to any Insured who committed or condoned any act, error or omission excluded by reason of Exclusion 3.2 (Fraud and dishonesty)'
- (b) such indemnity shall not apply to any Claim against any Insured directly or indirectly based upon, attributable to, or in consequence of:
 - (i) the loss of money, negotiable instruments, bearer bonds or coupons, stamps, bank or currency notes;
 - (ii) the loss of an electronic record which represents a current and transferable obligation of a person to pay the holder of the electronic record an amount or amounts of money described in the electronic record in exchange for delivery, adjustment or cancellation of the electronic record; or
 - (iii) a transaction, direction or dealing involving or in any way relating to a right to be paid money or to have any of the items referred to in subparagraph (i) or (ii) of this paragraph (b) delivered, negotiated or assigned or an electronic record of such right.

2.7 Automatic Run-Off Cover

A Tatts Lotteries agent who has been insured under this Policy immediately prior to ceasing practice, shall be entitled to be indemnified by Us in respect of any Claim or Claims arising out of any act, error or omission committed by the Insured in the conduct of the Business Practice prior to the date of ceasing practice, in accordance with the terms and conditions of the existing Policy.

It is expressly agreed that the coverage provided by the Extension only remains effective for a period of 2 years after the date of ceasing practice, or whilst his Policy remains operational. Whichever is the lessor. In the event of this policy being cancelled or not renewed by Us, no liability we be attached to Us for any Claim or Claims made after such cancellation or expiry date.

The foregoing coverage is provided at no additional cost. Insureds will not be required to complete an annual proposal form and no Policy will be issued subsequent to cessation of practice.

Section 3: Exclusions

We shall not be liable under this Policy to provide indemnity in respect of any Claim against the Insured:

3.1 Prior or Pending

- (a) made, threatened or intimated against the Insured prior to the Period of Cover;
- (b) directly or indirectly based upon, attributable to , or in consequence of any fact or circumstance:
 - (i) of which written notice has been given, or ought reasonably to have been given, under any previous policy; or
 - (ii) of which the Insured first became aware prior to the Period of Cover, and which the Insured knew or ought reasonably to have known had the potential to give rise to a Claim.

3.2 Fraud and Dishonesty

directly or indirectly based upon, attributable to, or in consequence of:

- (a) any actual or alleged dishonest, fraudulent, criminal, or malicious act, error or omission of any Insured or their consultants, sub-contractors, or agents; or
- (b) any act or omission of any Insured or their consultants, sub-contractors, or agents committed or alleged to have been committed with a reckless disregard for the consequences thereof; or
- (c) wilful breach of any statute, contract or duty by any Insured or their consultants, sub-contractors or agents.

3.3 Assumed Duty or Obligation

directly or indirectly based upon, attributable to, or in consequence of any duty or obligation assumed by the Insured which is not assumed in the normal conduct of the Insured's Business Practice.

3.4 Trading Debts

directly or indirectly based upon, attributable to , or in consequence of any trading debt incurred by the Insured or any guarantee given by the Insured for a debt.

3.5 Related or Associated

brought or maintained by or on behalf of:

- (a) any Insured or any Subsidiary of the Insured; or
- (b) any person who, at the time of the act, error or omission giving rise to the Claim, is a "Family Member" unless such person is acting without any prior direct or indirect solicitation or co-operation of any Insured. For the purpose of this Exclusion, "Family Member" means:
 - i. any spouse, domestic partner or companion;
 - ii. any parent, or parent of a spouse, domestic partner or companion;
 - iii. any sibling or child of the Insured who permanently resides with the Insured.

3.6 Obligations to Employees

directly or indirectly based upon, attributable to, or in consequence of bodily injury, mental injury, sickness, disease or death of an Employee of the Insured or damage to or destruction of any property of any Employee, including loss of use, arising out of, or in the course of, their employment.

3.7 Bodily Injury and Property Damage

directly or indirectly based upon, attributable to, or in consequence of:

- (a) bodily injury, sickness disease or death of any person, however this Exclusion shall not apply to mental injury, mental anguish, nervous shock or emotional distress not associated with bodily injury.
- (b) physical loss of, damage to, or destruction of, any tangible property, including loss of use thereof or any consequential loss.

