

# GENESIS ONE

COMMERCIAL PACKAGE WORDING



LLOYD'S

Coverholder at LLOYD'S

# THE INSURER

This Policy is underwritten by certain underwriters at Lloyds, effected through Genesis Underwriting Pty Ltd as the coverholder.

## COMPLAINTS HANDLING & GENERAL INSURANCE CODE OF PRACTICE

Lloyd's is a signatory to the General Insurance Code of Practice. Lloyd's and Genesis strive to comply with the requirements of the Code. More information about the Code can be [www.codeofpractice.com.au](http://www.codeofpractice.com.au).

The Code of Practice informs the customers of the standards of service to be expected from the Insurance Industry. The objectives of the Code of Practice are:

- (a) to commit 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;
- (e) and to promote continuous improvement of the general insurance industry through education and training.

### Complaint And Dispute Resolution Procedure

We are committed to providing an efficient and fair dispute resolution process. We offer an Internal Dispute Resolution (IDR) process in the event that a customer is not satisfied with the outcome or any aspect of Our products or services, whether that is Your Policy, or a Claim.

To start the process, just call Us or send a letter to the Compliance Manager whose contact details are as follows.

#### Genesis Underwriting Pty Ltd

Attn: Anthony Jodrell

Po Box 1369 Manly NSW 1655

Phone (02) 8412 3500

Facsimile (02) 8412 3599

All matters will be treated in strict confidence.

### What Is A Complaint?

A complaint is when there has been an expression of dissatisfaction in a product or service provided by Us or by Our Service Providers that has not been resolved after initial contact, and there has been a request that the complaint be remedied by Us.

We will do everything possible to provide a quality service to you. However, we recognize 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.

This Insurance complies with the Insurance Council of Australia's General Insurance Code of Practice. Any enquiry or complaint relating to this insurance should be referred in the first instance to Genesis. Genesis contact details are as follows.

#### Genesis Underwriting Pty Ltd

Attn: Anthony Jodrell

Po Box 1369

Manly NSW 1655

Phone (02) 8412 3500

Facsimile (02) 8412 3599

We will respond to you within 15 working days. If this does not resolve the matter or You are not satisfied with the way the complaint has been dealt with. You should contact:

#### Lloyd's Underwriters General Representative in Australia

Level 9

1 O'Connell Street

Sydney NSW 2000

Telephone (02) 8298 0783

Facsimile (02) 8298 0788

Email: [idraustralia@lloyds.com](mailto:idraustralia@lloyds.com)

If your complaint is not resolved in a manner satisfactory to you or we do not resolve your complaint within 45 calendar days, you may refer the matter to the Australian Financial Complaints Authority (AFCA). The AFCA can be contacted at:

Postal Address:

Australian Financial Complaints Authority

GPO Box 3

Melbourne, VIC, 3001

Phone: 1800 931 678

Email: [info@afca.org.au](mailto:info@afca.org.au)

Web: [www.afca.org.au](http://www.afca.org.au)

AFCA is an independent body that operate nationally in Australia and aim to resolve disputes between you and your insurer. AFCA provides fair and independent financial services complaint resolution that is free to consumers. Your dispute must be referred to AFCA within 2 years of the date of our final decision. Determinations made by AFCA are binding upon us.

If Your complaint is not eligible for AFCA, it may be eligible for referral to the UK Financial Ombudsman Service. Such referral must occur within 6 months of the final decision by the Complaints team at Lloyd's. Further details will be provided with their final decision to you.

The Underwriters accepting this insurance agree that:

- (i) if a dispute arises under this insurance it will be subject to Australian law and practice and the Underwriters will submit to the jurisdiction of any competent court in the Commonwealth of Australia;
- (ii) any summons notice or process to be served upon the Underwriters may be served upon;

**Lloyd's Underwriters General Representative in Australia**

**Level 9**

**1 O'Connell Street**

**Sydney NSW 2000**

who has authority to accept service and to appear on the Underwriters' behalf;

- (iii) if a suit is instituted against any of the Underwriters all Underwriters participating in this insurance will abide by the final decision of such Court or any competent Appellate Court.

In the event of a claim arising under this insurance IMMEDIATE NOTICE should be given to Genesis Underwriting Pty Ltd

## DUTY OF DISCLOSURE – What you must tell us

Under the Insurance Contracts Act 1984 (the Act), you have a Duty of Disclosure. You are required before you enter into, renew, vary, extend or reinstate your Policy, to tell us everything you know and that a reasonable person in the circumstances could be expected to know, is a matter that is relevant to our decision whether to insure you, and anyone else to be insured under the Policy, and if so, on what terms.

You have this duty until we agree to insure you.

You do not have to tell us about any matter

- that diminishes the risk
- that is of common knowledge
- that we know or should know in the ordinary course of our business as an Insurer, or
- which we indicate we do not want to know.

If you do not comply with your Duty of Disclosure we may reduce or refuse to pay a claim or cancel your Policy. If your non-disclosure is fraudulent we may treat this Policy as never having worked.

# PRIVACY POLICY

## Your Privacy And The Law

Genesis Underwriting Pty Ltd (Genesis) is dedicated to upholding your privacy and protecting your personal information. We are bound in Australia by the Privacy Act 1988 (Cth) and its associated Australian Privacy Principles, along with any other applicable privacy laws and codes, when collecting, using, disclosing, holding, handling and transferring any personal information. Where practical and legally permissible to do so, you have the option of providing information to us and dealing with us anonymously or by using a pseudonym.

Genesis has ongoing practices, procedures and systems in place to ensure that we manage personal information in an open and transparent way.

Further information about these practices, procedures and systems are contained in our Privacy Policy set out below.

We may update this Privacy Policy from time to time. Any updates can be accessed via our website or by contacting our office to request a hard copy be sent to you (which will be provided at no cost). We encourage you to periodically review this Privacy Policy so that you will be aware of our privacy practices. This Privacy Policy was last updated on 12 March 2014.

## Collecting Your Personal Information

### – What is personal information?

Information or opinion that allows others to identify you is generally considered personal information. This may include your name, contact details, gender, as well as your health and risk profile information.

### – Under which circumstances do we collect your personal information?

We will generally collect personal information which is reasonably necessary to offer and maintain our products and services and those offered by Genesis including provision of insurance (involving underwriting of insurance products) and claims management, and other forms of insurance related services.

We may also collect personal information to enable development and identification of products and services that may interest you, to conduct market or customer satisfaction research or to develop, establish and manage alliances or arrangements with other organisations in relation to the promotion, administration and use of our respective products and services.

### – What information can we collect from you?

The type of product or service you request from Genesis will inform the type of information we collect from you. Generally, however, we may collect information such as your name, contact details, date of birth, gender, financial and employment details and information pertaining to risk coverage.

We may also need to collect sensitive information about you for some of our products and services. We will generally only collect and hold such sensitive information where reasonably necessary to perform our engagement and with your consent.

### – What if you don't provide us with your information, or provide us with inaccurate or incomplete information?

If the information we request is not provided accurately or at all, we or those involved with the provision of the service or product may not be able to provide the appropriate type or level of service or product.

### – How do we collect this information?

Unless it is not reasonable or practicable under the circumstances, we will collect information directly from you. This may occur, for instance, when you use our website, or when you contact us through telephone, facsimile, email, online or hard copy communication in order to complete a product or service application or any other kind of administrative form.

Otherwise, we may also collect your information from other, third parties such as Authorised Representatives or other third parties such as additional insurance companies, insurance brokers or agents, credit organisations, motor vehicle and driver licensing authorities, financial institutions, medical professionals, third parties who may be arranging insurance cover for a group that you are a part of, law enforcement or investigative intermediaries, dispute resolution, statutory and regulatory bodies, marketing lists and industry databases or publicly available sources. Upon your request, we will take reasonable steps to let you know how we have sourced your personal information unless it is obvious from the circumstances that you would know or would reasonably expect us to have the information (such as where we are dealing with your advisors).

### – Are there any other ways we can collect your personal information?

We may also collect information by online means when you visit the Genesis website

Genesis may collect information during your visit to a Genesis or affiliated website through the use of cookie technology.

## Using And Disclosing Your Personal Information

### – How can your personal information be used?

We will generally only use and disclose your personal information for the purpose that it was collected, any related purpose that you would reasonably expect us to use or disclose it for, or as permitted under this Privacy Policy or under law. Genesis otherwise has a duty to maintain the confidentiality of its client's information unless disclosure is permitted with your consent or compelled under law.

Your information may be used for the following purposes:

- to provide information, products or services you requested;
- to determine your eligibility and process applications for products and services that you have requested;
- to provide information and services as requested by clients;

- to understand and assess your ongoing needs and offer products and services to meet those needs;
- to carry out client communication, service, billing and administration;
- to administer claims;
- to conduct data analysis;
- to obtain and update credit information with appropriate third parties, such as credit reporting agencies, where transactions are made on credit;
- to execute monitoring and training;
- to develop new services;
- to market products and services; and
- to conduct processing necessary to fulfil other contractual obligations for the individual.

We will only use and disclose your sensitive information for the purpose it was collected or for any other directly related purpose that you would reasonably expect us to use it for. With your consent, we may use or disclose your information for additional purposes from time to time.

– *Who can access your personal information?*

We may disclose your information to other companies who provide capacity or services to Genesis and the following affiliates or third party service providers to assist us in providing, managing and administering our services and products:

- insurance services and insurance products - business partners, including insurers, reinsurers, insurance agents, insurance brokers, other insurance intermediaries, insurance reference bureaus, medical service providers, fraud detection agencies, other advisers such as loss adjusters, lawyers, auditors and accountants and others involved in the claim handling process;
- banking and finance products - business partners, including credit and fraud reporting agencies, debt collection agencies, insurers and reinsurers,
- any Authorised Representatives;
- authorised service providers;
- external IT service providers, infrastructure and other third parties where required by law; and

– *Can your information be used for direct marketing?*

As indicated above, unless you notify us otherwise, we may use your personal information to let you know about products and services from Genesis or our affiliates and business partners that we think may be of interest to you. You can choose not to receive this information from us (including product or service offerings from us on behalf of our affiliates and businesspartners) or related

bodies by contacting our Privacy Officer through the details contained at the end of this Privacy Policy or your Genesis representative.

## **Resolving Your Privacy Issues**

– *Privacy complaints*

If you wish to speak with someone or raise a complaint about a breach of the Act or this Privacy Policy, you may contact your Genesis representative or contact our Privacy Officer directly on the contact details below.

You may also contact the Privacy Officer should you have any other questions or would like further information about our privacy and information handling practices.

We will respond to you as soon as reasonably possible.

– *Genesis Privacy Officer Contact Details Anthony Jodrell:*

**Anthony Jodrell: Privacy Officer  
Genesis Underwriting Pty Ltd**

Po Box 1369  
Manly NSW 1655  
Phone: 02 8412 3500  
Fax - 02 8412 3599

## **Lloyd's Certificate of Insurance**

**Effected through Genesis Underwriting Pty Ltd (the Coverholder)**

The certificate is issued by the Coverholder in accordance with the authority granted to them by certain Underwriters at Lloyd's under the agreement noted to in the certificate.

This certificate confirms that on receipt of payment of the premium noted as payable in the schedule, certain Underwriters at Lloyd's have agreed to insure You, in accordance with wording attached to this certificate.

You or Your representative can obtain further details of the syndicate numbers and the proportions of this insurance for which each of the Underwriters at Lloyd's is liable by requesting them from the coverholder. In the event of loss, each Underwriter (and their executors and administrators) is only liable for their own share of the loss.

In accepting this insurance, the Underwriters have relied on the information and statements that you have provided in the proposal form or quotation slip. You should read this Certificate, Schedule and policy wording carefully and if it is not correct contact Genesis Underwriting Pty Ltd.

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# General Conditions

These conditions apply to all sections of this Policy. You should also refer to each section to see whether any additional conditions apply.

## 1. Acquisition of Companies

Provided that You notify Us in writing within thirty (30) days of the acquisition of:

- (a) any company or other legal entity constituted or acquired during the Period of Insurance; or
- (b) any property or liability associated with such company or any other legal entity or business undertaking or operation; and the business is of a similar occupation to that stated in the Schedule, We will provide cover subject to Your acceptance of Our terms and undertaking to pay the additional premium We may require. Our liability shall not exceed the Sum(s) Insured, Limit of Liability, or any sub-limit of liability applicable under the relevant section(s) of this Policy making up Your Policy for each category of Property Insured.

## 2. Alteration of risk

Our decision to insure You, and the premium that We charge You, is based on information provided by You about Your Business, and the risks to be insured under this Policy. If the risk of Loss, Damage, injury, illness or liability is significantly increased by any alteration in the circumstances that affect You or Your Business We will not cover any claims that are caused by or arise from such alteration unless:

- (a) You did not know of the alteration; or
- (b) You have notified Us of the alteration and We have agreed to accept the alteration to the risk.

## 3. Automatic Reinstatement

In the event of Loss or Damage insured under one or more of the Property Damage, Business Interruption, Theft, Money and Glass sections of this Policy, the amount by which the Sum Insured or limit of indemnity is reduced as a consequence of the Loss or Damage will be automatically reinstated as from the date of the Loss or Damage; provided that:

- (a) there is no written request from You or written notice by Us to the contrary;
- (b) the section is an operative section of this Policy; and
- (c) You pay the premium which we require for the reinstatement of cover.

We will not reinstate the Sum Insured on the Property Damage or Business Interruption sections if We have paid a total loss under either of these sections.

## 4. Breach of condition or warranty

Breach of a condition or warranty without Your knowledge or consent or error in name, description or situation of property will not prejudice Your rights under this Policy provided notice in writing is given to Us when such breach or error comes to Your knowledge. Reasonable extra premium shall be paid, if required, from the date of such breach or error.

## 5. Cancelling your Policy

### Cancellation

- (a) This Policy may be cancelled at any time at the request of the Insured, in which case We will retain the customary short-period rate for the time this Policy has been in force.
- (b) We may also cancel this Policy by giving the Insured written notice to that effect where:
  - (i) the Insured or any person who was at any time the Insured failed to comply with the duty of utmost good faith;
  - (ii) the person who was the Insured at the time when this Policy was entered into failed to comply with the duty of disclosure;
  - (iii) the person who was the Insured at the time when this Policy was entered into made a misrepresentation to Us during the negotiations for this Policy but before it was entered into;
  - (iv) the Insured or any person who was at any time the Insured failed to comply with a provision of this Policy, including a provision with respect to the payment of the Premium;

- (v) the Insured has made a fraudulent claim under this Policy or any other policy of insurance (whether with Us or some other insurer) that provided insurance cover during any part of the period during which this Policy provides insurance cover;
  - (vi) the Insured failed to notify Us of any specific act or omission where such notification is required under the terms of this Policy; or
  - (vii) the Insured acted in contravention of or omitted to act in compliance with any condition of this Policy which empowers Us to refuse to pay, or reduce its/their liability in respect of, a claim in the event of such contravention or omission.
- (c) Our notice of cancellation takes effect at the earlier of the following times:
- (i) The time when another policy of insurance between the Insured and Us or some other insurer, being a policy that is intended by the Insured to replace this Policy, is entered into; or
  - (ii) 4:00pm on the 15th (fifteenth) business day after the day on which notice was given to the Insured.

In the event that We cancel(s) this Policy, We will repay to the Insured a rateable proportion of the Premium for the unexpired Period of Insurance from the date of cancellation. Should the Policy be cancelled as per (a), we will also charge an administration fee of \$100 plus GST to cover the costs incurred in the processing of the cancellation of the policy.

### **Premium funders**

If the premium has been funded by a premium funding company which holds a legal right over this Policy by virtue of a notice of assignment and irrevocable power of attorney, a refund will be made to the premium funding company of the proportionate part of the premium applicable to the unexpired Period of Insurance.

### **6. Reasonable care and reducing risk**

You and Your Employees and agents must at Your or their own expense use due diligence to:

- (a) take all reasonable precautions to prevent or minimise Loss or Damage;
- (b) comply with all reasonable recommendations made by Us to prevent or minimise Loss or Damage;
- (c) comply with all statutory requirements and recommendations of manufacturers and suppliers; and
- (d) prevent the occurrence of Personal Injury and Property Damage insured against under this Policy.

### **7. Hazardous or dangerous goods**

When hazardous or dangerous goods are used by the Business or stored at Premises shown in the Schedule, then such goods must be stored and used strictly in accordance with all statutory obligations, by-laws, regulations, public authority requirements and safety requirements.

### **8. Other persons, companies or entities**

If any person, company or entity shall have any interest in the Property Insured, We shall protect that interest in the event of a claim, provided that interest is disclosed in Your business records and You shall have disclosed the nature and extent of that interest to Us at the time of notification of the claim.

Where the separate interests of more than one party in the Property Insured are insured under this Policy, any act or neglect of one party will not prejudice the rights of the remaining party or parties provided that the remaining party or parties shall, within a reasonable time after becoming aware of any act or neglect whereby the risk of Loss or Damage has increased, give notice in writing to Us and shall on demand pay such reasonable additional premium as We may require. You cannot transfer the Policy into someone else's name without Our written consent. All persons entitled to claim under this Policy are bound by the terms and conditions of this Policy. When a claim is paid under this Policy and is also recoverable under another policy or policies, You agree to permit Us to seek contribution from the other insurer or insurers.

### **9. Unoccupancy**

Unless We otherwise agree in writing, We will not pay for any Loss or Damage to Your Property Insured if the occurrence happens after the Premises have been unoccupied for more than 90 (ninety) consecutive days. If You notify Us that the Premises will be unoccupied or untenanted for a continuous period of 90 (ninety) days or more and We agree to continue to insure You under this Policy during the period where the Premises are unoccupied or untenanted, We will tell You in writing. You may be required to pay an additional premium and We may apply different conditions and impose a higher Excess if We agree to provide You with cover during the period of unoccupancy.

### **10. Changes in or waivers of this Policy**

No changes in this Policy will be valid unless agreed in writing by Us.

No waiver of any requirements of any section of this Policy shall be valid unless it is given to You in writing by Us.



## 11. Non-imputation

Where this insurance is arranged in the joint names of more than one Insured, as described in the definitions of 'You'/ 'Your'/ 'Insured', it is hereby declared and agreed that:

- (a) each Insured shall be covered as if it made its own proposal for this insurance;
- (b) any declaration, statement or representation made in any proposal shall be construed as a separate declaration, statement or representation by each Insured;
- (c) any knowledge possessed by any Insured shall not be imputed to the other Insured(s).

## 12. Waiver of subrogation rights

We may not be liable to pay any benefits under this Policy for Loss, Damage or liability if You agree or have agreed to limit or exclude any right of recovery against any third party who would be liable to compensate You with respect to that Loss, Damage or liability. However:

- (a) We shall waive any rights and remedies or relief to which We are or may become entitled by subrogation against:
  - (i) any co-insured (including directors, officers and Employees);
  - (ii) any corporation or entity (including directors, officers and Employees) owned or controlled by any Insured or against any co-owner of the Property Insured.
- (b) You may without prejudicing Your position under this Policy:
  - (i) release any railways, other transportation companies, statutory governmental, semi-governmental or municipal authority from any liability if required under any contract to do so;
  - (ii) agree to enter into a contract for storage of goods or merchandise if the terms of the contract include a disclaimer clause;
  - (iii) agree to enter into a lease for occupancy of any Building or part of a Building or a lease or hiring of property where the terms of the lease or hiring include a disclaimer clause in favour of the lessor or the owner.

## 13. Designation of Property Insured

For the purpose of determining under which item any property is insured, We agree to accept the designation under which such property appears in Your books of account.

Provided always that this General Condition 13 shall not apply to section 3 - Theft with respect to cigarettes and liquor, Furthermore, under section 3 - Theft, Stock does not include cigarettes and liquor unless they are specified on Your current Schedule.

## 14. Rewards

We will pay You up to \$5,000 (five thousand dollars) or any higher amount shown in the current Schedule for the reasonable cost of any reward paid by You to recover any property belonging to You or for which You are responsible that is Lost or Damaged and which is insured under sections 1, 3, 4 or 7 of this Policy.

However:

- (a) the terms of the reward must be agreed by Us before it is offered; and
- (b) no such payment shall be made by You unless the value of the property recovered exceeds the reward.

We shall not unreasonably withhold or refuse consent to the terms of any reward payable under this General Condition 15.

## 15. Jurisdiction

The construction, interpretation and meaning of the provisions of this Policy shall be governed by and construed in accordance with the laws of Australia and the States or the Territories thereof. You and We agree to submit to any Court of competent jurisdiction in a State or Territory of Australia and to comply with all requirements necessary to give such Court jurisdiction. All disputes arising under this Policy shall be determined in accordance with the law and practice of such Court.

## 16. Sanctions Clause

No (re)insurer shall be deemed to provide cover and no (re)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 (re)insurer to any sanction prohibition or restriction under United Nations resolutions or the trade or economic sanctions laws or regulations of the European Union, Australia, United Kingdom or United States of America.

## **17. Several Liability**

The subscribing insurers' obligations under contracts of insurance to which they subscribe 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 its obligations.

## **18. 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".

# General Claims Conditions

To enable Us to process a claim under any section of this Policy the following conditions apply.

These conditions apply to all sections of this Policy. You should also refer to each section to see whether any additional claims procedure conditions apply.

## 1. What You must do after loss, damage or accident:

You must:

- (a) protect Yourself from any danger present;
- (b) assist other people within Your capabilities if required;
- (c) take all reasonable precautions to reduce the Loss and to minimise or prevent further Loss, Damage, injury or illness; and
- (d) take all reasonable steps to recover Lost or stolen Property Insured.
- (e) notify the police immediately following a theft or burglary or if any Property Insured is misappropriated, Lost or maliciously Damaged and give Us all the known details of the Event including the police event number if available.
- (f) advise Us of the claim as soon as practicable and then supply Us with full written details by completing Our claim form. You or someone acting on Your behalf must complete a claim form within a reasonable time of an occurrence. If You do not, We may reduce the amount We pay if the delay causes Us to incur increased costs or prevents Us from investigating the claim.
- (g) send to Us as soon as possible any invoices, bills, demands, legal documents, letters or notices You receive from other people involved in the loss, Damage or accident.

## 2. What You must not do after loss, damage or accident

You must not :

- (a) admit liability for any Loss, Damage or injury; or
- (b) make an offer, settle or attempt to settle or defend any claim against You, without Our written consent, which consent shall not be unreasonably delayed or withheld.

If You do so without Our prior written consent, We may not pay all or part of the claim. You must not incur any costs or expenses or authorise repairs (other than necessary temporary repairs) without Our agreement.

## 3. Retain all damaged Property Insured

You must:

- (a) retain and preserve all Damaged Property Insured for Our inspection prior to authorisation of repairs unless alterations and repairs are immediately necessary, for safety reasons or to minimise or prevent further Loss, Damage or injury.
- (b) If repairs are necessarily carried out without Our prior approval, You are required (where reasonably practical) to retain and preserve all Damaged Property Insured for Our inspection; and
- (c) endeavour to preserve all property, products, plant and all other things that may assist Us in investigating or defending a claim against You, including assisting in determining if there are rights of recovery against another entity or person.

## 4. Conduct of claims

We control all claims and:

- (a) may appoint legal or other representatives to assist in the conduct of a claim;
- (b) shall have the right and full discretion to conduct claims; and
- (c) reserve the right to negotiate and settle any claim on terms We consider appropriate.

You must co-operate with us fully in any investigation, negotiation, defence or settlement of any claim under this Policy. This may include attending court to give evidence.

## 5. Our rights of possession

We, Our employees or Our agents have the right to enter any Building or area where Loss or Damage has occurred and take possession of Property Insured or require the Property Insured to be delivered to Us. We will deal with this property in a reasonable manner.

## 6. Accountancy Records

You must provide to Us all books of account, business books and other documents as may be required to investigate or verify claims.

If You do not, We may refuse to pay or may reduce the amount of a claim.

## 7. Provide proof of ownership

You must supply Us with all the information and documentation that We request to prove Your ownership or legal responsibility for the Property Insured and its value.

We will decide what is acceptable proof of ownership and value based on the Property Insured for which You are claiming, the age of the item and its value at the time of Loss or Damage.

Examples of the type of documentation that may be required include, but is not limited to:

- Tax invoices and/or receipts for the Property Insured.
- Photographs of the Property Insured.
- Copies of any relevant contracts or agreements.
- Statutory declaration verifying the details of Your claim and any other matters connected with it.
- Quotations for replacement items.
- Valuations or warranties.

We understand You may not keep such information for every business item You own, especially if items are recorded in Your books of account. You or Your accountant may have records for tax purposes and these may be sufficient to prove ownership.

## 8. The amount of cover

If You are not entitled to an Input Tax Credit on the premium paid for this Policy, all Sums Insured, Limits of Liability and sub limits of liability stated in this Policy are GST inclusive (unless this Policy states otherwise).

If You are entitled to an Input Tax Credit on any part of the premium for this Policy, the Sums Insured, Limits of Liability and sub limits of liability stated in this Policy are exclusive of any Input Tax Credit which You are or would be entitled to claim.

Except as otherwise stated in this Policy, the maximum amount We will pay for any claim will not exceed the amount stated in Your Schedule as the Sum Insured or Limit of Liability for those sections You have selected. The Sum Insured, Limit of Liability (or any applicable sub limit(s) of liability) will apply in addition to, and not be reduced by, the amount of any applicable Excess unless We say otherwise in any section of this Policy.

## 9. Notification of other insurance

Upon giving notice of any claim, You agree to provide Us with written details of any other insurance or source of indemnification that may cover or partially cover that claim.

## 10. Excess

An Excess is the first amount of each and every claim that You are required to pay before We pay Your claim.

The amount of the Excesses and the circumstances that each Excess applies to are shown in the Schedule or set out in the applicable section. We will tell You how to pay Your Excess and who to pay it to. In some cases, We will direct you to pay the Excess directly to a supplier or repairer.

### Full payment prior to settlement

Any Excess that is applied to a claim must be paid in full prior to settlement of that claim.

### If you do not pay the excess upon request

We have no liability to You under this Policy until You have paid the Excess.

If the Excess has been requested but remains unpaid We may:

- (a) decline to settle the claim pending full payment of the Excess; or
- (b) deduct the Excess from the settlement.

Except as otherwise expressly provided, if more than one Excess can be applied to one occurrence then You will only need to pay the highest Excess.

## 11. Claims settlement

### (a) Income Tax Credits entitlement

If any Event occurs which gives or may give rise to a claim You must tell Us Your entitlement to Input Tax Credits for

Your insurance premium if You are registered, or should be registered, for GST purposes. If You do not tell Us Your entitlement or the information You give Us is incorrect, We will not cover You for any resulting fines, penalties or tax charges.