3.8 Fines and Penalties

for punitive, aggravated, multiple or exemplary damages, or fines or penalties imposed by law, including but not limited to, civil penalties.

3.9 Nuclear

directly or indirectly based upon, attributable to, or in consequence of ionising radiation or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of any nuclear fuel.

3.10 War

directly or indirectly based upon, attributable to, 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 of or damage to property by or under the order of any government or public local authority.

3.11 Fidelity

directly or indirectly based upon, attributable to, or in consequence of any loss of money, negotiable instruments bearer bonds or coupons, stamps, bank or currency notes belonging to the Insured or for which the Insured is legally liable, where such loss is sustained in consequence of any actual or alleged dishonest or fraudulent act or omission of any Insured.

3.12 Terrorism Exclusion

directly or indirectly based upon, attributable to, or in consequence of any actual or alleged act of Terrorism or any action taken in controlling, preventing, suppressing or in any way relating to any actual or alleged act of Terrorism. This Exclusion operates in connection with any act of Terrorism regardless of any other cause or event and regardless of the sequence of the act of Terrorism and the other cause or event.

If We assert that this Exclusion applies, then in any action, suit, proceedings or claim brought by or on behalf of the Insured in connection with this Exclusion, the burden of providing that this Exclusion does not operate shall be upon the Insured. We are not required to prove that this Exclusion applies. If the Insured brings any action, suit, proceedings, or claim against Us in connection with the operation of this Exclusion, and the Insured does not prove that this Exclusion does not apply, the Insured shall pay Our costs of responding to the action, suit, proceedings or claim on an indemnity basis. This Exclusion is in addition to, and not in derogation of, any other exclusion in the Policy or in any other endorsement.

3.13 Jurisdictional Limits

- (a) brought in a court of law within the territorial limits of the United States of America or the Dominion of Canada or their territories or protectorates; or
- (b) arising out of the enforcement of any judgment, order or award obtained within, or determined pursuant to, the laws of the United States of America or the Dominion of Canada or their territories or protectorate.

3.14 Territorial Limits

directly or indirectly based upon, attributable to, or inconsequence of an act, error or omission occurring within territorial limits of the United States of America or the Dominion of Canada or their territories or protectorates.

3.15 Products Liability

directly or indirectly based upon, attributable to, or inconsequence of an defect in any Electronic Machine or its harmful nature or unsuitability unless covered by Extension 2.5 (Failure to Detect Machine Malfunction).

3.16 Return of Ticket Price

the refund of the purchase price for any ticket, entry or subscription to a Licensed Lottery Game claimed by a customer of the Insured due, or allegedly due, to the non-performance of the Insured's obligations to that customer.

Section 4: Claims Conditions

4.1 Claims Mitigation and Co-Operation

- (a) If the Insured, either prior to or during the Period of Cover becomes aware of a situation which could, if not rectified, lead to a Claim or increase the quantum of a Claim, the Insured shall use due diligence and do and concur in doing all things reasonably practicable to avoid or diminish any liability hereunder.
- (b) The Insured shall frankly and honestly disclose to Us all relevant information and, in addition shall provide assistance to Us, as it may require to enable it to investigate and to defend any Claim under this Policy and/or to enable Us to determine its liability under this Policy.
- (c) Other than Costs & Expenses incurred by Us to enable Us to determine its liability under this Policy, compliance with this Condition shall be at the Insured's own cost, unless otherwise agreed in writing by Us.

4.2 Defence and Settlement

- (a) The Insured agrees not to settle any Claim, incur any Costs & Expenses, make any admission, offer or payment or otherwise assume any contractual obligation with respect to any Claim or loss without Our written consent, such consent not to be unreasonably withheld. We shall not be liable for any settlement, Costs & Expenses, admission, offer or payment, or assumed obligation to which it has not consented in writing.
- (b) We shall be entitled if they so desire, to take over and conduct, in the name of the Insured, the defence or settlement of any Claim at any time. In the event that this occurs, We will then have sole control of the Claim.
- (c) We may, if it believes that any Claim will not exceed the Deductible, instruct the Insured to conduct the defence of the Claim. In such situation, We will reimburse the Insured for all reasonable Costs & Expenses in the defence of the Claim in the event that any payment made to dispose of the Claim exceeds the Deductible.
- (d) If We retains lawyers to conduct, in the name of the Insured, the investigation, defence or settlement of any Claim, those lawyers will only act on behalf of Us in relation to any issue regarding the Insured's entitlement to indemnity from Us and they will not act on the Insured's behalf in respect of any such issue. Any information that is received by lawyers retained by Us in the course of investigating, defending or settling any Claim against the Insured can be provided to Us and relied upon by Us in relation to any issue that may arise regarding Our liability to indemnify the Insured. In relation to any such information, the Insured waives any claim that it may have for legal professional privilege as between the Insured, the lawyers retained by Us and Us.

- (e) The lawyers retained by Us to conduct the investigation, defence or settlement of the Claim, may provide advice to Us on any issue regarding Our liability to indemnify the Insured and, whilst doing so, may continue to act in the investigation, defence or settlement of the Claim on behalf of Us and the Insured.
- (f) The Insured agrees that all communications between Us and lawyers retained by Us to act in the conduct of the investigation, defence or settlement of any Claim which relate to the Insured's entitlement to indemnity from Us are privileged as between Us and the lawyers and the Insured agrees that it is not entitled, under any circumstances, to access or obtain any such communications.
- (g) If any actual or apparent conflict arises between the interests of Us and the Insurer's interests, the lawyers retained by Us to conduct the investigation, defence or settlement of any Claim may cease acting on behalf of the Insured and may continue to act on behalf of Us in relation to any dispute between Us and the Insured with respect of the Insured's entitlement to indemnity from Us.

4.3 Insured's Right to Contest

In the event that We recommend a settlement in respect of any Claim and the Insured does not agree that such Claim should be settled, then the Insured may elect to contest such Claim. Provided always that Our liability in connection with such Claim shall not exceed the amount for which the Claim could have been so settled plus the Costs & Expenses incurred with Our written consent up to the date of such election, less the Deductible.

4.4 Reporting and Notice

- (a) The Insured shall give to Us written notice as soon as practicable of any Claim made against an Insured provided always that such written notice is given to Us during the Period of Cover in which the Claim is made.
- (b) Notice of any Claim shall be given in writing to Us, and delivered to: Jardine Lloyd Thompson Pty Ltd
66 Clarence Street, Sydney, NSW 2000

4.5 Senior Counsel Clause

- (a) We shall not require the Insured to contest any Claim unless a Senior Counsel (to be mutually agreed upon by the Insured and Us) shall advise that such Claim should be contested.
- (b) In formulating such advice, Senior Counsel shall take into consideration the economics of the matter, the damages and costs which are likely to be recovered by the plaintiff, the likely Costs & Expenses and the prospects of the Insured successfully defending the Claim.
- (c) The cost of such Senior Counsel's opinion shall be regarded as part of the Costs & Expenses.

4.6 Subrogation

In respect of any Claim covered by this Policy, and without limiting Our rights at law, We shall be subrogated to all the Insured's rights of recovery, and the Insured shall execute all papers required and shall do everything necessary to secure and preserve such rights, including the execution of documents necessary to enable Us effectively to bring a suit in the name of the Insured. The Insured shall not, without first obtaining the written consent of Us, do anything or fail to do anything which excludes limits or prejudices Our rights of subrogation. In particular, without limiting the operation of this provision, the Insured shall not enter into any contract or agreement which excludes limits or prejudices a right of recovery which the Insured may have in respect of any Claim covered by this Policy.

Section 5: General Conditions

5.1 Limit of Indemnity

- (a) Our total liability under this Policy for any one Claim and in the aggregate in respect of all Claims shall not exceed the Limit of Indemnity specifies in the Schedule.