**(b) Cash payments**

Any cash payments made to You under this Policy will be based on costs including GST. However, if You are, or would be, entitled to claim any Input Tax Credits for the repair or replacement of the Property Insured or for other things insured by this Policy We will reduce Our payment to You by the amount of Your Input Tax Credits entitlement.

**(c) Discharge of our liabilities**

If, at any time, We pay You the Sum Insured for any claim under this Policy, the future conduct of the claim then becomes Your responsibility. We may also pay any extra covers, additional benefits or optional insurance that are expressed to be in addition to the Sum Insured.

**(d) Interim payments**

We will not unreasonably withhold or delay interim payments. We will make interim payments on claims at intervals to be agreed by Us following receipt of an interim report from Our loss adjuster or representative.

**(e) Salvage**

After We have settled a claim by replacing a Damaged item, if We so elect, the Damaged or Lost property (other than a Building) becomes Ours.

We will not sell or dispose of any salvage without giving You the opportunity to buy it at its salvage value, provided that this condition does not allow You to abandon the property to Us.

**(f) Claims preparation expenses**

We will pay for accountants', claims consultant's, surveyors', architects', engineers' and other professional fees necessarily and reasonably incurred for the preparation of a valid claim made under this Policy.

The most We will pay is the greater of \$25,000 (twenty five thousand dollars) or 25% (twenty five percent) of the total amount payable under the applicable section, other than Section 2 - Business Interruption, as a result of an Event.

**12. Rights of recovery**

We have the right to take action or institute legal proceedings, in Your name, for the recovery of payments made and expenses incurred in relation to any claim insured by this Policy, against any person, corporation or entity legally liable to You in respect of that claim.

You must provide us with full information and all reasonable assistance in the recovery of those payments or expenses.

You must not enter into any agreement or make any admissions that have the effect of limiting or excluding Your rights and Our rights to recover payments and expenses without first obtaining Our approval in writing to do so.

**13. Subrogation agreements**

Subject to General Condition 12 'Waiver of subrogation rights', if another person, company or entity is, or could have been, liable to compensate You for any Loss, Damage or legal liability otherwise covered by this Policy, but You have agreed with that person, company or entity either before or after the Loss, Damage or legal liability occurred that You would not seek to recover any moneys from that person, company or entity, We will not cover You under this Policy for any such Loss, Damage or legal liability.

**14. Bankruptcy or insolvency**

In the event that You should become bankrupt or insolvent, We shall not be relieved thereby of the payment of any claims hereunder because of such bankruptcy or insolvency.

**15. Circumstances where we may refuse to pay a claim**

We may refuse to pay a claim, or We may reduce the amount We pay You, if:

- (a)** You do not tell Us everything You know or should know, that is relevant to Our decision to insure anyone under this Policy, including You, and on what terms. (see 'Not meeting your responsibilities' on page 3);
- (b)** You are paying by instalments and at the date of the occurrence You are claiming for, You are a month (or more) late in paying an instalment;

- (d)** You do not at all times take all reasonable care that We require You to do under 'Reasonable care and reducing risk' (see General Condition 6 on page 12);
- (e)** You do not comply with General Claims Condition 2 'What You must not do after Loss, Damage or accident' (on page 14);
- (f)** cover is excluded by this Policy;
- (g)** You have not complied with any of the 'General Claims Conditions' on pages 14 to 17; or
- (h)** You are in breach of any other conditions of this Policy.

If You prevent Our right to recover from someone else or if You have agreed not to seek compensation from another person who is liable to compensate You for any Loss, Damage or legal liability which is covered by this Policy, We will not cover You under this Policy for that Loss, Damage or legal liability.

# General Exclusions

These exclusions apply to all sections of this Policy unless expressly stated otherwise in any section.

## 1. War, terrorism, radioactivity

This Policy excludes Loss, Damage, destruction, death, injury, illness, liability, cost or expense of any nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any of the following, regardless of any other cause or Event contributing concurrently or in any other sequence to the loss:

- (a) War, invasion, acts of foreign enemies, hostilities or war-like operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power 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; or
- (b) Any act(s) of Terrorism  
For the purpose of this exclusion, an act of terrorism includes any act, or preparation in respect of action, or threat of action designed to influence the government de jure or de facto of any nation or any political division thereof, or in pursuit of political, religious, ideological or similar purposes to intimidate the public or a section of the public of any nation by any person or group(s) of persons whether acting alone or on behalf of or in connection with any organisation(s) or government(s) de jure or de facto, and which:
  - involves violence against one or more persons; or
  - involves Damage to property; or
  - endangers life other than that of the person committing the action; or
  - creates a risk to health or safety of the public or a section of the public; or
  - is designed to interfere with or to disrupt an electronic system.
- (c) Radioactivity or the use, existence or escape of any nuclear fuel, nuclear material, or nuclear waste or action of nuclear fission or fusion.

Provided that this Exclusion 1 (c) shall not apply to liability arising from radio-isotopes, radium or radium compounds when used away from the place where such are made or produced and when used exclusively incidental to ordinary industrial, educational, medical or research pursuits.

This Policy also excludes any Loss, Destruction, Damage, death, injury, illness, liability, cost or expense of any nature directly or indirectly caused by, contributed to by, resulting from or arising out of or in connection with any action taken in controlling, preventing, suppressing, retaliating against, or responding to or in any way relating to 1(a), 1(b) or 1(c) above.

## 2. Business in liquidation or ceases to trade

If Your Business is placed into liquidation or administration, a receiver is appointed or the Business is wound up or is permanently discontinued, then unless otherwise agreed by us in writing, all cover under this Policy ceases from the time Your interest is transferred or Your Business ceases to trade.

## 3. Geographical limitations

Unless We agree in writing to the contrary, We will not pay for any Loss or Damage to any Property Insured that is outside Australia at the time of its Loss or Damage, except as specifically stated otherwise in the appropriate section.

## 4. Unoccupancy

Unless We otherwise agree in writing, We will not pay for any Loss or Damage to Property Insured if the occurrence happens after Your Premises have been unoccupied for more than 90 (ninety) consecutive days.

## 5. Wilful acts

Subject to the provisions of the Insurance Contracts Act 1984, we will not pay for any Loss or Damage caused by either Your wilful act or by the wilful act of another party committed with Your knowledge and consent and which You were capable of preventing.

## 6. Known defects

We will not pay for Loss or Damage caused by faults or defects known to You any Employee whose knowledge in law would be deemed to be Yours and not disclosed to Us at the time this insurance was arranged.

## 7. Electronic Data exclusion

### This exclusion does not apply to Section 8 - General & Products Liability

We will not cover Electronic Data or the cost of rewriting records as a result of Loss of Electronic Data.

However, We will provide cover for Losses to Electronic Data and Rewriting of Records arising out of the following perils:

fire, lightning, thunderbolt, explosion, implosion, earthquake, subterranean fire, volcanic eruption, impact, Aircraft and/or other aerial device, breakage of glass, the acts of persons taking part in riots or civil commotions or of strikers or of locked out workers or of persons taking part in labour disturbances which do not assume the proportions of or amount to an uprising, storm and/or tempest and/or rainwater and/or wind and/or hail, water and/or other liquids and/or substances discharged and/or overflowing and/or leaking from any apparatus and/or appliance and/or pipes.

If Section 3 - Theft is current We will also provide cover for Losses to Electronic Data arising out of theft of any computer and/or computer hardware and/or firmware and/or microchip and/or integrated circuit and/or and/ device containing such Electronic Data.

If Section 7 - Part 2 is current and Electronic Data and Electronic Data Media is insured We will also provide cover for Losses to Electronic Data arising out of vibration, power surge, low voltage, mechanical, electrical and Electronic breakdown, but not breakdown occurring as a result of any virus, worm, Trojan horse, hacking, or any unauthorised access.

For the purposes of this exclusion Electronic Data means any facts, concepts and/or information converted to a form usable for communications and/or displays and/or distribution and or processing by Electronic and/or electromechanical Data processing and/or Electronically controlled equipment which includes but is not limited to programs and/or software and/or other coded instructions for such equipment.

## **8. Biological or Chemical Materials**

It is agreed that this insurance excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with the actual or threatened malicious use to pathogenic or poisonous biological or chemical materials regardless of any other cause or event contributing concurrently or in any other sequence thereto.

## **9. Asbestos**

Liability for any loss cost or expense directly or indirectly arising out of or resulting as a consequence of or related to the manufacture mining processing ownership distribution testing remediation removal storage disposal sale transportation use of or exposure to asbestos or silica or polychlorinated biphenyls or materials or products containing such substances (or any other component building material hazardous to health) whether or not there is another cause of loss which may have contributed concurrently or in any sequence to a loss.

## **10. Fraudulent Claim Clause**

If any claim be in any respect fraudulent or if any fraudulent means or devices be used by the Assured or anyone acting on the Assured's behalf to obtain any benefit under this Policy, or if any loss hereunder be occasioned by the wilful act or with the connivance of the Assured, the Underwriters, without prejudice to any other right(s) they might have under this Policy, shall be entitled to refuse to pay such claim.

## **11. Electronic Data Recognition Exclusion (EDRE)**

This Policy does not cover any loss, damage, cost, claim or expense, whether preventative, remedial or otherwise, directly or indirectly arising out of or relating to:

- (a) the calculation, comparison, differentiation, sequencing or processing of data involving the date change in the year 2000, or any other date change, including leap year calculations, by any computer system, hardware, programme or software and/or any microchip, integrated circuit or similar device in computer equipment or noncomputer equipment, whether the property of the Insured or not; or
- (b) any change, alteration, or modification involving the date change to the year 2000, or any other date change, including leap year calculations, to any such computer system, hardware, programme or software and/or any microchip, integrated circuit or similar device in computer equipment or non-computer equipment, whether the property of the Insured or not.

This clause applies regardless of any other cause or event that contributes concurrently or any sequence to the loss, damage, cost, claim or expense.

## **12. Microorganism Exclusion (Absolute)**

This Policy does not insure any loss, damage, claim, cost, expense or other sum directly or indirectly arising out of or relating to:

mould, mildew, fungus, spores or other microorganism of any type, nature, or description, including but not limited to any substance whose presence poses an actual or potential threat to human health.

This Exclusion applies regardless whether there is (i) any physical loss or damage to insured property; (ii) any insured peril or cause, whether or not contributing concurrently or in any sequence; (iii) any loss of use, occupancy, or functionality; or (iv) any action required, including but not limited to repair, replacement, removal, clean up, abatement, disposal, relocation or steps taken to address medical or legal concerns. This Exclusion replaces and supercedes any provision in the Policy that provides insurance, in whole or in part, for these matters.



### 13. Terrorism Exclusion Endorsement (Amended)

Notwithstanding any provision to the contrary within this insurance or any endorsement thereto it is agreed that this insurance excludes loss, injury, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any act of terrorism regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

For the purpose of this endorsement an act of terrorism means 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, whether acting alone or on behalf of or in connection with any organisation(s) or government(s), committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public, in fear.

This endorsement also excludes loss, injury, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing suppressing or in any way relating to any act of terrorism.

If the Underwriters allege that by reason of this exclusion, any loss, injury, damage, cost or expense is not covered by this insurance the burden of proving the contrary shall be upon the Assured.

In the event any portion of this endorsement is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

## General Definitions

Unless defined differently in individual sections, these definitions apply to all sections of this Policy.

**'Accidental'** means unexpected and unintended from Your standpoint.

**'Aircraft'** means any craft or object designed to travel through air or space, other than model aircraft or unmanned inflatable balloons used for advertising or promotional purposes.

**'Australia'** means the Commonwealth of Australia including any of its dependencies and Territories.

**'Automatic Teller Machine ('ATM')'** means a burglar-resistant unit designed for the safe storage and disbursement of bank notes and which resists fire and attack by hand-held or power operated tools.

**'Buildings'** means buildings and structural appurtenances at the Premises.

Buildings includes:

- (a) walls, foundations, roofs, gates, fences, exterior lights, floodlights and signs, letter boxes, lettering, communication masts, aerials, antennae and dishes.
- (b) fixtures and fittings owned by the owner of the building, including lifts, elevators, escalators and equipment all permanently fixed and non-portable, fixed carpets, plumbing or wiring services that are within the building.
- (c) exterior blinds, awnings, gangways, verandas, terraces, outbuildings, sheds, lean-tos, carports, car parks, paths and roadways.
- (d) towers, flagpoles, power lines and their supports, permanently fixed water and fuel storage tanks, underground and above ground services, including aprons, supply mains and meters.
- (e) external fixed items including swimming pools, saunas and spas, air conditioning units and associated piping and wiring.
- (f) piers, jetties, wharves and docks and bridges.
- (g) customized and modified shipping containers or transportable buildings permanently located at the Premises used as workshops, lunchrooms or storage which are permanently fixed to the ground with electrical or plumbing services as necessary at the Premises.
- (h) shipping containers in which the Stock the Business distributes is delivered to the Premises and from which merchandise is either being loaded into, unloaded from or stored in before dispatch, provided the container doors are secured when unattended with padlocks with a security rating under AS 4145.4 (or any subsequent amendment) of 6 or above and the padlocked container is fully enclosed by a locked cyclone fenced area at the Premises after Business hours.
- (i) materials and supplies intended for use in the construction, alteration, erection, addition or repair of the Building(s) to an amount not exceeding 10% (ten percent) of the total Sum Insured on Building(s) subject to a maximum of \$100,000 (one hundred thousand dollars).

**'Buildings' does not include:**

- (i) Machinery or plant.
- (ii) Stock.
- (iii) Contents.
- (iv) Property undergoing erection, construction, alteration or addition (including the partial dismantlement of existing structures), where the total contract value of all work to be carried out at any one Premises exceeds \$500,000 or 20% of the total Sum Insured on Buildings and Contents, whichever is the lesser; provided that this limit shall apply only to the portion of the Premises or Property Insured which is the subject of any such work and not to any other portion of the Property Insured.
- (v) land, unsealed driveways and paths, dams, bridges, canals, tunnels, railway tracks and roadways (not at the Premises).

This definition of 'Buildings' is subject to General Condition 13 'Designation of Property'.

**'Business'** means Your Business as shown and described in the Schedule.

**'Business hours'** means Your normal working and office hours (including overtime) or whilst You or Employees authorised by You are on the Premises for the purposes of the Business.

**'Computer Virus'** means a corrupting, harmful, or otherwise unauthorised piece of code that infiltrates Your computer equipment, including a set of unauthorised instructions, programmatic or otherwise, that propagates itself through Your computer equipment. Computer virus includes 'Trojan horses', 'worms' and 'time or logic bombs'.

**'Contents'** means all property at the Premises, belonging to You or for which You are responsible for.

Contents includes:

- (a) fixtures and fittings, window blinds, floor coverings, glass, signs and awnings owned by Your landlord and for which You are legally responsible for under the terms of any lease agreement(s);
- (b) fixtures and fittings and any other leasehold improvements installed by You as a tenant.
- (c) machinery, unregistered forklifts and hoists, communications systems, fixtures and fittings.
- (d) plant permanently fixed to Your Buildings.
- (e) documents of title and any other documents of aesthetic, historic, scientific or social value for past, present or future generations.
- (f) computers, word processors, printers, scanners and any other peripheral equipment, lighting facilities, television, audio visual amplification or surveillance equipment and office machines.
- (g) computer systems records, manuscripts, other documents, deeds, specifications, plans, drawings, designs, business books and other records of every description.
- (h) paintings, works of art and curios but unless such Contents are Stock, only up to \$5,000 (five thousand dollars) any one item.
- (i) Stock.
- (j) goods sold but not delivered and goods held by You on consignment or commission.
- (k) property not owned by You but on the Premises for service, repair, alteration or safe keeping.
- (l) property of Your welfare, sports and social clubs.

Contents does not include:

1. Buildings.
2. growing crops, trees or plants other than pot-plants.
3. animals, livestock, fish, birds and any other living organism except laboratory cultures, Stocks of foodstuffs, of nursery plants, or Stocks of a pet shop.
4. motor Vehicles or trailers, caravans or motorcycles all while registered or licensed to travel on a public road, provided that this exclusion will not apply to:
  - (i) mobile plant and equipment (excluding cars, sedans, panel vans, and trucks) not otherwise insured;
  - (ii) motor Vehicles or trailers, caravans or motorcycles that are Stock in trade of the business.
5. Money.

6. Jewellery, furs, bullion, articles containing gold and silver which are not Stock and which exceed \$10,000 (ten thousand dollars) any one item.
7. Contents undergoing erection, construction, alteration or addition (including the partial dismantlement of existing structures), where the total contract value of all work to be carried out at any one Premises exceeds \$500,000 (five hundred thousand dollars) or 20% (twenty percent) of the total Sum Insured on Buildings and Contents, whichever is the lesser, provided that this limit shall apply only to the portion of the Premises or Property Insured which is the subject of any such work and not to any other portion of the Property Insured.
8. Land, dams, bridges, canals, roadways, tunnels, railway tracks, wharves, docks and piers.
9. Watercraft, Aircraft or any accessories, equipment or spare parts whilst contained in or on these items unless they are Stock and are on the Premises at the time of any Loss or Damage. This definition of 'Contents' is subject to General Condition 13 - 'Designation of Property Insured'.

**'Customers' Goods' means goods that do not belong to You, but:**

- (a) belong to Your customers and are in Your physical or legal control because Your Business repairs services, maintains, or stores those goods before or after it repairs, services or maintains the goods;
- (b) have been purchased by Your customers and are in Your physical or legal control awaiting delivery; or
- (c) are items at the Premises that You have accepted responsibility to insure under a formal agreement.

**'Damage' or 'Damaged'** means physical damage or destruction (with 'Damaged' or 'Destroyed' or 'Destruction' having a corresponding meaning).

**'Data'** means facts, concepts and information converted to a form usable for communications, display, distribution, interpretation or processing by electronic and electromechanical Data processing or electronically controlled equipment and include programs, software and other coded instructions for such equipment.

**'Electronic Equipment'** means any electronic equipment including, but not limited to mobile phones, laptops, palm pilots, computers, scanners, printers, word processors, electronic processing systems, photocopiers, facsimile machines, electronic cash registers, electronic scales and electronic testing or analysing equipment used by You in the Business. Electronic equipment does not include electronic equipment that is Stock.

**'Employee'** means any person while employed by You in the Business who You compensate by salary, wages or commission and have the right at all times to govern, control and direct in the performance of their work.

**'Endorsement'** means documentary evidence of an alteration to this Policy, which forms part of this Policy. Any endorsements that apply to this Policy will be shown in the current Schedule, unless We send You the endorsement separately.

**'Event' or 'Events'** means one incident or all incidents of a series consequent on, or attributable to, one source or original cause.

**'Excess'** means the amount, or the loss applicable to a specified period of time, expressed as an Excess on the current Schedule or elsewhere in this Policy. This is the first amount of any loss which You must pay before We pay Your claim. Should more than one Excess appear in Your Schedule or in this Policy, then only the highest Excess shall apply.

**'Family'** means any member of Your family who lives permanently with You, including Your partner.

For the purposes of this definition 'You' and 'Your' refers to the directors, owners and officers of the Insured.

**'Flood'** means the covering of normally dry land by water that has escaped or been released from the normal confines of:

- (a) a lake (whether or not it has been altered or modified);
- (b) a river (whether or not it has been altered or modified);
- (c) a creek (whether or not it has been altered or modified);
- (d) another natural watercourse (whether or not altered or modified);
- (e) a reservoir;
- (f) a canal;
- (g) a dam.

**'Glass'** means:

- (a) fixed glass forming part of or fixed to the exterior of the Building including glass in fixed signs; or
- (b) fixed internal glass including fixed glass in furniture, counters, shelving and showcases, fixed and hanging mirrors, vitreous china and ceramic including but not limited to fixed washbasins, sinks, toilet pans and cisterns, contained within the Building.

(c) when You arrange cover under Section 5 - Glass, as more specifically described under that section. 'Home Building' means a Building which is used or intended to be used, principally and primarily as a place of residence. 'Hovercraft' means any vessel craft or thing made or intended to transport persons or property over land or water supported on a cushion of air provided by a downward blast.

'Input tax credit' means the amount You are entitled to claim as a credit against GST that You have paid.

'Loss' means physical loss (with Lost having a corresponding meaning).

'Media' means material on which Data is recorded or stored, such as magnetic tapes, hard drives, cartridges, dongles, CD's, DVD's, USB's, flash drives, memory cards or floppy disks, or other storage types, but media does not include paper records.

'Money' means current coin, bank notes, currency notes, cheques, travellers' cheques, negotiable and non-negotiable securities, debit and credit card sales vouchers, discount house vouchers, money orders, postal orders, unused postage stamps, revenue stamps, lottery tickets, stored value cards, public transport boarding tickets, private transport tickets (excluding airline tickets), bridge or highway tokens, car wash tokens, authorised gift vouchers, valuable documents (but limited to certificates of stock, bonds, coupons and all other types of securities) and the contents of franking machines, cash boxes, alarm bags, or any other portable container used to convey money; all belonging to You or for which You are legally responsible or have assumed a responsibility to insure.

Money does not include collectable items (for example coin or stamp collections) or anticipated revenue.

'Obsolete Stock' means Stock (as defined in the applicable section of this Policy) which can no longer be sold for its full value, for example Stock which is out-of-season, fashion, superseded computers or perishable goods beyond their used by date.

'Period of Insurance' means the period of time shown in the Schedule during which insurance is provided by this Policy.

'Policy' means Your insurance contract which consists of this PDS, any SPDS We may give You, any Endorsements and Your Schedule.

'Pollutants' means any solids, liquids, gaseous or thermal irritants or contaminants, including but not limited to, smoke, vapour, soot, fumes, odour or any other air emission, acids, alkalis, chemicals, waste materials, waste water, oil or oil products, infectious biological or medical waste, asbestos, electric or magnetic or electro-magnetic fields, noise and any ionising radiations or contamination by radioactivity. 'Waste materials' includes materials that are intended to be recycled, reconditioned or reclaimed.

'Premises' means the places listed in the Schedule (including Buildings, yards and land within the legal boundaries of the Premises) at and from which You operate Your Business.

'Product disclosure statement' ('PDS') is the name of this document and it contains the terms of Your insurance cover. It tells You what cover We provide, details of costs and Excesses and other important information. It should be read together with Your Schedule, any Endorsements and any SPDS that We may give You.

'Property Insured' means the property described in the Schedule in respect of each section of this Policy.

'Rewriting of records' means the cost of restoration of computer records, documents, manuscripts, securities, deeds, specifications, plans, drawings, designs, business books and other records of every description.

'Safe' means a burglar-resistant container which has been designed to resist fire and attack by hand-held or power operated tools and has been specifically designed for the storage of Money and valuables. Safe includes Automatic Teller Machines.

'Schedule' means the most current Schedule of Insurance or any future renewal Schedule, including any Endorsements issued by Us in connection with this Policy.

Updated Schedules or Endorsements may also be sent to You showing alterations to this Policy.

'Stock' means the items belonging to You or for You are legally responsible or have assumed a responsibility to insure, described below:

- (a) raw materials, components, supplies and merchandise not manufactured by You.
- (b) materials in process of manufacture.
- (c) finished goods manufactured by You.
- (d) goods sold but not delivered and goods held by You on consignment or commission.
- (e) Customers' Goods for which You are responsible.
- (f) tobacco, products containing tobacco, cigars, cigarettes or alcohol.
- (g) consumable materials used in the operation of machinery.
- (h) pallets, containers and packaging materials.

Under Section 3 - Theft, Stock does not include tobacco, products containing tobacco, cigars, cigarettes or alcohol unless they are specified in the current Schedule.

**'Strongroom'** means a burglar-resistant structure constructed of masonry and steel which has been designed to resist fire and attack by hand-held or power operated tools and has been specifically designed for the storage of Money and valuables.

**'Subsidiary company'** means any company in which You have a controlling interest. For the purpose of this definition the term 'controlling interest' shall mean the beneficial ownership of shares carrying more than 50% (fifty percent) of votes capable of being cast at a general meeting of all shareholders of the company.

**'Sum Insured'** means the maximum amount that will be paid under a section or part of a section of this Policy as specified in the Schedule.

The Sum Insured will vary depending upon Your requirements in relation to each section.

**'Supplementary product disclosure statement' ('SPDS')** updates or adds to the information in the PDS.

**'Vehicle'** means any type of machine on wheels or on self-laid tracks made or intended to be propelled by other than manual or animal power and any trailer or other attachment to be utilised in conjunction with or drawn by any such machine.

**'Watercraft'** means anything made or intended to float or travel on or in or through water, other than model boats.

**'We' / 'Our' / 'Us'** means Certain Underwriters at Lloyd's, London

**'You' / 'Your' / 'Insured'** means any person, company or legal entity shown in the Schedule as the Insured.

# Section 1 – Property Damage

This section only forms part of this Policy when Section 1 – Property Damage is shown as covered in the Schedule

## What We cover

Provided 'Section 1 - Property Damage' is shown as covered in the Schedule, We will insure You for Loss or Damage occurring during the Period of Insurance to Property Insured at the Premises caused by or arising out of a Defined Event or Accidental Damage as described below.

We will pay up to the Sum Insured in accordance with the Basis of Settlement for Property Insured that is Lost or Damaged at the Premises during the Period of Insurance.

The current Schedule shows what You have covered and the method of settlement.

## Basis of Settlement

When Property Insured shown in the Schedule is Lost or Damaged during the Period of Insurance, the following Basis of Settlement will apply at each of Your Premises:

### 1. Buildings, Contents or Specified Items

For Buildings, Contents or Specified Items, that are Lost or Damaged, there are two methods of paying Your claims. They are 'Reinstatement or replacement value' and 'Indemnity value'.

The claim payment method You are covered for is shown in the current Schedule.

#### Alternative 1 - Reinstatement or replacement value

Unless the Schedule shows You are insured for 'Indemnity Value', when Buildings, Contents or Specified Items are Lost or Damaged, We will pay the cost of:

- (i) rebuilding, replacing or repairing the Buildings at the Premises shown on the Schedule or at another site
- (ii) replacing, repairing or restoring the Contents or Specified Items with similar property.
- (iii) pay You the amount shown on the proof of purchase for Specified Items.
- (iv) pay You the amount of a valuation by the Auctioneers and Valuers Association of Australia for Specified Items of works of art, antiques and curios.

#### Reinstatement or replacement is subject to the following conditions:

- (a) the work of rebuilding, replacing, repairing or restoring must be commenced and completed by You within a reasonable time of the Loss or Damage, after Our consent has been obtained, otherwise the amount We pay will be no more than the cost that would have been incurred if the work of rebuilding, replacing or reinstatement had been commenced and carried out with reasonable dispatch.
- (b) when rebuilding at another site, We will not pay more than We would pay to rebuild at the Premises.
- (c) when any property is Damaged, but not Destroyed, We will not pay more than the amount that We could have been called upon to pay for if that property had been Destroyed.
- (d) We will only pay to return the property to a condition substantially the same as, but not better or more extensive than, its condition when new, using building materials readily available and in common use in Australia.

#### Alternative 2 - Indemnity value

(Optional reduction in cover)

If the basis of settlement is shown in the Schedule as 'Indemnity value', then, for the purpose of calculating any loss settlement, 'Indemnity value' means:

- (a) the cost to reinstate, replace or repair the Lost or Damaged Property Insured to a condition substantially the same as but not better or more extensive than its condition at the time that the Loss or Damage occurred, taking into consideration its age, general condition and remaining useful life.

Or, where such property is not to be reinstated, replaced or repaired:

- (b) the value of such Property Insured to You at the time that the Loss or Damage occurred, taking into consideration Market Value (if any), age, condition and remaining useful life having regard to the nature and situation of such property and the purposes for which it is owned, maintained or used by You.

We will also pay, in accordance with the 'Extra Cost of Reinstatement' clause, the additional costs incurred to comply with the requirements of any statutory authority or by-laws, provided You were not required to comply with any of the by-laws

prior to the Loss or Damage occurring.

### Extra cost of reinstatement

(Applicable to Buildings, machinery and plant)

We will also pay the additional costs incurred by You to reinstate the Property Insured (including undamaged portions thereof) in compliance with the requirements of any Act of Parliament or regulations or any by-law or regulation of any Municipal or other statutory authority, other than relating to the heritage status of a Building.

Provided that We will not pay for any costs that would have been incurred when complying with the requirements of any lawful authority that applied to the Property Insured or Premises prior to the Loss or Damage.

### Extra cost of reinstatement: Heritage Building

If You are insured under this section on a 'Reinstatement or replacement value' basis for Loss of or Damage to any Building that is subject to any heritage listing or protection and You choose to rebuild, replace or repair the Building at the same Premises, We will pay the extra costs of repairing, replacing, or reinstating the Building, that are related to obtaining special materials or employing specialised labour to match up or reproduce unique or distinctive ornamental or architectural features of the Building to comply with standards imposed by any lawful heritage protection authority.

We will not pay more than the cost to rebuild, replace or repair any such heritage listed Building to a reasonably equivalent appearance and capacity using original design and suitable modern equivalent materials, if the original materials are not available.

### Conditions which apply to Extra cost of reinstatement and Extra cost of reinstatement: Heritage Building

The following conditions apply:

- (a) The work of reinstatement must be commenced and carried out within a reasonable time of the Loss or Damage, after Our consent has been obtained, failing which We will not pay more than the amount which would have been payable under this Policy if the work of reinstatement had been commenced and carried out with reasonable dispatch.
- (b) The work of reinstatement may be carried out wholly or partially upon any other site, if the requirements of the Act, Regulation or By-law necessitate it, subject to Our liability not being increased.
- (c) The amount recoverable shall not include the additional costs incurred with complying with any such Act, Regulation or By-law or requirement with which You have been required to comply prior to the happening of the Damage.
- (d) Our total liability for Extra cost of reinstatement will be limited to:
  - (i) the sub limit of liability shown in the Schedule for 'Extra cost of reinstatement', which shall be in addition to the Sum Insured; or
  - (ii) if no such sub limit of liability is stated and the Damage is less than 50% (fifty percent) of the Replacement Cost of the Buildings or Contents, Our liability shall be limited to the extra cost necessarily incurred in reinstating the Damaged Property Insured only.
- (e) The underinsurance condition of the Property Damage section of this Policy will not be applied to the amount payable under this clause.

### Output replacement

Where any Property Insured consists of equipment, machinery or plant having a measurable function, capability or output and if it is necessary to replace such property with a new item or items which perform a similar function or functions, then the basis of settlement for such property shall be:

- (a) Where any Damaged Property Insured is to be replaced with any item or items which have the same or a lesser total function, capability or output, then, the basis of settlement is the new installed cost of such replacement item or items as would give the same total function, capability or output as the Damaged Property Insured.
- (b) Where any Damaged Property Insured is to be replaced with an item or items which have a greater total function, capability or output and the new installed cost of such replacement property is no greater than the replacement value of the Property Insured being replaced, then, the basis of settlement is the new installed cost of the item or items so replaced.
- (c) Where any Damaged Property Insured is to be replaced by an item or items which have a greater total function, capability or output and the new installed cost of such replacement property is greater than the replacement value of the Property Insured being replaced, then, the basis of settlement shall be the proportion of the new installed cost of the replacement item or items which the output of the Damaged Property Insured bears to the output of the

replacement item or items. If the reinstatement value of the Damaged Property Insured is not ascertainable then the basis of settlement is the new installed cost of the replacement item or items.

Provided always that where any Damaged Property Insured may be properly repaired, then, We shall pay the cost of restoration of such Damaged Property Insured to a condition substantially the same as (but not better or more extensive than) its condition when new and Our liability shall not exceed the sum representing the cost which We could have been called upon to pay if such Property Insured had been totally Destroyed.

### **Floor space ratio index (Plot ratio)**

Where Buildings are Damaged and reinstatement of such Damage is limited or restricted by:

- (a) any Act of Parliament or regulation thereunder; or
- (b) any by-law or regulation of any Municipal or other Statutory Authority,

resulting in either case in the reduction of the floor space ratio index (plot ratio) of the site, then We shall pay, in addition to the amount payable on reinstatement of such Buildings, the difference between:

- (i) the actual costs incurred in reinstatement subject to the reduced floor space ratio index (plot ratio), and
- (ii) the estimated cost of reinstatement at the time of the Damage had the reduced floor space ratio index (plot ratio) not applied.

### **2. Stock and Customers' Goods**

If Stock or Customers' Goods are Lost or Damaged, We will:

- (i) pay the replacement cost of raw materials, supplies and other merchandise not manufactured by You at the time and the place of replacement, provided that replacement shall have been carried out with reasonable dispatch or, if not replaced, the value of such property to You at the time and place of the Loss or Damage but not exceeding its original cost price to You.
- (ii) pay the replacement cost of the raw materials and the cost of labour and other manufacturing charges expended on materials in process of manufacture, calculated at the time and place of the Loss or Damage.
- (iii) pay the replacement cost of the raw materials and the cost of labour and other manufacturing charges expended on finished goods without any allowance for profit or the cost of re-stocking such goods, whichever is the lesser.
- (iv) pay the Market Value of Obsolete Stock at the time of the Loss or Damage or its purchase price (net of any Input Tax Credit that You could claim), whichever is the lesser, but not exceeding its original cost to You.
- (v) replace or repair the Stock or Customers' Goods with property or materials equal to or of a similar standard and specification as the Stock or Customers' Goods at the time of the Loss or Damage; or
- (vi) pay the cost of repair or replacement of the Lost or Damaged Stock or Customers' Goods.
- (vii) in respect of goods sold but not delivered for which You are responsible (and with regard to which, under the conditions of sale or any statute or at common law, the contract of sale is cancelled either wholly or in part by reason of the Loss or Damage) pay the contract price, or in the case of a partial cancellation of the contract of sale, that part of the contract price which shall have been lost to You because of the partial cancellation.

### **3. Branded goods**

Any salvage of branded goods and/or merchandise owned by You or for which You are legally liable and/or goods sold but not delivered shall not be disposed of by sale without Your consent. If such salvage is not disposed of by sale then the Loss or Damage will be assessed at the Market Value of the goods after brands, labels or names have been removed by You or on Your behalf.

### **4. Business records**

- (i) for Loss of or Damage to business books, plans, computer records, patterns and other business records, We will pay the cost of re-creating the documents that are Lost or Damaged; and
- (ii) for Loss of or Damage to business records of Your customers at the Premises or Your business records stored off-site, We will pay up to a maximum of \$25,000 (twenty five thousand dollars) any one loss unless a higher amount is specified in the Schedule.

### **5. Old plant and equipment**

Unless specifically insured otherwise:



- (i) for those items kept as spare parts, We will pay the cost of repairs or the second hand replacement value of a similar part of the same age and condition, whichever is the lesser; and
- (ii) for any old item kept for use as backup in an emergency, We will pay the cost of repairs or the second hand replacement value of a similar item of the same age and condition, whichever is the lesser.

## Defined Events Cover

We will pay You up to the Sum Insured, in accordance with the Basis of Settlement, for Loss of or Damage to Property Insured at the Premises during the Period of Insurance caused by or arising out of any of the following defined Events:

- (1) Fire, lightning or thunderbolt.
- (2) Earthquake, volcanic eruption, subterranean fire or tsunami.
 

We will not pay for the first \$20,000 (twenty thousand dollars) or 1% (one percent) of the Sum Insured at the Damaged Premises (whichever is the lower amount) of each claim caused by earthquake, volcanic eruption, subterranean fire or tsunami.

You have to pay one Excess if further Damage occurs within seventy-two (72) hours of an occurrence. Damage arising from an insured Event that occurs more than seventy-two (72) hours after the Event will be considered to be a separate Event in which case an additional Excess will be required.
- (3) Explosion or implosion but We will not cover Loss of or Damage to any pressure vessel (including a boiler) which is not used solely for domestic purposes or that has a value of more than \$200,000 (two hundred thousand dollars), and where the Damage is directly caused by the explosion or implosion of such pressure vessel.
- (4) Bursting, leaking, discharging or overflowing of fixed apparatus, fixed tanks, fixed appliances, fixed pipes or other systems used to hold or carry liquid (including the reasonable cost of identifying and locating the cause of Damage) but We will not cover the repair or replacement of such apparatus, appliances, tanks, pipes or other systems which give rise to the Damage.
- (5) Impact by:
  - (a) a Vehicle designed primarily for use on land or its load.
  - (b) an animal;
  - (c) falling trees or branches of trees, masts, satellite dishes, antennae and aerials. This cover includes the reasonable costs associated with the removal and disposal of the tree or branches, which caused the Damage.
  - (d) Watercraft or Hovercraft.
  - (f) Aircraft or other aerial devices or articles dropped or falling therefrom.
  - (g) meteorites or debris from a rocket or satellite.
  - (h) a falling building or other structure or part thereof.
- (6) Malicious Damage, including Damage by burglars or thieves, other than Damage caused by You or anyone who permanently or temporarily lives with You.
- (7) The acts of:
  - (a) persons taking part in riots, civil commotions, strikes or labour disturbances, locked out workers, or persons of malicious intent acting on behalf of or in connection with any political organisation;
  - (b) any lawfully constituted authority in connection with any strike, lockout, labour disturbances or political violence.
- (8) Storm, tempest, wind, cyclone or tornado, rainwater, snow, sleet, hail and run-off rainwater that accumulates directly on and flows across normally dry ground or that overflows from public roadside gutters, channels and drains that are normally dry or swimming pools, spas or saunas; but not:
  - (a) Flood, however caused, unless Optional Extension 1 - 'Flood' is shown as covered in the current Schedule.
  - (b) by water from or action of the sea, tidal wave, storm surge or high water, unless it is caused by or arises out of an earthquake or tsunami.
  - (c) to gates, fences, retaining walls, shade cloth, exterior textile awnings or blinds which exceeds \$25,000 (twenty five thousand dollars) in respect of any one occurrence for Loss or Damage.
  - (d) to property in the open air unless such property is a permanent structure designed to function without the protection of walls or roof.
  - (e) erosion, subsidence, landslide, collapse or any other movement of earth, unless it is caused by or arises out of, and occurs within 72 (seventy two) hours of, a storm, earthquake, subterranean fire, volcanic eruption or water

escaping from a water main owned by a water supply authority.

(f) caused by water entering the Buildings through an opening in the wall or roof made for the purpose of alterations, additions, renovations, or repairs.

(9) Escape of molten material from its intended confines but excluding:

(a) the cost of repairing any fault which permitted such escape;

(b) the cost of retrieving or removing escaped material from any escape channel or catchment area designed for the purpose;

(c) Loss of or Damage to such escaped material;

(d) Loss or Destruction of or Damage to furnace linings, crucibles, moulds, other containers or ladles from which molten material escapes.

## Accidental Damage Cover

We will cover You for Accidental Loss of or Damage to the Property Insured at the Premises other than by any of the events or items listed in 'What You are not covered for under Accidental Damage cover'.

### What You are not covered for under Accidental Damage cover

We will not pay for claims under 'Accidental Damage cover' for:

(1) Loss or Damage caused by any of the Events as described under the Defined Events Cover in this section. For the avoidance of doubt, this includes any of the Defined Events' related exclusions.

(2) Loss or Damage caused by Events or to the items listed under the General Exclusions of this Policy.

(3) Loss or Damage insurable under any other section or sections of this Policy but this exclusion does not apply to any Loss or Damage which would only be insurable under any other Policy section or sections because it fell within an Extra Cover or Additional Benefit in that section.

(4) Property Insured to the extent insurable under Section 6 - General Property.

(5) Damage which occurs as a result of Your failure to repair or prevent bursting, leaking, discharging or overflowing of fixed apparatus, fixed tanks or fixed pipes used to hold or carry liquid within a reasonable amount of time of discovering an occurrence.

(6) unexplained disappearance or unexplained inventory shortage, whether resulting from clerical or accounting errors or shortages in supply or delivery of materials to or by You.

(7) Loss or Damage caused by demolition, other than demolition by or ordered by a public authority, if the value of the demolition work exceeds \$500,000 (five hundred thousand dollars) or 20% (twenty percent) of the total Sum Insured on Buildings and Contents, whichever is the lesser, unless We have agreed otherwise.

(8) pollution or contamination of Property Insured unless caused by a Defined Event which is insured under this section.

(9) theft, except where the Premises (Buildings) insured by the owner under this section are tenanted under a lease agreement by another party, person or entity not named in this Policy, in which case, the insured owner will be entitled to be indemnified against Loss by theft of their Property Insured (as defined in this section for 'Buildings') at the Premises in accordance with the terms and conditions of the 'Theft cover section' of this Policy regardless of whether it is selected in this Policy or otherwise.

The maximum We will pay in respect to any Loss under this additional protection provided under this section in relation to theft shall be limited to \$20,000 (twenty thousand dollars) in total any one occurrence happening during the currency of this Policy.

## Additional Benefits

We will also provide the following Additional Benefits, subject to the exclusions and conditions of this Policy, unless provided otherwise.

Unless stated otherwise below, any amounts payable under these Additional Benefits apply in addition to the Sum Insured.

### 1. Capital additions

We cover additions to Your Buildings, Contents and Specified Items obtained or built during the Period of Insurance to an amount not exceeding 20% (twenty percent) of the total Sum Insured on Buildings, Contents and Specified Items or \$250,000 (two hundred and fifty thousand dollars) whichever is the lesser, in respect of Property Insured at any one Premises.

## 2. Catastrophe escalation cost

If any of Your Buildings is Destroyed or Damaged by any Event insured against by this section and We classify such Destruction or Damage as a major loss and the Event giving rise to the Destruction or Damage has resulted in any competent authority declaring a state of emergency affecting the area in which Your Building is situated;

We will:

- (a) increase the Sum Insured under this section by up to 25% (twenty-five percent) of the Sum Insured for the Building(s) provided that Your Building(s) is/are rebuilt, and
- (b) increase the amounts payable under the 'Capital additions' (relating to Buildings only) and 'Temporary protection and security guards' Additional benefits of this cover section by 25% (twenty-five percent); to cover any Increase In Building Costs for labour and materials and any other additional costs which may apply after the Event.

Provided that:

- (i) We shall not pay more than the increased building costs which are actually incurred by You.
- (ii) We will not pay any amount under this Additional benefit until You have incurred costs exceeding the Sum insured applicable to this section.

### Insured applicable to this section.

'Increase In Building Costs' means the difference between the cost of reinstatement actually incurred in accordance with the Basis of Settlement provisions of this section and the cost of reinstatement that would have applied had the Event not occurred.

## 3. Directors and Employees, tools of trade and personal property

Cover is extended to include tools of trade and personal property of directors, partners, officers and Employees if the person to whom such property belongs is not named as an Insured.

Cover is limited to \$5,000 (five thousand dollars) for any one director or Employee. This additional benefit provides cover to You. It does not provide any insurance cover to any director, partner, officer or Employee.

## 4. Discharge of mortgages

If Property Insured has been Damaged and the Damage is covered by the Property Damage section, where the Sum Insured is not otherwise exhausted, We will pay up to the balance of the Sum Insured, for the reasonable legal costs to discharge a mortgage or mortgages on Buildings or Contents following settlement of a claim on the basis of a total loss whether actual or constructive.

Where the Sum Insured is exhausted, in respect of the discharge of a mortgage on Buildings only, We will pay up to an additional 10% (ten percent) of the total Sum Insured on Buildings, for the reasonable legal costs to discharge a mortgage or mortgages following settlement of a claim on the basis of a total loss whether actual or constructive.

## 5. Environmental upgrade

If You elect to repair or replace any Property Insured (including any part thereof) that is Lost, Destroyed or Damaged in the Period of Insurance, using, or with, more environmentally friendly technology, products or materials, that improve the energy and water efficiency of the Property Insured, We will pay you up to 10% (ten percent) more than the amount We would otherwise have paid to repair or replace the property that is being upgraded.

## 6. Fire brigade attendance fees

We will pay up to \$50,000 (fifty thousand dollars) any one Event for any statutory charges payable by You to a fire brigade or firefighting authority for attendance at a fire or chemical emergency involving property insured and for the cost of refilling Your firefighting appliances used in putting out a fire at or adjoining the Premises and threatening the Property Insured during the Period of Insurance.

## 7. Floating stock

Where We pay a claim for Loss of or Damage to Stock at the Premises, we will pay more than the Stock Sum Insured at that Premises to account for the temporary transfer of Stock between Premises provided that:

- (a) there are at least two Premises specified in the Schedule and a Sum Insured has been separately specified in the Schedule for Stock at each Premises insured under this section, including the affected Premises; and
- (b) You transfer the Stock between Premises as a usual business practice.

We will not pay a claim under this Additional Benefit where Stock levels in excess of the Sum Insured at a Premises have been temporarily located at that Premises for a period exceeding 90 (ninety) days and where We have not agreed in writing to an extended period.

We will not pay more than the total of the Stock Sums Insured for all Premises.

## 8. Government fees

We will pay any fee, contribution or other impost payable to any Government, Local Government or other Statutory Authority where payment of the fee, contribution or impost is necessary to the obtaining of consent to reinstate any Property Insured; provided that We will not be liable for payment of any fines and/or penalties imposed upon You by any such authorities.

The cost of government fees is included in the Sum Insured for Property Insured.

## 9. Landscaping

We will pay for Loss, Damage or Destruction by the Defined Events (other than storm, tempest or rainwater) to growing plants, shrubs, garden plots and lawns (including rock work, retaining walls, ornamentation and edging pertaining thereto) at the Premises. We will also pay resultant expenses necessarily incurred in cleaning, clearing and/or repairing drains, gutters, sewers and the like, all contained in or on or forming part of or implicitly pertaining to the Buildings insured.

We will not pay more than \$25,000 (twenty five thousand dollars) in respect of any one loss. This additional benefit is included in the Sum Insured of the Buildings covered by this section.

## 10. Liability for duty

We will pay Your liability for customs, excise and/or other duties which You may become liable to pay in the event of Loss of or Damage to Property Insured and/or Your liability to compensate others who may become liable for such customs, excise and/or other duties as a result of the Loss or Damage.

## 11. Limited transit

Property Insured is covered, up to the lesser of \$25,000 (twenty five thousand dollars) or 20% (twenty percent) of the Sum Insured for Contents including Stock, if it is in transit in or on any Vehicle owned or operated by You anywhere in Australia away from the Premises, including storage during the transit, but only for Damage caused by fire or explosion, wind or earthquake, acts of malicious persons or by collision or overturning of the conveying Vehicle.

## 12. Loss of land value

If We pay for a claim for Loss of or Damage to a Building at the Premises, We will also pay up to \$50,000 (fifty thousand dollars) for the reduction in land value, which shall be the value certified by the Valuer General or other competent person or authority selected by Us, that results from the requirements of any Statutory Authority that does not allow rebuilding (or only partial rebuilding) at the Premises following Loss or Damage covered by this section.

Provided that:

- (1) this shall be calculated by subtracting the land value after rebuilding or after We have agreed that rebuilding is not possible, from the land value before the Damage, and
- (2) We will not pay more than 20% (twenty percent) of the Sum Insured for Buildings at the Premises where the Loss or Damage happened.

The underinsurance condition does not apply to this additional benefit.

## 13. New premises - temporary cover

We will temporarily extend cover provided by this section to property at any new Premises first occupied by You during the Period of Insurance provided that:

- (a) this temporary cover period is limited to the lesser of:
  - (i) 60 (sixty) days from the date You acquire or commence using the Premises; or
  - (ii) the expiry date of the current Period of Insurance; or
  - (iii) the date on which the property ceases to belong to You.
- (b) the property is used for the Business described in the Schedule;
- (c) the property is of similar type to that already insured under this section;
- (d) the new Premises comprise Buildings of similar construction, fire and burglary protection as featured in any Premises currently described in the Schedule.
- (e) You must provide to Us full details of the new premises within 60 (sixty) days of the commencement of this temporary cover. If We agree to continue the cover You must pay any additional premium that We may require.

The maximum We will pay for this additional benefit is 20% (twenty percent) of the highest Sum Insured shown in the Schedule for each item of Property Insured.

## 14. Prevention of imminent Damage

We will pay up to \$100,000 (one hundred thousand dollars) for necessary costs You incur to extinguish a fire on or in the vicinity of the Premises which causes or threatens to cause Damage to Property Insured or for necessary costs to prevent

or diminish imminent Damage to the Property Insured by any other insured peril.  
We will not pay under this additional benefit for:

- (a) any fines, penalties or liability incurred by You,
- (b) any Loss or Damage to the Property Insured.

#### **15. Professional fees**

If Property Insured has been Damaged and the Damage is covered by the Property Damage section, We will pay the reasonable professional fees incurred to rebuild, replace or repair Your Buildings and Contents. The cost of professional fees and legal costs are included in the Sum Insured of the Lost or Damaged Property Insured.

#### **16. Removal of debris**

If Property Insured has been Destroyed or Damaged and is covered by this section, We will pay the reasonable costs incurred for the demolition, dismantling, necessary temporary repairs, cleaning up and/or removal, storage and disposal of debris from the Premises.

We will also pay for Your legal liability for the cost of removal of debris from adjoining premises, property, services, roadways and waterways as well as on the site. We will pay You up to \$50,000 (fifty thousand dollars) for removal of debris or if this is insufficient and You have not exhausted Your Sum Insured on the Damaged Property Insured requiring demolition and/or removal of debris, We will pay up to the remaining balance of the Sum Insured.

#### **17. Rewriting of Records**

We will pay You, in addition to Your Sum Insured, up to \$25,000 (twenty five thousand dollars) or any higher amount shown in the current Schedule for 'Rewriting of Records', for clerical and professional costs incurred by You to rewrite Your necessary business records if they are Lost, Destroyed or Damaged, whilst located at the Premises or offsite anywhere in Australia, by an Event which You are covered for in this section. We will not pay You for any financial loss, caused by the Loss or Destruction of Your business records, under this additional benefit.

#### **18. Seasonal increase in Stock**

If You have insured Stock as a separate item to Your Contents, the Sum Insured on Stock is increased by 50% (fifty percent) or \$75,000 (seventy five thousand dollars) whichever is the lesser amount, for;

- (a) eight (8) weeks prior to and including Christmas Day;
- (b) three (3) weeks after and including 26 December;
- (c) six (6) weeks prior to and including Easter Tuesday;
- (d) one (1) week after but not including Easter Tuesday;
- (e) six (6) weeks prior to and including any celebrated event of a festive, religious or ethnic nature (other than Christmas or Easter) where you can reasonably demonstrate that the Stock levels during that period have risen by more than 20% (twenty percent) above standard levels; and that the increase has happened solely for the purpose of meeting additional customer demand associated with the happening of that festive, religious or ethnic event or celebration; and
- (f) one (1) week after the same festive, religious or ethnic event or celebration.

Any other period shown in the current Schedule, in lieu of the covers in (a) to (f) above.

You can nominate different Seasonal Increase Period(s) or higher percentage increases of Stock. If You do they will be shown in the Schedule and You must pay any reasonable additional premium that applies. If Your Sum Insured for Stock is included in Your Sum Insured for Contents on the current Schedule, We will only apply the increase to that portion of the Sum Insured for Contents which relates to Stock.

#### **19. Temporary cover for new Premises**

We will cover You for Loss or Damage occurring during the Period of Insurance to Property Insured at any new Premises arising from any of Defined Events (1) to (9) inclusive, provided that:

- (a) You first occupy the new Premises during the Period of Insurance;
- (b) the Business carried on at or from the new Premises is the same as shown in the Schedule;
- (c) the Property Insured at the new Premises is of a similar nature as the Buildings, Contents and Stock located at a Premises and would have been covered if they were located at any of Your existing Premises; and
- (d) the Buildings at the new Premises are constructed of similar materials to the Buildings at any Premises, and have either similar or superior protection systems to those at any of Your existing Premises.

We will not cover You for more than 20% (twenty percent) of the highest total Sum Insured of Property Insured for any Premises shown in the Schedule.

*For example, if you insure two existing Premises, one which has Sums Insured for all Property Insured totalling \$2,800,000 and the other which has Total Sums Insured for all property insured totalling \$4,500,000, then any new Premises will be covered for up to \$900,000 (20% of \$4,500,000, the higher of the two Sums Insured for all Property Insured at a Premises).*

We will not cover You under this additional benefit for any Loss or Damage at the new Premises that occurs more than 60 (sixty) days after You first occupy the new Premises .

## **20. Temporary protection and security guards**

If Property Insured has been Lost or Damaged and is covered by the Property Damage cover section, We will pay for the cost of temporary protection, including employment of security guards, to safeguard the Property insured:

- (a) where the Sum Insured is not otherwise exhausted, We will pay the reasonable costs and expenses reasonably incurred, and
- (b) when the Sum Insured becomes exhausted, We will pay an additional amount of up to \$25,000 (twenty five thousand dollars), pending repair or replacement, consequent upon Damage for which a claim is payable.

If an occurrence results in a claim being paid under this section and another section of this Policy, the highest single limit under the relevant section applies. The benefit of Temporary Protection and Security Guards shall not be cumulative under this Policy.