5.2 Deductible

- (a) In respect of each Claim made against the Insured the amount of the Deductible shall be borne by the Insured at their own risk and We shall only be liable to indemnify the Insured for the part of any Claim which is in excess of the Deductible.
- (b) In the event of a claim by the Insured under this Policy, the Insured shall, if directed by Us, pay to Us (or as is directed by Us) the Deductible within seven (7) working days. Any delay, failure or refusal by the Insured to pay the Deductible will entitle Us to deduct such amount from any amount(s) required to settle any Claim or judgment, order, or any other payment to be made by Us under this Policy. In the event that a failure or refusal to grant access to monies for any Deductible results in a failure of a settlement or an increase in Costs & Expenses, Our liability in connection with such Claim shall not exceed the amount for which the Claim could have been so settled plus the Costs & Expenses incurred with Our written consent up to the date of such failure or refusal, less the Deductible.
- (c) Where We have elected to pay all or part of the Deductible in respect of any Claim, the insured shall, within seven (7) days from the date of such payment, reimburse Us for such payment,
- (d) In respect of any Claim where the amount of the Claim is less than the amount of the Deductible, the insured shall bear all Costs and Expenses associated therewith unless We shall have agreed to meet such Costs and Expenses pursuant to Insuring clause B.
- (e) Where the Deductible is expressed in the Schedule to be inclusive of Costs and Expenses then the Insured will pay all Costs and Expenses, up to the amount of the deductible, incurred by Us pursuant to the engagement of advisers considered necessary by Us to determine the liability of the Insured and to resolve the Claim.
- (f) Any costs and Expenses incurred by Us to determine whether We have a liability to indemnify the Insured under this Policy shall not be subject to the Deductible but shall be borne by Us.

5.3 Multiple claims

- (a) All causally connected or interrelated acts, errors or omissions shall jointly constitute a single error or omission under this Policy.
- (b) Where a single error or omission gives rise to more than one Claim, all such Claims shall jointly constitute one Claim under the Policy, and only one Deductible shall be applicable in respect of such claim.

5.4 Alteration to Risk

The Insured shall give to Us written notice as soon as practicable of any material alteration to the risk during the Period of cover including:

The Insured going into voluntary bankruptcy, receivership or liquidation or the Insured failing to pay debts or breaching any other obligation giving rise to the appointment of a receiver or bankruptcy or winding-up proceedings.

5.5 Assignment of Interest

No change in, or modification of, or assignment of interest under this Policy shall be effective except when made by written endorsement to this Policy and signed by an authorised employee of Us.

5.6 Cancellation

- (a) The Insured may cancel this Policy at any time by notifying Us in writing, and We will allow a pro-rate refund of Premium for the unexpired Period of Cover, but such refund will never be greater than 50% of the Premium.
- (b) We may cancel this Policy in accordance with the relevant provisions of the Insurance contracts Act 1984 and We will provide pro-rata refund of Premium for the unexpired Period of cover, but such refund will never be greater than 50% of the Premium.

5.7 Policy construction and Interpretation

- (a) The construction, interpretation and meaning of the provisions of this Policy shall be determined in accordance with the law of the state, territory or country in which this Policy is issued, and any disputes relating thereto shall be submitted to the exclusive jurisdiction of the courts of such state, territory or country.
- (b) The marginal notes and titles of paragraphs in this Policy are included for descriptive purposes only and do not form part of this Policy for the purpose of its construction or interpretation.
- (c) Under this Policy, the masculine includes the feminine, and the singular includes the plural and vice versa and reference to a person includes body corporate, an authority an association or a joint venture (whether incorporated or unincorporated), a partnership and a trust.

5.8 GST

Where the Insured pays an amount for any acquisition relevant to a claim covered under this insurance which includes GST, or where the Insured would pay such an amount were the Insured to make a relevant acquisition, We will indemnify the Insured for that GST less any input tax credit the Insured is or would be able to claim for it (the "GST amount").

We will pay the GST amount in addition to the Limit of Indemnity shown in the Schedule.

Where the amount paid by Us in respect of the Claim is less than the total amount of the Claim is less than the total amount of the Claim, We will only provide indemnity to the Insured for the GST amount that relates to Our proportion of the Insured's Claim. This means that in the event that the Limit of Indemnity is not sufficient to cover the total amount of the Claim, We will only provide indemnity to the insured for the GST that relates to the Insured's agreed payment under the Policy.