## **21. Temporary removal of Stock and Contents**

We also cover Property Insured while temporarily removed to any other situation within Australia. Provided that:

- (a) We will not cover motor Vehicles or trailers, Watercraft, caravans or motorcycles unless they are:
  - (i) Stock in trade of the Business, or
  - (ii) forklift trucks or similar appliances that are normally used for hauling or lifting goods at the Premises.
- (b) We will not cover Stock in trade that is on consignment to other parties unless it is owned by You or is property for which You are responsible.
- (c) the maximum amount We will pay for this additional benefit will be 20% (twenty percent) of the Sum Insured for Loss of or Damage to Stock or Contents for any insured event.
- (d) this additional benefit will not apply to any Property Insured, which has been removed for a period greater than ninety (90) consecutive days without Our prior written consent.

## **22. Undamaged foundations and/or undamaged buildings**

If the Building foundations at the Premises are either undamaged or are not Destroyed following an insured event that causes other Damage to the Building but a Government or Statutory Authority requires reinstatement of the Building to be carried out on another site, then the foundations will be considered as Destroyed.

Where any Building(s) at the Premises are Damaged and (due to the exercising of any statutory powers and/or delegated legislation and/or authority by any Government or Statutory Authority) reinstatement of such Building(s) has to be carried out on another site or sites, then, the abandoned portion(s) of such Building(s) will be considered as Destroyed.

Provided that if the resale value of the original building site is increased due to the presence of the abandoned foundations or undamaged portion(s) of such Building(s), then, the increase in resale value will be paid to Us upon completion of the sale of the site or shall be deducted from the final amount of any monies payable to Us, whichever shall occur later.

## **Optional Extensions**

### **1. Flood**

When 'Flood' is shown in the current Schedule, We will cover Loss or Damage to Property Insured caused by Flood.

### **2. Strata title mortgagee(s) interest**

This cover applies only if You have arranged this Policy to insure only the interest of a mortgagee in a strata title unit.

This cover only applies when You own part of a Building that has been subdivided into strata, community or similar title units and You have a mortgage on that part of the Building.

We will pay the mortgagee the lowest of:

- (a) the Sum Insured shown in the Schedule;
- (b) the amount to repair the Damaged part of the Building to a condition similar to but no better than when new;
- (c) if the body corporate (or similar) partially covers the loss, any difference between the cost of the Damage and the payment by or on behalf of the body corporate; or
- (d) the amount sufficient to discharge the mortgage held by You over the unit at the date of the Damage.

We pay only that part of the claim that applies to the interest of the mortgagee.

We only pay a claim if:

- (a) a claim would be payable under Defined Events 1 to 9 of this section (and not subject to any exclusions or other limitation in this Policy);
- (b) any insurance policy taken out by the body corporate or similar does not respond to or only partially covers the loss; and
- (c) the mortgagee requires you to discharge your mortgage.

If you have arranged this Policy to insure only the interest of a mortgagee in a strata title unit, then, no additional benefits are payable under this Policy.

### **Exclusions applicable to Section 1**

1. We will not pay for Loss or Damage under the Property Damage section caused by:

- (a) tenants - intentional Loss or Damage caused by Your tenants other than Damage caused by fire or explosion;
- (b) wear and tear -
  - (i) birds, insects, mice, rats or other vermin;
  - (ii) rust, corrosion, or oxidation;
  - (iii) mildew, mould, rotting, disease, contamination, Pollutants, or industrial fallout;
  - (iv) inherent vice, change of colour, loss of weight, loss of volume, change in flavour, change in texture;
  - (v) variation in temperature, variation in humidity, variation in controlled atmosphere;
  - (vi) wear, tear, fading or gradual deterioration;  
provided that this Exclusion 1(b) shall not apply to subsequent loss or damage to Property Insured occasioned by an Event (not otherwise excluded) resulting from any Event referred to in this Exclusion.
- (c) movement of foundations -
  - (i) vibration, heaving, creeping, shrinking, settling, or expansion of foundations or supports of Property Insured;
  - (ii) erosion, subsidence or earth movement unless caused suddenly by a Defined Event;
  - (iii) collapse of Property Insured unless caused suddenly by a Defined Event.
- (d) faulty work -
  - (i) error in, omission of or wrong design;
  - (ii) faulty materials or faulty workmanship; provided that this Exclusion 1(d) shall not apply to subsequent Loss or Damage to Property Insured occasioned by an Event (not otherwise excluded) resulting from any Event referred to in this Exclusion.
- (e) cessation of work - partial or complete cessation of work, process, operation or activity caused by strikes, labour disputes or locked out workers except as a result of Loss or Damage to the Property Insured committed by persons taking part in strikes or labour disputes, or by locked out workers.
- (f) incorrect siting of Property Insured.
- (g) heat - spontaneous combustion, fermentation, heating or any process involving the direct application of heat provided that this Exclusion 1(g) shall be limited to the item or items of Property Insured immediately affected and shall not extend to other Property Insured damaged as a result of such spontaneous combustion, fermentation or heating or process involving the direct application of heat.
- (h) Flood (unless Optional Extension 1 is shown in the current Schedule).
- (i) the sea - the action of water from the sea, tidal wave or high water.
- (j) explosion or implosion of boilers or other pressure vessels, where the boiler or pressure vessel:
  - (i) is not solely used for domestic purposes, or
  - (ii) has a value of more than \$200,000 (two hundred thousand dollars).

However we do cover Damage to other Property Insured where this results from such explosion or implosion.

### **2. We will not pay under the Property Damage cover section for:**

- (a) legal liability - any legal liability You incur to pay compensation, damages, fines, or penalties
- (b) breakdown - cost to repair or replace Property Insured due to:

- (i) mechanical, hydraulic, electrical or electronic breakdown, malfunction, breakage or failure unless caused by an Event that is covered by this section.
  - (ii) Computer Virus.
  - (iii) the gaining of unauthorised access to Your computer systems and records via any communication system by any person other than You or Your directors, partners, Employees, officers or any other person who has an interest in the Property Insured.
3. We will not pay for Loss or Damage under the Property Damage section arising from demolition ordered by government or public or local authorities due to failure by You or Your agents to obtain the necessary permits.
  4. We will not pay under the Property Damage section for loss of use, loss of earning capacity or any other consequential loss.

### Conditions applicable to Section 1

These conditions apply to all covers and claims under Section 1 - Property Damage.

#### 1. Under-insurance

In the event of Loss or Damage covered under this section:

- (a) for claims settled on a reinstatement or replacement basis, We will be liable for no greater proportion of the Loss or Damage than the total Sum Insured (as specified in the Schedule) for all Property Insured at the Premises where the Loss or Damage occurs bears to 80% (eighty percent) of the cost (net of any Input Tax Credit that You could claim) which would have been incurred in reinstatement at the time when this Policy was entered into if the whole of such property had been Destroyed at that time; or
- (b) for claims settled on an Indemnity Value basis, We will be liable for no greater proportion of the Loss or Damage than the total Sum Insured (as specified in the Schedule) for all Property Insured at the Premises where the Loss or Damage occurs bears to 80% (eighty percent) of the Indemnity Value (less any Input Tax Credit that You could claim) of the whole of such property at the time when this Policy was entered into.

This condition does not apply if the amount of any Loss or Damage (net of any Input Tax Credit that You could claim) is less than 10% (ten percent) of the total Sum Insured specified in the Schedule for all of the Property Insured at the Premises where the Loss or Damage occurs.

#### 2. Indexation

If it is shown in the Schedule that indexation applies, we will automatically adjust all Sums Insured shown in the Schedule each year according to the most appropriate price index (as determined by Us) and any other relevant indices published by the Australian Bureau of Statistics.

The premium You pay will be based on the adjusted Sums Insured shown in the Schedule.

#### 3. Tenants actions

If a tenant of Yours or a tenant of Your landlord (but not You) without Your consent, causes or contributes to any Loss or Damage covered by this section which is in breach of any terms or conditions, We will cover You for your Loss or Damage as per this section, provided:

- (a) You have taken all reasonable actions, as soon as You become aware of conditions causing the breach, to have the tenant comply with the terms and conditions of this section;
- (b) You notify Us within a reasonable amount of time of becoming aware of the breach; and
- (c) You agree to pay a reasonable increase in premium for the additional risk, if requested by Us.

#### 4. Excess

You must pay the Excess shown on the Schedule that applies to a claim under this section. If You are making a claim for Loss or Damage:

- (a) covered under Defined Event (2) - 'Earthquake, volcanic eruption, subterranean fire or tsunami', or fire resulting from any of these during any period of 72 (seventy two) consecutive hours', the Excess for each claim is 1% (one percent) of the total Sums Insured specified in the Schedule that relate to the Property Insured at the Premises or \$20,000 (twenty thousand dollars) whichever is the lesser, for each claim.
- (b) covered under Defined Event (6) - 'Malicious Damage (including Damage by burglars or thieves)' where such Damage is caused by an act committed by Your tenants, the Excess for each claim is \$500 or the Excess shown in the Schedule (whichever is higher).



### **Definitions applicable to Section 1**

The following words have the following meanings for this section only. You should also refer to the General Definitions section starting on page 18 of this Policy.

**'Market Value'** the estimated amount for which the Property Insured should exchange immediately before the Damage, between a willing buyer and a willing seller in an arms-length transaction, after proper marketing, wherein the parties had each acted knowledgeably, prudently and without compulsion.

**'Property Insured'** means: Buildings, Contents, Stock and Specified Items listed on the current Schedule and used in the Business.

**'Specified items'** means each item of property that is specifically described in the Schedule for Section 1.

## Section 2 - Business Interruption

This section only forms part of this Policy when Section 2 - Business Interruption is shown as covered in the Schedule

### What We cover

There are three Parts available in this section:

- Part A - Insurable Gross Profit basis
- Part B - Annual Revenue basis
- Part C - Weekly Revenue basis

The Schedule indicates which Part has been selected by You.

### Insuring Clause

In the event of interruption of or interference with the Business in consequence of Damage to any Building or any other property or any part thereof used by You at the Premises for the purpose of the Business as a result of an Insured Event, We will pay You in respect of each item selected by You and shown in the current Schedule, the amount of the loss resulting from such interruption or interference.

Provided that:

- (a) the payment is in accordance with the Basis of Settlement provision for the item;
- (b) We have paid for or admitted liability in respect of such Damage under the relevant section of this Policy, or another insurer has paid for or admitted liability in respect of such Damage, unless no such payment shall have been made or liability shall not have been admitted for such Damage (by Us or another insurer) solely due to the application of an Excess; and
- (c) Our liability in no case will exceed in respect of each item the Sum Insured shown in the current Schedule for that item.

### Part A - Insurable Gross Profit basis

The insurance under this Part provides protection with regard to loss under:

#### Item No.

1. Gross Profit (if selected)
2. Additional increase in cost of working (if selected)
3. Accounts receivable (if selected)
4. Claim preparation expenses (if selected)
5. Rent Receivable (if selected)

### Basis of Settlement

#### 1. Gross Profit

This item is limited to the loss of Gross Profit due to a reduction in Turnover and Increase in Cost of Working.

The amount payable as indemnity under this item will be:

- (a) in respect of reduction in Turnover, the sum produced by applying the Rate of Gross Profit to the amount by which the Turnover during the Indemnity Period falls short of the Standard Turnover in consequence of the Damage; and/or
- (b) in respect of Increase in Cost of Working, the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in Turnover which, but for the additional expenditure, would have taken place during the Indemnity Period in consequence of the Damage, but not exceeding the sum produced by applying the Rate of Gross Profit to the amount of reduction in Turnover thereby avoided;

less any sum saved during the Indemnity Period in respect of such charges and expenses of the Business payable out of Gross Profit as may cease or be reduced in consequence of the Damage.

### Underinsurance Provision:

Provided that if the Sum Insured for this item at the commencement of each Period of Insurance is less than the sum produced by applying the Rate of Gross Profit to eighty percent (80%) of the Annual Turnover (or its proportionately increased multiple where the Indemnity Period exceeds twelve months), the amount payable will be reduced so that We will be liable for no greater proportion of the loss under this item than that which the Sum Insured bears to eighty percent (80%) of the sum produced by applying the Rate of Gross Profit to the Annual Turnover (or its proportionately increased multiple, if appropriate).

This underinsurance provision will not apply if Your claim is for less than ten percent (10%) of the Sum Insured for this item.

## **2. Additional Increase in Cost of Working**

See 'Common Clauses to Parts A, B and C'.

## **3. Accounts Receivable**

See 'Common Clauses to Parts A, B and C'.

## **4. Claim preparation expenses**

See 'Common Clauses to Parts A, B and C'.

## **5. Rent Receivable**

This item is limited to loss of Rent Receivable and Additional Expenditure.

The amount payable as indemnity under this item will be:

**(a) in respect of loss of Rent Receivable**, the amount by which the Rent Receivable during the Indemnity Period falls short of the Standard Rent Receivable, in consequence of the Damage; and

**(b) in respect of Additional Expenditure**, the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the loss of Rent Receivable which, but for that expenditure, would have taken place during the Indemnity Period in consequence of the Damage, but not exceeding the amount of the reduction in Rent Receivable thereby avoided,

less any sum saved during the Indemnity Period in respect of such of the charges and expenses payable out of Rent Receivable as may cease or be reduced in consequence of the Damage.

### **Underinsurance Provision:**

Provided that if the Sum Insured for this item is less than eighty percent (80%) of the Annual Rent Receivable (or its proportionately increased multiple where the Indemnity Period exceeds twelve months), the amount payable will be reduced so that We will be liable for no greater proportion of the loss under this item than that which the Sum Insured bears to eighty percent (80%) of the Annual Rent Receivable (or its proportionately increased multiple, if appropriate).

This provision will not apply if Your claim is for less than ten percent (10%) of the Sum Insured for this item.

## **Part B - Annual Revenue basis**

The insurance under this Part provides protection with regard to loss under:

### **Item No.**

- (1)** Revenue (if selected)
- (2)** Additional Increase in Cost of Working (if selected)
- (3)** Accounts Receivable (if selected)
- (4)** Claim preparation expenses (if selected)

## **Basis Of Settlement**

### **Item No:**

#### **1. Revenue**

This item is limited to loss of Revenue and Increase in Cost of Working.

The amount payable as indemnity under this item will be:

**(a) in respect of loss of Revenue**, the amount by which the Revenue earned during the Indemnity Period falls short of the Standard Revenue, in consequence of the Damage; and/or

**(b) in respect of Increase in Cost of Working**, the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the loss of Revenue which, but for the additional expenditure, would have taken place during the Indemnity Period in consequence of the Damage, but not exceeding the amount of reduction in Revenue thereby avoided;

less any sum saved during the Indemnity Period in respect of such charges and expenses of the Business payable out of Revenue as may cease or be reduced in consequence of the Damage.

Provided that if the Sum Insured for this item is less than eighty percent (80%) of the Annual Revenue (or its proportionately increased multiple where the Indemnity Period exceeds twelve months), the amount payable will be reduced so that We will be liable for no greater proportion of the loss under this item than that which the Sum Insured bears to eighty percent (80%) of the Annual Revenue (or its proportionately increased multiple, if appropriate).

This provision will not apply if Your claim is for less than ten percent (10%) of the Sum Insured for this item.

## **2. Additional increase in cost of working**

See 'Common Clauses to Parts A, B and C'.

## **3. Accounts receivable**

See 'Common Clauses to Parts A, B and C'.

## **4. Claim preparation expenses**

See 'Common Clauses to Parts A, B and C'.

## **Part C - Weekly Revenue basis**

We will not pay any claim under this Part where the interruption of interference with the Business is for a period of less than 3 (three) days.

The insurance under this Part provides protection with regard to loss under:

### **Item No:**

- (1) Weekly Revenue (if selected)
- (2) Additional increase in cost of working (if selected)
- (3) Accounts receivable (if selected)
- (4) Claim preparation expenses (if selected)

## **Basis Of Settlement**

### **Item No:**

#### **1. Weekly Revenue**

This item is limited to the loss of Weekly Revenue and the amount payable as compensation under this item will be the amount by which the Weekly Revenue during the Indemnity Period falls short of the Standard Weekly Revenue in consequence of the Damage.

#### **2. Additional increase in cost of working**

See 'Common Clauses to Parts A, B and C'.

#### **3. Accounts receivable**

See 'Common Clauses to Parts A, B and C'.

#### **4. Claim preparation expenses**

See 'Common Clauses to Parts A, B and C'.

## **Common Clauses To Parts A, B And C**

Parts A, B and C of this section are extended to include the following clauses.

### **1. Accumulated Stocks**

In adjusting any loss, account will be taken and equitable allowance made if any reduction in Turnover or loss of Revenue or Weekly Revenue in consequence of the Damage is postponed by reason of the Turnover or Revenue or Weekly Revenue (as the case may be) being temporarily maintained from accumulated stocks of finished goods.

### **2. Alternative trading**

If during the Indemnity Period, goods are sold, work is performed or services are rendered elsewhere than at the Premises for the benefit of the Business either by You or by others acting on Your behalf, the money paid or payable in respect of such sales, work or services will be brought into account in arriving at the Turnover or Revenue or Weekly Revenue (as the case may be) during the Indemnity Period.

### **3. Additional increase in cost of working**

Where a Sum Insured has been specified in the Schedule for 'Additional Increase in Cost of Working', We shall extend this section to cover you for additional/increase in cost of working (not otherwise recoverable hereunder) necessarily and reasonably incurred during the Indemnity Period in consequence of the Damage for the purpose of avoiding or diminishing reduction in Turnover or Revenue or Weekly Revenue or Rent Receivable and/or resuming and/or maintaining normal business operations and/or services.

### **4. Accounts receivable**

Where a Sum Insured has been specified in the Schedule for 'Accounts Receivable', We shall extend this section to cover you for all sums due to You from debtors that You are unable to collect because of Damage to records of accounts receivable. We will also pay collection expenses in excess of normal collection costs made necessary because of the Damage as well as interest charges at the ruling rate of Your bank on any loan to offset impaired

collections pending repayment of such sums made uncollectible by such Damage.

If You cannot accurately establish the total amount of accounts receivable outstanding as at the date of the Damage, the amount will be computed as follows:

- (a) determine the amount of all outstanding accounts receivable at the end of the same fiscal month in the year immediately preceding the year in which the Damage occurs;
- (b) calculate the percentage of increase or decrease in the average monthly total of accounts receivable for the year immediately preceding the month in which the Damage occurs, as compared with such average for the same months of the preceding year;
- (c) the amount determined under (a), increased or decreased by the percentage calculated under (b) above, will be the agreed total amount of accounts receivable as of the last day of the fiscal month in which said Damage occurs;
- (d) the amount determined under (c) above will be increased or decreased in conformity with the normal fluctuation in the amount of accounts receivable during the fiscal month involved, consideration being given to the experience of the Business since the last day of the last fiscal month for which statements have been rendered less:
  - (i) the amounts of such accounts evidenced by records not suffering Damage or otherwise established or collected by You,
  - (ii) an amount to allow for probable bad debts that would normally have been uncollectible by You,
  - (iii) all unearned interest and service charges, and
  - (iv) settlement or term discounts normally allowed.

#### 5. Claim preparation expenses

In addition to the amount payable under General Claims Condition 11 (f) - 'Claim preparation expenses' of this Policy, We will pay You up to the Sum Insured shown in the current Schedule for the costs of such reasonable professional fees as may be payable by You and other such reasonable expenses necessarily incurred by You and not otherwise recoverable, for preparation and negotiation of claims under this section.

#### 6. Departmental clause

If the Business is conducted in departments or business units the independent trading results of which are ascertainable, the provisions of Item 1 will apply separately to each department affected by the Damage. For the purposes of this clause, the Rent Receivable from letting of property at the Premises will be regarded as the proceeds of one such department.

#### 7. Government incentives

If We pay a claim for reduction in Your Gross Profit or Revenue or Weekly Revenue (as the case may be), We will also pay for the reduction in Your Gross Profit or Revenue or Weekly Revenue in relation to the Business where such reduction results from the loss of Government approved incentives, subsidies or market development allowances to which You would have been entitled but for the occurrence of the Damage.

#### 8. New business

In the event of Damage occurring at the Premises before the completion of the first year's trading of the Business, the defined terms 'Rate of Gross Profit', 'Annual Turnover', 'Standard Turnover', 'Annual Revenue', 'Standard Revenue' and 'Standard Weekly Revenue' shall instead have the following meanings wherever they appear in this section:

**'Rate of Gross Profit'** means the proportion that the Gross Profit bears to the Turnover during the period between the date of commencement of the Business and the date of the Damage.

**'Annual Turnover'** means the actual Turnover achieved during Your first year of operations, from the commencement of the Business to the date of the Damage, converted to a 12 (twelve) month equivalent figure.

**'Standard Turnover'** means the Turnover achieved between the date of commencement of the Business and the date of the Damage, converted to the selected Indemnity Period.

**'Annual Revenue'** means the actual Revenue achieved during Your first year of operations, from the commencement of the Business to the date of the Damage, converted to a 12 (twelve) month equivalent figure.

**'Standard Revenue'** means the Revenue achieved between the date of commencement of the Business and the date of the Damage, converted to the selected Indemnity Period.

**'Standard Weekly Revenue'** means the amount calculated by averaging the Weekly Revenues obtained during the period from the date of the commencement of the Business to the date of the Damage.

## Adjustments Clause

The above definitions may be used as necessary to calculate the trend of the Business and for variations in or other circumstances affecting the Business either before or after the Damage or which would have affected the Business had the Damage not occurred, so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the Damage would have been obtained during the relative period after the Damage.

### 9. Salvage sale

If, following Damage giving rise to a claim under this section, You hold a salvage sale during the Indemnity Period, Clause a) of Item 1 - 'Gross Profit' of this section shall, for the purpose of such claim, read as follows:

'In respect of reduction in Turnover: the sum produced by applying the Rate of Gross Profit to the amount by which the Turnover during the Indemnity Period (less the Turnover for the period of the salvage sale) shall, in consequence of the Damage, fall short of the Standard Turnover, from which shall be deducted the Gross Profit actually earned during the period of the salvage sale.'

### 10. Sum Insured

Our liability to You will in no case exceed in respect of each item the Sum Insured expressed against that item in the current Schedule. 'Additional Benefits' are within the total Sum Insured of this section and not additional to the total Sum Insured.

### 11. Turnover / Output alternative

In the event of Damage giving rise to a claim under this section, at Your option, the term 'Output' may be substituted for the term 'Turnover' wherever appearing in this section. Provided that only one such term will operate in connection with any one occurrence involving Damage.

For the purpose of this section, 'Output' shall mean the sale and/or invoice value of goods manufactured and/or processed by You in the course of the Business at the Premises.

If You select the cover available under this clause, the clause headed 'Alternative Trading' shall be altered to read as follows:

'If, during the Indemnity Period, goods are sold, work is performed or services are rendered elsewhere than at the Premises for the benefit of the Business either by You or by others acting on Your behalf, the money paid or payable in respect of such sales, work or services will be brought into account in arriving at the Output during the Indemnity Period.'

## Additional Benefits

This section is extended to include the following Additional Benefits. Additional Benefits 1 to 9 inclusive are payable provided that the Sum Insured expressed against the relevant item(s) in the Schedule is not otherwise exhausted.

We will pay You (depending on the Part of this section which is applicable to You) for Loss of Gross Profit or Loss of Revenue or Loss of Weekly Revenue which results from interruption of or interference with the Business as a result of Damage occurring during the Period of Insurance to:

#### 1. Computer installation

computer installations, including ancillary equipment and data processing media, utilised by You within Australia.

#### 2. Customers and suppliers - unspecified

unspecified property at the premises of Your suppliers or customers of goods or materials or services (other than those services provided by any Public utilities as described under Additional Benefit 6 of this section) or at storage premises neither owned nor operated by You where You store goods or materials, all within Australia; provided that Our liability will not exceed the greater of 20% (twenty percent) or the percentage shown in the Schedule of the Sum Insured applicable to this section.

#### 3. Documents temporarily removed

documents and Electronic Data files belonging to or held in trust by You, while in transit or while at other premises not occupied by You. Our total liability under this additional benefit will not exceed 20% (twenty percent) of the Sum Insured or the amount shown in the Schedule, whichever is the greater.

#### 4. Motor vehicles owned or operated by You

any registered Vehicles or trailers owned or operated by You, while such Vehicles are at the Premises or at other premises in Australia but not on a public thoroughfare.

## 5. Prevention of access

- (a) property, or intervention of any lawful authority resulting from threat of Damage to property within a 50 (fifty) kilometre radius of the Premises, which prevents access to or hinders the use of the Premises.
- (b) property forming part of or contained in a complex of which the Premises forms part, whether the Premises or property of the Insured forming part of or contained in the complex shall be Damaged or not.

## 6. Public utilities

any land-based telecommunications system or any electricity, gas or water supply systems within Australia, provided that where public supply is not at or immediately adjacent to the Premises the interruption of supply extends for greater than 48 (forty eight) hours.

## 7. Roads, bridges and railway lines

roads, bridges and/or railway lines within Australia over which raw materials and other Stock are conveyed to or from the Premises.

## 8. Storage sites/temporary removal

Your property stored or being processed at any premises in Australia not occupied by You. Our total liability under this additional benefit will not exceed 20% (twenty percent) of the Sum Insured in respect of any one Event.

## 9. Transit

Your property while in transit by road, rail, sea or air within Australia and outside of the Premises occupied by You, up to an amount not exceeding 20% (twenty percent) of the Sum Insured in respect of any one Event.

## Extra Covers

This section is extended to include the following Extra Covers. Extra Covers 1 to 3 inclusive are payable provided that the Sum Insured expressed against the relevant item(s) in the Schedule is not otherwise exhausted.

### 1. Contractual fines and penalties

Following a claim under Part A - Insurable Gross Profit, Item 1 Gross Profit, We will also pay:

- (a) for fines or damages, other than aggravated, punitive or exemplary damages, for breach of contract resulting from non-completion or late completion of orders; or
- (b) in discharge of contract purchases, cancellation charges, fines or damages for breach of contracts for the purchase of goods or services which cannot be utilised by You during the Indemnity Period, less any value to You for such goods or the amount received from sale.

The amount payable shall not exceed twenty percent (20%) of the total Sum Insured for Gross Profit.

### 2. Infectious disease, etc.

We will also pay You for Loss of Gross Profit or Loss of Revenue or Loss of Weekly Revenue which results from interruption of or interference with the Business due to closure or evacuation of the whole or part of the Premises during the Period of Insurance by order of a competent Government, Public or Statutory Authority as a result of:

- (a) bomb threat, vermin or pests or defects in the drains or other sanitary arrangements, occurring at the Premises; or
- (b) an outbreak of an infectious or contagious human disease occurring within a 20 (twenty) kilometre radius of the Premises; however there is no cover for highly pathogenic Avian Influenza or any disease declared to be a quarantinable disease under the Quarantine Act 1908 (as amended) irrespective of whether discovered at the Premises, or out-breaking elsewhere; or
- (c) injury, illness or disease caused by the consumption of food or drink supplied at or from the Premises during the Period of Insurance; or
- (d) murder or suicide occurring at the Premises; or
- (e) shark or crocodile attack occurring within a twenty (20) kilometre radius of the Premises during the Period of Insurance.

### 3. Loss of attraction

If Your Business is located within a multi-tenanted retail shopping complex, We will treat damage to property of a major tenant as being Damage for the purposes of this section; provided that:

- (a) the damage would have been covered under the Property Damage if such damage had been to Property Insured under that section.
- (b) the damage results in a reduced pedestrian count in the shopping complex; and

(c) the damage results in interruption of or interference with the Business.

### Optional Extension

The following Optional Extension does not apply automatically. It will apply when You have requested its inclusion in this section, and the current Schedule has been endorsed by Us noting the inclusion.

#### 1. Goodwill

Following Damage to any Building at the Premises We will pay, up to the sub-limit of liability shown in the current Schedule for 'Goodwill', for the actual cost of goodwill incurred by You when purchasing a business in order to maintain the Business activities.

Provided that:

- (a) We will only pay these goodwill costs when the Building that is Damaged cannot or will not be repaired or rebuilt due to any refusal by any owner or lessor other than You to repair or rebuild; and any restrictions imposed by any legal authority; and
- (b) the purchase of the business is incurred because You were unable to continue the Business at the Premises as a result of the Damage to the Buildings not being repaired; and
- (c) the cause of the Damage to the Buildings would have been covered by Section 1 - 'Property Damage' had that Building been insured under that section; and
- (d) the business that is purchased is similar to the Business.

### Conditions applicable to section 2

#### 1. Adjustment of premium

We will reduce Your premium for Part A - Insurable Gross Profit basis or Part B - Annual Revenue basis at the end of each Period of Insurance if the Gross Profit or Annual Revenue (as the case may be) earned during the previous 12 (twelve) months accounting period is less than the Sum Insured. The adjustment rate is 50% (fifty percent) of the difference between the premium payable for the Gross Profit or Annual Revenue Sum Insured and for the Gross Profit or Revenue earned.

Any payment made by Us for a claim under Part A - Insurable Gross Profit basis or Part B - Annual Revenue basis is to be included in the Gross Profit or Annual Revenue earned for the purpose of this adjustment.

#### 2. Books of account

Any particulars or details contained in Your books of account or other business books or documents that may be required by Us for investigating or verifying any claim made under this section may be produced and certified by Your auditors and their certificate will be prima facie evidence of the particulars and details to which the certificate relates.

### Definitions

The following words have the following meanings for this section only. You should also refer to the General Definitions section starting on page 18 of this Policy.

**'Annual Rent Receivable'** means the Rent Receivable during the 12 (twelve) months immediately before the date of the Damage.\*

**'Annual Revenue'** means the Revenue earned during the 12 (twelve) months immediately before the date of the Damage.\*

**'Annual Turnover'** means the Turnover during the 12 (twelve) months immediately before the date of the Damage.\*

**'Damage'** means physical loss, destruction or damage (occurring during the Period of Insurance) from the operation of an Event insured against under:

- 1. (a) Section 1 - 'Property Damage';
- (b) Section 3 - 'Theft';
- (c) Section 4 - 'Money';
- (d) Section 5 - 'Glass'; or
- (e) Section 7 - Part 1, solely with regard to Damage caused by the explosion, rupture, collapse, bursting, cracking or overheating of any Boilers, Pressure Vessels and Pressure Pipe Systems (as defined in Section 7); or
- (f) Section 6 - 'General Property'

for which You are covered (or would have been covered but for the application of an Excess) by this Policy.

- 2. any other policy insuring the Events described in 1 (a) to 1 (f) above and for which the insurer has admitted liability, or would have admitted liability if it was not for the application of an Excess.



**'Gross Profit'** means the amount by which:

- (a) the sum of the Turnover and the amount of the closing stock and work in progress exceeds
- (b) the sum of the opening stock and work in progress and the amount of the Uninsured Working Expenses.

**Note:** The amount of the opening and closing stocks will be arrived at in accordance with Your normal accounting methods, due provision being made for depreciation.

**'Indemnity Period'** means the period beginning with the occurrence of the Damage during which the results of the Business are affected by the Damage and ending at the expiration of the maximum period specified in the current Schedule or, in the case of Weekly Revenue, ending at the earliest of either the expiration of the maximum period specified in the Schedule or when Weekly Revenue during that period equals or exceeds 95% (ninety five percent) of Standard Weekly Revenue.

**'Rate of Gross Profit'** means the Rate of Gross Profit, expressed as a percentage, earned on the Turnover during the financial year immediately before the date of the Damage.\*

**'Rent Receivable'** the amount of the rent received or receivable (including base rental, Turnover rental and contributions to outgoings) from the letting of property at the Premises.

**'Revenue'** means the money paid or payable to You as a:

- (a) Wholesaler or retailer of goods - for goods sold and delivered in the course of the Business less the cost of any related purchases (after any discounts).
- (b) Motel operator - in respect of facilities, accommodation, food and drink made available and services rendered in connection with the Business, less the cost of any related purchases (after any discounts) and laundering and cleaning expenses.
- (c) Professional practitioner or consumer services provider - for services rendered and work performed in connection with the Business.
- (d) Property owner - by tenants (being Rent Receivable).

**'Standard Rent Receivable'** means the Rent Receivable during that period in the 12 (twelve) months immediately before the date of the Damage which corresponds with the Indemnity Period.\*

**'Standard Revenue'** means the Revenue earned within that period during the 12 (twelve) months immediately before the date of the Damage which corresponds with the Indemnity Period.\*

**'Standard Turnover'** means the Turnover during that period in the 12 (twelve) months immediately before the date of the Damage which corresponds with the Indemnity Period.\*

**'Standard Weekly Revenue'** means the average of the Weekly Revenues in that period during the 52 (fifty two) weeks immediately before the date of the Damage which corresponds with the Indemnity Period.\*

**'Turnover'** means the amount (less discounts allowed) paid or payable to You for goods sold and delivered and for services rendered in the course of the Business at the Premises.

**'Uninsured Working Expenses'** the working expenses of the Business which You have elected not to insure under this section, and which are specified in the current Schedule.

**'Weekly Revenue'** means the money paid or payable to You each week as a:

- (a) Wholesaler or retailer of goods - for goods sold and delivered in the course of the Business less the cost of any related purchases (after any discounts).
- (b) Motel operator - in respect of facilities, accommodation, food and drink made available and services rendered in connection with the Business, less the cost of any related purchases (after any discounts) and laundering and cleaning expenses.
- (c) Professional practitioner or consumer services provider - for services rendered and work performed in connection with the Business.
- (d) Property owner - by tenants (being Rent Receivable).

#### **\* Other circumstances and trends of the Business**

We shall adjust Your Rate of Gross Profit, Annual Turnover, Standard Turnover, Annual Rent Receivable, Standard Rent Receivable, Annual Revenue, Standard Revenue or Standard Weekly Revenue (as the case may be) as may be necessary to provide for the trend of the Business and for variations in or other circumstances affecting the Business either before or after the Damage or which would have affected the Business had the Damage not occurred, so that the adjusted figures will represent as nearly as may be reasonably practicable the results which, but for the Damage, would have been obtained during the relative period after the Damage.

# Section 3 - Theft

**This section only forms part of this Policy when Section 3 - Theft is shown as covered in the Schedule**

This section does not cover Loss resulting from the theft of tobacco, products containing tobacco, cigars, cigarettes or alcohol unless they are specified in the current Schedule.

## What We cover

Provided 'Section 3 - Theft' is shown as covered in the Schedule, We will insure You for Loss of or Damage to the Categories of Property Insured shown under the Theft item in the current Schedule which occurs during the Period of Insurance and is caused by one or more of the following:

- (1) theft or attempted theft following actual forcible and violent entry to or exit from a Building at the Premises.
- (2) theft by a person unlawfully concealed in a Building at the Premises during Business hours who, after hours, breaks out of the Building.
- (3) theft following assault or violence or immediate threat to you (or Your Employees) or any other person lawfully in a Building at the Premises (for example, armed hold-up).
- (4) theft by a person who breaks into any locked cabinet and/or counter and/or showcase, which is located on the Premises.

We will pay up to the Sum Insured in accordance with the Basis of Settlement for Property Insured that is Lost or Damaged at the Premises during the Period of Insurance.

## Basis of Settlement

**There are two methods of paying Your claims. They are 'Reinstatement or replacement value' and 'Indemnity value'.**

The claim payment method You are covered for is shown in the current Schedule.

### Alternative 1 - Reinstatement or replacement value

We will pay the cost to:

- (a) replace the Lost Property Insured if such property is not found within a reasonable time after the Loss; or
- (b) replace the Damaged Property Insured if such property cannot be economically repaired; or
- (c) repair the Damage Property Insured if such property can be economically repaired.

### Alternative 2 - Indemnity value

We will pay You the replacement cost of the Property Insured less an equitable amount for age, wear, tear, depreciation and will make an adjustment for the general condition and remaining useful life of the individual item or components that are Damaged:

- (a) if You do not replace the Property Insured which is Lost or Destroyed; or
- (b) if the Property Insured can be repaired for less than the cost to replace but You choose not to replace that property.

## Excess

The Excess applicable to any claim under this section is shown in the Schedule.

## Additional Benefits

If We agree to pay a claim under this section for Loss or Damage caused by theft, We will also pay or provide the Additional Benefits set out below.

### Additional Benefits included in Your Sum Insured

Any amounts payable under the following Additional Benefits are included in the Sum(s) Insured specified in the Schedule.

- (1) Theft (limited) without forcible and violent entry We will cover You for Loss or Damage by theft or attempted theft occurring during the Period of Insurance to:
  - (a) Contents other than Electronic Equipment, Stock or Customers' Goods; provided We shall not cover You for more than \$10,000 (ten thousand dollars) for any one Event.
  - (b) Electronic Equipment, which is not Stock; provided We shall not cover You for more than \$20,000 for any one Event unless a greater Sum Insured is stated in the Schedule.

(c) any part(s) of the Buildings at the Premises; provided We shall not cover You for more than \$10,000 (ten thousand dollars) for any one Event.

where there are no signs of forcible and violent entry to or exit from the Premises.

This additional benefit does not cover Loss or Damage resulting from theft or attempted theft from any open-sided structure such as, but not limited to verandas or yards or other open spaces even if they are partially or fully enclosed.

## 2. Damage to the Premises

We will cover the cost to repair the Premises and property contained inside the Premises. The maximum amount We will pay for this additional benefit is the total of:

- (a) the remaining Sum Insured for each item covered after payment of a claim, and
- (b) the sub-limit (if any) shown in the current Schedule for this additional benefit.

## 3. Permanently fixed (non-portable) apparatus

We will cover You for Loss or Damage by theft (whether following forcible and violent entry or otherwise) occurring during the Period of Insurance to permanently fixed (non-portable) apparatus or appliances, owned by You or for which You are legally responsible or have assumed a responsibility to insure, attached to the Building other than by means of a flexible or tensile cord to a power point.

The maximum amount We will pay for this additional benefit is the total of:

- (a) \$10,000 (ten thousand dollars); or
- (b) the remaining Sum Insured for each item covered after payment of a claim.

## 4. Illegal use of corporate financial transaction card

If We cover Loss of Contents and any corporate credit and/or debit card used by the Business is Lost or stolen during the Period of Insurance, We will pay any financial loss sustained by You arising from the illegal use of the card by an unauthorised person.

We will not pay

- (a) any financial loss arising from the misuse or illegal use of corporate credit cards by Your Employees or any other person acting in collusion with Your Employee or by any member of Your family;
- (b) more than \$5,000 (five thousand dollars) in total for any one loss or Event.

## 5. Illegal electronic funds transfer

If We cover Loss of Contents, following entry into the Premises arising from one of the Events listed under the heading 'What We cover' of this section, We will pay any financial loss sustained by You during the Period of Insurance arising from the electronic transfer of funds from Your bank account to a bank account not controlled by You.

We will not pay for:

- (1) any financial loss arising from the misuse or illegal use of corporate credit cards or financial transaction cards by any of Your Employees or any other person acting in collusion with any of Your Employee or by any member of Your Family;
- (2) transfer of money via electronic funds transfer which was enabled by:
  - (i) a key; or
  - (ii) use of details of a combination, code or password; that are left in the building outside Business hours;
- (3) more than \$5,000 (five thousand dollars) in total for any one Event.

## Additional Benefits payable in addition to Your Sum Insured

Any amounts payable under the following Additional Benefits are in addition to the Sum(s) Insured specified in the Schedule.

### 1. Seasonal increase in Stock

All theft cover Sums Insured are increased by 50% (fifty percent) for:

- (a) eight (8) weeks prior to and including Christmas Day;
- (b) three (3) weeks after and including 26 December;
- (c) six (6) weeks prior to and including Easter Tuesday;
- (d) one (1) week after but not including Easter Tuesday;
- (e) six (6) weeks prior to and including any celebrated event of a festive, religious or ethnic nature (other than Christmas

or Easter) where you can reasonably demonstrate that the Stock levels during that period have risen by more than 20% (twenty percent) above standard levels; and that the increase has happened solely for the purpose of meeting additional customer demand associated with the happening of that festive, religious or ethnic event or celebration; and

**(f)** one (1) week after the same festive, religious or ethnic event or celebration.

Any other period shown in the current Schedule, in lieu of the covers in (a) to (f) above.

If You have insured Stock as a separate item to Your Contents, We will automatically increase the Sum Insured in respect of Stock by 50% (fifty percent) or such other amount as is specified in the Schedule during a Seasonal Increase Period.

You can nominate different Seasonal Increase Period(s) or higher percentage increases of Stock. If You do they will be shown in the Schedule and You must pay any reasonable additional premium that applies.

If Your Sum Insured for Stock is included in Your Sum Insured for Contents on the current Schedule, We will only apply the increase to that portion of the Sum Insured for Contents which relates to Stock.

## **2. Temporary protection and security guards**

The cost of necessary temporary protection and repairs and the employment of guards/watchmen to protect Property Insured following an Event covered by this cover section. The maximum amount We will pay for each Event is \$10,000 (ten thousand dollars). If an Event results in a claim being paid under this section and another section of this Policy, the highest single limit under the relevant section applies.

If You are also insured under Additional Benefit 4 of Section 4 - 'Money, then, the Additional Benefit payable for 'Temporary protection and security guards' shall not be cumulative and shall be limited to \$10,000 (ten thousand dollars) in the aggregate.

## **3. Replacement of locks and keys**

We will pay the cost of replacing locks, keys, magnetic keys or cards or similar devices or to change the sequence of numbers or letters used in a Safe or Strongroom if during the Period of Insurance:

- (a)** as a result of theft covered under this section, keys or combinations are stolen, or if there are reasonable grounds to believe that keys have been duplicated;
- (b)** keys, magnetic keys or cards or similar devices are accidentally Lost;
- (c)** circumstances have allowed the unauthorised duplication of keys, magnetic keys or cards or similar devices. We will also pay the reasonable cost of:
- (d)** opening Safes and Strongrooms because of the theft of keys or combinations during a theft covered under this section;
- (e)** **(i)** developing images stored on Media from security cameras following a theft or attempted theft covered under this section; and  
**(ii)** replacing and developing security film exposed because of theft or attempted theft.

We will not pay more than \$10,000 (ten thousand dollars) for any one Event.

If You are also insured under Additional Benefit 2 of Section 4 - Money, then, the benefit payable for 'Replacement of locks and keys' shall not be cumulative and shall be limited to \$10,000 (ten thousand dollars) in the aggregate.

## **4. Rewriting of Records**

The cost of additional clerical and professional costs, limited to \$25,000 (twenty five thousand dollars) any one occurrence, incurred by You to rewrite Your necessary business records if they are Lost, Destroyed or Damaged, whilst located at the Premises or offsite anywhere in Australia, by an Event which You are covered for in the Theft cover section.

## **5. Directors and Employees tools of trade and personal property**

In the event of a theft which is covered by this Section, cover is extended to include tools of trade and personal property of directors, partners, officers and Employees if the person to whom such property belongs is not named as an Insured.

Cover is limited to \$2,500 (two thousand five hundred dollars) any one item and \$10,000 (ten thousand dollars) any one loss in all. This additional benefit provides cover to You. It does not provide any insurance cover to any director, partner, officer or Employee.

## **6. Temporary removal**

We also cover Your Property Insured while temporarily removed to any other premises within the Commonwealth of Australia.

Provided that:

- (a) We will not cover tobacco, tobacco products, cigars, cigarettes or alcoholic beverages,
- (b) We will not cover Stock in trade that is on consignment to other parties unless it is owned by You or is property for which You are responsible,
- (c) The maximum amount We will pay for this additional benefit will be twenty percent (20%) of the Theft Sum Insured.
- (d) This additional benefit will not apply to any Property Insured, which has been removed for a period greater than 90 (ninety) consecutive days without Our prior written consent.

#### **7. Death following assault**

If any person is injured while protecting or attempting to protect the Property Insured from theft and death results from that injury within 12 (twelve) months, We will pay \$10,000 (ten thousand dollars) to the estate of that person. If You are also insured under Additional Benefit 7 of Section 4 - Money, then, the benefits payable for death following assault shall not be cumulative and shall be limited to \$10,000 (ten thousand dollars) in the aggregate per Event.

#### **8. Employee dishonesty**

We will pay You for Loss of Property Insured by theft or dishonesty by any of Your Employees occurring during the Period of Insurance, which is discovered within 45 (forty five) days of its occurrence. Exclusion 4 of this section, so far as it relates to Loss or Damage due to theft or attempted theft committed by an Employee, does not apply to this additional benefit. Our liability under this additional benefit is limited to \$5,000 (five thousand dollars) for any one Event.

If You are also insured under Additional Benefit 8 of Section 4 - Money, then, the benefits payable for 'Employee Dishonesty' shall not be cumulative and shall be limited to \$5,000 (five thousand dollars) in the aggregate per Event.

#### **9. Tenanted premises**

We will pay the cost of repairing Damage to Premises in which You are a tenant and for which You are legally liable to pay in accordance with the terms of Your lease, provided such Damage occurs as a result of theft or attempted theft of Property Insured occurring during the Period of Insurance. The limit of our liability under this additional benefit is \$10,000 (ten thousand dollars) for any one Event.

#### **10. Additional premises - Provisional cover**

Cover is extended to include all property within Australia that becomes Yours after the commencement of the Period of Insurance, for 60 (sixty) days from first being used by You (unless the Period of Insurance ends sooner or the property ceases to be Yours, whichever shall first occur), but the cover is limited to:

- (a) the Business described in the Schedule, and
- (b) Property Insured described in the Schedule.

Our maximum liability under this additional benefit is limited to 20% (twenty percent) of the Theft Sum Insured shown in the Schedule in relation to each item of Property Insured.

Full details of such additional property are to be supplied to Us within 60 (sixty) days of Your commencement of the use of the property.

We may require an additional premium before We will insure such property.

#### **Optional Benefit applicable to Section 3**

The current Schedule will show if the following optional benefit, which is in addition to the 'Theft (limited) without forcible and violent entry' Additional Benefit, is covered.

##### **Theft without forcible and violent entry**

We will cover theft of Property Insured, in the open air but within the boundaries of the Premises or contained in an unlocked Building, up to the Sum Insured shown in the current Schedule for 'Theft without forcible and violent entry'.

#### **Exclusions applicable to Section 3**

We will not pay under Section 3 for:

- (1) Loss of or Damage to:
  - (a) Money and negotiable instruments in excess of \$250 (two hundred and fifty dollars);
  - (b) jewellery, furs, bullion, property made of gold or silver or precious stones exceeding \$10,000 (ten thousand dollars) any one loss and \$2,000 (two thousand dollars) any one item unless these items form part of your Stock;
  - (c) Vehicles unless they are Stock, except for fork lift trucks and similar appliances that are used for hauling or conveying goods at the Buildings, or Customers' goods; or
  - (d) Glass unless it is Stock.

- (2) Loss of or Damage to property not contained in a locked building, unless insured under Additional Benefits 'Theft (limited) without forcible and violent entry' and 'Permanently fixed (non-portable) apparatus'.
- (3) Loss of or Damage to property caused by:
  - (a) any person lawfully on Your Premises;
  - (b) any person who does not steal or intend to steal property.
- (4) Loss of or Damage to property caused by or in any way contributed to by dishonest acts by You, Your directors, partners, Employees or any members of Your Family, other than by an Employee following forcible and violent entry.
- (5) Loss from a Safe, Strongroom or security enclosure opened by a key or by the use of details of a combination, either of which has been left on Your Premises while closed for business, is not covered for more than the Sum Insured on Property Insured anywhere on the Premises outside Business hours.
- (6) unexplained disappearances or unexplained shortages, whether resulting from clerical or accounting errors or shortages in supply or delivery of materials to or by You.

### **Definitions applicable to Section 3**

The following words have the following meanings for this section only. You should also refer to the General Definitions section starting on page 18 of this Policy.

**'Category'** or **'Categories'** means the category into which Property Insured can be designated from the following:

- (1) all Contents including Stock.
- (2) all Contents excluding Stock.
- (3) Stock including goods for which You are responsible but excluding tobacco, products containing tobacco, cigars, cigarettes or alcohol.
- (4) Specified Items listed in the Schedule.

**'Specified Items'** means each item of property that is specifically described in the Schedule for Section 3 - Theft.

**'Tobacco, products containing tobacco, cigars, cigarettes or alcohol'** means: tobacco, products containing tobacco, cigars, cigarettes or alcohol sold by You in the Business.

# Section 4 - Money

This section only forms part of this Policy when Section 4 - Money is shown as covered in the Schedule

## What We cover

Provided 'Section 4 - Money' is shown as covered in the Schedule, We will insure You for Loss of or Damage to Money occurring during the Period of Insurance as a result of the Defined events shown in the current Schedule.

## Defined Events

### (1) Money in transit

Money in Your personal custody or in the custody of persons authorised by You whilst in transit within Australia but not Money in a private residence or any Vehicle left unattended. Money in transit includes Money whilst contained in the night Safe, night depository chute, or ATM of any financial services provider. Our liability ceases at the time Your Financial Services Provider ceases trading on the next business day following deposit therein.

### (2) Money on the Premises;

Money contained in the Premises:

- (a) During Business hours;
- (b) Outside Business hours; at any time while contained in a locked Safe or Strongroom

### (3) Money in private residence

Money contained in:

- (a) Your home; or
- (b) In the home of a person authorised by You when it has been taken home for safe keeping from the Premises or the place of collection until the time Your Financial Service Provider ceases trading on its next full trading day.

## Basis of Settlement

We will pay You up to the Sum Insured shown on the current Schedule for each of the Defined Events.

In the case of securities (which shall mean certificates of stock, bonds, coupons and all other types of securities), the basis of valuation shall be:

- (a) if the securities can with Our approval be replaced, the cost of replacement paid or payable by You; or
- (b) if the securities cannot or are not to be replaced by You, the greater of:
  - (i) the price for which You purchased them; or
  - (ii) the closing market value on the last business day prior to the date of discovery by You of the Loss or Destruction of the securities, or if the time of discovery by You is after the close of the market, their closing market value on the day of discovery by You of the Loss or Destruction of the securities;
- (c) in the case of a loss of subscription, conversion or redemption privileges through the loss of any security, the value of such privileges immediately preceding the expiration thereof, such valuation being in the currency in which the loss was sustained. Losses sustained in currencies other than Australian dollars shall be settled by converting the amount of loss to Australian dollars at the market rate at the time of settlement of the loss or such other rates as may have been expressly agreed with Us. If there is no market price or value on the relevant day stated herein, then the value shall be agreed between You and Us, or in default thereof, We and You shall submit to mediation and be bound by the decision of the mediator.

In the case of travellers' cheques, discount house vouchers or lottery tickets, the basis of valuation shall be the original purchase price incurred by You.

## Excess

The Excess applicable to any claim under this section is shown in the Schedule.

## Additional Benefits

The following additional benefits shall apply only following Loss of or Damage to Money or any attempt thereat, insured by this section.

## **Additional Benefit included in Your Sum Insured**

### **(1) Counterfeit currency**

Provided that the total Sum Insured for this section has not been otherwise exhausted, We will pay for losses sustained by You due to the acceptance in good faith in exchange for merchandise, Money or services, of counterfeit Australian currency notes up to an amount not exceeding \$250 (two hundred and fifty dollars) in any one Period of Insurance.

## **Additional Benefits payable in addition to Your Sum Insured**

Any amounts payable under Additional Benefits 2 to 10 are in addition to the Sum(s) Insured specified in the Schedule.

### **(2) Replacement of locks and keys**

We will pay the reasonable cost of replacing locks, keys, magnetic keys or cards or similar devices or to change the sequence of numbers or letters used in a Safe or Strongroom if during the Period of Insurance:

- (a)** as a result of theft of Money covered under this section, keys or combinations are stolen, or if there are reasonable grounds to believe that keys have been duplicated;
- (b)** keys, magnetic keys or cards or similar devices are accidentally lost;
- (c)** the sequence of numbers or letters become known by any unauthorised person or are accidentally lost;
- (d)** circumstances have allowed the unauthorised duplication of keys, magnetic keys or cards or similar devices.

We will also pay the reasonable cost of:

- (e)** opening Safes and Strongrooms because of the theft of keys or combinations during a theft of Money covered under this section;
- (f)**
  - (i)** developing security images stored on Media from security cameras following a theft or attempted theft of Money covered under this section; and
  - (ii)** replacing and developing security film exposed because of theft or attempted theft of Money.

We will not pay more than \$10,000 (ten thousand dollars) for any one Event.

If You are also insured under Additional Benefit 3 of Section 3 - 'Theft', then, the Additional Benefit payable for 'Replacement of locks and keys' shall not be cumulative and shall be limited to \$10,000 (ten thousand dollars) in the aggregate.

## **3. Loss of or damage to Safes, Strongrooms and cash carrying bags**

If Money is stolen or there is an attempt at stealing Your Money from Your Safe or Strongroom, We will pay You:

- (a)** the cost of opening the Safe or Strongroom and to repair or replace any Loss of or Damage to the Safe or Strongroom that was caused by the theft or attempted theft;
- (b)** if Money is stolen or if there is an attempt at stealing Your Money, We will pay for Loss of or Damage to Your cash carrying bag that was caused by the theft or attempted theft.

A sub-limit of \$10,000 (ten thousand dollars) any one Event applies to this additional benefit.