We will not indemnify the Insured for any GST liability that arises due to the Insured's failure to Us of the Insured's entitlement or correct entitlement to an input tax credit on the Premium.

"GST", "input tax credit" and "acquisition" have the same meaning as given to those expressions in A New Tax system (Goods and Services Tax) Act 1999.

Section 6: Definitions

6.1 Business Practice

“Business Practice” shall mean Agent of Tatts Lotteries.

6.2 Claim

“Claim” shall mean:

- (a) the receipt by the Insured of any written or verbal notice of demand for compensation made by a third party against the insured.
- (b) any writ, statement of claim, summons, application or other originating legal or arbitral process, cross-claim, counterclaim or third or similar party notice served upon the Insured.

6.3 Computer Equipment

“Computer Equipment” shall mean computer equipment and shall include but not be limited to any, or any combination or part of data, computer hardware, operating system, application, software, and computer chip including microprocessor chip or embedded control logic, and irrespective of by whom it is owned or operated.

6.4 Costs and Expenses

“Costs and Expenses” shall mean the expenses incurred by or on behalf of the Insured or Us in the investigation or defence of a Claim and shall include legal costs and disbursements.

6.5 Deductible

“Deductible” shall mean the amount of Deductible as specified in the Schedule.

6.6 Electronic Machine

“Electronic Machine” shall mean any electronic circuit, microchip, integrated circuit, microprocessor, embedded system, hardware, software, firmware, program, computer, data processing equipment, telecommunications equipment or systems or any similar device.

6.7 Employee

“Employee” shall mean any person employed under a contract of service or apprenticeship during or prior to commencement of the Period of Cover.

6.8 Family Member

“Family Member” shall mean:

- (a) any spouse, domestic partner, or companion;
- (b) any parent, or parent of the spouse, domestic partner or companion;
- (c) any sibling or child; of any insured.

6.9 Insured

“Insured” shall mean:

- (a) the person, persons, partnership, company, corporation or other entity specified as the Insured in the Schedule including their predecessors in business; and
- (b) any person who is, during the Period of Cover, a principal, partner, director, Employee of the Insured; and
- (c) any former principals, partners, directors or Employees of the Insured.

6.10 Licensed Lottery Games

“Licensed Lottery Games” shall mean Lotto, Lotto Strike, Oz Lotto, Powerball, Instant Scratchies, Lucky Lotteries, 6 From 38 Pools. And games introduced from time to time to which we agree.

6.11 Limit of Indemnity

“Limit of Indemnity” shall mean the limit of liability under the Policy as specified in the Schedule.

6.12 Named Insured

“Named Insured” shall mean the person, persons, partnership, company, corporation or other entity specified as the Named Insured in the Schedule.

6.13 Period of Cover

“Period of Cover” shall mean the period specified in the Schedule.

6.14 Policy

“Policy” shall mean:

- (a) the schedule, Insuring Clauses, Extensions, Conditions, Definitions, Exclusions and other terms contained herein; and
- (b) any endorsement attaching to and forming part of this Policy either at inception or during the Period of Cover; and
- (c) The Proposal.

6.15 Premium

“Premium” shall mean the Premium specified in the Schedule or in any endorsement to the Schedule.

6.16 Proposal

“Proposal” shall mean the written Proposal made by the Insured to Us containing particulars and statements which, together with other information provided by the Insured, are the basis of this Policy and are considered as incorporated herein.

6.17 Schedule

“Schedule” shall mean the Schedule to this Policy.

6.18 Senior Counsel

“Senior Counsel” shall mean a barrister in active practice who is entitled to use the post nominal Q.C or S.C in any one or more superior court in Australia or New Zealand.

6.19 Subsidiary

“Subsidiary” shall mean:

- (a) any entity which by virtue of any applicable legislation or law is deemed to be subsidiary of the Insured specified in the Schedule; or
- (b) any entity over which the Insured specified in the Schedule is in a position to exercise effective direction or control through ownership or control of more than fifty percent (50%) of the issued voting shares of such entity.

6.20 Tatts Lotteries

“Tatts Lotteries” shall mean:

New South Wales Lotteries Corporation Pty Ltd trading as NSW Lotteries
Golden Casket Lottery Corporation Limited trading as Golden Casket
Tatts NT Lotteries Pty Ltd trading as Tatts
Tatts Lotteries SA Pty Ltd trading as SA Lotteries
Tattersall’s Sweeps Pty Ltd trading as Tatts

6.21 Terrorism

“Terrorism” shall mean an act, including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) of persons, or government(s), which from its nature or context is done for, or in connection with, political, religious, ideological, ethnic or similar purposes or reasons including the intention to influence any government and/or to put the public, or any section of the public, in fear.

6.22 You, Your, Yours

“You, Your, Yours” means the Insured, Named Insured as defined in the Policy.

Policy Terms and Conditions for Fidelity Guarantee Insurance Policy

1. Definitions

Word or term	Meaning
Business	agent of Tatts Lotteries
Employee	any person employed under a contract of service or apprenticeship during or prior to commencement of the period of insurance.
Licensed Lottery Games	Lotto, Lotto Strike, Oz Lotto, Powerball, Instant Scratchies, Lucky Lotteries, 6 from 38 Pools, and games introduced from time to time which We agree.
Money	coin and paper currency, cheques (including travellers cheques), postal and money orders, postage and revenue stamps, credit cards, credit card sale vouchers and the contents of franking machines.
Persons Insured	the Insured and other persons whose interests are expressly covered by this Policy but does not include the interest of any other person.
Policy	includes this document and each memorandum, issued by Us attached, or intended to be attached, to it.
Policy Schedule	the schedule of insurance, or any future renewal schedule, or endorsement schedule.
Prizemoney	money offered, won or received for Licensed Lottery Games
The Insured	<ul style="list-style-type: none"> a) the person, persons, partnership, company, corporation or other entity specified as the Insured in the Schedule including their predecessors in business; and b) any person who is, during the period of insurance, a principal partner, or director of the Insured; and c) any former principals, partners or directors of the Insured.
Tatts Lotteries	<p>New South Wales Lotteries Corporation Pty Ltd trading as NSW Lotteries</p> <p>Golden Casket Lottery Corporation Limited trading as Golden Casket</p> <p>Tatts NT Lotteries Pty Ltd trading as Tatts</p> <p>Tatts Lotteries SA Pty Ltd trading as SA Lotteries</p> <p>Tattersall's Sweeps Pty Ltd trading as Tatts</p>
We, Our, Us	QBE Insurance (Australia) Limited, ABN 78 003 191 035

2. Terms

In consideration of the payment to Us of the amount payable for this Insurance, We will indemnify the Persons Insured in accordance with this Policy.

2.1. Inuring clause

We will indemnify the Insured to an amount not exceeding the Sum Insured stated in the Policy Schedule in accordance with the Basis of Settlement for loss of Prizemoney:

2.1.1. arising in the course of the Business described in the Definitions;

2.1.2. for which the Insured is legally liable;

provided such loss is the direct result of act(s) of fraud or dishonesty committed during the currency of this insurance by one or more of the Insured's Employees whether acting alone or in collusion with any other person(s), such act(s) being committed with the manifest intent:

2.1.3. to cause the Insured to sustain such loss; and

2.1.4. to obtain financial benefit for said Employee(s), or other person, entity or organisation intended by the Employee(s) to receive such benefit.

3. Basis of settlement

The value of prizemoney for the purpose of determining the amount of loss indemnifiable under the Policy shall be the actual cash value.