## **4. Temporary protection and security guards**

We will pay You the costs necessarily and reasonably incurred by You in effecting temporary protection and the employment of guards/watchmen to safeguard the property insured as a result of theft or attempted theft of Money occurring during the Period of Insurance and that is insured under this section. The maximum amount We will pay for each Event is \$10,000 (ten thousand dollars). If an Event results in a claim being paid under this section and another section of this Policy, then, the highest single limit under the relevant section applies.

If You are also insured under Additional Benefit 2 of Section 3 - 'Theft', then, the Additional Benefit payable for 'Temporary protection and security guards' shall not be cumulative and shall be limited to \$10,000 (ten thousand dollars) in the aggregate.

## **5. Seasonal increase of cover**

All Money cover Sums Insured are increased by 50% (fifty percent) for:

- (a)** eight (8) weeks prior to and including Christmas Day;
- (b)** three (3) weeks after and including 26 December;
- (c)** six (6) weeks prior to and including Easter Tuesday;
- (d)** one (1) week after but not including Easter Tuesday;
- (e)** six (6) weeks prior to and including any celebrated event of a festive, religious or ethnic nature (other than



Christmas or Easter) where you can reasonably demonstrate that the Stock levels during that period have risen by more than 20% (twenty percent) above standard levels; and that the increase has happened solely for the purpose of meeting additional customer demand associated with the happening of that festive, religious or ethnic event or celebration; and

- (f) one (1) week after the same festive, religious or ethnic event or celebration. Any other period shown in the current Schedule, in lieu of the covers in (a) to (f) above.

#### **6. Death following assault**

If any person is injured while protecting or attempting to protect Money from theft or attempted theft and death results from that injury within twelve months, We will pay the estate of that person \$10,000 (ten thousand dollars). This amount is in addition to any amount We pay for Loss of Money. If You are also insured under Additional Benefit 7 of Section 3 - 'Theft', then, the benefits payable for death following assault shall not be cumulative and shall be limited to \$10,000 (ten thousand dollars) in the aggregate.

#### **7. Employee dishonesty**

We will pay You for Loss of Money by theft or dishonesty by any of Your Employees occurring during the Period of Insurance, which is discovered within 45 (forty-five) days of its occurrence. Exclusion 1(c) of this section, so far as it relates to Loss or Damage due to theft or attempted theft committed by an Employee, does not apply to this additional benefit. Our liability under this additional benefit is limited to \$5,000 (five thousand dollars) for any one Event. If You are also insured under Additional Benefit 8 of Section 3 - 'Theft', then, the benefits payable for 'Employee dishonesty' shall not be cumulative and shall be limited to \$5,000 (five thousand dollars) in the aggregate per Event.

#### **8. Traveller's Money**

Cover under this section is extended to include Loss of or Damage to Money belonging to You, occurring while such Money is in Your personal custody, or in the custody of Your Employee, up to the lesser of \$10,000 (ten thousand dollars) or the amount specified in the Schedule for Defined Event 'Money in transit', while travelling outside of Australia in connection with Your Business.

#### **9. Additional premises - Provisional cover**

Cover is extended to include Money at, or in transit to or from any new Premises occupied by You after the commencement of the Period of Insurance, within Australia, for 30 (thirty) days from first being used by You (unless the Period of Insurance or Your occupancy of such premises ends sooner, whichever shall first occur), but the cover is limited to:

- (a) the Business described in the Schedule; and
- (b) the Money insured described in the Schedule.

Our maximum liability under this additional benefit is limited to 20% (twenty percent) of the Money Sum Insured shown in the Schedule in relation to each item of Money covered under this section.

Full details of such additional property are to be supplied to Us within 30 (thirty) days of Your commencement to use the property. If We agree to cover Money at the additional Premises, We may require payment of an additional premium.

### **Optional Benefits**

The following Optional Benefits do not apply unless stated in the current Schedule.

#### **(1) Employee dishonesty**

Exclusion 1(c) and 'Additional Benefit 7 'Employee dishonesty' of this section are deleted.

Definition applicable to this optional benefit only - 'Employee' means any person employed by You under a contract of service or apprenticeship but does not include:

- (a) any director, partner, trustee or principal except when performing acts within the scope of the usual duties of an Employee,
- (b) any broker, factor, commission agent, consignee, contractor or other agent of the same general character.

#### **The indemnity**

We will pay You For loss of or Damage to Money or property (for property - as defined in the Theft section of this Policy), caused by theft, fraud or dishonesty by any of Your Employees provided that the Loss:

- (a) occurs during the Period of Insurance; and
- (b) is discovered no later than 12 (twelve) months after expiry of the Period of Cover or termination of employment of the Employee, whichever occurs first.

The maximum amount we will pay for all claims during the Period of Insurance is the amount specified in the Schedule for this optional benefit.

## Automatic extensions applicable to Employee dishonesty cover section

### Unidentified Employees

If a loss is alleged to have occurred as the result of the fraud or dishonesty of any one or more of Your Employees and You are unable to positively identify them we will pay for the loss provided that You are able to provide evidence at Your expense that the loss was due to the fraud or dishonesty of one or more Employees.

### Retroactive cover

The insurance provided under this Additional benefit also applies to any loss by fraud or dishonesty committed during the currency of any previous Policy provided that:

- (a) the discovery period in such previous Policy has expired;
- (b) the fraud or dishonesty is discovered within:
  - (1) the period of this Policy, or
  - (2) 12 (twelve) months of the termination of this Policy or 12 (twelve) after termination of the employment of the Employee concerned, whichever shall first occur;
- (c) the cover we provide will fall within and not be in addition to the Sum Insured shown in the current Policy Schedule;
- (d) We shall not be liable for any Loss arising from an act of fraud or dishonesty committed more than 12 (twelve) months before the inception of this section of this Policy.

### What You are not covered for under the Employee dishonesty optional benefit

We will not pay for any Loss of Money or property:

- (1) resulting from any further act of fraud or dishonesty after You first discover that the Employee has previously engaged in provable dishonest conduct or has previous convictions for dishonest acts.
- (2) if the only proof of Loss is shortage revealed by accounting records or inventory Stock-take.
- (3) discovered more than 12 (twelve) months after the Period of Insurance has expired or more than 12 (twelve) months after the termination of employment of the Employee concerned.
- (4) that is not reported to us within 21 (twenty one) days of the discovery of any act of fraud or dishonesty on the part of any Employee or any other matter in respect of which a claim may arise.
- (5) beyond the limit of cover stated in this additional benefit in respect of any one Employee and all Employees, even if the dishonest conduct continued during more than one Period of Insurance.

### Special conditions applicable to Employee dishonesty optional benefit

- (1) To the extent permitted by law You must agree to withhold any salary, commission, Moneys or assets that are the property of any Employee whose dishonesty has caused a claim under this cover section. Any such sum shall be deducted from the amount of the Loss before any claim is made under this Policy.
- (2) In the event of the Sum Insured being reduced by the amount of any claim payable under this additional benefit, the Sum Insured may be reinstated by payment of appropriate additional premium, provided that the amount by which the Sum Insured is reinstated shall be available only in respect of acts of fraud or dishonesty committed after such reinstatement.

## 2. Taxation audit costs

We will cover the reasonable and necessary costs You incur following notification received during the Period of Insurance of an audit or investigation by a federal or state Commissioner of Taxation relating to Your liability to pay income tax, fringe benefits tax, capital gains tax, wholesale and sales tax, payroll tax, goods and services tax or superannuation contributions tax in respect of Your Business up to the amount specified on the Policy Schedule for this optional benefit.

'Costs' means professional fees paid to accountants or registered tax agents who are not Your Employees, for work undertaken in connection with the audit or investigation.

### What You are not covered for under Taxation Audit Costs

We shall not be liable under this optional benefit:

- (a) for the imposition of any tax, fines, penalties, court costs, penalty tax or interest.
- (b) for costs incurred after completion of the audit or investigation.
- (c) where any proceedings were initiated, threatened or started prior to the commencement of the Period of Insurance.
- (d) arising from Your improper, unwarranted or unjustified refusal or failure to comply with any lawful request made by

a state or federal Commissioner of Taxation for the production of documents or the supply of information. Refusal or failure to comply will not be deemed improper, unwarranted or unjustified if You refuse or fail to comply upon the advice of Your accountant or tax agent.

- (e) for costs from audits or investigations under customs legislation.
- (f) for costs from audits or investigations of income received or earned, or where the source of income is, outside Australia or where the services giving rise to the claim are performed by persons or entities ordinarily resident outside Australia.
- (g) arising out of any fraud or fraudulent act or omission committed by You or on Your behalf.
- (h) arising from audits or investigations which result in You, or any person acting on Your behalf, becoming aware of any error or deficiency in any return of income or other documentation supplied to a state or federal Commissioner of Taxation and failing to notify the Commissioner of Taxation without delay.

#### **Special conditions applicable to Taxation audit costs**

- (1) You must lodge taxation and other returns within the time limits applicable to those returns as prescribed by statute or through extension of time granted by a Commissioner of Taxation.
- (2) You must make full and complete disclosure of all assessable income (including capital gains), as required by any relevant legislation.

In the event of a claim arising:

- (1) You must at all times keep Us fully and continually informed of all material developments in relation to the claim and in relation to any audit.
- (2) You must take all necessary and reasonable steps to minimise any delays and the amount of any costs incurred or likely to be incurred in connection with any audit.
- (3) We or Our duly appointed agent may make Our own investigation into any matter which is or may be the subject of a claim.

You must ensure that Your accountants, registered tax agent and/or solicitor must cooperate with us and where necessary, assist Us in relation to any claim and assist us with any matter We wish to pursue with the Commissioner of Taxation which is or may be the subject of a claim.

#### **Exclusions applicable to Section 4**

- (1) We will not pay for Loss or Damage caused by:
  - (a) clerical or accounting errors
  - (b) errors in receiving or paying out Money
  - (c) dishonest acts of Your directors, partners, Employees or any member of Your Family other than theft by an Employee following visible forcible and violent entry.
- (2) We will not pay for Loss of or Damage to:
  - (a) Money which was not discovered missing within 10 (ten) working days of the Loss or Damage occurring
  - (b) Money whilst contained in an unlocked and unattended Vehicle
  - (c) Money from a Safe or Strongroom opened by a key or by use of a combination which has been left on the Premises outside Business Hours
  - (d) Money, except as provided under Additional Benefit 8 - 'Traveller's Money', whilst it is outside Australia.

#### **Definition applicable to Section 4**

The following term has the following meaning for this section only. You should also refer to the General Definitions section starting on page 18 of this Policy.

**'Financial Service Provider'** means a bank, building society or credit union or an agency for any of these.

# Section 5 - Glass

This section only forms part of this Policy when Section 5 - Glass is shown as covered in the Schedule

## What we cover

Provided 'Section 5 - Glass' is shown as covered in the Schedule We will cover You for Breakage of Glass, which You own or for which You are legally responsible or have accepted responsibility to insure, occurring at the Premises during the Period of Insurance.

## Basis of Settlement

We will at Our option either pay for the cost of replacement of broken Glass with Glass of similar or higher quality to comply with The Standards Association of Australia, any statute or regulation.

## Excess

The Excess that applies to any claim under this section is shown in the Schedule.

## Additional Benefits

If a claim is payable by Us under this section, We will also pay up to the greater of the limit defined below or the Sum Insured shown in the current Schedule for the reasonable cost to replace or repair the following additional items:

### (a) External Glass -

In the event of Breakage of External Glass, We will indemnify You for each of the following:

- (i) replacing sign writing or ornamentation affixed to the broken Glass;
- (ii) replacing burglar tape or wiring affixed to the broken Glass;
- (iii) replacing shatter resistant or reflective film affixed to the broken Glass;
- (iv) temporary shuttering, boarding up or other protection reasonably necessary for the safeguarding of the Premises or Contents therein, pending replacement of the broken Glass;
- (v) replacing Damaged window frames and tiled shop fronts, but with due allowance for wear and tear.

Our liability under this additional benefit during any one Period of Insurance is limited to \$7,500 (seven thousand five hundred dollars).

### (b) Stock or contents

We will pay for Destruction of, or Damage to Your Stock or Contents, caused by broken Glass following the Breakage of Glass where such Breakage constitutes an admissible claim under this section.

Our liability under this additional benefit during any one Period of Insurance is limited to:

- (i) the value at cost, of the Stock or Contents Destroyed or Damaged, less any amount realised from the sale or salvage; or
- (ii) the sum of \$7,500 (seven thousand five hundred dollars), whichever is the lesser.

### (c) Signs

Glass or plastic which forms part of an illuminated Sign and which is Damaged during the Period of Insurance. This additional benefit is subject to a sub-limit of liability of \$7,500 (seven thousand five hundred dollars) or any higher sub-limit stated in the current Schedule for 'Signs'. The admissibility of claims for Damage to Signs shall not be contingent upon other Damage to Glass.

### (d) Overtime

We will pay the reasonable costs for after-hours service by repairers, express delivery and overtime charges to repair or replace broken Glass. The maximum we will pay for this benefit is the Sum Insured shown in the current Schedule.

### (e) Malicious damage

Malicious Damage to External Glass. This additional benefit is payable even where there is no Breakage of External Glass.

## Exclusions applicable to Section 5

We will not pay the cost to repair or replace broken Glass:

- (1) which is Stock.
- (2) which is chipped or in poor condition when the Period of Insurance commences.

- (3) which is Damaged during transit to or from the Premises.
- (4) while it is being fitted or removed from its frame or mounting brackets.
- (5) which is part of any glasshouse, conservatory, radio, television screen, computer screen, vase, picture, crystal, crockery, china, or Glass item normally carried by hand.

### Definitions applicable to Section 5

The following words have the following meanings for this section only. You should also refer to the General Definitions section starting on page 18 of this Policy.

**'Breakage'** means:

- (a) for plate or sheet Glass or porcelain, a fracture extending through the entire thickness of the Glass or porcelain;
- (b) for laminated Glass, a fracture extending through the entire thickness of a lamination but not any other Damage or disfiguration.

**'External Glass'** means:

- (a) Glass, or plastic material used as Glass fixed in external windows, doors, showcases or skylights forming part of the Premises.
- (b) ceramic tiled shop fronts.
- (c) frames of showcases, display cabinets and counters containing the broken Glass.

**'Glass'** means Internal Glass, External Glass and Specified Glass.

**'Internal Glass'** means:

- (a) Glass or plastic material used as Glass in internal partitions, windows and doors, Glass forming shelves and/or stock restraints, interior showcases, fixed mirrors and other fixed internal Glass including ceramic vitreous china urinals, toilet pans and hand basins; and
- (b) showcase frames, display cabinets and counter frames.

**'Sign'** means Glass or plastic that forms part of a Sign.

**'Specified Glass'** means Glass specifically designated in the Schedule under Specified Glass.

## Section 6 - General Property

This section only forms part of this Policy when Section 6 - General Property is shown as covered in the Schedule.

### What We cover

The current Schedule will show which of the cover options A, B and/or C applies to this Policy.

#### Cover A - Accidental Loss Or Damage

We cover You for Accidental Loss of or Damage to the Property Insured occurring anywhere in the world during the Period of Insurance.

We will pay up to the Sum Insured in accordance with the Basis of Settlement, subject to the General Exclusions of this Policy and the Specific Exclusions of this section.

#### Cover B - Fire, theft, collision and other expressed perils

We cover You for Loss or Damage to the Property Insured occurring anywhere in Australia during the Period of Insurance, where the Loss or Damage is caused by:

- (a) fire, lightning, explosion, malicious Damage or vandalism; or
- (b) theft following forcible and violent entry which causes visible Damage to a locked Vehicle or building; or
- (c) theft of equipment securely attached to a Vehicle through use of locks or padlocks, which results in visible Damage to the securing devices; or
- (d) collision or overturning of the conveying Vehicle.

We will pay up to the Sum Insured in accordance with the Basis of Settlement, subject to the General Exclusions of this Policy, the Exclusions applicable to Cover C and the Exclusions applicable to Covers A, B and C of this section.

#### Basis Of Settlement applicable to Covers A and B

Unless You have elected to insure for Indemnity Value, We will at Our option either:

- (a) pay You the replacement cost of the Property Insured at the time of Loss or Damage; or
- (b) repair the Property Insured to a condition equal to but not better or more extensive than its condition when new; or
- (c) replace the Property Insured with a new item that has the same features that are nearly the same as (but not less than) the item being replaced.

#### Cover C - Goods in transit

When the Goods in transit cover option is stated on the Schedule, We will cover You up to the limit specified in the Schedule for this cover option, less the Excess, for Loss of or Damage to goods belonging to You or for which You are legally responsible, whilst in the normal course of transit by road Vehicle owned or operated by you anywhere in Australia, caused by the following insured Events:

- (a) Collision or overturning of the conveying Vehicle;
- (b) Fire, lightning or explosion;
- (c) Theft resulting from forcible and violent entry evidenced by visible Damage to the securely locked portion of a Vehicle containing Your item.

#### Basis of settlement applicable to Cover C

In the event of a claim the value of goods Lost or Damaged shall be taken as:

- (a) for goods sold - Your invoice value;
- (b) for goods purchased - the purchase price as shown on the invoice;
- (c) all other goods including plant transfers - Market Value.

#### Exclusions - applicable to Cover C

We will not be liable under this cover option for Loss of or Damage to:

- (a) Money;
- (b) jewellery, watches, furs, antiques, paintings, works of art, precious metals or precious stones or articles composed of any of them;
- (c) explosives, petroleum products in bulk or gas in bulk;

- (d) livestock;
- (e) cigarettes, tobacco, wines, spirits or other alcoholic beverages unless specified in the Schedule We will not be liable for Loss or Damage as a result of:
- (f) delay, loss of market, consequential loss of any kind, depreciation or deterioration;
- (g) collision or contact by the conveying Vehicle with the kerb or uneven road surface;
- (h) theft by any of Your Employees whether acting alone or in collusion with others;
- (i) electrical or mechanical derangement unless Damage is visible to the exterior of the machine.

**Exclusions - applicable to Covers A, B and C**

What You are not covered for under this section.

- (1) We will not cover Loss of or Damage to Property Insured under the General Property cover section which is:
  - (a) covered under any other section of this Policy.
  - (b) being constructed, erected, altered, manufactured, cleaned or repaired.
- (2) We will not cover Loss or Damage caused by:
  - (a) wear and tear, fading, scratching or marring, rust, corrosion, mildew, mould, contamination or pollution, wet or dry rot, change of colour, flavour, texture or finish, dampness of atmosphere, variations in temperature, evaporation, disease, inherent vice, latent defect, loss of weight, depreciation, gradual deterioration or developing flaws, normal upkeep or making good, smut or smoke from industrial operations (other than sudden or unforeseen Damage resulting therefrom);
  - (b) insects or vermin such as rats, mice, rabbits, possums and birds;
  - (c) faulty materials;
  - (d) faulty workmanship;
  - (e) mechanical, electrical or electronic breakdown.

Exclusion 2 applies to the part first and immediately affected and does not extend to subsequent Damage to other parts of the property occasioned by a peril which is not otherwise excluded.
- (3) We will not cover:
  - (a) Property Insured not being used by You in accordance with the manufacturer's instructions;
  - (b) any legal liability of whatsoever nature;
  - (c) consequential loss of any kind.

**Definitions Applicable to Section 6**

The following words have the following meanings for this section only. You should also refer to the General Definitions section starting on page 18 of this Policy.

**'Property Insured'** means Specified Items and/or Unspecified Items listed on the current Schedule under the General Property cover section.

**'Specified Items'** means each item of property that is specifically described in the Schedule.

**'Unspecified Items'** means each item of property which is not a Specified Item but which is part of a group or class of property described generally in the Schedule. The group or class described may include hand tools and hand held power tools.

# Section 7 - Breakdown of Machinery and/or Electronic Equipment

This section only forms part of this Policy when Section 7 - Breakdown of Machinery and/or Electronic Equipment is shown as covered in the Schedule

## Important Information

Section 7 - Breakdown of Machinery and/or Electronic Equipment is divided into two Parts for Your convenience. This section and the Schedule are to be read together.

### Part 1 - Breakdown of Machinery

#### Part 1 - What we cover

If any Insured Item of Machinery or any part of an Insured Item of Machinery specified in the Schedule suffers Insured Damage We will indemnify You in respect of such Insured Damage as provided in the Basis of Settlement clause. This insurance applies whilst the Insured Item is within the Premises and working or at rest or being dismantled, moved, reassembled or reinstalled for the purpose of cleaning, adjustment, inspection, repair, overhaul or relocation but only after completion of successful initial commissioning at the Premises.

#### Part 1 - Basis of Settlement

**(1)** In the event of Insured Damage under this Part 1 We will at Our option pay You, up to the Sum Insured or Limit Any One Loss (whichever is selected) less the applicable Excess, the reasonable cost of repair or replacement necessary to return the Insured Item to its former state of operation including:

- (a)** the cost of dismantling, re-erection, cleaning up and removal of debris;
- (b)** the cost of replacement of refrigerant, lubricating or insulating oil lost from an Insured Item as a direct result of Insured Damage;
- (c)** the extra cost of expediting permanent repairs including:
  - (i)** charges for overtime and work on public holidays where necessarily and reasonably incurred;
  - (ii)** the cost of freight within Australia by any recognised scheduled service;
  - (iii)** the cost of overseas air freight by any recognised scheduled service and/or overseas labour;
- (d)** the cost of temporary repairs and/or hire of a temporary replacement item during the time taken to repair Insured Damage to any Insured Item;
- (e)** consultants fees; and
- (f)** Your liability for customs, excise and/or other duties which You may become liable to pay consequent upon Insured Damage to any Insured Item and/or Your liability to compensate others who may become liable for such customs, excise and/or other duties as a result of the Insured Damage.

Provided the total of all these extra costs in clauses 1 (c) and 1 (d) is limited to 50% (fifty percent) of the normal cost of repair payable under this Part 1 and shall be payable in addition to the Sum Insured or Limit Any One Loss (whichever is selected).

**(2)** All Insured Damage which can be repaired must be repaired. However, should the item be uneconomical to repair due solely to the nature of the Insured Damage, then, the basis of settlement will be as follows:

- (a)** the cost of replacement of the Insured Item by an item of similar function, type, capacity and quality in a condition equal to, but not better than, the condition of the Insured Item when new; or
- (b)** the Sum Insured for the Insured Item.

We will pay the lesser of 2 (a) or 2 (b).

**(3)** We shall not be required to replace the Insured Item to exactly the same condition as before it was Damaged, but only as close as circumstances permit.

**(4)** The value of any salvage will be subtracted from any amount payable under this Part 1.

**(5)** The amount of each claim otherwise payable shall be reduced by the amount of the Excess shown in the Schedule.

**(6)** Where components or manufacturer's specifications are no longer available due to obsolescence, the basis of settlement will be the cost which would have been incurred if the components or specifications had still been available.



## Part 1 - Exclusions

We will not cover You for:

(1) the cost of:

- (a) replacement of expendable items such as belts, filters, fuses, electric heating elements, electrical contacts, thermostats, Thermal expansion valves, cutting blades, crushing surfaces, parts made of glass, porcelain or ceramics, chains, seals, links, dies and moulds, conveyor belting, lubricants, fuel and any transfer media;
- (b) replacement of unserviceable component parts worn through normal machine operation;
- (c) adjustment, cleaning, purging or recharging of refrigeration or air conditioning equipment;
- (d) replacement of refractory or brickwork forming part of an Insured Item; unless necessary as part of the rectification of Insured Damage not otherwise excluded under this Part 1.

(2) The cost of:

- (a) maintenance work including but not limited to the tightening of loose parts, recalibration or adjustments;
- (b) alterations, additions, improvements or overhauls whether carried out in the course of indemnifiable repairs or as a separate operation;
- (c) modification or alteration of an Insured Item to enable it to operate with a more ozone-friendly refrigerant gas as required by the UNEP (United Nations Environmental Protection) Montreal Protocol with respect to substances which deplete the ozone layer, unless conversion is necessitated by Insured Damage;
- (d) replacement or repair, caused by gradual deterioration (including rust, corrosion, erosion, oxidation or scale formation);
- (e) replacement of lighting equipment, reticulated electrical wiring, reticulated liquid and gas piping and ducting;
- (f) repair of scratches chipping or discolouration to painted or polished surfaces, unless resulting from Insured Damage;
- (g) repair of slowly developing deformation, distortion or fatigue of any part;
- (h) repair of blisters, laminations, flaws or grooving even when accompanied by leakage;
- (i) repairs to valves, fittings, glands, joints, gaskets, pipes, lines and connections which are defective or leaking;
- (j) repairs to shaft keys requiring tightening, fitting or renewal;
- (k) damage caused by the movement of foundations, masonry or brick work; or
- (l) removal or installation of underground pumps and well casings. Unless specifically noted on the Schedule, this exclusion does not apply to submersible pumps.

(3) Consequential loss of any kind or description whatsoever.

(4) Insured Damage to any item being moved, if caused by dual lifting unless We have agreed to cover such additional risk in writing prior to the occurrence of any such Event.

(5) Anything to the extent You are entitled to recover the costs of labour or parts under a maintenance agreement, warranty, guarantee or indemnity in Your favour by the manufacturer of the relevant item or any other person. However, We shall be liable for Insured Damage (not otherwise excluded by this section) which is not recoverable under such agreement, warranty, guarantee or indemnity by reason of a specific exclusion contained in that agreement, warranty, guarantee or indemnity.

## Part 1 - Optional Extensions

### 1. Deterioration of Stock in cold storage

(Applies where indicated in the Schedule as being operative.)

We will indemnify You up to the Sum Insured for Loss of or Damage to chilled, refrigerated or frozen Stock as specified in the Schedule whilst contained in the cold storage spaces cooled by the Insured Items nominated in the Schedule and caused by deterioration or putrefaction as a result of:

- (a) Insured Damage to the refrigeration machinery;
- (b) operation of or failure to operate controls or protective devices within the refrigeration machinery; but this does not include Loss caused by the manual operation or manual setting of controls or protective devices;
- (c) contamination of the stored Stock by the accidental escape of refrigerant into the cold chamber;

- (d) sudden leakage of refrigerant from the refrigeration machinery or pipe systems forming part of the refrigeration machinery occurring during the Period of Insurance at the Premises; or
- (e) sudden and unforeseen failure of the public power supply.

#### Loss minimisation

If deterioration occurs or is likely to occur to such Stock by any of the above causes 1 (a), 1 (b), 1 (c), 1 (d) or 1 (e), We will pay any reasonable expenses incurred by You to prevent or minimise the Loss of Stock.

#### Basis of Settlement applicable to Part 1 - Optional Extension 1

(a) We will pay the cost of replacement of the Lost or Damaged Stock calculated immediately prior to the Loss or Damage occurring or the contracted price from Your usual customer, whichever is the higher. We will not pay more than the Sum Insured stated in the Schedule for the Stock.

(b) The amount of each claim otherwise payable shall be reduced by the amount of the Excess shown in the Schedule.

#### Exclusions applicable to Part 1 - Optional Extension 1

In addition to the exclusions contained in Part 1, We will not pay for:

- (a) any Loss or Damage due to shrinkage, inherent defects or diseases;
- (b) Loss or Damage caused by improper storage, collapse of the packing material or storage structure;
- (c) penalties or delay or detention or consequential loss or damage or liability of any nature whatsoever; and
- (d) Loss or Damage following loss of public power supply due to:
  - (i) the deliberate act of any public power supply authority unless performed for the sole purpose of safeguarding life or protecting a part of the supply system;
  - (ii) the decision by any public power supply authority to restrict or withhold supply excepting a scheme of rationing necessitated by damage to any part of the supply system;
  - (iii) shortage of power generation fuel or water.

#### Seasonal increase applicable to Part 1 - Optional Extension 1

The Sum Insured under this extension shall be automatically increased by 50% (fifty percent) during the following periods:

- (a) eight (8) weeks prior to and including Christmas Day;
- (b) three (3) weeks after and including 26 December;
- (c) six (6) weeks prior to and including Easter Tuesday;
- (d) one (1) week after but not including Easter Tuesday;
- (e) six (6) weeks prior to and including any celebrated event of a festive, religious or ethnic nature (other than Christmas or Easter) where you can reasonably demonstrate that the Stock levels during that period have risen by more than 20% (twenty percent) above standard levels; and that the increase has happened solely for the purpose of meeting additional customer demand associated with the happening of that festive, religious or ethnic event or celebration; and
- (f) one (1) week after the same festive, religious or ethnic event or celebration.

Any other period shown in the current Schedule, in lieu of the covers in (a) to (f) above.

## Part 2 - Breakdown of Electronic Equipment

### Part 2 - What we cover

If any Insured Item of Electronic Equipment or any part of an Insured Item of Electronic Equipment specified in the Schedule suffers Insured Damage, We will indemnify You, as provided in the Basis of Settlement clause, in respect of the Insured Damage indicated by the terms of cover You have selected as stated on the Schedule.

This insurance applies while the Insured Item is:

- (a) within the Premises and is working or at rest; and/or
- (b) being dismantled or moved for the purpose of cleaning, inspection, overhaul, repair or relocation or during such operations themselves or whilst being subsequently re-erected at the Premises; or
- (c) being moved to or from any service contractor away from the Premises but within Australia; but only after completion of successful initial commissioning of the Insured Item at the Premises.

## Part 2 - Basis Of Settlement

1. In the event of Insured Damage to an Insured Item of Electronic Equipment, We will pay the cost of replacement or repairs necessary to return the Insured Item to its former state of operation including:

- (a) cost of dismantling, re-erection, cleaning up and removal of debris;
- (b) charges for overtime and work on public holidays where necessarily and reasonably incurred;
- (c) freight within Australia by any recognised scheduled service;
- (d) overseas air freight by any recognised scheduled service or overseas labour;
- (e) the cost of temporary repairs and/or hire of a temporary replacement item during the time taken to repair Insured Damage to any Insured Item;

provided that the costs in clauses 1 (b), 1 (c) 1 (d) and 1 (e) are limited to 50% (fifty percent) of the normal cost of repair payable under this Part and shall be payable in addition to the Sum Insured or Limit Any One Loss (whichever is selected).

- (f) Your liability for any customs, excise and/or other duties which You may become liable to pay consequent upon Insured Damage to any Insured Item and/or Your liability to compensate others who may become liable for such customs, excise and/or other duties as a result of the Insured Damage.

(2) No deduction will be made for depreciation of parts replaced except for valves, tubes (including picture and x-ray tubes) and light sources. We will deduct a proportion of the replacement cost of these items being the proportion which the period of use up to the time of failure bears to the normal service life expected by the manufacturer or supplier.

(3) All Insured Damage which can be repaired, must be repaired, however, should the item be uneconomical to repair due solely to the nature of the Insured Damage, settlement will be the lesser of the Sum Insured for the Insured Item as stated in the Schedule or the cost of replacement of the Insured Item by an item of similar function, type, capacity and quality and in a condition equal to but not better than the condition of the Insured Item when new.

(4) The value of any salvage will be subtracted from the amount payable under this clause.

(5) If more than one Insured Item is Lost or Damaged in one occurrence, We will apply only the highest of the Excesses applicable to such Insured Items.

(6) The amount of each claim otherwise payable shall be reduced by the amount of the Excess shown in the Schedule.

## Part 2 - Exclusions

We will not pay for:

(1) Insured Damage to Electronic Data and Electronic Data Media, but subject to any extension selected by You.

(2) Insured Damage caused by atmospheric conditions, moisture or change in temperature unless directly resulting from Insured Damage to or malfunction of air conditioning equipment.

(3) the cost of:

(a) replacement of expendable items such as batteries, valves, x-ray and picture tubes, belts, chains, tapes, cards, ribbons, filters, tubes, electric heating elements or electrical contacts; or

(b) replacement of component parts worn through normal use or operation; unless necessary as part of the rectification of Insured Damage not otherwise excluded under this Part.

(4) the cost of:

(a) maintenance work;

(b) alterations, additions, improvements or overhauls whether carried out in the course of indemnifiable repairs or as a separate operation;

(c) replacement or repair following gradual deterioration (including rust, corrosion, erosion, oxidation or scale formation);

(d) repairs of scratches to painted or polished surfaces unless resulting from Insured Damage.

(5) anything to the extent You are entitled to recover the costs of labour or parts under a maintenance agreement or warranty, guarantee or indemnity in Your favour by the manufacturer of the relevant Insured Item or any other person. However, We shall be liable for Insured Damage (not otherwise excluded by this section) which is not recoverable under such agreement, warranty, guarantee or indemnity by reason of a specific exclusion contained in that agreement, warranty, guarantee or indemnity.

(6) Loss or Damage caused by Computer Viruses or other disruptive programming techniques.

(7) Consequential loss of any kind or description whatsoever.

## Part 2 - Optional Extensions

### 1. Electronic Data and Electronic Data Media

(Applies where indicated in the Schedule as being operative.)

We will indemnify You for Insured Damage to the Electronic Data and Electronic Data Media insured under this extension as specified in the Schedule caused solely as the result of Insured Damage covered under Part 2 to an Insured Item which is specified in the Schedule.

We will extend cover under this Part 2 to include restoration of Lost information which results from Loss of or Damage to an Electronic Data processing system which is not owned by You and which You are not responsible to insure but which is being used by You at the time the Loss or Damage to that system occurs in circumstances which would give rise to indemnity under Part 2 if it was insured under Part 2.

#### Basis of Settlement applicable to Part 2 - Optional Extension 1

We will pay You for such Insured Damage up to the Sum Insured less the applicable Excess specified in the Schedule including:

- (a) the actual cost of replacement of Lost or Damaged Software and Electronic Data Media by new unused materials;
- (b) any expenses which can be proved to have been incurred by You only for the purpose of restoring the Electronic Data by reproduction of data or information in a condition equivalent to that existing prior to Insured Damage and necessary to allow operation of the Insured Item to continue in the normal manner. Lost Electronic Data may be reproduced in an updated form if the cost of doing so is no greater than that of reinstatement in the original form.

Provided that:

- (i) We shall only be liable for costs and expenses incurred within a period of twelve (12) months following the date of the Insured Damage.
- (ii) this extension only applies whilst the insured Electronic Data Media is:
  - (1) at the Premises;
  - (2) at a media storage situation; or
  - (3) temporarily at an alternative situation for processing purposes or in transit between any of these situations.
- (iii) The amount of each claim otherwise payable shall be reduced by the amount of the Excess shown in the Schedule.

#### Exclusions applicable to Part 2 - Optional Extension 1

In addition to the exclusions contained in Part 2, We will not pay for:

- (a) Loss or distortion of Electronic Data contained on the Electronic Data Media while mounted in or on any machine for use or processing unless such loss or distortion occurs:
  - (i) at the Premises, due to Insured Damage to an Insured Item which is specified in the Schedule; or
  - (ii) at another situation temporarily used for processing purposes, due to Insured Damage to an item of electronic equipment which would be indemnifiable if that item of equipment was insured under this Part 2.
- (b) Loss or distortion caused by Computer Virus.
- (c) Wasting or wearing away or wearing out caused by or naturally resulting from ordinary use or working or gradual deterioration.
- (d) Loss or Damage caused by atmospheric conditions, moisture or changes in temperature unless directly resulting from Insured Damage to air-conditioning equipment which would be indemnifiable if the equipment were insured under Part 2.
- (e) Consequential loss of any kind or description whatsoever.
- (f) Work undertaken without Our approval other than for minor temporary or provisional repairs. There is no cover under this extension with respect to any Insured Item which has been operated without being satisfactorily repaired following Insured Damage.

#### Condition applicable to Part 2 - Optional Extension 1

It is a condition precedent to indemnity under this extension that You must have duplicate copies of updated file media stored off site at alternative premises.

### 2. Increase in cost of working

(Applies where indicated in the Schedule as being operative.)

We will indemnify You as set out in Basis of Settlement below up to the Sum Insured for any additional costs of operating the Business directly resulting from interruption of or interference with the Business as defined in the Schedule, but only if:

- (a) the interruption or interference is as a result of Insured Damage to an insured computer or word processor covered under Part 2; and
- (b) the interruption or interference is caused solely as a result of Insured Damage.

To the extent that the Sum Insured by this extension is not otherwise exhausted, We will also pay for reasonable professional fees of accountants or auditors and any necessary and reasonable expenses payable by You for preparation and proving of valid claims under Section 7 - Parts 1 and 2.

#### **Basis of settlement**

- (a) We will pay You for the additional expenditure incurred, over and above the normal expenses which would have been incurred by You for the operation of Your insured computer or word processor, by the use of substitute equipment to maintain normal business operations during the interruption up to the Sum Insured specified in the Schedule, less the applicable Excess including:
  - (i) the actual hire charges incurred for the rental of substitute equipment; and
  - (ii) the cost of additional personnel and transport expenses incurred with the use of the substitute equipment.
- (b) The Indemnity Period and the Time Excess shall commence upon the commencement of use of a substitute insured computer or word processor.
- (c) We shall be liable for additional expenditure incurred during the actual period of the interruption but not exceeding the period specified in the Schedule as the Indemnity Period.
- (d) We will not be liable for Loss, Damage or costs incurred by You during the Time Excess.
- (e) The amount of each claim otherwise payable shall be reduced by the amount of the Excess shown in the Schedule.

#### **Exclusions applicable to Part 2 - Optional Extension 2**

In addition to the exclusions contained in Part 2, We will not pay for:

- (a) the costs incurred during:
  - (i) interruption due to the carrying out of alterations, additions or improvements to the insured computer or word processor;
  - (ii) interruption due to the carrying out of cleaning, adjustment, inspection or maintenance of the insured computer or word processor; or
  - (iii) the extension of any interruption due to any measure, restriction or regulation imposed by any government, public or local authority.
- (b) additional costs incurred where the period of interruption otherwise applicable is increased beyond four (4) weeks due to delay in the repair or replacement of items manufactured outside Australia where such delay results from:
  - (i) measures, restrictions or regulations imposed by any government, public or local authority;
  - (ii) the time required to procure replacement parts or complete items in overseas markets;
  - (iii) the time required to transport or ship component parts or complete items between the Premises and any overseas place of repair or replacement;
  - (iv) the time required to engage and transport overseas specialists or consultants to assist in or supervise local repairs.

#### **Condition applicable to Part 2 - Optional Extension 2**

For the purpose of this extension only, Exclusion 5 of Part 2 does not apply.

#### **Exclusions applicable to Parts 1 And 2**

We will not pay for Loss or Damage caused by or arising from:

- (a) fire, smoke or soot;
- (b) extinguishing a fire including subsequent demolition or repair work;
- (c) lightning;
- (d) chemical explosion (other than explosion of flue gas in Boilers);

- (e) impact by:
  - (i) land-borne Vehicles,
  - (ii) Aircraft; or
  - (iii) Watercraft;
- (f) earthquake, tsunami, subterranean fire or volcanic eruption;
- (g) landslip, subsidence or earth movement;
- (h) storm, tempest, Flood, windstorm or cyclone;
- (i) water escaping, discharged or leaking from any source which is external to the Insured Machinery;
- (j) theft or burglary;
- (k) intentional or malicious Damage; or
- (l) the carrying out of tests involving abnormal stresses, including the intentional overloading of any Insured Item. The checking of the correct working of any Insured Item or of its safety installations is not considered to be testing or overloading within the context of this exclusion.

## Additional Benefits applicable to Parts 1 and 2

### 1. Additional items

If You hire or purchase and commission at the Premises any items similar to items already insured under this section, We will consider these items to be added to the insurance by this section, giving the same cover as for similar items already insured. Provided that:

- (a) cover for additional items shall not exceed the total Sum Insured for the items already insured under this section;
- (b) You give Us written notice within ninety (90) days of the hire or purchase and commissioning of the item(s) and pay the appropriate extra premium on a pro rata basis together with any applicable statutory charges;
- (c) the items are, as far as You are aware, suitable for service, free from material defect and in sound working condition;
- (d) the items shall not be insured until successfully commissioned and all relevant statutory provisions for inspection and certification have been fulfilled;
- (e) the Sums Insured or Limit Any One Loss and Excess as shown in the Schedule shall be the same as for similar items already insured.

### 2. Repair costs

The cost of consulting engineers' fees (excluding fees for preparing a claim) necessarily incurred with Our written consent, in the reinstatement of Insured Items of Machinery and Electronic Equipment. Provided that where the Sum Insured is exhausted We will pay an additional amount of up to \$5,000 (five thousand dollars) in respect of this Additional benefit.

### 3. Inflation protection

The Sums Insured on Insured Items of Machinery and Electronic Equipment shall at the time of loss be increased according to the consumer price index by the proportion which the number of days since the commencement of the Period of Insurance shall bear to the whole of such period.

## Conditions applicable to Parts 1 and 2

### 1. Newly installed items

At the end of each Period of Insurance You shall furnish Us with details of any items newly installed or which have been deleted during the Period of Insurance. Additional or return premiums shall be calculated corresponding to the type and value of the items and the Period of Insurance from the time of completion of the successful commissioning of the items. Provided that Our liability for all additional items will not exceed 50% (fifty percent) of the total Sums Insured or Limit Any One Loss as stated in the Schedule.

### 2. Inspection

You shall permit Us or Our representative at all reasonable times the right to inspect and examine any items insured by this section.

### 3. Claims and repair procedure

(See also General Claims Conditions - starting on page 14 of this Policy)

In the event of any Insured Damage which might give rise to a claim under this insurance You must preserve the parts affected and make them available for inspection by Us or Our representative.

Upon notification of any Insured Damage being given to Us, You may carry out repairs or make good any minor Insured Damage, but in all other cases You must give Us or Our representative an opportunity to inspect the Insured Damage before any repairs or alterations are effected. If no inspection is carried out by Us or on Our behalf within a period of time which is reasonable having regard to the situation of the risk, weather conditions and/or other relevant factors, You may proceed with such repairs or replacement.

#### **4. Due care**

Nothing contained in this section or in any other condition of this insurance will relieve You of any obligation to take such steps as are necessary to ensure that the operation of the Insured Items is at all times carried out so as to minimise the risk of any claim being made under this Section 7.

Insurance cover will cease for any Insured Item which has sustained Insured Damage and is operated unless it has been repaired properly and without delay.

#### **5. Alteration**

You shall notify Us in writing of any intended alterations of or departure from normal working conditions which You know (or a reasonable person in the circumstances could be expected to know) would materially increase the risk.

### **Definitions Applicable To Parts 1 and 2**

The following words have the following meanings for this section only. You should also refer to the General Definitions section starting on page 18 of this Policy.

**'Boilers, Pressure Vessels and Pressure Pipe Systems'** means the permanent structure of those Insured Items which are subject to internal steam, gas or fluid pressure (other than atmospheric pressure) including all direct attachments connected to the permanent structure and includes with respect to Boilers the rotating, reciprocating or electrical apparatus attached to them.

**'Dollar Excess'** means the amount specified in the Schedule that You shall first contribute towards each claim, arising out of the one occurrence.

**'Electronic Data'** means the information stored on the Electronic Data Media.

**'Electronic Data Media'** means the discs or tapes used in the computer to store the information.

**'Electronic Equipment'** means all computers, word processors including all ancillary equipment attached thereto, Software, other electronic equipment and associated air conditioning equipment as specified in the Schedule as Insured Items.

**'Excess'** for the purposes of this section, the Excess may be a Dollar Excess or a Time Excess. We will subtract the applicable Excess from the claim otherwise payable and We will then pay to You the amount of loss or damage up to the applicable Sum Insured or Limit Any One Loss.

**'Indemnity Period'** means the period beginning with the occurrence of the Insured Damage and ending no later than the number of months specified in the Schedule during which the results of the Business shall be affected in consequence of the Insured Damage.

**'Sum Insured'** the relevant sum stated opposite each Insured Item as specified in the Schedule and applies where 'Specified Items' cover has been selected.

**'Insured Damage'** means sudden and unforeseen Loss and/or Damage to an Insured Item necessitating repair or replacement to allow continuation of its use.

**'Insured Item'** means any item of Machinery or Electronic Equipment specified in the current Schedule.

**'Limit Any One Loss'** means the maximum amount We will pay for any one claim as specified in the Schedule and applies where blanket cover has been selected.

**'Machinery'** means electrical and mechanical items including electronic and other integral parts of the Insured Items including Boilers, Pressure Vessels and Pressure Pipe Systems as defined above.

**'Software'** means the collection of programs which cause a computer to perform a desired operation or series of operations.

**'Time Excess'** the number of operating days specified in the Schedule during which You must bear the loss.

# Section 8 - General & Products Liability

This section only forms part of this Policy when Section 8 - General & Products Liability is shown as covered in the Schedule.

## Insuring Clauses

### The Indemnity

We agree (subject to the terms, Conditions, Exclusions, Definitions and Limits of Liability applicable to this Section and the General Definitions, General Exclusions and General Conditions of this Policy) to pay to You or on Your behalf all amounts which You shall become legally liable to pay as Compensation in respect of:

- (a) Personal Injury; and/or
- (b) Property Damage; and/or
- (c) Advertising Injury;

happening during the Period of Insurance in connection with the Business or in connection with Your Products and/or work performed by You or on Your behalf within the Territorial Limits and caused by or resulting from an Occurrence.

### Defence Costs and Supplementary Payments

With respect to the indemnity provided by this section of this Policy, We will:

- (a) defend, in Your name and on Your behalf, any claim or suit against You alleging such Personal Injury, Property Damage or Advertising Injury and seeking damages on account thereof even if any of the allegations of such claim or suit is groundless, false or fraudulent.
- (b) pay all charges, expenses and legal costs incurred by Us and/or by You at Our written request or with Our written consent (which consent shall not be unreasonably delayed or withheld):
  - (i) in the investigation, defence or settlement of such claim or suit, including loss of salaries or wages because of Your attendance at hearings or trials at Our request; or
  - (ii) in bringing or defending appeals in connection with such claim or suit.
- (c) pay:
  - (i) all charges, expenses and legal costs recoverable from or awarded against You in any such claim or suit; and
  - (ii) pre-judgment interest awarded against You on that part of the judgment payable by Us; and
  - (iii) all interest accruing on Our portion of any judgment until We have paid, tendered or deposited in court that part of such judgment which does not exceed the limit of Our liability thereon.
- (d) pay premiums on:
  - (i) bonds to release attachments for amounts not exceeding the applicable Limit of Liability which applies to this section of this Policy but We shall have no obligation to apply for or furnish any such bond.
  - (ii) appeal bonds and/or security for costs required in any suit but We shall have no obligation to apply for or furnish any such bonds and/or security for costs.
- (e) pay expenses incurred by You for:
  - (i) rendering first aid and/or surgical and/or medical and/or therapeutic relief to others at the time of any Personal Injury (other than any medical expenses which we are prevented from paying by any law).
  - (ii) temporary protection of damaged or undamaged property of any person or party, including temporary repairs, shoring up and/or underpinning thereof.
  - (iii) purchasing and/or hiring and/or erection and dismantling of hoarding, barriers, fences and any other form of temporary protection, including such protection which You must provide in compliance with the requirements of any Government, Local Government or other Statutory Authority.
- (f) pay all legal costs incurred by You with Our consent (which consent shall not be unreasonably delayed or withheld) for representation of You at:
  - (i) any Coronial Inquest or Inquiry.
  - (ii) any proceedings in any court or tribunal in connection with liability insured against by this section of this Policy.
  - (iii) any Royal Commission or Government Enquiry arising out of any alleged breach of statutory duty, or other similar judicial enquiry into circumstances relating to any Occurrence, claim or potential claim which would be the subject of indemnity under this section of this Policy.



- (iv) any enquiry, prosecution or hearing of a disciplinary nature held before a legally constituted enquiry board, committee, licensing authority or the like.

Provided that Our liability under clauses (f) (iii) and (f) (iv) shall not exceed \$250,000 in respect of any one claim or series of claims arising out of any one Occurrence.

The amounts of such Defence Costs and Supplementary Payments incurred, except payments in settlement of claims and suits, are payable by Us in addition to the applicable Limit of Liability which applies to this section of this Policy.

However, in respect of any claims or suits originating in any court in North America, the applicable Limit of Liability shown in the Schedule shall be inclusive of all Defence Costs and Supplementary Payments.

Where We are prevented by law or otherwise from making payments on Your behalf, We will indemnify You for legal liability incurred to the extent that such liability is covered by this section of this Policy.

In jurisdictions where We may not legally be permitted to, or cannot for any other reason, defend any claim or suit against You, We will reimburse You for the expense of such defence incurred with Our written consent (which consent shall not be unreasonably delayed or withheld).

## Limits of Liability and Excess

Subject to:

- (a) General Claims Condition 11 (f) - Claims Preparation Expenses;
- (b) the Defence Costs and Supplementary Payments clause above; and
- (c) Exclusion Clause 19 (e) below;

for General Liability - the Limit of Liability specified in the Schedule represents the maximum amount which We shall be liable to pay in respect of any one claim or series of claims arising out of any one Occurrence.

For Products Liability - the Limit of Liability specified in the Schedule represents the maximum amount which We shall be liable to pay in respect of any one claim or series of claims, and in the aggregate during any one Period of Insurance.

The applicable Limit of Liability will not be reduced by the amount of any Excess payable by You.

## Optional Extension - Products Exported to North America with Your Knowledge

(Applicable only where this Optional Extension is shown as covered in the Schedule)

The cover provided by this section of this Policy is extended to include any judgment, award or settlement made within North America or any order made anywhere in the World to enforce such judgment, award or settlement either in whole or in part, subject to the following additional terms and exclusions in respect of any such judgment, award or settlement:

- (a) cover only applies in respect of Your legal liability in respect of Personal Injury and/or Property Damage that arises out of any Products exported to North America.
- (b) cover is not provided for:
  - (i) Personal Injury and/or Property Damage arising out of the discharge, dispersal, emission, release or escape of Pollutants;
  - (ii) the cost of removing, nullifying or clean-up of Pollutants;
  - (iii) the cost of preventing the escape of Pollutants;
  - (iv) Personal Injury and/or Property Damage arising directly or indirectly from the existence of asbestos;
- (c) any claim for Compensation if in North America You have:
  - (i) any assets other than Products;
  - (ii) a related or subsidiary company;
  - (iii) any person or entity with power of attorney;
  - (iv) any franchisor.

## Exclusions Applicable to Section 8

We do not cover any liability:

### 1. Advertising Injury

for Advertising Injury:

- (a) resulting from statements made at Your direction with knowledge that such statements are false.
- (b) resulting from failure of performance of contract but this exclusion shall not apply to claims for unauthorised appropriation of advertising ideas contrary to an implied contract.

- (c) resulting from any incorrect description of the price of Your Products or services.
- (d) failure of Your Products or services to conform with advertised performance, quality, fitness or durability.
- (e) incurred by any Insured whose principal occupation or business is advertising, broadcasting, publishing or telecasting.

## **2. Aircraft, Hovercraft or Watercraft**

for Personal Injury and/or Property Damage arising from:

- (a) the ownership, maintenance, operation or use by You of any Aircraft.
- (b) the ownership, operation or use by You of any Watercraft or Hovercraft exceeding ten (10) metres in length, whilst such Watercraft or Hovercraft is on, in or under water.

Provided that Exclusion 2 (b) shall not apply with regard to claims arising out of:

- (i) Watercraft used in operations carried out by any independent contractors for whose conduct You may be held liable.
- (ii) Hovercraft owned or operated by others and used by You for business entertainment.
- (iii) Watercraft owned by others and used by You for business entertainment.
- (iv) hand propelled or sailing craft exceeding eight (8) metres in length, whilst such craft is in territorial waters.

## **3. Aircraft Products**

arising out of any Products which, with Your knowledge, are intended for incorporation into the structure, machinery or controls of any Aircraft.

## **4. Asbestos**

directly or indirectly arising out of, resulting from, in consequence of, contributed to or aggravated by asbestos in whatever form or quantity.

## **5. Breach of Professional Duty**

arising out of any breach of duty owed in a professional capacity by You and/or any person(s) for whose breaches You may be held legally liable, but this Exclusion 5 shall not apply to claims:

- (a) for Personal Injury and/or Property Damage arising from such breach of duty.
- (b) arising out of the rendering of or failure to render professional medical advice by Medical Persons employed by You to provide first aid and other medical services on Your premises.
- (c) arising out of advice or service given gratuitously.
- (d) arising out of advice given in respect to the use or storage of Your Products.

## **6. Contractual Liability**

which has been assumed by You under any contract or agreement that requires You to:

- (a) effect insurance over property; either real or personal.
- (b) assume liability for Personal Injury and/or Property Damage regardless of fault; provided that this Exclusion 6 (b) will not apply with regard to:
  - (i) liabilities which would be implied by law in the absence of such contract or agreement; or
  - (ii) liabilities assumed by You under any written rental and/or lease and/or hiring agreement of real and/or personal property, other than with respect to any term or condition contained in such rental, lease and/or hiring agreement that requires You to insure such property; or
  - (iii) liabilities assumed by You under any written contract made or entered into with any authority or entity responsible for the supply of electricity, fuel, gas, natural gas, air, steam, water, sewerage reticulation control systems, waste disposal facilities, telephone and communication services or other essential services, except those contracts in connection with work done for such authorities or entities; or
  - (iv) liabilities assumed by You under any written contract with any railway authority for the loading, unloading and/or transport of Your Products, including contracts relating to the operation of railway sidings; or
- (v) terms regarding merchantability, quality, fitness or care of Your Products which are implied by law or statute; or
- (vi) liabilities assumed under the contracts specifically designated in the Schedule or in any Endorsement(s) to this Policy.