4. Conditions

4.1. Claims procedure

Upon the discovery of any circumstances giving rise or likely to give rise or likely to give rise to a claim under this Policy the Insured shall:

4.1.1. as soon as practical give notice thereof to Us explaining fully as such circumstances;

4.1.2. deliver a detailed proof of loss, duly sworn, to Us within thirty (30) days after the discovery of the loss;

4.1.3. at all reasonable times permit Us to Our agents to enquire into, investigate and examine the circumstances of the alleged loss by the Insured, and the claim in respect thereof, and the Insured shall at his own expense, upon being required so to do by Us or Our agents, produce all books, vouchers, correspondence, documents, receipts and all entries relating to the alleged loss in the possession or control, and shall furnish copies and give all possible assistance as may be required by Us relating to the claim;

4.1.4. take all reasonable precautions to prevent further loss, damage or liability;

4.1.5. not negotiate, admit, repudiate or pay any claim by any person;

4.1.6. give notice in writing to Us or any insurance of insurances already effected, or which may be subsequently effected, covering any of the interest hereby insured.

4.2. Contribution

When a loss paid under this Policy is also recoverable under another policy or policies and We have paid more than Our rateable share, We reserve Our right to seek contribution from the other insurer or insurers.

4.3. Payment of Premium

The insured will pay promptly to Us the premium, any adjustments of premium and other amount charged for this Policy and any renewal, extension or endorsement of the Policy.

4.4. Insured to protect interest insured

The insured shall take all reasonable precautions for the care, safety and protection of the interest insured and comply with all statutory obligations, by-laws and regulations imposed by any public authority for the safety, use and storage of the interest insured.

4.5. Conduct of business

The Insured shall observe and continue to apply in every material manner all procedures and methods of conducting its business relevant to the preservation of the interest insured as have been represented to Us by the insured in the proposal and otherwise in writing but the insured in the proposal and otherwise in writing but the Insured may make changes to such procedures and methods as are approved beforehand in writing by Us.

4.6. Cancellation

- a) The insured may cancel this Policy at any time by notifying Us in writing, and We will allow a pro-rata refund of Premium for the unexpired Period of Insurance, but such refund will never be greater than 50% of the Premium.
- b) We may cancel this Policy in accordance with the relevant provisions of the Insurance Contracts Act 1984 and We will provide a pro-rata refund of Premium for the unexpired Period of Insurance, but such refund will never be greater than 50% of the Premium.

4.7. Limit of liability/Non-accumulation of liability

Our total liability shall not exceed the Sum Insured stated in the Policy Schedule for any one event.

Events or series of events caused by acts or omissions of the same person or persons (whether identifiable or not) and events in which such person or persons is/are involved or implicated shall be treated as one event.

Regardless of the number of years this Policy shall continue in force and the number of premiums that shall be paid or payable, Our liability shall not be cumulative in amount from year to year or from period to period.

4.8. Excess

We shall not be liable for the amount of Excess specified in the Policy Schedule for any one event.

Events or series of events caused by acts or omissions of the same person or persons (whether identifiable or not) and events in which such person or persons is/are involved or implicated shall be treated as one event.

Regardless of the number of years this Policy shall continue in force and the number of premiums that shall be paid or payable, the Excess to be borne by the Insured shall not be cumulative in amounts from year to year or from period to period.

4.9. Partners

In the event of loss or damage due to acts of fraud or dishonestly committed by a partner (which term shall also mean an owner of or shareholder in the Insured, as the case may be) in the Insured then:

4.9.1. such Partner shall not be entitled to the benefit of any proceeds of this Policy and the amount otherwise payable under this Policy shall be reduced by an amount equal to the amount thereof to which such Partners would have been entitled had such act or acts been committed by a person not being a partner and had the proceeds of this Policy been divided proportionately between the Partners comprising the Insured at the date of commission of such act or acts according to their respective interest or liability in respect of the loss arising from such act or acts had this Policy not been taken out; and the amount payable under this Policy will be further reduced by the amount of any moneys and the value of any benefits whatsoever which have at the date of discovery of such loss accrued to such Partner or which accrue between that date and the day prior to the date of payment under this Policy (and notwithstanding any right to set off which may exist in relation to such moneys or benefits) and by the value of any moneys whatsoever of such Partner in the possession or under the control of the Insured in any capacity whatsoever at any time between the date of the discovery of such loss and the day prior to the date of payment under this Policy.

4.10. Prior enquiries

The Insured must make reasonable enquiries as to the honest and good character of each Employee prior to engagement of employment and shall satisfy Us, if so required, that such enquiries had been made.

4.11. Prosecution for criminal acts

The Insured, when required by Us at Our expense, must use all diligence in prosecuting or assisting to prosecute any person to conviction for any criminal act in respect of which a claim is made under this Policy.

4.12. Retrospective cover

Not applicable.

4.13. Reimbursement of investigation costs

We will reimburse the Insured to an amount not exceeding \$25,000 or ten (10) percent of any claim paid under this Policy, whichever is the lesser amount, for the fees payable by the Insured to its external auditors, consultants, investigators, private enquiry agents and the like (such persons not being Employees within the meaning of this Policy) and which are reasonably and necessarily incurred to support a valid claim that is subsequently collectable by the Insured under this Policy provided that Our total liability under this Policy is not otherwise exhausted.

4.14. Reinstatement of indemnity

Not applicable

5. Exclusions

5.1. We shall not be liable in respect of or in relation to any such Employee, whether acting alone or in collusion with other persons:

5.1.1. Basis of Proof

for any loss, or part of any loss, the proof of which as to either its factual existence or its amount, is deduced from an inventory computation or a profit and loss computation, provided however, this shall not apply to loss of money which the Insured can reasonably prove through evidence wholly apart from such computations, was sustained by the Insured through any act or acts of fraud or dishonesty committed by one or more of its Employees.

5.1.2. Identification of Specific Employees

for any loss for which the Insured is unable to designate the specific Employee or Employees responsible; UNLESS

5.1.2.1. this Policy covers all Employees of the Insured; and

5.1.2.2. the Insured produces evidence to reasonable satisfy Us that the loss was in fact due to the fraud or dishonesty of one or more of its Employees

5.1.3. Errors & Omissions

for any loss arising from error, misstatement or misleading statement, act or omission or neglect or breach of duty made, committed or attempted by an Employee, individually or otherwise in the course of his/her duties to the Insured solely by reason of his/her employment by the Insured UNLESS the Insured produces evidence to reasonably satisfy Us that such Employee obtained an improper financial gain from the Insured through such wrongful acts for himself/herself or other person, entity or organisation.

5.2. War, expropriation and nuclear events

This Policy does not cover loss, destruction, damage or the incurring of a liability as a result, directly or indirectly of:

5.2.1. war or warlike activities, including the use of military power, invasion, other hostile acts or a foreign power, civil war, insurrection, rebellion, revolution and usurped power;

5.2.2. expropriation, i.e. lawful seizure, resumption, confiscation, nationalization or requisition;

5.2.3. the use, existence or escape of nuclear weapons material, or ionising radiation from, or contamination by radioactivity from, any nuclear fuel or nuclear waste from the combustion of nuclear fuel, including any self-sustaining process or nuclear fission or fusion.

5.3. Employee history

We shall not be liable for any loss arising from any act or acts of fraud or dishonesty committed by an Employee after the Insured shall reasonably be expected to have knowledge or information of any act or acts of fraud or dishonesty by such Employee or reasonable cause for suspicion of any such act or any want of integrity on the part of such Employee whether committed whilst in the employ of the Insured or earlier.

5.4. Discovery

We shall not be liable for any loss or act(s) not discovered within twelve (12) months of termination of this Policy or the appropriate Section, whichever is sooner, as appropriate to the nature of the loss.

5.5. Associated Persons

We shall not be liable for any loss or damage arising from any acts of fraud or dishonesty committed by any of the Insured's family where the Insured is a natural person.

5.6. Consequential Loss

We shall not be liable for indirect or consequential loss of any kind whatsoever incurred by the Insured as a result of a loss covered under this Policy.

5.7. Punitive and Exemplary Damages/Fines and Penalties

We shall not be liable for any fines or penalties incurred by the Insured, or for compensation for which the Insured is legally liable, except direct compensatory damages arising from loss covered under this Policy

5.8. Legal Expenses/ Defence

We shall not be liable for fees, costs or expenses incurred or paid by the Insured in respect of any legal proceedings whether or not such proceedings result or would result in a loss to the Insured covered by this Policy

5.9. Arson and Vandalism

We shall not be liable for acts of arson or vandalism by any of the Insured's Employees.