## 7. Damage to Products

for Property Damage to any Products where such damage is directly caused by a fault or defect in such Products; but this exclusion shall be interpreted to apply with respect to damage to the specific part and only that part of such Product to which the damage is directly attributable.

## 8. Electronic Data

arising out of:

- (a) the communication, display, distribution or publication of Electronic Data; provided that this Exclusion 8 (a) does not apply to Personal Injury and/or Advertising Injury arising therefrom;
- (b) the total or partial destruction, distortion, erasure, corruption, alteration, misrepresentation or misappropriation of Electronic Data;
- (c) error in creating, amending, entering, deleting or using Electronic Data;
- (d) the total or partial inability or failure to receive, send, access or use Electronic Data for any time or at all; from any cause whatsoever, regardless of any other contributing cause or Event whenever it may occur.

## 9. Employers Liability

- (a) for Bodily Injury to any Worker in respect of which You are or would be entitled to indemnity under any policy of insurance, fund, scheme or self-insurance pursuant to or required by any legislation relating to Workers' Compensation or Accident Compensation whether or not such policy, fund, scheme or self-insurance has been effected.

Provided that this section of this Policy will respond to the extent that Your liability would not be covered under any such policy, fund, scheme or self-insurance arrangement had You complied with its obligations pursuant to such law.

- (b) imposed by:

- (i) the provisions of any industrial award or agreement or determination or any contract of employment or workplace agreement where such liability would not have been imposed in the absence of such industrial award or agreement or determination or contract of employment or workplace agreement.
- (ii) any law relating to Employment Practices.

Notwithstanding Exclusion clause 6 - 'Contractual Liability', Exclusions 9 (a) and 9 (b) shall not apply with respect to liability of others assumed by the Named Insured under a written contract or agreement.

For the purposes of Exclusions 9 (b) (i) and 9 (b) (ii):

- (a) The term 'Worker' means any person deemed to be employed by You pursuant to any Workers' Compensation Law.
- (b) The term 'Bodily Injury' means bodily, injury, death, sickness, disease, illness, disability, shock, fright, mental anguish and/or mental injury, including loss of consortium or services resulting therefrom.

## 10. Faulty Workmanship

for the cost of performing, completing, correcting or improving any work undertaken by You.

## 11. Fines, Penalties, Punitive, Exemplary or Aggravated Damages

for any fines, penalties, punitive, exemplary or aggravated damages.

## 12. Libel, Slander or Defamation of Character

for libel, slander or defamation of character:

- (a) resulting from statements made prior to the commencement of the Period of Insurance.
- (b) resulting from statements made at Your direction with knowledge that such statements are false.
- (c) incurred by any Insured whose principal occupation or business is advertising, broadcasting, publishing or telecasting.

## 13. Liquidated Damages

arising out of liquidated damages clauses, penalty clauses or performance warranties except to the extent that such liability would have attached in the absence of such clauses or warranties.

## 14. Loss of Use

for loss of use of tangible property, which has not been physically lost, destroyed or damaged, directly arising out of:

- (a) a delay in or lack of performance by You or on Your behalf of any contract or agreement; or

- (b) failure of any Products or work performed by You or on Your behalf to meet the level of performance, quality, fitness or durability expressly or impliedly warranted or represented by You; but this Exclusion 14 (b) shall not apply to Your liability for loss of use of other tangible property resulting from sudden and accidental physical loss, destruction of or damage to any Products or work performed by You or on Your behalf after such products or work have been put to use by any person or organisation other than You.

#### 15. Pollution

- (a) for Personal Injury and/or Property Damage directly or indirectly caused by or arising out of the discharge, dispersal, release, seepage, migration or escape of any Pollutants into or upon land, the atmosphere or any water course or body of water.
- (b) for any costs and expenses incurred in preventing the discharge, dispersal, release, seepage or escape of, or testing and monitoring for, containing, removing, nullifying, or cleaning up of, any Pollutants. Provided that, with respect to any such liability which may be incurred anywhere other than North America, Exclusions 15 (a) and 15 (b) shall not apply where such discharge, dispersal, release, seepage, migration or escape is caused by a sudden, identifiable, unintended and unexpected Event from Your standpoint which takes place in its entirety at a specific time and place.

#### 16. Product Guarantee

for any Products warranty or guarantee given by You or on Your behalf, but this exclusion shall not apply to the requirements of any Federal or State legislation as to product safety and information.

#### 17. Product Recall

for damages, costs or expenses arising out of the withdrawal, recall, inspection, repair, reconditioning, modification, reinstallation, replacement or loss of use of any Products where such Products are withdrawn or recalled from the market or from use by the Named Insured because of any known, alleged or suspected defect or deficiency in such Products.

#### 18. Property Owned by You

for Property Damage to property owned by You.

#### 19. Property in Your Care, Custody or Control

for Property Damage to property in Your physical or legal care, custody or control; but this exclusion shall not apply with regard to:

- (a) the personal property, tools and effects of any of Your directors, partners, proprietors, officers, executives or Employees, or the clothing and personal effects of any of Your visitors.
- (b) premises or part(s) of premises (including their contents) leased or rented to, or temporarily occupied by, You for the purpose of Your Business, provided that the liability does not arise from Your failure to insure such premises or property as required by any lease or rental agreement.
- (c) (i) premises (and/or their contents) temporarily occupied by You for the purpose of carrying out work in connection with the Business; or  
(ii) any other property temporarily in Your possession for the purpose of being worked upon; but no indemnity is granted for Property Damage to that part of any property upon which You are or have been working if the damage arises solely out of such work.
- (d) any Vehicle (including its contents, spare parts and accessories while they are in or on such Vehicle) not belonging to or used by You, whilst any such Vehicle is in a car park owned or operated by You; provided that You do not operate the car park for reward, as a principal part of Your Business.
- (e) Notwithstanding Exclusion clause 6 - 'Contractual Liability', any property (except property that You own) not mentioned in clauses 19 (a) to 19 (d) above whilst in Your physical or legal care, custody or control whether or not You have accepted or assumed legal liability for such property. Provided that Our liability under this clause 19 (e) shall not exceed \$250,000 in respect of any one claim or series of claims arising out of any one Occurrence.

#### 20. Vehicles

for Personal Injury and/or Property Damage arising out of the ownership, possession or use by You of any Vehicle:

- (a) which is registered or which is required under any legislation to be registered; or
- (b) in respect of which compulsory liability insurance or statutory indemnity is required by virtue of legislation (whether or not that insurance is effected).

But Exclusions 20 (a) and 20 (b) shall not apply to:

- (i) Personal Injury where:

- (a) that compulsory liability insurance or statutory indemnity does not provide indemnity; and
  - (b) the reason or reasons why that compulsory liability or statutory indemnity does not provide indemnity do not involve a breach by You of legislation relating to Vehicles.
- (ii) any Vehicle (including any tool or plant forming part of or attached to or used in connection with such vehicle) whilst being operated or used by You or on Your behalf as a Tool of Trade at Your premises or on any Worksite.
  - (iii) the delivery or collection of goods to or from any Vehicle.
  - (iv) the loading or unloading of any Vehicle.
  - (v) damage to any bridge, weighbridge or road, or anything beneath such bridge, weighbridge or road, caused by the weight of such Vehicle or of the load carried thereon or therein.
  - (vi) any Vehicle temporarily in Your custody for the purpose of parking.
  - (vii) Property Damage caused by or arising out of the movement of any Vehicle (which is required to be Conditionally Registered in accordance with the law of any State or Territory in Australia) in the event of Your inadvertent and unintentional failure to effect Conditional Registration.

## Conditions Applicable to Section 8

### 1. Notification of Occurrence, Claim or Suit

You shall give:

- (c) written notice to Us, as soon as reasonably practicable, of any claim made against You or any Occurrence that may give rise to a claim being made against You and which is covered by this section of this Policy.
- (d) all such additional information that We may reasonably require and every demand, writ, summons, proceedings, impending prosecution or inquest and all documents relating to the claim or Occurrence shall be forwarded to Us as soon as practicable after they are received by You.
- (e) written notice (including facsimile transmission) must be given to Us via Your insurance broker or adviser.

### 2. Your Duties in the event of an Occurrence, Claim or Suit

- (a) You shall not, without Our written consent (which consent shall not be unreasonably delayed or withheld), make any admission, offer, promise or payment in connection with any Occurrence or claim.
- (b) You shall use the best endeavours to preserve all property, products, appliances, plant, and all other things which may assist in the investigation or defence of a claim or suit or in the exercise of rights of subrogation and, so far as may be reasonably practicable, no alteration or repair shall be effected without Our consent until We have had an opportunity of inspection.
- (c) You shall, when so requested, provide Us with details of any other insurances current at the time of any Occurrence, and/or Personal Injury and/or Property Damage and/or Advertising Injury and covering any of the liability insured by this Policy.

### 3. Our Rights Regarding Claims

- (a) Following the happening of any Occurrence in respect of which a claim is, or may be, made under this section of this Policy, We shall have full discretion in the conduct of any proceedings in connection with any claim. You shall give such information and assistance that We may reasonably require in the prosecution, defence or settlement of any claim.
- (b) We may at any time pay to You, in respect of all claims against You arising directly or indirectly from one source or original cause:
  - (i) the amount of the Limit of Liability or such other amount specified in respect thereof (after deduction of any sum(s) already paid by Us, which sum(s) would reduce the amount of Our unfulfilled liability in respect thereof); or
  - (ii) any lesser sum for which the claim(s) can be settled.
- (c) Upon making such payment, We shall relinquish conduct and control of, and be under no further liability under this Policy in connection with, such claim(s) except for Defence Costs and Supplementary Payments:
  - (i) recoverable from You in respect of the period prior to the date of such payment (whether or not pursuant to an order made subsequently); or
  - (ii) incurred by Us, or by You with Our written consent, prior to the date of such payment.

### 4. Foreign Currency

If You incur liability to settle any claim for an amount stated in the local currency of any country or territory outside

Australia, where an award is made or a settlement is agreed upon, then, the amount payable by Us shall be the value of such award or settlement together with costs awarded or payable to any claimant converted to Australian Dollars at the cash rate of exchange published in the Australian Financial Review on the date the award was made or settlement was agreed upon; subject always to the applicable Limit of Liability.

#### **5. Adjustment Of Premium**

If the first premium or any renewal premium for this section of this Policy or any part thereof shall have been calculated on estimates provided by You, You shall keep an accurate record containing all particulars relative thereto and shall at all reasonable times allow Us to inspect such record.

You shall, where requested by Us after the expiry of each Period of Insurance, provide to Us such particulars and information as We may require as soon as reasonably practicable. The premium for such period shall thereupon be adjusted and any difference paid by or allowed to You, as the case may be, subject to retention by Us of any minimum premium that may have been agreed upon between Us and You at inception or the last renewal date of this section of this Policy.

#### **6. Alteration Of Risk**

Every change which substantially varies any of the material facts or circumstances existing at the commencement of each Period of Insurance, that shall come to the knowledge of Your officer responsible for insurance matters, shall be notified to Us as soon as reasonably practicable thereafter and You shall (if so requested) pay such reasonable additional premium as We may require.

#### **7. Breach of Condition or Warranty**

Your rights under this section of this Policy shall not be prejudiced by any unintentional and/or inadvertent:

- (a) breach of a condition or warranty without Your knowledge or consent; or
- (b) error in the name or title of any person(s), corporation and/or other organisation which forms part of the definition of 'You', 'Your', 'Insured'; or
- (c) error in name, description or situation of property; or
- (d) failure to report any property and/or entity and/or insurable exposure in which You have an interest.

Provided always that, upon discovery of any such fact or circumstances referred to above, Your officer responsible for insurance matters shall give written notice thereof to Us as soon as reasonably practicable thereafter and You shall (if so requested) pay such reasonable additional premium that We may require.

#### **8. Inspection and Audit**

We shall be permitted, but not obligated, to inspect Your premises and operations at any reasonable time.

Neither Our right to make inspections, nor Our failure to make inspections, nor the making of inspections, nor any report of an inspection shall constitute an undertaking, on behalf of or for the benefit of You or others, to determine or warrant that such premises or operations are safe or healthful or are in compliance with any law, rule or regulation.

We may examine and audit Your books and records at any time during the currency of this section of this Policy and within three (3) years after the final termination of this section of this Policy but only with regard to matters which in Our opinion are relevant to this section of this Policy.

#### **9. Reasonable Precautions**

You must:

- (a) exercise reasonable care that only competent Employees are employed and take reasonable measures to maintain all premises, fittings and plant in sound condition.
- (b) take reasonable precautions:
  - (i) to prevent Personal Injury and/or Property Damage or Advertising Injury.
  - (ii) to prevent the manufacture, sale or supply of defective Products.
- (c) to comply with all statutory obligations, by-laws or regulations imposed by any public authority for the safety of persons or property.
- (d) at Your own expense take reasonable action to trace, recall or modify any Products containing any defect or deficiency which defect or deficiency You have knowledge of or have reason to suspect.

#### **10. Release**

Where You are required by contractual agreement to release any Government or Public or Local Authority or other Statutory Authority or any landlord or any other persons or parties from liability for loss, destruction or damage or legal liability insured against under this section of this Policy, such release is allowed without prejudice to this insurance.

We agree to waive all Our rights of subrogation against any such Authority or persons or parties in the event of any Occurrence for which a claim for indemnity may be made under this section of this Policy.

## 11. Severability and Cross Liability

This section of this Policy, including any amendment, renewal or variation or Endorsement to or of it, shall be construed as if each person, corporation, entity or other organisation entitled to claim on it, whether a party to the contract of insurance or not, had made a proposal, application or request for this section of this Policy, or amendment, or renewal, or variation or Endorsement, in respect of their interest only. Further any information or knowledge possessed by a person, corporation, entity or other organisation entitled to claim on this section of this Policy, whether possessed before or after the contract was entered into, shall not be imputed to any other person, corporation, entity or other organisation.

We will not seek any relief whatsoever (including cancellation of this section of this Policy) for non-disclosure or misrepresentation or both against a person, corporation, entity or other organisation entitled to claim under this section of this Policy unless We would have been entitled to that relief had the person claiming been the only person covered by this section of this Policy.

Further neither the inclusion of more than one Insured under this section of this Policy nor any act, omission, breach or default by an Insured shall in any way affect the rights of any other Insured, it being intended that this section of this Policy should be construed as if a separate contract of insurance had been entered into by each Insured; but not so as to increase Our liability under this section of this Policy.

## 12. Subrogation and Allocation of the Proceeds of Recoveries

Subject to Condition 13 'Subrogation Waiver', any corporation, entity, organisation or person claiming under this insurance shall, at Our request and at Our expense, do and concur in doing and permit to be done all such acts and things that may be necessary or may reasonably be required by Us for the purpose of enforcing any rights and remedies, or for obtaining relief or indemnity from any other organisation(s) or person(s), to which We shall be or would become entitled upon Us paying for or indemnifying You in respect of legal liability under this insurance.

Should You incur any legal liability which is not covered by this insurance:

- (a) due to the application of an Excess; and/or
- (b) where the amounts of any judgments or settlements exceed the applicable Limit of Liability;

You will be entitled to the first call on the proceeds of all recoveries made, by either You or Us, on account of such legal liability until fully reimbursed for such uninsured amount or amounts (less the actual costs of making such recoveries where those costs are incurred by Us) and any remaining amount(s) will be applied to reimburse Us.

## 13. Subrogation Waiver

Notwithstanding Condition 12, We hereby agree to waive all Our rights of subrogation under this section of this Policy against:

- (a) each of the parties described under Definition 20 ('You', 'Your', 'Insured').
- (b) any corporation, organisation or person which or who owns or controls the majority of the capital stock of any corporation or organisation to which or to whom protection is afforded under this section of this Policy. Where such corporation, organisation or person is protected from liability insured against hereunder by any other policy of indemnity or insurance, Our right of subrogation is not waived to the extent and up to the amount of such other policy.

## Definitions applicable to Section 8

The following words have the following meanings for this section only. You should also refer to the General Definitions section starting on page 18 of this Policy.

### 1. 'Advertising Injury' means:

Injury arising out of:

- (a) libel, slander or defamation of character; or
- (b) any breach of the misleading or deceptive conduct provisions of the Competition and Consumer Act 2010 (Commonwealth) or Schedule 2 to the Competition and Consumer Act 2010 (The Australian Consumer Law) or any Fair Trading or similar legislation of any country, state or territory; or
- (c) any infringement of copyright or passing off of title or slogan; or
- (d) unfair competition, piracy, misappropriation of advertising ideas or style of doing business; or
- (e) invasion of privacy;

committed or alleged to have been committed during the Period of Insurance in any advertisement, publicity article, broadcast or telecast and caused by or arising out of Your advertising activities.

### 2. 'Business' means:

the business as described in the Schedule and/or as further described in any more specific underwriting information provided to Us, at the time when this insurance was proposed to Us or at the time of any renewal of this section of this Policy, and shall also include:

- (a) any prior operations or activities which have ceased or have been disposed of but for which You may retain a legal liability.
- (b) the ownership of premises and/or the tenancy thereof by You.
- (c) the maintenance or repair of Your premises or facilities or property for which such responsibility exists.
- (d) participation in any exhibition by You or on Your behalf.
- (e) the hire or loan of plant and/or equipment to other parties.
- (f) conducted tours of Your premises.
- (g) the provision of any sponsorships, charities, galas, security, first aid, medical, ambulance or firefighting services by You or on Your behalf.
- (h) private work undertaken by Your Employees for any of Your directors, partners, proprietors, officers or executives.
- (i) the provision and/or management of any canteen, social and/or sporting clubs or educational, welfare and/or child care facilities by You or on Your behalf, which are primarily for the benefit of Your Employees.

**3. 'Compensation' means:**

monies paid or agreed to be paid by judgment, award or settlement in respect of:

- (a) Personal Injury; or
- (b) Property Damage; or
- (c) Advertising Injury.

Provided that such Compensation is only payable in respect of an Occurrence to which this insurance applies.

**4. 'Electronic Data' means:**

facts, concepts and information converted to a form useable for communications, display, distribution, interpretation or processing by electronic and electromechanical data processing or electronically controlled equipment and includes programs, software and other coded instruction for such equipment.

**5. 'Employee' means:**

any person who is employed by You or in respect of whom You are required to have cover for compensation under any relevant workers' compensation act or ordinance.

**6. 'Employment Practices' means:**

any wrongful or unfair dismissal, denial of natural justice, defamation, misleading representation or advertising, harassment or discrimination directly related to employment by the Insured.

**7. 'Excess' means:**

the first amount of each claim or series of claims arising out of any one Occurrence for which You are responsible.

The Excess(es) applicable to this section of this Policy appear in the Schedule.

The Excess(es) applies to all amounts for which We will be liable, including the indemnity provided by the Defence Costs and Supplementary Payments clause of this section.

**8. 'General Liability' means:**

Your legal liability in respect of Personal Injury and/or Property Damage or Advertising Injury caused by or arising out of an Occurrence happening in connection with the Business other than Products Liability.

**9. 'Medical Persons' includes but is not limited to:**

medical practitioners, medical nurses, dentists and first aid attendants.

**10. 'Named Insured' means:**

- (a) the person(s), corporations and/or other organisations specified in the Schedule as "The Named Insured";
- (b) all existing subsidiary and/or controlled corporations (including subsidiaries thereof) of The Named Insured incorporated in Australia and/or any other organisations under the control of The Named Insured;
- (c) all subsidiary and/or controlled corporations (including subsidiaries thereof) of The Named Insured and/or any other organisations under the control of The Named Insured incorporated in Australia and which are constituted or acquired by The Named Insured during the Period of Insurance.
- (d) every subsidiary and/or controlled corporation and/or other organisation of The Named Insured which is divested during the Period of Insurance, but only in respect of claims made against such divested subsidiary or controlled corporation or organisation caused by or arising out of Occurrences insured against by this section of this Policy, which occurred prior to the date of divestment.



**11. 'North America' means:**

- (a) the United States of America and the Dominion of Canada;
- (b) any state, territory or protectorate incorporated in, or administered by, the United States of America or the Dominion of Canada; and
- (c) any country or territory subject to the laws of the United States of America or the Dominion of Canada.

**12. 'Occurrence' means:**

an event, including continuous or repeated exposure to substantially the same general conditions, which results in Personal Injury and/or Property Damage or Advertising Injury that is neither expected nor intended (except for the matters set out in clause 13 (e) from Your standpoint.

With respect to Personal Injury and/or Property Damage, all events of a series consequent upon or attributable to one source or original cause shall be deemed to be one Occurrence.

All Advertising Injury arising out of the same injurious material or act (regardless of the frequency or repetition thereof, the number and kind of media used, or the number of claimants) shall be deemed to be one Occurrence.

**13. 'Personal Injury' means:**

- (a) bodily injury, death, sickness, disease, illness, disability, shock, fright, mental anguish and/or mental injury, including loss of consortium or services resulting therefrom;
- (b) false arrest, false imprisonment, wrongful detention, wrongful entry, wrongful eviction, malicious prosecution or humiliation;
- (c) libel, slander, defamation of character or invasion of privacy, unless arising out of Advertising Injury;
- (d) discrimination as a result of race, religion, sex, marital status, age, intellectual impairment, disability or otherwise (unless insurance thereof is prohibited by law) not committed by You or at Your direction, but only with respect to liability other than fines and penalties imposed by law;
- (e) assault and battery not committed by You or at Your direction, unless committed for the purpose of preventing or eliminating danger to persons or property.

In the event of Personal Injury claims arising from latent injury, latent sickness, latent disease, latent illness or latent disability: such injury, sickness, disease, illness or disability in respect of each claim shall be deemed to have occurred on the day such injury, sickness, disease, illness or disability was first medically diagnosed.

**14. 'Products' means:**

anything manufactured, constructed, erected, assembled, installed, grown, extracted, produced or processed, treated, altered, modified, repaired, serviced, bottled, labelled, handled, sold, supplied, re-supplied or distributed, imported or exported, by You or on Your behalf (including Your predecessors in the Business), including any packaging or containers thereof, including the design, formula or specification, directions, markings, instructions, advice or warnings given or omitted to be given in connection with such products and anything which, by law or otherwise, You are deemed to have manufactured in the course of the Business including discontinued products.

Provided always that for the purpose of this insurance the term "Products" shall not be deemed to include:

- (a) food and beverages supplied by You or on Your behalf primarily to Your Employees as a staff benefit;
- (b) any vending machine or any other property rented to or located for use of others but not sold by You;

and any claims made against You in respect of Personal Injury and/or Property Damage arising out of any Occurrence in connection therewith shall be regarded as General Liability claims hereunder.

**15. 'Products Liability' means:**

Your legal liability in respect of Personal Injury and/or Property Damage caused by or arising out of any Products or the reliance upon a representation or warranty made at any time with respect to such products; but only where such Personal Injury and/or Property Damage occurs away from premises owned or leased by or rented to You and after physical possession of such products has been relinquished to others.

**16. 'Property Damage' means:**

- (a) physical loss, destruction of or damage to tangible property, including the loss of use thereof at any time resulting therefrom; and/or
- (b) loss of use of tangible property which has not been physically lost, destroyed or damaged; provided that such loss of use is caused by or arises out of an Occurrence.

**17. 'Territorial Limits' means:**

- (a) anywhere in the World except North America.
- (b) North America, but only with respect to:
  - (i) overseas business visits by any of Your directors, partners, officers, executives or Employees, who are non-resident in North America, but not where they perform manual work in North America.
  - (ii) Products exported to North America without Your knowledge.

**18. 'Tool of Trade' means:**

a Vehicle that has tools, implements, machinery or plant attached to or towed by the Vehicle and is being used by You at Your premises or on any Worksite. Tool of Trade does not include any Vehicle whilst travelling to or from a Worksite or Vehicles that are used to carry goods to or from any premises.

**19. 'Worksite' means:**

any premises or site where any work is performed for and/or in connection with the Business together with all areas surrounding such premises or site and/or all areas in between such premises or site that You shall use in connection with such work.

**20. 'You', 'Your', 'Insured'**

Each of the following is an Insured to the extent specified below:

- (a) the Named Insured.
- (b) every past, present or future director, stockholder or shareholder, partner, proprietor, officer, executive, Employee or volunteer of the Named Insured (including the spouse or any family member of any such person while accompanying such person on any commercial trip or function in connection with the Business) while such persons are acting for or on behalf of the Named Insured and/or within the scope of their duties in such capacities.
- (c) any employee superannuation fund or pension scheme managed by or on behalf of the Named Insured, and the trustees and the directors of the trustee of any such employee superannuation fund or pension scheme which is not administered by corporate fund managers.
- (d) every principal in respect of the principal's liability arising out of:
  - (i) the performance by or on behalf of the Named Insured of any contract or agreement for the performance of work for such principal, but only to the extent required by such contract or agreement and in any event only for such coverage and Limits of Liability as are provided by this section of this Policy.
  - (ii) any Products sold or supplied by the Named Insured, but only in respect of the Named Insured's own acts or omissions in connection with such products and in any event only for such coverage and Limits of Liability as are provided by this section of this Policy.
- (e) every person, corporation, organisation, trustee or estate to whom or to which the Named Insured is obligated by reason of any law, agreement or permit (whether written or implied) to provide insurance such as is afforded by this Policy, but only to the extent required by such law, agreement or permit and in any event only for such coverage and Limits of Liability as are provided by this section of this Policy.
- (f) every officer, member, Employee or voluntary helper of the Named Insured's canteen, social and/or sporting clubs, security, first aid, medical, ambulance or firefighting services, charities, educational, welfare and/or child care facilities, while acting in their respective capacities as such.
- (g) any director, partner, proprietor, officer or executive of the Named Insured in respect of private work undertaken by the Named Insured's Employees for such person and any Employee whilst actually undertaking such work.
- (h) the estates, legal representatives, heirs or assigns of:
  - (i) any deceased or insolvent persons, or
  - (ii) persons who are unable to manage their own affairs by reason of mental disorder or incapacity, who would otherwise be indemnified by this section of this Policy, but only in respect of liability incurred by such persons as described in clauses 20 (h) (i) and 20 (h) (ii) above.
- (i) any joint venture companies and partnerships to whom the Named Insured is obligated by virtue of any contract or agreement to provide insurance such as is afforded by this section of this Policy; but only to the extent required by such contract or agreement and in any event only for such coverage and Limits of Liability as are provided by this section of this Policy.